

## Service Payment Plan

### Background

The Warranty Solutions **Service Payment Plan (SPP)** offers an interest-free installment loan to persons wishing to purchase a contract, but who are unable to finance it along with the vehicle. **SPP** requires a per contract processing fee for this service, outlined below, which must be included in the price of the contract. Contracts of less than two (2) years duration are not eligible for the **Service Payment Plan**. Some examples of when **SPP** might be appropriate:

- A customer decides to purchase a contract after the sale date of their **new** vehicle\*.
- A person bought a **new** vehicle\* from another Dealer who does not sell our programs but wants to purchase a contract.
- A service patron sees your posters and brochures advertising the various Warranty Solutions programs and decides they would like to purchase a contract for the **new** vehicle\*.
- A **pre-owned** vehicle purchaser who is unable to arrange financing for the contract along with the vehicle. The contract must be purchased at the date and time of the **pre-owned** vehicle sale.

\* Vehicles must have full factory Warranty and satisfy the Rate Card eligibility requirements for model year and mileage.

Plans may be set up for finance terms of twelve (12) or eighteen (18) months only. They require a minimum of ten (10) percent down; however, the amount financed must be equal to or greater than the dealer's cost plus SPP's fee. Otherwise, the Dealer must remit the difference to the Administrator.

### SPP Payment Plan Options

	Coverage Term	Less than \$1,750 Financed	Between \$1,750 and \$2,750 financed	More than \$2,750 financed
12 Month Option	24 months or greater	\$95.00 (\$45 returned if cancelled before the 3 <sup>rd</sup> payment)	\$150.00 (\$50 returned if cancelled before the 3 <sup>rd</sup> payment)	7% of Amt financed (50% returned if cancelled before the 3 <sup>rd</sup> payment)
18 Month Option	36 months or greater	\$150.00 (\$50 returned if cancelled before the 3 <sup>rd</sup> payment)	\$240.00 (\$90 returned if cancelled before the 3 <sup>rd</sup> payment)	10% of Amt financed (50% returned if cancelled before the 3 <sup>rd</sup> payment)

### Dealer's Instructions:

1. Insert the Vehicle Service Contract/Application number in the upper right hand corner.
2. Complete the purchaser and Dealer information. Include your dealer number.
3. Complete the Itemization of Amount Financed.
4. Complete the Disclosure Section (see instructions for completing the disclosures on the next page).
5. Complete the appropriate Payment Option. If you select Payment Option 1, make sure all credit card information is correct. If Payment Option 2 is selected, make sure a voided check or a copy of your customer's check is attached.
6. Submit business weekly to the Administrator via our website.

**SERVICE PAYMENT PLAN CONTINUED****Instructions for Completing the Disclosures:**

- 1. Amount Financed:** Enter the amount shown on line (e) of the Itemization of Amount Financed. Note that this number must be entered five times: once in the caption “Itemization of Amount Financed,” once on line (e) of the Itemization of Amount Financed, once in the Amount Financed disclosure box, once in the Total of Payments disclosure box, and once on the line next to “Amount paid to others on your behalf.”
- 2. Total Sale Price:** This box requires two entries. First, enter the customer’s down payment amount, which appears on line (d) of the Itemization of Amount Financed in the blank immediately following the words “down payment of.” Next, enter the sum of the Total of Payments and the down payment immediately below at the bottom of the Total Sale Price box. The amount of the customer’s down payment must also be entered on line (d) of the Itemization of Amount Financed.
- 3. Amount of Payments:** Divide the Total of Payments by the Number of Payments (12 or 18) and enter your result.
- 4. When Payments are Due:** On the line under the heading “When Payments are Due” and after “Monthly starting,” insert either the 1st, 5th, 10th, 15th, 20th, or 25th day of the following month but not less than 30 days, nor more than 40 days, from today’s date. Abbreviations such as “9/1/02” for September 1, 2002, are acceptable. Enter the complete date such as 12/1/02, not “the 1st.”

**If you have any Questions:**

Should you require any additional information concerning Warranty Solutions procedures, please contact your Warranty Solutions representative. Or:

- For claims questions, call claims customer service at the number listed on the contract application in Block E.
- For underwriting questions, call the underwriting unit at 1 (800) 850-3049.
- For processing or operations questions, call your designated account representative.

Service Payment Plan, Inc. is the administrator of the payment plan.