Credit Applications, Lender Rules, and Dealer-Lender Agreements

Credit Applications

False or misleading information provided on a credit application knowingly taken or submitted by an employee is grounds for immediate dismissal. Credit applications are regulated documents that must be in conformity with federal laws.

Falsifying Information To Lenders

Providing false or misleading information to lenders in an attempt to obtain a credit approval is a violation of the agreement executed between the Company and the lender. Lenders can require that the dealership repurchase the contract once it discovers the violation, whether the lender has repossessed the vehicle or not. If the lender is a federally insured institution, this practice can also be prosecuted as a criminal offense.

Suspicious Activity Reports

The Company strictly forbids any misrepresentation to any financial institution. Financial institutions are required to complete Suspicious Activity Reports regarding car dealerships under certain circumstances, such as fraudulent credit applications or misrepresented vehicle equipment. This is another reason that strict compliance with the Company's policies are required.

Dealer-Lender Agreements

Definition: The Company has entered into contractual agreements with the various lenders to whom it sells receivables. These agreements are collectively called Dealer-Lender Agreements and provide for a number of representations and warranties from the Company to the lender.

Policy: All employees are expected to fully abide by the reps and warrants the Company has asserted to the various lenders. These reps and warrants include, but are not limited to:

➢ No straw purchases

➢ A positive identification of each party to the contract

➢ The wholesale value on the book out sheet of the vehicle is accurately disclosed to the lender

➢ Accurate customer information on the credit application

The Company expressly forbids any misrepresentation to any financial institution. Falsification and/or forgery of any documentation may result in termination.

_____   _____
Print Name   Signature