

Leasing For The Subprime/BHPH Industry

(It is a rapidly growing trend.)

...why it makes sense!

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What's In It For The RFC/Lender?

Differentiate Yourself !

Lender to Lender Competition Always Leads To:

- Lowering Rates to capture volume
- More aggressive buying to capture volume
- Higher advances to capture volume
- Abusing program guidelines to capture volume

Make your program better for your Dealer and don't provide an Apples to Apples comparison for the competition!

What's In It For The RFC/Lender?

(cont.)

1. Better Options When The Deal Goes Bad
 - Repossessions
 - Bankruptcy
2. No Sales Tax Due Up Front (32 states)
 - Lower Advances
 - Lower Losses
3. Security Deposit
 - Reduces Credit Losses
 - Easier To Put Lessee Into Next Car
4. Not going Head-to-Head with competition

What's In It For Your Dealer?

Lease versus Loan

1. Easier To Sell The Customer
 - Nicier Car – same payment
 - Lower Payment – same profit & car
 - Shorter Term – same profit & car
 - No interest rate disclosure!
2. Possible Higher Profit
 - \$1000+ - same car, payment, term
3. Better Chance At Repeat Business
 - Customer comes back at lease end

It's A Simple Change

- There are different definitions
- A different contract
- A residual value (balloon note)
- AND THAT'S ABOUT IT – The rest is all the same!
 1. Lender does underwriting – just like today
 2. Lender does funding – just like today
 3. Lender does servicing – just like today
 4. Lender does collecting – just like today