

LEARN HOW TO



**EXPLAIN
DEFERRED INTEREST**

Deferred Interest Learning Guide

Thousands of retailers and health care providers use Synchrony deferred interest promotional financing to help their customers get what they really want and need. For many store associates and managers, the concept of deferred interest promotional financing may be a new one. Or for employees with more experience, this might be the perfect time for a quick refresher on what deferred interest promotional financing is, how it works, and how to talk with customers about it.

This easy-to-use guide explains deferred interest promotional financing in simple, everyday language. The goal is for associates and managers to feel more confident about their deferred interest knowledge, and to help have accurate, successful customer conversations!

HERE IS WHAT YOU WILL FIND IN THIS GUIDE:

- 5 Things to Know/Say About Deferred Interest
- What to Say/What NOT to Say
- How and Where to Direct Customers for More Information
- How to Utilize Payment Estimator Tools (if applicable)
- For Managers: How to Supervise/Coach Employees When They Talk About Deferred Interest with Customers
- Additional Tips
- A Knowledge Check



5 Things to Know About Deferred Interest

These are the key concepts about deferred interest promotional financing. All employees should understand and be able to share these 5 things with customers:

- 1 Deferred interest promotional financing is just as it sounds: when a customer uses this type of financing on a purchase, interest accrues (adds up) **from the purchase date** but *is deferred to the end of the promotion period* (ex. 12 months).
- 2 Deferred interest promotional financing DOES NOT mean deferred payments.
- 3 With deferred interest promotional financing, a customer must make minimum monthly payments.
- 4 *The required minimum payment*, shown on a customer's billing statement, will typically NOT pay off the full purchase within the *promo period*. A customer can choose to pay more every month to pay off the balance within the promo period (ex. 12 months) and avoid paying interest.
- 5 If the customer **doesn't pay off the purchase in full**, by the end of the agreed-to promo period (ex. 12 months), then the interest that has accrued from the **date of purchase** **WILL be added** to the remaining balance.



What to Say VS What NOT to Say About Deferred Interest Promotional Financing

What deferred interest IS:

-  Deferred interest promotional financing is just as it sounds: when a customer uses this type of financing on their purchase, interest accrues (adds up) **from the purchase date** but is *deferred to the end of the promotion*.
-  This type of financing requires *minimum monthly payments* that start right away. The payments are not deferred.
-  The required *minimum monthly payments* typically will NOT pay off the full purchase, within the promo period. Although customers must make minimum monthly payments, they can choose to pay more every month to pay the promotional balance within the promo period (ex. 12 months) in order to avoid paying interest.
-  A type of promotional financing that allows a customer to pay no interest ONLY IF they pay off their full purchase, within the agreed-to *promo period* (ex. 12 months).
-  If the customer **does not pay off the purchase in full**, by the end of the agreed-to promo period (ex. 12 months), then the interest that has accrued from the **date of purchase** **WILL be added** to the remaining balance.

What deferred interest is NOT:

-  “Deferred payments” financing
Why: A customer must make minimum monthly payments during the promo period (ex. 12 months).
-  “No interest” financing
Why: Interest will be charged **from the purchase date** if the promo balance is not paid in full within the promo period (ex. 12 months).
-  “Buy now, pay later” financing
Why: Buy now, pay later is a way to describe short-term fixed payment loans.
-  “No payments” financing
Why: *Minimum monthly payments are required* and typically will NOT pay off the full purchase, within the promo period. A customer could choose to make suggested equal monthly payments, which are larger, to help pay off the balance during the promo period (ex. 12 months).
-  “Reduced APR/lower interest” financing
Why: The customer pays NO interest IF they pay off their promotional purchase by the end of the promo period.

How to Direct a Customer to More Information About Deferred Interest

The Synchrony credit application and the terms and conditions have important details about the deferred interest promotional financing.

IF the store has a *customer brochure* that covers credit and financing:

“If you want to know more about how deferred interest promotional financing works, I have a brochure for you that explains it in detail...”

IF the store has a *poster/sign with a QR code* to access deferred interest promotional financing content:

“If you want to know more about how deferred interest promotional financing works, just bring your phone to this poster, and aim the camera at this QR code. You’ll get a link to more information.”

IF the store has *signage or posters from Synchrony* that shows the disclosures for deferred interest promotional financing:

“If you want to know more about how deferred interest promotional financing works, you can check out this sign for more details...”

IF the store doesn’t have any of these, employees can direct customers to [MySynchrony.com](https://www.mysynchrony.com) (or another appropriate website):

“If you need more information about deferred interest promotional financing, here is a website with details.”

NOTE: It is important that customers have details on their deferred interest promotional financing *before* you complete the transaction, and they must agree to the terms. Provide the terms to them in writing (brochure or other material) or electronically (partner device/pin pad or customer device/phone.)

You may also direct customers to the Synchrony deferred interest online portal at <https://www.mysynchrony.com/deferred-interest.html>

Payment Estimators and Deferred Interest

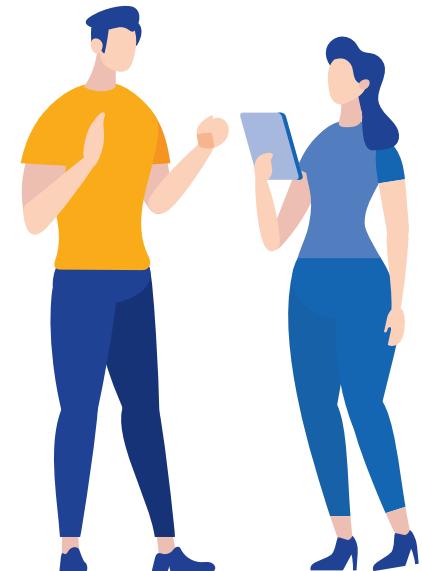
If your store uses a payment estimator tool, it must be provided or approved by Synchrony. Payment estimators allow the customer to get detailed information about deferred interest promotional financing, including important details about estimated monthly payments.

What associates should know about payment estimators:

- The monthly payment amount shown on a payment estimator assumes there are **no other balances** on a customers' account at any time during the promotional period, and they make their payments on time.
- If the customer has additional balances on their account anytime during the promotional period, their **minimum monthly payment** may be **higher** or **different** than what's shown on the payment estimator.
- The **monthly payment** shown on the payment estimator may be different than what they see on their **billing statement**.
- The customer must **always** pay off the purchase within the promotional period (ex. 12 months) to avoid interest charges on the purchase, otherwise interest will be charged on the purchase from the purchase date.

What associates can share with customers:

- A Synchrony provided or approved payment estimator tool.
- Associates may share a QR code or brochure (if applicable) with a customer to provide information on how deferred interest financing works.
- If customers have questions about their balance(s), they should contact Synchrony customer service.



SUPERVISING EMPLOYEES:

Offering Deferred Interest Promotional Financing to Customers

If your employees share information about deferred interest financing with customers, it's important they do it accurately. As a manager, you can help employees feel confident about the 5 things to know about deferred interest. Encourage them not to try to answer additional questions, but refer customers to other materials, like signage or brochures. This checklist can help you observe and track employee performance, and coach as needed.

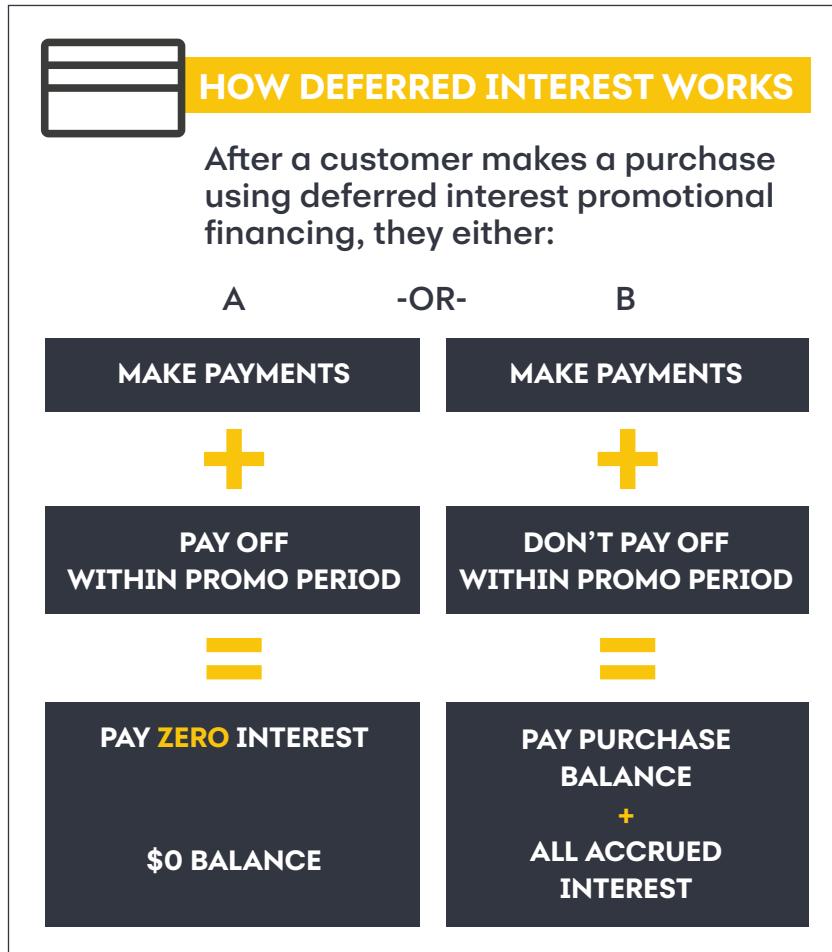
If the employee shared information on deferred interest promotional financing, did they **correctly** mention any or all of these points:

- You have deferred interest promotional financing available.
- Deferred interest promotional financing is just as it sounds: when a customer uses this type of financing on a purchase, interest accrues (adds up) **from the purchase date** but is *deferred to the end of the promotion period* (ex. 12 months).
- Deferred interest promotional financing DOES NOT mean deferred payments.
- With deferred interest promotional financing, a customer must make minimum monthly payments
- The required minimum monthly payments typically will NOT pay off the full purchase, within the promo period. Although customers must make minimum monthly payments, they can choose to pay more every month to pay the promotional balance within the promo period (ex. 12 months) in order to avoid paying interest.*
- If the customer **doesn't pay off the purchase in full**, by the end of the agreed-to promo period (ex. 12 months), then the interest that has accrued from the date of purchase **WILL be added** to the remaining balance.
- Did the employee provide information without errors, misleading information or going "off script?"
- If the employee gave details about the deferred interest promotional financing, did they do so *before* they completed the transaction (ex. in writing or on a pin pad); and did the customer agree to the terms?

Managers: If you have signage in your store that mentions deferred interest, ensure it is correct and up-to-date.

Additional Tips

This helpful graphic explains the two paths a customer could take after making a purchase with deferred interest promotional financing. It can help explain how deferred interest works.



MORE TIPS:

- If a store associate is asked a question they can't confidently and correctly answer about deferred interest promotional financing, have a process in place. For example, they should point to in-store signage, a brochure (if applicable), or details on the credit application.
- Encourage store associates to "stick to the script" around deferred interest promotional financing. Use the information in 5 things to know. Don't introduce the possibility of giving a customer incorrect or confusing information by getting creative in the conversation.
- Ensure store managers and associates have had recent training on deferred interest promotional financing. Utilize your applicable learning sites and other training tools.
- If you need more information on deferred interest promotional financing, contact your Synchrony representative.



Knowledge Check Questions

Q1 Deferred interest promotional financing is:

- a) Just as it sounds: when a customer uses this type of promotional financing on their purchase, interest is accruing (adding up) **from the purchase date** but is deferred to the end of the promotion.
- b) The same as deferred payments.
- c) Financing with minimum monthly payments that will *always* pay off the purchase within the promo period (ex. 12 months).
- d) Promotional financing that if the customer does **not** pay off the purchase in full, by the end of the agreed-to promo period (ex. 12 months), they will **not** pay interest.

Q2 **True or False** – When giving monthly payments information on a deferred interest promo purchase to a customer, take the total amount of their purchase and divide by the number of months in the promotional period (ex. 12 months). You should just guess how much the payments should be. *(NOTE: Use approved payment estimator tools, instead.)*

Q3 **True or False** – If a customer wants promotional financing that allows them to *never* pay interest, deferred interest is always the best choice. *(NOTE: With some other types of promotional financing, like equal payments/no interest, customers will never pay interest.)*

Q4 Which two answers are correct about deferred interest promotional financing:

- a) Customers can make monthly payments or skip them.
- b) Minimum monthly payments are shown on the customer's monthly statements.
- c) Customers may need to pay more each month to pay off their purchase within the promo period.
- d) Minimum monthly payments are never more than \$10.00.

Q5 What must a customer know about deferred interest promotional financing:

- a) If they do not pay off their purchase, in full, by the end of the promotion period (ex. 12 months), all the interest that has been adding up **from the purchase date** will be added to their balance.
- b) Deferred interest is only offered on very large purchases.
- c) If their neighbor likes deferred interest, they will too.
- d) They should never read fine print and disclosures.

Q6 The customer must receive details about their deferred interest promotional financing before the sale and:

- a) Pay cash.
- b) Purchase accessories.
- c) **Agree to the terms.**
- d) None of these.



CHANGING WHAT'S POSSIBLE™

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