



DEALER ENROLLMENT External Stip Guide

Effective Date: September 8, 2021

WFI DEALER ENROLLMENT GUIDELINE

Western Funding -- Dealer Agreement External Stips List

Type	Definition of Acceptable Proof	Objective Assessment
<p style="text-align: center;">Ownership: 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 or tax permit (if applicable). If unable to prove ownership through those items a fictitious name filing, a DBA filing, or an EIN issue letter (if DBA indicated) can be used to prove ownership.</p> <p>Partnership (LP) or (LLP) – Secretary of State (“SOS”) filings indicating ownership are acceptable if partnership is displayed. If not displayed, Partnership Agreement will be required. Only the managing partner is required to sign.</p> <p>Limited Liability Company (LLC) Corporations (Inc.) – SOS filings indicating authorized signer are acceptable if displayed. If they are not displayed, Articles of Incorporation for Corporations or Articles of Organization with Operating Agreement for LLC are required. An authorized signer would be an Officer, President, or Vice President.</p>	<p>Documents received must prove ownership to be accepted.</p> <p>For Sole Proprietorships An owner is identified by the words “Owner “or recognize, as DBA.</p> <p>Partnerships are identified as Partners or Owners and sometimes will be recognized with DBA.</p> <p>Limited Liability Company often are identified as “Member”, and “Member-Manager” or “Managing Member”. A principal or principal member can also sign on behalf of an LLC, even though they are not an owner, they are authorized to sign on behalf of the organization for legal matters.</p> <p>In the case of a Corporation, we need an authorized signer of the business that that is listed as an “Officer” or “Principal” of the business.</p> <p>An individual identified as a “Registered Agent”, “Incorporator”, “Organizer”, “Manager-Managed” or “Operating Manager” does not prove ownership. Articles of Organization sometimes specify ownership percentages – when they don’t, all owners are presumed to have equal ownership percentages.</p>
<p style="text-align: center;">Ownership: Guarantor Identification</p>	<p>Government Issued Identification for Guarantor(s) who are signing the Master Servicing Agreement “MSA”. Guarantors must have a US issued Social Security Number (SSN).</p>	<p>Valid state issued driver’s license / ID card OR a Valid Passport (if expired, must be within 6 months)</p>
<p style="text-align: center;">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 LLC’s, LP, GP, LLP’s and Corporations</p>	<p>In "Active" status, in “good” standing OR “in compliance” and all dealer info matches dealer demographics</p>
<p style="text-align: center;">Licensing: Seller's Permit / Finance License</p>	<p>Seller's Permit or Finance License allows the dealer to utilize outside financing resources.</p> <p>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</p>
<p style="text-align: center;">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 style="text-align: center;">Licensing: Surety Bond</p>	<p>Franchise dealerships are exempt. 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 Bond is required in ALL STATES, except for DE and OH. In IL, bond is only required for first 5 years of business; In AL, ID, KY, MO, VA, WV 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 updates have been made to the bond certificate with a bond rider that does not have the expiration date, please include both. Minor clerical spelling errors will be accepted upon review.</p>
<p style="text-align: center;">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 info matches questionnaire.</p>
<p style="text-align: center;">Business Operations: Lot Pictures</p>	<p>Franchises are exempt. 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 posting. Pictures need to be within 3 months of sign up.</p>	<p>Visual evidence supporting an active, operating dealership that is in the business of selling vehicles.</p>

WFI DEALER ENROLLMENT GUIDELINE

<p>Business Operations: Bank Statements</p>	<p>Franchise Dealerships are exempt. 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).</p>	<p>Deposit Requirements - Average deposit requirement of \$20k between all statements (multiple deposits), \$15K min in deposits for the most recent statement. Transfers between owner accounts are NOT an acceptable source of deposit. (Source of transfer may be requested/provided)</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>Bank Transaction Requirements – Require at least 2 auto-related transactions on each statement, these can include but are not limited to: Payments to DMV (fees, titles, tags), Auction (buying vehicles), Flooring or Lender Deposits (Funding Proceeds). NSF fees should NOT exceed 2 days in last 30 days. If there are more than 2 days of NSFs within the last 30 days, a review will be completed based on transactions and prior month bank statements and either an exception or a rejection will be determined and notated.</p>
<p>Administrative: Voided Check</p>	<p>Voided check showing Routing and Account Number from Dealership. This should show the account to which WFI will deposit funding proceeds.</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 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, we can allow for an exception, except that a hold will be placed on the account while the information is reviewed by Dealer Compliance/Legal for final approval. If the address on the voided check does not match, we can allow for an exception if the account number is on bank statement with the updated address.</p>
<p>ACH</p>	<p>The ACH form required must match the voided check on file. If the account number is matching that of the voided check, we can allow for an exception if the routing number is inputted/flipped so long as the routing number is listed on the voided check or the bank statement.</p>	<p>The bank account the Dealer is using to receive the funds must match the signed MSA or legal name of the Dealership. The bank account may not be in another person’s or business account than the assigned dealership with whom WFI is doing business. If the dealer has a different account into which they are requesting funds to be deposited, we can make an exception and place the dealer on hold pending a review by Dealer Compliance/Legal for final approval.</p>
<p>Administrative: Executed MSA</p>	<p>WFI MSA is to be fully executed by an authorized signer 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. An authorized signer must be the owner of a Sole Proprietorship or the managing partner of a Partnership, the managing member of a LLC and for a Corporation or a - this can be anyone that can sign on behalf of the company i.e., an officer, president, vice president. Etc., (this cannot be a sales rep or finance person).</p>	<p>WFI requires that the MSA is completed through DocuSign and therefore any electronic signature will suffice, so long as it is made using a recognized electronic signature service/software. **The company 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 person’s identification card.</p>
<p>Administrative: Enrolling an additional lot</p>	<p>The following items are required: all Proof of ownership, Licensing, and administrative requirements specified above.</p>	<p>An additional lot can be enrolled with fewer requirements when a dealership of the same legal name is already active and in good standings with WFI.</p>