



# Sport Leasing & FINANCIAL SERVICES CORP.

## Sub-Prime Program Guide

### OUR APPROACH

Sport Leasing is a **direct lender with over 20 years experience**. We specialize in **special credit customers**, those with **scores in the 300's to mid 600's** and even those **with no score at all**. We generally **advance up to 90%** of the current auction value of the vehicle **plus Service Contract plus GAP**. Higher advances are available for customers with better creditworthiness. We value vehicles based upon what they are currently bringing at the Manheim nationwide auctions. This strategy allows us to extend credit to customers other lenders avoid and still provide significant profit opportunities for our dealers. Sport provides the opportunity for dealers to enhance their profitability through both **front-end participation** and **back-end service contract** and **GAP** waiver products. **No fees or discounts and 100% non-recourse.**

### HOW WE ADVANCE

As opposed to advancing based upon Kelley Blue Book or NADA, Sport **advances based on an actual ACV** (Actual Cash Value). We run a current nationwide Manheim Auction report to view the vehicles with similar mileage as the vehicle the Dealer is selling. Sport does not consider the below or above average condition vehicles on the report; instead we look at the average condition vehicles (taking color into consideration) and base our advance on the conservative value of the average conditions. **We advance 88% of auction value on our lowest Tier 5** for vehicles that ACV over \$30,000; vehicles under \$30,000 Auction Value will have an advance of \$3,000 back of ACV. For example, a Tahoe that is going at the auctions for around \$20,000 will give the Dealer a funding check of approximately \$17,000 plus warranty & GAP if applicable. Since that advance is based on our bottom credit tier, higher tiered customers and custom quotes will have a more generous advance. **Please allow your buyer to structure up a few deals to get a better understanding of our advance system.**

### BACK-END PROFITS – DOLLARS FOR YOU

**Dealer Participation:** Sport offers a very generous reserve allowance to our dealers on even the lowest of the sub-prime customers. **Sport does not charge the dealership fees** that most other Discount Lenders will charge. Sport pays dealer participation on rate to make the back end gross even stronger. With a **55/45 split**, Sport allows dealers to increase the buy rate up to a .0015 lease factor on Tiers 1-4. On Tier 5 customers, the dealer is allowed flat \$250 participation. Dealer participation is not allowed on contracts with early termination rights.

**New Car Dealerships Warranty & GAP Waiver:** **Sport will advance up to \$5,000 on service contracts**, not to exceed 15% of vehicle selling price. Service Contract must be bumper-to-bumper coverage and cover the minimum term of lease and mileage per year on lease contract. **Our GAP Waivers cost the dealer \$500, but can advance up to \$1,200 on our lease contracts.** GAP insurance is not applicable on our lease contracts, however we do allow dealer to sell our own GAP Waiver, which waives the amount due to us when their insurance will not pay in case of total loss.

**FAX your deal (credit application, structure, & KBB or NADA) to Malcolm W. Cohen @ (650) 378-4467:**

Malcolm W. Cohen – Manager, Pre-Owned Vehicles Direct (650) 403-2315

Fax (650) 378-4467

E-mail: [malcolm@sportleasing.com](mailto:malcolm@sportleasing.com)

Download Forms (Sport credit application, reference sheet, and program) from Website: [www.sportleasing.com](http://www.sportleasing.com)

<b>Maximum Lease Terms</b>						
<b>AUCTION VALUE</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>Over \$25K &amp; Less than 15K mi</b>	54	54				
<b>Above \$17,000</b>	48	48	42	36	36	36
<b>Less than \$17,000</b>	36	36	36	36	36	36
<b>Term Modifications</b>						
1. Terms will be reduced by 6 months on vehicles with KBB deduct for miles of over 5% of wholesale value.						
2. Terms will be reduced by 25% when a lessee expects to drive between 20K & 30K miles per year (custom quotes)						

<b>TIER QUALIFICATIONS &amp; LEASE FACTORS</b>					
<b>TIERS</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Tier 4</b>	<b>Tier 5</b>
<b>Non-Commercial</b>	0.00629	0.00705	0.00788	0.00866	0.00988
<b>Commercial</b>	0.00629	0.00655	0.00738	0.00816	0.00938
<b>Score</b>	Min 625 FICO Auto.	Min 575 FICO Auto.	Min 535 FICO Auto.	Min 475 FICO Auto or not scored.	No minimum.
<b>P.O.I.</b>	Required.	Required.	Required.	May be waived.	May be waived.
<b>References</b>	Minimum of 5 refs. that are reachable	Minimum of 5 refs. that are reachable	Minimum of 8 refs. that is reachable.	Minimum of 8 refs. that are reachable	Minimum of 8 refs. that are reachable.
<b>Stability</b>	Min 3 years combined or homeowner.	Min 3 years combined or homeowner.	Min 3 years combined or homeowner.		
<b>On Bureau</b>	Min 7 years.	Min 5 years.	Min 3 years.		
<b>Auto Loan History</b>	At least 1 auto loan paid satisfactorily. Auto must have a comp high of at least 50% of the Net Cap of the vehicle being submitted for approval. No default, (repo, surrender, charge-off, skip, ect.)	1 auto loan paid satisfactorily or paid 24 months with <2x30. . Auto must have comp high of at least 50% of the vehicle being submitted for approval. No more than 1 auto default (repo, surrender, charge-off, skip, etc.) must be over 12 months previous.	1 auto loan paid satisfactorily or paid 24 months with <2x30 Auto must have comp high of at least 50% of the vehicle being submitted for approval. No more than 1 auto default (repo, surrender, charge-off, skip, etc.) must be over 12 months previous.	No more than 1 auto default (repo, surrender, change-off skip, etc.) and must be over 12 months previous.	No more than 2 repossessions in the last three years.
<b>Auto Loans Outstanding</b>	Up to 1 (two if couple applying jointly) other outstanding, must be current.	Up to one (two if couple applying jointly) other outstanding, must be current.	No other (one if couple applying jointly) outstanding, must be current.		
<b>Bankruptcies</b>	No 7, 11 or 13's, no dismissals, no opens.	One 7, 11 or 13 OK if satisfactorily discharged (over 24 months if 7), no multiples, no dismissals & no opens.	One 7, 11 or 13 OK if satisfactorily discharged, no multiples, no dismissals & no opens.	One 7, 11 or 13 OK if satisfactorily discharged, no multiples or dismissals. No open 7's. Open 11 or 13's OK if open >= 12 months.	
<b>Payment to Income</b>	Combined auto loan payments no more than 15% of provable income.	Combined auto loan payments no more than 17.5% of provable income.	Combined auto loan payments no more than 20% of provable income.		

**LESSEE'S PURCHASE OPTION FEE: \$350 – LESSEE'S EARLY TERMINATION FEE: \$450**

**NO FEES TO DEALER! Customer acquisition fee that ranges between \$895- \$2,995 (depends on Tier & Funding Amount) is amortized in the lease payments & therefore are NOT up-front fees to customer OR Dealer.**



**CONTRACT OPTIONS:** (Except in CA where there is a level-yield payoff option) ALL OTHER STATES' OPTIONS ARE:  
 36 month or less term contracts **without participation** are eligible for 12-month early termination rights.  
 37 month or greater term contracts **without participation** are eligible for 18-month early termination rights.

### Vehicle Eligibility

1. Used Vehicles must have reasonable mileage for the year in consideration.  
(Vehicles with KBB value deduction for miles cannot exceed 10% of wholesale value.)
2. Vehicles over 60K miles require a custom quote; however vehicles with over 75K miles will not qualify.
3. Vehicles with auction values less than \$8,500 do not qualify.  
(Generally cars that book over \$10,000 **should** qualify, unless they are soft at auctions)
4. **Vehicle must be 2001 & newer** (Model years 2000 & earlier may qualify if equity position is strong or for classic & exotic cars.)
5. Van conversions, non-factory modified vehicles, gray market vehicles, lemon law buy-backs, vehicles with salvaged title or prior frame or flood damage and vehicles where the true miles cannot be determined including odometer replacements.
6. Vehicles used in taxi, livery or rental service and vehicles in transport of toxic or hazardous materials are not eligible.
7. Vehicles used to transport others for compensation or as part of service provided for compensation are not eligible.
8. Vehicles equipped with manual transmissions, which are normally equipped with automatic transmissions are not eligible.
9. Vehicles with unusual or non-mainstream colors that will lower the value of the vehicle are not eligible.
10. Commercial Trucks, Tractor-Trailers, and Equipment leases are custom quotes.
11. **All independent dealerships must have the vehicle inspected by a new car franchise dealership or by a Sport Leasing Inspector. Independent dealer is responsible for inspection costs.**  
**Example: If you are selling a used BMW then the vehicle must be inspected by a BMW franchise dealership for frame damage and any body repaint.**
12. **Independent dealerships must register the unit prior to funding.**

### Customer Eligibility

- **18 years** of age and have a **valid Driver's License for state of residence is required.**
  - **US Citizen** with valid Social or Green Card Holder is a must.
  - Lessee must be a **resident** of any of these states: **CA, OR, TX, AZ, NC, GA, TN.**
  - Lessee must not be frequent traveler to Mexico or Canada.
  - Active **Military not eligible.**
  - **Dealer Employees** or Dealer Employee related applicants **not eligible.**
  - Cannot be residents of Native American Lands.
  - Two or more **serious driving violations** or convictions **do not qualify.**
  - No work that involves the **transport of others** (i.e. child care, adult daycare, home healthcare, & other similar situations.)
  - Open Auto Loan with Sport Leasing less than 18 months does **not qualify for 2<sup>nd</sup> vehicle.**
  - Customers who have not cooperated with lender or could not be located during previous auto defaults do not qualify. **(SCNL)**
  - Lessee's commute distance must be less than **40 miles one-way** (when it is more customer may qualify for a custom quote)
- No dishonest or fraudulent applicants (Sport will **not accept applicants who are dishonest** about job, residency, references, etc.)

### Excluded Vehicle Models

Make	Model
Chevrolet	Aveo, Astro Vans, Prism, Tracker, Classic
Dodge	Neon, Dakota 4C
Daewoo	All models.
Ford	Ranger 4C
GMC	Safari
Hyundai	Accent, Elantra
Isuzu	Rodeo
Kia	Rio, Spectra, Optima, Amanti, Sorento 2WD, Sportage
Mazda	Truck 4Cyl
Mitsubishi	Diamante, Outlander 2WD, Lancer, Lancer Sportback
Oldsmobile	All models.
Pontiac	Aztek, Grand Am 4Cyl
Saturn	Ion
Suzuki	All models.

### CUSTOM QUOTES

ALL Exotics: Ferrari, Bentley, Aston Martin etc.
Antique, Museum, or Collectible vehicles.
<b>Vehicle with an auction value of \$40K or more.</b>
Vehicles with miles between 60k and 75k.
12 Cylinders vehicles.
Land Rovers and Range Rovers
Temporary Employees or Temp Agency workers.
Commercial Trucks, Tractor-Trailers, and Equipment
Units being sold over Retail Kelly Blue