

Dealer Enrollment GUIDELINES



INTRO

The Dealer Enrollment Process is designed to ensure that all dealers signed up with WFI, fall within our Enrollment Guideline and are licensed to transact business within their jurisdiction; to include proper licensing to secure outside lending. If the dealer does not fall within guidelines, the assigned sales rep will reach out to the dealer and communicate the final decision.

The information herein, is intended to be strictly a reference for our dealers. Dealers are responsible to adhere to all legal requirements, set forth by governing agencies, related to the sale or engagement of buying and selling used motor vehicles.



Western Funding

Dealer Enrollment Guideline

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Dealer Type Definitions:

Independent – Used vehicle dealership not authorized to sell new vehicles.

Franchise – Dealership authorized to sell new and used vehicles. These dealerships have a contractual agreement to sell manufacturer brands.

Independent backed by Franchise – Independent dealer that is owned by a franchise dealer, typically the used car division of the franchise.

Guarantor(s):

Identification – Government issued identification for all guarantors who are signing the Master Servicing Agreement “MSA” is required.

- Driver’s license (preferred form of identification):
 - Can be from any state.
 - May not be more than six months expired.
 - Cannot be revoked.
- Non-Driver’s license government identifications:
 - State ID (may not be more than six months expired).
 - Valid passport
 - Valid foreign ID

** Guarantors must have a US issued Social Security Number (SSN) or valid ITIN.**

Proof of social security card or ITIN letter (front and back color pictures) will be requested in cases where specific fraud shield alerts appear on the guarantor(s) credit report.

Authorized Signer – Individual authorized to execute a contractual agreement on behalf of company (guarantor).

Entity Type:

1. Sole Proprietorship

- A Sole Proprietorship is a single owner that is either doing business under their name or a fictitious name. Documents received must prove ownership to be accepted for Sole Proprietorships. 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.

2. Partnership

- Partnerships are identified as LP, GP, or LLP. Secretary of State (“SOS”) filings indicating ownership are acceptable if the name of the partners is displayed. If not displayed, a Partnership Agreement will be required or state licensing reflecting all partners. Only one partner is required to sign.

3. Limited Liability Company (LLC)

SOS filings indicating authorized signer(s) are acceptable if displayed. If they are not displayed, Articles of Organization/Operating Agreement are required. Guarantor(s) are often identified as “Manager”, “Member”, “Member-Manager”, “Managing Member” or “Principal”.



4. Corporations (INC.)

- SOS filings indicating authorized signer(s) are acceptable if displayed. If they are not displayed, Articles of Incorporation or Shareholder Agreement is required. Guarantor(s) are often identified as “Officer”, “President”, “Vice President”, “Shareholder” or “Director”.

****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.****

Licensing:

Secretary of State

- 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
- In "Active" status, in “good” standings or “in compliance” is required.

Seller’s Permit

- Seller's Permit or Finance License allows the dealer to utilize outside financing resources.
- All dealer demographics must match if required by state.

DMV License

- The DMV license must be active and must reflect the dealer’s demographics.
- Required in all 50 states.
- The DMV license is issued by a governing agency (Motor Vehicle Licensing Department) in the same state the dealership resides in. This document serves as proof that the dealership is licensed and legally authorized to sell vehicles.

Bond

- 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.
- 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 the 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.
- Bond is a requirement if required by the state.

Sales Tax Permit

- A Sales Tax Permit, also known as a Sales Tax License, must be obtained before collecting and/or remitting sales tax in most states.
- Active Sales Tax Permit and all dealer demographics must match if required by the state.



Business Operations:

Lot Pictures:

- Provide visual evidence supporting an active, operating dealership that is in the business of selling vehicles.
- Clear pictures (not from internet sources) of the main dealership building, readable signage, and at least three (3) vehicles that can be marked for sale are required. Pictures need to be within 3 months of sign up.
- For shared lots or suite lots, pictures of inventory should verify and support that the vehicles belong to the signing dealer. This can be done by providing a picture to include:
 - Dealer lot signage
 - Vehicles clearly marked for sale with dealership name shown on vehicles, such as license plate frames or window markings.
 - Vehicles parked within a designated dealership display area, clearly marked for sale.
 - Vehicles on lot matching online advertisements.
- Lot Criteria
 - All lot types eligible except for internet lots (an internet lot is a brokering business which does not have a lot).

Bank Statements

- The last 3 months of complete “official” bank statements or Decision Logic statements (2 months if in business 2 months, 1 month if in business 1 month). Time in business is based on the state required license(s) issued date. If more than 1 state license is provided, the most recently issued license will be used.
- The statements need to include all pages, dealership name, address, and account number.
- Name on the bank statements can be from a prior business if the previous name is provable (i.e., John Smith DBA Johns Auto is now just Johns Auto).
- Not required for WFS A Elite dealers. May be waived for B Elite dealers if dealer has booked at least one deal with WFS within the last month.
- If deposits are 1 million dollars or greater, we only require the summary page for each required month, instead of a full months’ statement.
- 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.
 - If there are 5+ NSF’s (Non-Sufficient Funds fees) within the last 30 days, a review will be completed by the sign-up department to determine eligibility.

ACH Form and Voided Check

- The ACH form and voided check signifies the account to which the dealer would like funds deposited.
- The ACH form must match the voided check on file.
- The name on the bank account must match the Dealer’s legal 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 an account other than their own, a review by Dealer Compliance/Legal Dept is required and a hold will be placed on the dealer until a decision is made.



Administrative

Master Servicing Agreement (M.S.A.)

- The MSA is required to be fully executed and is only valid for 6 months prior to activation. An MSA must be executed via DocuSign unless an exception has been granted to accept a handwritten MSA due to the system outages or extenuating circumstances. If an exception is granted, the authorized signer(s) (physical ink) signature should reasonably match the signature of the authorized signer's identification card.

M.S.A Packet (Independent and Independent backed by Franchise)

- This packet includes:
 - Questionnaire
 - Master Servicing Agreement (MSA)
 - Personal Guarantee
 - ACH Form
 - W9 Form

M.S.A. Packet (Franchise)

- This packet includes:
 - Questionnaire
 - Master Servicing Agreement (MSA)
 - ACH Form
 - W-9 Form
 - 0 Payment Recourse Amendment



Franchise and Independent Backed by Franchise Dealers:

- Required Stipulations:
 - M.S.A. packet
 - DMV license
 - State required license(s).
 - SOS page/Articles/Operating Agreements
 - Signed picture ID
 - Voided check
- **Both** are:
 - Exempt from credit pull.
 - Will be set at a minimum title float of 6T.
- **Differences:**

Franchise	Independent Backed by Franchise
<ul style="list-style-type: none"> • If DMV license does not reflect “new” vehicles and the franchise name is not included within the legal name, DBA, or licensing, a franchise agreement may be required. 	<ul style="list-style-type: none"> • Bond required. • MSR will attempt to verify dealer is independent backed by franchise via manufacturers name on licensing, on sign or building, or WFS. If MSR is unable to validate, a franchise agreement may be required. • Recourse will auto default to 1. If dealer is set at 0 recourse with WFS, WFI will match the 0 recourse.

Additional Locations

- Dealer must have the same guarantor as the current active enrolled dealers.
- Same requirements as new [dealer sign-up](#) except for:
 - Credit Pull
 - Lot Pictures
 - Bank statements

**** Tier will not be matched to the original lot****