



**NAM'S MINIMUM STANDARDS OF  
PROCEDURAL FAIRNESS FOR CONSUMER ARBITRATIONS**  
*(Effective November 6, 2009)*

NAM will administer Consumer Arbitration cases<sup>1</sup> only if they meet the following Minimum Standards for Procedural Fairness.

**NAM'S MINIMUM STANDARDS ARE AS FOLLOWS:**

1. The pre-dispute clause in the arbitration agreement must be reciprocal such that the clause is binding on all parties.
2. The contract arbitration clause must be clear in order for the Consumer to have proper notice. The clause should be separated from the other contract language. Such language may be emphasized by a box, larger typeface, color, boldface, italics, or any combination thereof, to give the Consumer proper notice of its existence.
3. The provision must provide the Consumer with full and accurate information regarding the ADR provider and it must set forth a reasonable means by which the Consumer may obtain additional information regarding procedures, rules and fees.
4. The Arbitrator(s) must be neutral and the Consumer must have the opportunity to access a reasonable forum.
5. The arbitration provision or procedures must not discourage the use of counsel.
6. With respect to the cost of the arbitration, it must be at a reasonable cost to the Consumer based on the circumstances of the dispute, the size and nature of the claim.
7. The arbitration provision must allow for the free exchange of non-privileged information relevant to the dispute.

*These guidelines are not a substitute for any applicable rules and procedures under arbitration clauses meeting these requirements.*

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<sup>1</sup> NAM considers Consumer cases to be those in which the business has a standardized, systematic application of arbitration clauses with customers and there is minimal, if any, negotiation between the parties as to the procedures or other terms of the arbitration clause. A Consumer is defined as an individual who seeks or acquires any goods or services, primarily for personal, family, or household purposes. These standards do not apply to the use of arbitration in resolving disputes arising from commercial transactions between a lender and commercial borrowers or a company and commercial customers or other financial services such as investment and real estate transactions. Nor do they apply if the agreement to arbitrate was negotiated by the individual Consumer and the company.