



DEALER ENROLLMENT GUIDELINES

Effective Date: November 14, 2022

WFI DEALER ENROLLMENT GUIDELINE

Western Funding -- Dealer Agreement External Stips List

Type	Definition of Acceptable Proof	Objective Assessment
<p>Authorized signer: Entity Type</p>	<p>Sole Proprietorship – A Sole Proprietorship is a single owner that will either do business under their name or a fictitious name. Ownership can usually be cleared by the DMV license, finance license, Bond or tax permit (if applicable). If unable to prove ownership through those items, a fictitious name filing or a DBA filing can be used to prove ownership.</p> <p>Partnership - LP, GP or LLP. Secretary of State (“SOS”) filings indicating ownership are acceptable if the name of the partners are displayed. If not displayed, Partnership Agreement will be required or state licensing reflecting all partners. Only a managing partner is required to sign.</p> <p>Limited Liability Company (LLC) Corporations (Inc.) – SOS filings indicating authorized signer(s) are acceptable if displayed. If they are not displayed, Articles of Organization/Operating Agreement (LLC) or Articles of Incorporation (Corporation) are required.</p>	<p>Sole Proprietorship – Documents received must prove ownership to be accepted for Sole Proprietorships. An owner is identified by the words “Owner “or recognize, as DBA.</p> <p>Partnership - Partnerships are identified as Partners or Owners and sometimes will be recognized with as DBA.</p> <p>Limited Liability Companies are often identified as “Manager”, “Member”, “Member-Manager”, “Managing Member” or “Principal”. In the case of a corporation, we need an authorized signer of the business that is listed as an “Officer”, “President”, “Vice President” or “Director”. of the business. An individual identified as a “Registered Agent”, “Incorporator”, “Organizer”, or “Operating Manager” does not prove authorization to execute a contract on behalf of the dealership.</p>
<p>Guarantor(s): Guarantor Identification</p>	<p>Government Issued Identification for all Guarantors who are signing the Master Servicing Agreement “MSA. Guarantors must have a US issued Social Security Number (SSN) or valid ITIN.</p>	<p>Valid state issued driver’s license / ID card OR a Valid Passport (if expired, must be within 6 months)</p>
<p>Licensing: Secretary of State</p>	<p>SOS document printed from State Website provides the date the entity was formed. This will only be available for LP, GP, LLP, LLC's and Corporations</p>	<p>In "Active" status, in “good” standing OR “in compliance” is required</p>
<p>Licensing: Seller’s Permit / Finance License</p>	<p>Seller's Permit or Finance License allows the dealer to utilize outside financing resources. A Seller's Permit or a Finance License is required in the following states: AL (County Occupational/Privilege License), CA (Seller’s Permit), CO (UCCC), FL (Motor Vehicle Retail Installment License), ID (Seller’s Permit), IN (Retail Merchant Certificate), MD (Trader’s License), MI (Insurance and Finance License), NH (Retail Seller’s Permit), NJ (Banking License), OH (Vendor’s License), PA (Banking License), TX (OCCC License)</p>	<p>Active Permit or License as identified under “Acceptable Proofs” which is housed within the State-by-State Guideline. All dealer demographics must match if required by state.</p>
<p>Licensing: DMV License</p>	<p>This document is required and issued by the DMV in the state the dealership resides in. This document serves as proof that the dealership is legally able to sell vehicles. Required in all 50 states.</p>	<p>Active DMV License and all dealer info matches dealer demographics</p>
<p>Licensing: Surety Bond (Franchise dealerships are exempt)</p>	<p>A surety bond is a policy that enables an outside party to file a claim seeking recourse against a business (dealer) related to a default of an agreement. Surety Bonds are required in ALL STATES, except for DE and OH. In IL, a bond is only required for the first 5 years of business; In AL, ID, KY, MO, VA, WV, the bond is only required for first 3 years of the existing business.</p>	<p>An acceptable Bond (including a Verification Certificate and/or bond rider) must contain: Dealer Name, Bond number, effective date, termination date/continuous and the name of the Bond company, to include Bond company signatures. If the address of Dealership is listed on the certificate, it must be the current address (if required by state). Minor clerical spelling errors will be accepted upon review.</p>
<p>Licensing: Sales Tax Permit</p>	<p>A Sales Tax Permit: also known as a Sales Tax License, must be obtained before collecting and/or remitting sales tax in most states. A Sales Tax Permit is REQUIRED in the following states: AZ, CO, CT, DE, FL, GA, HI, ID, IL, KS, KY, MI, NE, NV, NJ, NM, NY, SC, SD, TN, UT, WI, WY.</p>	<p>Active Sales Tax Permit and all dealer demographics must match if required by state.</p>
<p>Business Operations: Lot Pictures (Franchises are exempt)</p>	<p>Clear pictures (not from internet sources) of main dealership building, readable signage, and at least three (3) vehicles that can be marked for sale on the lot. For shared lots or suite lots, pictures of inventory should verify and support that these vehicles belong to the signing Dealer. This can be done by providing a picture of vehicles with clear dealership lot signage within the same picture and can include license plate frames on vehicles or vehicles matching website postings. Pictures need to be within 3 months of signup.</p>	<p>Visual evidence supporting an Active, operating dealership that is in the business of selling vehicles.</p>

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<p>Business Operations: Bank Statements (Franchise Dealerships are exempt)</p>	<p>3 most recent months of complete “official” bank statements or Decision Logic statements (2 months if in business 2 months, 1 month if in business 1 month). The statements need to include all pages, Dealership Name, Address, Account number. Name on the bank statements can be from a prior business if the previous name is provable (i.e., Johns Auto DBA Johns Smith is now just Johns Auto). If deposits are 1 million dollars or greater, we only require the summary page for each required month, instead of a full months’ statement</p>	<p>Balance Requirements - Most recent statement as well as overall average ending balance must be positive. Decision logic - the average 90-day balance is used. Non-Decision Logic - average ending balance of the statements is used.</p> <p>If there are more than 5 NSF’s within the last 30 days, a review will be completed based on transactions and prior month bank statements.</p>
<p>Administrative: Voided Check</p>	<p>Voided check showing Routing and Account Number including Dealership name.</p>	<p>The voided check represents the account to which the dealer would like funds deposited. The name on the bank account must match the Dealer’s legal name or DBA name. If the Dealer is a Sole Proprietor, the name can either reflect the name of the owner or the DBA. If the dealer is requesting funds to be deposited into a different account other than the above, a review by Dealer Compliance/Legal Dept will be required for final approval and a hold will be placed on the dealer until a decision is made.</p>
<p>ACH</p>	<p>The ACH form must match the voided check on file. If the account number or the routing number is not exact, they can be verified via the voided check and/or MKT, we may grant an exception</p>	<p>The ACH form signifies the account to which the dealer would like funds deposited. The name on the bank account must match the Dealer’s legal name or DBA name. If the Dealer is a Sole Proprietor, the name can either reflect the owner’s name or the DBA. If the dealer is requesting funds to be deposited into another account; other than their own, a review by Dealer Compliance/Legal Dept will be required for final approval and a hold will be placed on the dealer until a decision is made.</p>
<p>Administrative: Executed MSA</p>	<p>WFI MSA is to be fully executed by an authorized signer(s) and dated within 6 months from date of activation. A new MSA will be required if more than 6 months has lapsed between the MSA execution date and the activation date. Please see the Authorized signer section under External Stips for more details</p>	<p>WFI requires that the MSA is completed through DocuSign and therefore any electronic signature will suffice, as long as it is made using a recognized electronic signature service/software. **WFI requires that the MSA be an electronic DocuSign document unless an exception has been made to receive a handwritten MSA due to the system outages or in the rare exception that a dealer’s physical (ink) signature should reasonably match the signature of the authorized signer’s identification card.</p>
<p>Administrative: Enrolling an additional lot</p>	<p>Dealer must share same legal name as the enrolled dealer and be active, same Guarantor(s) is (are) required</p>	<p>A new MSA, voided check and all licensing are required. Credit pull, lot pictures and bank statements are not required</p>

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Western Funding -- Dealer Agreement Internal Steps List

Type	Definition	Objective Assessment
Lot Criteria	All Lot Types eligible except for "Internet Lots"	An "Internet Lot" is a brokering business which does not have a lot.
Length of time in business (Franchise Dealers are exempt)	If a Dealer's License is less than 30 days old, then we require that the dealer has at least 1+ month of qualifying bank statements.	Independent Dealers "Time-In-Business" will be determined based on the state required licenses issued date. If more than 1 state license is provided, the most recently issued license will be used.
Westlake/CAC Scorecard (If Applicable)	The Westlake scorecard is reviewed to determine performance, compliance and legal status.	If dealer is enrolled with WFS, they must have an overall "C" or better score, which is based on the following: Titles, Buybacks, Repurchase Demands, First Payment Defaults, Performance, Delinquency and Charge-Offs. For Elite status, a CAC dealer must provide a Scorecard showing a Dealer Rating between 0 – 3.0; a WFS dealer must be an A or B score
Credit Report (Franchise and/or Westlake Dealers with a Performance Score of Presidential (A or B) or overall "A" score, are exempt from this requirement.)	An Experian Credit Report will be pulled through the MKT to determine the guarantor's creditworthiness. In the rare case that a guarantor(s) is (are) in the process of purchasing property and requesting that WFI does not pull credit, the Sales Rep must first obtain an approval from the VP of Sales to proceed with the enrollment. If the VP of Sales approves then the dealer is required to submit an email with an explanation why they do not want their credit to be pulled, along with their own Experian Credit Report that is no older than 14 days from the date the report was pulled. Once the credit report is loaded into MKT, the report will be valid for 30 days from date pulled.	FICO Score: 600+ required - No Open BKs, No Foreclosures/Repossessions within 4 years, No DQ Tradelines (If DQ, can provide proof of paid past due debt by providing bank statements to prove payment made), No WFI open loans. Revolving credit cannot exceed > 90% utilization, this excludes student loans and medical debts. At least 3 open tradelines (not student loans or medical). A credit min of \$15K, not including student loans or medical debts, which can include prior paid accounts. FICOs higher than 600 that does not meet the requirements of the 3 open tradelines and/or a credit min of \$15K, including prior paid accounts requires additional review. Review is based on the dealership's overall health. A co-signer may be required if signer's credit is outside of the enrollment guidelines.
Bank Statement Validation	The company uses both Decision Logic and GIACT to validate bank accounts.	Decision Logic is the preferred validation method, as the transactions are included in the retrieval. However, if a dealer submits bank statements directly, we may verify the bank account is valid using GIACT. If an external bank statement is received and transactions appear questionable or account validation cannot occur, then a Decision Logic request may be made. Neither of these meet the Bank Statement requirements stated above as both tools are for validation only.
Google Lot Pics	Review Google Maps based on Dealership lot address	Results are compared to the lot pictures that the dealer submits to ensure the dealer is located at address provided.
OFAC	The Office of Foreign Assets Control is a financial intelligence and enforcement agency of the U.S. Treasury Department. It administers and enforces economic and trade sanctions in support of U.S. national security and foreign policy objectives.	If dealer's Guarantor(s) are exempt from Credit Pull, an OFAC report will be pulled. If there is an OFAC hit, we will not proceed with dealer agreement and Legal Team must be notified immediately. https://sanctionssearch.ofac.treas.gov/
PACER	Public Access to Court Electronic Records (PACER) is an electronic public access service that allows users to obtain case and docket information online from federal appellate, district, and bankruptcy courts, and the PACER Case Locator. PACER is provided by the Federal Judiciary in keeping with its commitment to providing public access to court information via a centralized service.	If dealer's Guarantor(s) are exempt from Credit Pull, we will need to run their info through the PACER database to see if there are any open Bankruptcies pending. If there is an open Bankruptcy, we will not proceed with dealer agreement.
Dealer Reactivations	If a dealer has been closed for 30+ days, a credit report will be pulled on the Guarantor	A Credit report helps to determine the financial well-being of the Guarantor, which is personally responsible for the dealership's transactions