



Westlake Financial[®]

PROGRAM GUIDELINES

October 2020



Income Types

Below are the various income options and their descriptions. If your customer’s income type is not listed below, please contact your Westlake Representative.

Income Types	
<p>Computerized Paystub w/YTD: Normal paycheck stub with breakdown of taxes and full YTD breakdown of income (i.e. Paychecks, etc.). YTD Monthly Income = (YTD Income/Days in YTD Period) x (365/12) EX: Pay Period End Date = 1/31/2019 YTD Income = \$5000 Days in YTD Period = 31 Monthly Income = (5000/31) * 365/12 = \$4905</p>	<p>Printed Paystub- No YTD: Paycheck stub from company with tax deductions, or a computer-generated stub with no YTD breakdown.</p>
<p>Self Employed-Business: Self-employed customers with a business statement IN THEIR BUSINESS NAME, or proof that the business is in their name. All deposits are not counted as income, a reasonable profit margin will be allowed for the type of business. Ending balances must average out to at least the payment amount on the deal. Suitable proof of income would be 3 recent bank statements.</p>	<p>Self Employed-Personal Stmt: Self-employed customer with personal bank statements. A complete bank statement with transaction detail and address must be submitted. Screen captures/images of transaction ledgers will not be accepted.</p>
<p>Handwritten Paystub: All handwritten stubs with tax deductions. Personal/Business handwritten checks will not be accepted without copies of canceled checks (front and back).</p>	<p>Job Letter: Company should be listed, and proof of business must be provided along with a phone number to contact the employer. Must be typed or written on a company letterhead. This will not be accepted for customers working within a family owned business. Additional documents may be required, depending on the customer’s profession.</p>
<p>SSI: Social security in customer’s name. Different from home care, this is a federal insurance program that provides benefits to retired persons, the unemployed, and the disabled. Appropriate proof of income would be a letter from Social Security Services, Bank Statements disclosing US Treasury Deposit, or a check stub from the US Treasury. The customer’s name should be the only one listed on the award letter. See “Dependent Income” if additional names are listed on the letter.</p>	<p>Student Income (Financial Aid): Student grant money may be counted. (Job time is 0). Proper proof of income would be a letter from their Financial Aid Office or the State they reside in disclosing how much they receive each quarter/semester. Total student income will be calculated over 9 months. Student loans may not be counted as student income, grants only.</p>
<p>Child Support/Foster Care: Any income received for purposes of child support or foster care. Bank statements or other proof showing that the customer is actually RECEIVING the funds must be provided. We will not accept a notice from the court showing the customer has simply been awarded the child support. Must have proof that the funds are actually being RECEIVED.</p>	<p>Home Care: Different from SSI, this is money received by the customer as a result of them caring for an individual in their home. In order to count, a copy of paystub must be included with deal and we must be able to contact the government agency who pays the customer. This income will state the benefactors name on the benefit letter.</p>
<p>Military Income: Must be on active duty and provide an LES statement. Military Pension must be scored as SSI.</p>	<p>Trust/Annuity Income: Any monies from a trust or annuity, which will be received longer than the term of the loan.</p>
<p>Perm Disability/Ins: Income coming solely from an insurance company for dependent income.</p>	<p>Dependent Income: All state or government assistance and any other monies coming solely from the existence of a dependent, such as SSI for an underage child or for an individual at that person’s residence. Appropriate proof of income would be an SSI letter or bank statements. The bank statement should disclose deposits from the US Treasury.</p>
<p>Passive Income: Income derived from sources other than employment or above classified income types.</p>	
<p>Dealer Employee: Any applicant employed by a car dealership.</p>	<p>Short-Term Disability: Workman’s compensation.</p>
<p>Rideshare: Income from Uber or Lyft. Must provide last 3 months of Bank Statements showing consistent deposits.</p>	



Westlake Policies – Powersports Program

Bankruptcy: Discharged or dismissed bankruptcies are okay. Customers with an open or dismissed bankruptcy will not be approved.

Straw Purchase: Westlake does not allow for straw purchase. Operator of the vehicle must be the primary on contract. Deals sent in without the primary vehicle operator will be turned down and returned to the dealer.

Co-signers: Select appropriate relationship. Parent relationship MUST be scored as “parent.” If choosing “co-habitant,” both signers must reside at the same address and proof of such must be provided. Any one of the following items are accepted as proof:

- 1 piece of hard POR that has the names of BOTH signers
- Common trade lines on the credit report
- Minimum 1 year of common reporting addresses on the credit report

If the appropriate proof cannot be provided, in all other instances, the relationship must be scored as “other.”

Delinquent Mortgages: If less than 60 days delinquent, proof of the delinquent account being paid current.

Down/Deferred Payments: Maximum of down payment deferred is 25% of the total down, up to \$500. Last deferred payment due no later than 14 days prior to 1st payment due. Examples: \$1000 total down, max deferred = \$250; \$3000 total down, max deferred = \$500. A down payment cannot be paid with a credit card. If a rebate is being used, rebate must be entered in DealerCenter and will deduct the rebate amount from the sales price listed on the Buy Program™. Rebate is not eligible to reduce the down payment required.

Gross Monthly Income: Enter the appropriate income type in the form of Gross Monthly Income. If a Job Letter is provided, a business card from the employer is required. If other than a check stub with a Year to Date (YTD) or a Job Letter is used, three months of proof of income is needed. Check gross year-to-date figure on the check stub and calculate. The formula Westlake uses is:

YTD income / # full weeks employed YTD = average weekly income

Average weekly income x 4.3 = average monthly income

EX: if customer’s YTD per paystub is \$8500 dated April 10— $\$8500/14 = \$607 \times 4.3 = \$2610$ average monthly income.

Hard Proof of Residence (POR): Defined as:

- 1) A pre-existing utility bill to customer’s name and home address (gas, electric, water, cable, and satellite TV)
- 2) Landline phone bill in customer’s name and home address
- 3) Cell phone bill with full call details in customer’s name and home address
- 4) Checking account statement in customer’s name and home address
- 5) Major credit card statement in customer’s name and home address.

Statement cannot be past due. In addition, a past due amount on a bill used as POR cannot be greater than the new car payment.

Incoming Deals: Sending complete deals is essential for verification of the deal. Westlake has the right to return any deal at any time; dealer will be notified regarding the reason for turn-down.

Ineligible Customers: Westlake will not finance auto collectors or repo/towing employees. Customers with a previous Westlake Financial, Wilshire Consumer Credit, Western Funding or ALPS repossession are ineligible. A customer with 3



or more open derogatory accounts cannot be approved. (An open derog is defined as an open or closed delinquent account that is less than 180 days delinquent).

Insurance: The customer must provide proof of comp and collision with \$500 deductibles with a minimum policy of six months.

Landline/Cell Phone Bill: No phone, no loan! Acceptable forms of phone bill are:

- 1) Landline phone bill to customer's home address.
- 2) Cell phone bill in customer's name and address
- 3) Cell phone bill not in customer's name accompanied with hard POR
- 4) New phone service with hard POR
- 5) Prepaid phone service with hard POR

In addition, a past due phone bill amount cannot be greater than the new car payment.

Number of Repossessions/Vehicle Losses- Count all repossessions: Voluntary surrender, redeemed repos, paid repos, charged-off vehicles, BK LIQ vehicles, insurance deficiency autos, and any other vehicles (or installment loans from an vehicle finance company) that appear to have ever been repossessed, skipped or resulted in any form of a loss to a creditor. All past due autos and repossessions must be accurately reflected on the bureau, subject to final review by Credit Analyst. If the spouse is listed on the contract, enter the number of their combined repossessions.

Open Auto Loans: Westlake will approve a deal for a customer with one existing open auto loan if the open auto loan is current and in good standing. Customers must have a minimum down payment of 35% of the sales price with maximum loan amount of \$10,000. Customers cannot have more than one open auto loan.

Open Motorcycle, ATV, Side-by-Side, Watercraft Loans: Customers with open motorcycle, ATV, Side-by-Side, watercraft, or any other recreation loan will not be accepted.

Out of State/Foreign License/ID: Customers with an Out of State DL must have a primary residence within 150 mile radius of the dealership where the vehicle was purchased. Customers living outside the 150 mile radius are not eligible to open a PowerSports loan with Westlake. There will be an additional \$200 dealer fee added at the time of funding (excluding active military personnel). We will not finance customers that have a suspended driver's license. All deals with an amount financed of \$15,000.00 or more must be pre-checked by the office.

Present or Prior Westlake Accounts: Westlake may allow a second account for a co-habitant who has made at least 6 consecutive on-time payments on an account that is current. The loan must be pre-checked by the corporate office.

Pre-Checks: Deals requiring a pre-check must be submitted to the corporate office for approval. Dealers must submit copy of buy program approval, complete and signed credit application, and any other supporting documents needed for the pre-checks (stips, credit report, book value, etc). To move forward with an approved pre-check, Dealer must include a copy of the email from the Corporate Office indicating the pre-check has been approved. Pre-checks submitted by phone call or text message will not be accepted.

Rebates and Incentives: Rebates/incentives provided to customers must be entered in DealerCenter and dealer must receive an approval. Rebates cannot be used as down payments.

Residence Stability and Job Time: Scoring begins at 18 years old. Be aware of whether or not the driver license and paperwork conflict with the residence time, including all stips and credit reports. Temporary residences will not be accepted (hotels, motels, group homes, etc.) No documentation will ever change or override any conflict with stability. Seasonal and union workers are capped at 2-year job time. Temporary jobs/agencies enter 0.1 years unless time can be verified with the *employer*, not the agency. Self-Employed could be more than 2 years, but ample evidence must be



provided, such as business license or bank account displaying opening date. Tax returns to show time on job are *not* considered evidence.

Resubmitted Deals: A returned deal with the same customer can only be resubmitted once.

Returned Deals: Deals missing two or more major stips (Proof of Residence, Proof of Income, Credit Application, etc.) are subject to being turned down regardless of the deal's age.

Stipulations: Complete deals are rewarded with faster funding. Deals missing two or more major stips will be returned to dealers and will require resubmission. Stips must be dated within the last 30 days of contract date.

Vehicle Qualification: New vehicles must have never been registered and cannot be demo units. Vehicles cannot be greater than 15 years old. Vehicles cannot have more than 25,000 miles.

Warranty: All ancillary products (EX: Gap waivers, Extended Service Contracts, etc.) must be activated within 30 days of installment contract date. Based on MSRP, the Max Warranty for new units will be:

- \$500-700 for off-highway (dirt bikes)
- \$650-900 for on-highway and dual motorcycles (sport bikes and cruisers)
- \$700-1500 for ATVs
- \$1000-1500 for Side-by-Side
- \$1200-1500 for PWC

GAP will be capped at \$400 for 0 – 60-month contracts.

NOTE: Warranties greater than or equal to \$995.00 must cover half the term of the contract or longer. Warranties less than \$995.00 must cover a minimum of 6 months. Warranty advance (per grid) cannot exceed price of warranty or 10% of amount financed.

Any deviation from Westlake Financial Services' stated policies may result in delayed funding, additional dealer fees, or denial of credit to applicant and/or a returned deal to the dealership. It is the dealer's responsibility to verify the validity of the customer's information as stated on application. It is also the dealer's responsibility to ensure deals submitted to Westlake are structured in accordance with Westlake Program Guidelines.