

Westlake

FINANCIAL SERVICES

®

PROGRAM GUIDELINES
2012

Standard Guidelines

The Standard Program is our cornerstone program that offers the ability to structure and get a deal approved for most customers that walk through your door. Benefits Include:

- On-the-spot approval
- No minimum FICO
- Hard-to-prove incomes
- Previous repossessions- No problem!

Also, it is important to note that a one-payment recourse will apply for all Standard program deals.

STIPULATION REQUIREMENTS

Customer Stips	
<ul style="list-style-type: none"> • Proof of Income • Proof of Insurance • Driver License • Proof of Social Security Number 	<ul style="list-style-type: none"> • 10 References • Proof of Residence • Proof of "Yes," if scored as such • Landline/Cell phone bill

***** MUST MEET WESTLAKE POLICIES (see Westlake policies) *****
***** STIPS CANNOT BE OLDER THAN 30 DAYS FROM THE CONTRACT DATE*****

BASIC GUIDELINES:

- No minimum FICO
- Maximum loan amount - \$25,000
- No minimum amount financed
- No minimum residence time
- No maximum mileage
- Maximum vehicle model age - 14
- No minimum income
- No minimum job time
- Bankruptcies OK (see BK Policy)

It is the dealer's responsibility to verify all of the information before submitting a deal. If there are any questions or doubts, do not hesitate to call your representative who is available to help you make deals!

Policies and stipulations can change without warning. We reserve the right to negate any deal for any reason, please use common sense when submitting a deal. We firmly believe in the "Win, Win" philosophy. Thank you!



Titanium Guidelines

Titanium is Westlake’s prime program. Titanium offers competitive rates and terms for qualified customers. Benefits include:

- A.P.R. as low as 5.99%
- Multiple autos OK
- Up to 72 month term
- Reasonable FICO requirements

STIPULATION REQUIREMENTS

Customer Stips	
<ul style="list-style-type: none"> • Copy of Original Credit Release Form • Agreement to Furnish Insurance • Driver License 	<ul style="list-style-type: none"> • Minimum of 4 References • Proof of Income • Proof of “Yes,” if scored as such

BASIC GUIDELINES:

- Minimum FICO – 660
- Maximum loan amount - \$50,000
- All inclusive maximum LTV (advance + TTL + back-end products) - 130%
- Maximum mileage - 96,000
- Maximum vehicle model age - 7
- Maximum effective collateral age - 8 (based on 12,000 miles per year)
- Minimum down payment - 5% of sales price
- Minimum monthly income - \$2,000
- Minimum bureau time – 2
- Minimum of total time on job and residence – 2 years
- Minimum amount of credit items - 4
- Minimum installment trades - 1
- Autos over 60+ delinquency - 0
- Auto charge offs - 0
- Bankruptcies OK - (see BK Policy)
- Maximum DTI - 60% (rent + other monthly debt + auto payment + other auto payments)
- Maximum PTI - 17%, or 20% with other auto payment
- Maximum service contract amount- \$1,795
- Minimum of 1 paid auto. If no paid auto, the applicant can have a high good (paid) that is 80% of amount financed

Additional Items

- Acceptable Proof of Income:
 - Paystub with YTD
 - Bank Statements (personal / business)
 - If self-employed, tax returns for two most current years are required.
 - No proof of income is required for applicants with a FICO of 720 or above. If there are multiple applicants on a deal, all must have a FICO of 720 or above.
- Service contracts must be a minimum of 2 years
- Multiple autos are OK

***All Titanium deals must be written on Bankers System or Law Contracts.*



Platinum Guidelines

The Platinum Program offers competitive rates for better-credit customers and lower discounts for dealerships. Benefits of this program include:

- Low A.P.R.
- Minimum 635 FICO
- One Repossession Ok
- Minimal Stip requirements

STIPULATION REQUIREMENTS

Customer Stips	
IF Buyer has 635-649 FICO	IF Buyer has 650-699 FICO
<ul style="list-style-type: none"> • Proof of Income • Proof of Residence • Proof of Insurance • Driver License • Minimum of 4 References 	<ul style="list-style-type: none"> • Proof of Income • Proof of Insurance • Driver License • Minimum of 4 References

BASIC GUIDELINES:

- Minimum FICO score - 635 (stronger fico = lower A.P.R.)
- Maximum loan amount - \$50,000
- Amount to finance is based on book value and customer's highest amount of good credit
- Maximum term - 48 months, 54 months with same-year vehicle
- Maximum mileage - 119,999
- Maximum vehicle age - 7 years
- Minimum down payment - 10% of sales price
- Minimum monthly income - \$1,500
- Maximum DTI – 55% (rent + other monthly debt + family support)
- Maximum PTI – 20%
- Minimum bureau time - 3 years
- Minimum job time – 1 year
- Maximum age of bureau - 14 days
- Minimum amount of good trade lines – 4
- Maximum unpaid collection accounts – 7
- Minimum Good to Bad ratio - 100% (1:1)
- Maximum amount of open auto loans - 1
- Maximum amount of Repossessions - 1(additional fee applies)
- Open delinquencies - 0
- Bankruptcy OK - (see BK Policy)

Additional Items

- Acceptable Proof of Income:
 - Paystub with YTD
 - Bank Statements (personal / business)
 - No job letters



Preferred Guidelines

Our Preferred Program is perfect for customers with blemished, but established, credit-history. This program rewards dealers for well-structured deals. Benefits of this program include:

- No minimum FICO
- No minimum income
- One Repossession is okay
- Minimal Fees

STIPULATION REQUIREMENTS

Customer Stips	
<ul style="list-style-type: none"> • Proof of Income • Proof of Residence • Proof of Insurance • Driver License 	<ul style="list-style-type: none"> • Minimum of 4 References • SSN • Proof of "Yes," if scored as such

BASIC GUIDELINES:

- Maximum loan amount - \$25,000
- Maximum term - 48 months
- No mileage restrictions
- Maximum vehicle age- 14 years
- Minimum down payment - 10% of sales price
- Minimum monthly payment - \$180
- Scaling rate - 17.00% to 24.99%, capped at the state usury. Based on Good to Bad credit ratio
- Maximum DTI – 25% (rent + other monthly debt + auto payment)
- Minimum bureau time - 2 years, unless homeowner or strong co-x
- Maximum Bureau age used to score approval - 30 days
- Minimum of total time on bureau, job, and residence- 5 years, unless homeowner or strong co-x
- Minimum amount of good credit items - 3
- Maximum amount of repossessions - 1
- Current open delinquencies- 0
- Minimum Good to Bad ratio - 100% (1:1)
- Bankruptcy OK - (see BK Policy)
- Total revolving balance and past due amount is heavily factored into approval
- Maximum amount of unpaid collection accounts - 7 (depends on equity and strength of other factors)
- Maximum service contract amount- \$1,295
- No 30 day insurance binders or dealer-procured/sponsored insurance

Hints:

- Equity is key! Don't expect to maximize the amount financed every time. If the program won't give you the approval when you maximize it, adjust the down payment/sales price to get your deal done.



ProfitBuilder® Guidelines

ProfitBuilder® is a profit sharing program that gives dealerships a way to go. Westlake will give a large percentage of the amount financed up-front, along with free account servicing and splitting of up to 50% of the customer’s monthly payments. Other benefits of this product include:

- Control of the A.P.R. (as low as 1%)
- Finance up to 200% of the book value
- GPS (upfront cash will increase by \$500.00)
- Flexible term length (between 6 to 42 months)
- Substantial payment stream
- Injection of cash when you need it (“Cash Out”)

STIPULATION REQUIREMENTS

Customer Stips	
<ul style="list-style-type: none"> • Proof of Income • Proof of Residence • Proof of Insurance (30 day binders accepted) • Driver License/ID 	<ul style="list-style-type: none"> • Minimum of 4 References • GPS Disclosure, if applicable • Active contact phone

BASIC GUIDELINES:

- Maximum loan amount - \$15,000
- Maximum LTV - 200% (adjusted for mileage)
- Maximum Term - 42 months
- Maximum mileage - 200,000
- Maximum vehicle age - 12 model years
- Minimum down payment - greater of \$500.00 or 10% of the sales price
- Monthly payment range - \$215- \$499
- Base APR - 25%
- Keep it Running service contract - \$499 (Available in all states except CA, CT, FL, LA, ND, WA, WI)
 - Up-front cash will increase by \$200
- GAP Insurance - \$395 (Available in all states where GAP is accepted)
 - Up-front cash will increase by \$100
- Bankruptcy OK - (see BK Policy)

“Cash Out” Eligibility

- Minimum of 4 payments must be posted
- Account status must be current
- No NSF’s within the last two months
- Minimum of \$5000 available in dealer funds
 - Additional one-month recourse will be added upon “cashing out”

***Three-month recourse applies for all Profit Builder deals.*

Partner Program Guidelines

The Partner Program provides the dealer with the ability to increase profits and sales for difficult-to-finance customers. Westlake will give dealers the opportunity to obtain 50% of the amount financed up-front and up to 50% of the customer's monthly principal payment. In addition, it provides the dealer with control of the vehicle through Westlake's approved GPS. Other benefits include:

- Control of the A.P.R. (as low as 1%)
- No minimum residency requirements
- No minimum income
- No minimum job time
- No minimum credit score

STIPULATION REQUIREMENTS

Customer Stips	
<ul style="list-style-type: none"> • Proof of Income • Proof of Residence • Proof of Insurance (30 day binders accepted) • Driver License/ID 	<ul style="list-style-type: none"> • Minimum of 4 References • GPS Disclosure • Active contact phone

BASIC GUIDELINES:

- Maximum loan amount - \$20,000
- Maximum LTV- 200% (adjusted for mileage)
- Maximum Term - 42 months
- Maximum mileage - 150,000
- Maximum vehicle age - 12 model years
- Minimum down payment- 10% of sales price
- Monthly payment range - \$215- \$499
- Base APR 25%
- Full-term recourse
- GPS required
- Keep it Running service contract- \$499 (Available in all states except, CA, CT, FL, LA, ND, WA, WI)
 - Up-front cash will increase by \$200
- GAP Insurance- \$395 (Available in all states where GAP is accepted)
 - Up-front cash will increase by \$100
- Bankruptcy OK - (see BK Policy)

Payments to the Dealer

Initial Payment: Dealer will receive up-front cash of up to 50% of the amount financed (based on total finance charges and term). If the contract has a rate lower than the base APR, a fee will be charged. A standard acquisition fee is charged on all Partner deals purchased by Westlake from Dealer.

Participation Payments: Dealer will receive 50% of the amount applied to principal. At the beginning of every month, Westlake will run a report to calculate the amount earned by the Dealer on payments made by customers in the previous month. Westlake will pay this amount to the Dealer one month later to allow for possible adjustments due to payment reversals.

Income Types

When using DEALER CENTER® the option of entering the customer's income type is provided. Below are the various income options and their descriptions. If your customer's income type is not listed below, please contact your local Westlake Representative.

Income Types	
<p>Computerized Paystub w/YTD: Normal paycheck stub with breakdown of taxes and full YTD breakdown of income (i.e., Paychecks, etc).</p>	<p>Printed Paystub- No YTD: Paycheck stub from company with tax deductions, or a computer generated stub with no YTD breakdown.</p>
<p>Handwritten Paystub: All handwritten stubs, including handwritten checks with tax deductions.</p>	<p>Self-Employed: Self-employed customers with a business statement IN THEIR NAME, or proof that the business is in their name. All deposits are not counted as income, a reasonable profit margin will be allowed for the type of business. Suitable proof of income would be 3 recent bank statements.</p>
<p>Self-Emp/Personal Stmt: Self-employed customer with personal bank statements. Proof of what customer does to make money claimed is required, and must be a reasonable amount for business involved.</p>	<p>Job Letter: Company should be listed, or proof of business must be provided.</p>
<p>SSI: Social security in customer's name. Appropriate proof of income would be a letter from Social Security Services, Bank Statements disclosing US Treasury Deposit, or a check stub from the US Treasury. The customer's name should be the only one listed on the award letter.</p>	<p>Perm Disability/Ins: Income coming solely from an insurance company for dependent income. <i>Temporary disability not accepted.</i></p>
<p>Child Support/Foster Care: All state or government assistance, child support, and any other monies coming solely from the existence of dependant. Appropriate proof of income would be a court letter or bank statements. The bank statements should disclose deposits from the US Treasury/Court.</p>	<p>Home Care: Income for the homecare of an individual, at that person's residency. In order to count, a copy of paystub must be included with deal, and we must be able to contact the government agency who pay's the customer.</p>
<p>Student Income (Financial Aid): Student grant money may be counted. (Job time is 0). Proper proof of income would be a letter from their Financial Aid Office or the State they reside in disclosing how much they receive each quarter/semester.</p>	<p>Trust/Annuity Income: Any monies from a trust or annuity, which will be received longer than the term of the loan.</p> <p>Passive Income: Income derived from sources other than employment or above classified income types.</p>



Westlake Policies

Adding Good Accounts to Customer Credit Info (N/A for the Platinum Program) - Maximum of one auto loan and one other good account can be added to a customer's credit information. A copy of the lien release, contract, account ledger, pay history and/or registration must be submitted with the deal. No Rental accounts, Medical accounts or Dental accounts may be added.

Bankruptcy- Discharged or dismissed bankruptcies are okay. All open bankruptcies must be pre-checked. Open bankruptcies, Chapter 7 and 13, must provide proof that the "341 Meeting of the Creditors" has been completed. Open Chapter 13 bankruptcies must also provide a signed letter from their trustee authorizing them to incur more debt.

Booksheets- KELLEY/NADA: We will add or deduct for mileage. Do not add for the following: Premium sound, Premium Wheels, Phone, Vinyl tops, Custom Bumper, 2 tone paint, Oversize tires, Tow package, Winch, Snow Plow, Commercial Truck adds, and any item not in working order. Commercial vehicles are not allowed (I.E. Cargo Vans, taxis, limos, police interceptors etc...). If working a new car deal, please refer to the New Car Financing Policy.

Contract Limits- Westlake will not purchase a deal if the contract date is more than 30 days old at the time of funding.

Cosigners- Select appropriate relationship. If choosing "spouse" or "parent", proof of such relationship must be provided. Common credit items will suffice as proof of spouse. When using two customers in the Buy Program™, the primary buyer (listed on "line one") should be the customer with the "worst" credit (good to bad ratio). **If customer is married (or common law), spouse must sign.**

Dealer Employees (used or new)/ Collectors/ Repo/ Towing Employees- These loans will require a full recourse and **must** be pre-checked with our office.

Delinquent Mortgages- We take delinquent mortgages! If less than 60 days delinquent, proof of account being current will need to be provided. If the account is more than 60 days delinquent, residence stability must be scored as .1 (even if the mortgage on the bureau is an investment property). An open delinquent mortgage will count as: a derogatory item, possible high derogatory item, open derogatory item, and customer will not be considered a homeowner.

Down/Deferred Payments- Maximum of down payment deferred is 25% of the total down, up to \$500. Last deferred payment due no later than 14 days prior to 1st payment due. Examples: \$1000 total down, max deferred = \$250; \$3000 total down, max deferred = \$500. A down payment cannot be paid with a credit card. If a rebate is being used, deduct the rebate amount from the sales price listed on the Buy Program™.

Electronic Submission - Complete deals can be sent electronically via *DealerCenter*® for expedited funding. Contact your Rep for details.

Gross Monthly Income- Select the appropriate income. If a Job Letter is provided, a business card from the employer is required. If other than a check stub with a Year to Date (YTD) or a Job Letter is used, three months worth of proof of income is needed. Incomes of \$1,200 or less must be pre checked. Check gross year-to-date figure on the check stub and calculate. The formula Westlake uses is $YTD \text{ income} / \# \text{ full weeks employed} = \text{average weekly income}$. $\text{Average weekly income} \times 4.3 = \text{average monthly income}$. Example: if customer's YTD per paystub is \$8500 dated April 10: $\$8500/14 = \$607 \times 4.3 = \$2610$ average monthly income.

Incoming Deals: Westlake will hold deals for 7 days (weekends included). Sending complete deals is essential for verification of the deal. Westlake has the right to return any deal at any time without notification.

Ineligible Customers: Westlake will not finance auto collectors or repo/towing employees. Customers with a previous Westlake Financial repossession are ineligible. Customers with an open bankruptcy or in Consumer Credit Counseling can be financed for a higher fee. See the Bankruptcy policy for more information. **Note**: The Partner and Profit Builder programs allow a customer to have three or more open derogatory items or Consumer Credit Counseling with a letter from their counselor.

Insurance- If a customer does not want to acquire Knight Management Insurance, the customer must provide proof of full coverage insurance with \$500 deductibles with a minimum policy of six months. **30 day binders** are not accepted for Buy Program products.

Landline/Cell Phone Bill- No phone, no loan (only applicable to Standard deals). Must have customer's address and phone number fully disclosed. A cell phone bill that is not in the customer's name, but clearly lists his/her phone number must be accompanied by a utility bill or checking account statement registered to the customer's name and address. If the customer does not have a land line or cell phone registered to his/her name, the customer can obtain a new, non pre-paid phone service if the customer has a pre-existing utility bill or checking account statement. Pre-paid phones must be in service for at least three months. If an address is not on the phone bill, it must be listed at the address provided or solid Proof of Residence under the customer's name must be provided. In addition, **a past due phone bill amount cannot be greater than the new car payment.**

Medical Collection Accounts - Do not count medical collection accounts. In order to be considered a medical collection, the account must reflect a Doctor, Hospital, Radiologist, Emergency Room, X-Ray Facility/Tech, or other entity that is *clearly* Medical or Dental on the bureau. The definition of "clearly" is left solely to the discretion of the Westlake buyer, so use common sense when applying this rule. You *must* count medical collections in the "Unpaid Collection Accounts" field. (This will not affect STANDARD BP scoring).

Mileage- All vehicles, with the exception of TMU, are booked with the mileage listed on the odometer statement. Westlake will finance **TMU VEHICLES**; dealer must add 100,000 miles to the mileage showing on the odometer and book value. TMU vehicles are never to be booked with less than 150K. TMU requires customer acknowledgement of title brand status.

Military: Rank E-2 and above- The term of the contract cannot exceed six (6) months beyond the separation date listed on LES. Once the deal has been received and is assigned an account number, the dealer should provide it to the customer. The customer must use this account number to sign up for MAC Allotment. The customer should go to www.allotment.net to print a form with Westlake's name pre-printed and use Westlake's creditor code, 008710000. It is the customer's responsibility to update the account number if the form is submitted without it or if the account number changes due to a resubmission. The Originations department will contact the customer if the account number changes due to a resubmission. The next step is for the customer to go to www.mypay.gov and print out their confirmation screen. If the customer does not have a PIN, they can create one at that time by selecting "New PIN." These forms should be submitted to the Originations department solely as a stip, Westlake is not responsible for submitting these to MAC.

New Car Financing Policy- If the customer is purchasing a new car in which a wholesale blue book is not available; Westlake will use a portion of invoice before holdback, meaning, if you have a new same-year unit or following-year unit, the Dealer will have to use the established book value if one exists. In the event that the new unit does not have a Book value, Westlake will use 85% of the invoice as the book value to be entered into the Buy Program. Use 100% of invoice for current-year Toyotas, Scions and Hondas with less than 100 miles. We do not give credit for Dealer cash or rebates, meaning if the deal includes a rebate, that amount will not be calculated in the Buy Program. You will want to adjust the sales price to reflect the price less the rebate when scoring the deal, and the actual down payment in the Buy Program. The contract may reflect the rebate and the higher cash price, but the rebate cannot be accepted as part of the down payment in the Buy Program.

Non-Financeable Vehicles: Westlake will not finance commercial vehicles, cargo vans, police units (including police interceptors), or vehicles with branded titles, such as taxis, totaled, salvaged, rebuilt, with the exception of TMU.

Number of Repossessions/Auto Losses- Count all reposessions: voluntary surrender, redeemed repos, paid repos, charged-off autos, BK LIQ autos, insurance deficiency autos, and any other autos (or installment loans from an auto lender) that appear to have ever been repossessed, skipped or resulted in any form of a loss to a creditor. If the spouse is listed on the contract, enter the number of their combined reposessions.

Out of State/Foreign License/ID- If the Driver License/ID was issued by a state different from the customer's current home state, the deal must be pre-checked.

Phone/Utility/Checking Account in Customer's Name- Enter "Y" in the Buy Program™ if any of the following are under the customer's name: phone bill (land line or cell phone with **call detail**), cable bill, utility bill, complete **checking** account statement, or major credit card (Visa, Master Card, AmEx, Discover). None of these documents can be over the limit or past due more than the monthly car payment.

Present or Prior Westlake Accounts- Westlake will allow a second account for a couple who has made at least 6 consecutive on-time payments on an account that is current. The loan must be pre-checked by the office.

Residence Stability and Job Time- Life begins at 18. Be aware that driver license and paperwork do not conflict with the residence time, including all stips and credit reports. No documentation will ever change or override any conflict with stability. Seasonal and Union workers are capped at 2 year job time. Temporary jobs/agencies enter 0.1 years unless time can be verified with the *employer*, not the agency. Self-Employed could be more than 2 years, but ample evidence must be provided, such as business license or bank account displaying opening date. Tax returns to show time on job are *not* considered evidence.

Resubmitted Deals: A deal with the same customer can only be resubmitted once. The deal is automatically turned down if it is resubmitted a second time.

Stipulations - Complete deals are rewarded with faster funding. Deals missing stips will be returned for completion.

****You can and should manipulate the down payment, sales price, and term to make a better deal. ****

Any deviation from Westlake Financial Service's stated policies may result in delayed funding, increased discount, or denial of credit to applicant. It is the dealer's primary responsibility to verify the validity of the customer's information as stated on application.