

**Recap 2009 SF Convention - Dealer Discussion on Finance Companies**

Credit Tiers	Customer Profile	Inventory	Finance Companies Cited by Elite Level Dealers
<b>Tier 1</b>	FICO or Beacon scores usually 581 - 640 Higher subprime credit score and/or file. Good length of employment and income. Good time at residence. Good car credit. Payment-to-Income approx. 10 - 11% No major derogatory credit. In credit bureau 6+ years. Low down payment, interest rate in lower teens, low dealer fees.	\$12 - 16K ACV Lower Miles New to 3 years old Under 39K miles Many buying new Vehicles	Credit Unions Capital One Chase Custom Wachovia Certain Captives AmeriCredit
<b>Tier 2</b>	FICO or Beacon scores usually 541 - 580 Traditional subprime credit buyer. Stable employment and income. Loan-to-Value 105% - 120% Stable in area, at residence 1+ years In credit bureau 4+ years Decent car credit 10% of \$1000 down payments, interest rates in higher teens, average fees. Payment-to-Income approx. 11 - 12%	\$9 - \$12K ACV < 60K miles Current year to 4 years old	Capital One Chase Custom Wachovia Some Credit Unions Regional Acceptance CitFinancial Auto AmeriCredit Drive Complete Prestige Financial
<b>Tier 3</b>	FICO or Beacon scores usually 480 - 540 Lower subprime credit buyer. Shorter job time, tight income Payment-to-Income 12% - 15%. Some good credit, more derogatory credit. May have had prior repo or foreclosure LTV 90% - 105% 20% to \$2000 down payments, interest rates in high teens or lower 20s, higher fees. Verifiable income and residence.	\$6 - \$10K ACV < 80K miles 1 year to 6 years old	Chase Custom Drive Complete or Soltion Capital One (to 520) Regional Acceptance Coastal Credit <u>Exeter</u> Westlake Credit Acceptance PAACO (PA)
<b>Tier 4</b>	FICO or Beacon scores usually below 480 Up to 50% Debt-to-Income and 20% P-T-I Short job time, likely job gaps Low and hard to prove income. Shorter time in area and at residence Often an exception - Drivers License, pay stubs, multiple repos, etc. 24 - 42 month loans Thin credit history, much or all derogatory credit Likely no car credit in bureau. High down payments, often less than 50 - 75% LTV, high fees, must have strong equity	\$3 - \$9K ACV < 140K miles 3 to 10 years old - depends on Finance Company Vehicles most often traded for.	Western Funding Westlake Financial Drive Solution Credit Acceptance Vehicle Acceptance Many local market solutions.
<b>Niche Markets</b>			
<b>Open Chapter 7</b>	Customer with recently filed Chapter 7 bankruptcy. Has not been discharged. Good employment, income and stability. Some good previous credit history. In credit bureau for five years. \$500 - \$1000 cash down. Similar programs to Tier 2	\$9 - \$12K ACV < 60K miles Current year to 4 years old	722 Redemption Prestige Financial Tidewater Motor Credit Friendly Finance (lmted areas) Heritage Acceptance (IN,IL,KY)
<b>Open Chapter 13</b>	Currently in a Chapter 13 bankruptcy with a wage earner plan being administered by a bankruptcy trustee. Must have letter from trustee allowing loan. Good employment, income and stability. \$1000 - \$1500 down. Similar programs to Tiers 3 or 4	\$6 - \$10K ACV < 80K miles 1 year to 6 years old	Drive Financial Prestige Financial Friendly Finance (lmted areas) SAFCo
<b>First Time Buyer</b>	No more than 2 jobs in 12 months (no gaps). In area for 2 years, in bureau on year. \$1650 - \$2000 income 165% of Left Hand Trade. 18.5% max PTI \$1600 - \$2400 down.	\$6 - \$10K ACV < 80K miles 1 year to 6 years old	Regional Acceptance Corporation Heritage Acceptance (IN,IL,KY)
<b>Military</b>	Current active military personnel of rank E-1 or higher with six months or more enlistment. 25% payment to base pay. Involves credit education for soldiers. Base program \$13K max advance on vehicle to a max of 110 - 112% LTV. \$500 fee.	\$9 - \$12K ACV < 60K miles Current year to 4 years old	Dealers' Finance Services (MILES) SNAAC Coastal Credit - VA office only.