



GWC Warranty and The ZERO Plan

0% Financing Program



UNIVERSAL LENDERS LLC

- Universal Lenders Inc. organized in 1958 and incorporated in 1994.
- Universal Lenders LLC created in 2010 exclusively for The ZERO Plan.
- Serves the automotive industry by offering zero percent financing for the purchase of vehicle service contracts and ancillary F&I products

JEFF JACOBS

- Owner of Universal Lenders LLC
- Spent over 30 years in the retail automobile industry as an owner of Jacobs Twin Auto Plaza.
- Jacobs Twin Auto Plaza - 6 new vehicle franchises in Chicago retailing over 5500 new and used vehicles annually.

As a result The ZERO Plan® was created for Dealers by a Dealer.



WHAT IS THE ZERO PLAN®?

AN ALL NEW **0%** FINANCING PROGRAM FOR YOUR DEALERSHIP

- **OBJECTIVE** Increase Product Sales and Bottom Line,
Drive Incremental Sales & Profits!
- **GOALS**
 - Offer an alternative For When a Service Contract Cannot be Financed with the Vehicle or for CASH sales
 - Preserve Profits by Reducing Cancellations
 - Create a Dealer Friendly Platform



GOAL NUMBER ONE

Offer Alternative 0% Financing to Increase Total Profit.

RESULT: INCREASED INCREMENTAL SALES & PROFITS

- **Everyone is Approved! Increase Penetrations of GWC Service Contracts on Credit Restricted Customers.**
- **No limit on Sales Price. No Limit on Dealer Profit.**
- **A True Payment Plan for CASH buyers!**



GOAL NUMBER TWO

Preserve Profits by Reducing Cancellations
The ZERO Plan® Boasts Cancellation Rates Under 5%!

RESULT: INCREASED INCREMENTAL PROFITS

- **Aggressive Collection Efforts Including Multiple Late Notices, Certified Cure Letter, Management Phone Calls**
- **Dealership Involvement Utilizing Our Exclusive “Save A Deal” Program.**
- **Lower Cancellations Result in Reduced Chargebacks. Reduced Chargebacks Result in Increased Profit and increased F&I earnings.**
- **Deliver Best in Class Customer Satisfaction**



GOAL NUMBER THREE

Create A Dealer Friendly Platform

RESULT: The ZERO Plan Makes It Simple to Create Incremental Sales & Drive Incremental Profits

| ISSUE | The ZERO Plan® | Competition |
|--------------------------------|---------------------------------------|---|
| Dealer Payment | Within 14 Days | Between 90 – 120 Days |
| Limit Dealer Profit | No Limitation on Dealer Profit | Limits Dealer Profit to an amount over cost |
| Customer Payment Via Statement | Available | ACH or Credit Card Only Option |
| Cancellation Rates | Low Cancellation Rates | Higher cancellation rates |



Guidelines & Fee Schedule

| Remaining Coverage of Automotive Policy | Min. Down Payment Required | Max Monthly Repayment Term Allowed | <u>Minimum</u> Amount to Finance | Dealer Fee Calculated as a % of the Unpaid Balance |
|---|----------------------------|------------------------------------|----------------------------------|--|
| 24 Month Or Longer | 10% | 12 | \$500.00 | 13.0% |
| | 10% | 18 | \$500.00 | 16.0% |



GWC Dealer Funding Process

- **F&I sells vehicle product(s) and completes ZERO Plan® Paperwork.**
- **Dealer sends GWC Warranty the Funding Packet. GWC will confirm that the Service Contract being financed is eligible for the vehicle. GWC will then transfer the paperwork to Universal.**
- **Upon Receipt of the Required Documents, Universal Lenders LLC will Send GWC the Cost of the GWC Warranty and the Dealer the Balance of the Proceeds Less Our Fee within 7 days.**
- **In the event of a loan default, Universal Lenders LLC will first cancel the GWC Warranty and apply the prorated refund of the GWC Warranty Cost paid by the Dealer. If a Balance still Remains Unpaid on the customer's Account Universal will contact the Dealership directly to request a refund. Claims will not be deducted from cancellations requested as a result of this program!**



FUNDING Requirements

- **ZERO Plan Note & Contract**
- **ZERO Plan Payment Authorization Form**
- **Customer Copy of Drivers License**
- **One Lienholder Copy of the Service Contract Policy**

NOTE: Each Service Contract Policy must include Universal Lenders LLC as the Lien Holder



Typical Transaction & Cash Flow

CUSTOMER TRANSACTION:

| | |
|--------------------------------|-----------|
| Sale Price of Service Contract | \$1500.00 |
| 20% Down payment Requirement | \$ 300.00 |
| Unpaid Balance to Finance | \$1200.00 |
| Divided by Repayment Term | 12 |
| Customer Monthly Payment | \$ 100.00 |

DEALER CASH FLOW:

INFLOW(+) / OUTFLOW(-)

| | | |
|--|-------------------|--|
| Dealer keeps 20% down payment | + \$300.00 | Received at time of Sale |
| Dealer Receives Unpaid Balance from Universal | + \$450.00 | Received within 14 of Loan Docs |
| Dealer pays Universal fee of 13% of the Unpaid Balance | - \$156.00 | Unpaid Balance paid by GWC is reduced by Fee |
| Dealer Profit | + \$594.00 | |



Typical Cancellation Transaction

EXAMPLE TRANSACTION:

| | | | |
|--------------------------------|-----------|-------------------------------|-----------|
| Sale Price of Service Contract | \$1500.00 | Divided by Repayment Term | 12 |
| Cost of GWC Service Contract | \$ 750.00 | Customer Payment | \$100.00 |
| 20% Down payment Requirement | \$ 300.00 | Dealer Profit (net of UL Fee) | \$ 594.00 |
| Unpaid Balance to Finance | \$1200.00 | Warranty Monthly Term | 36 |

UNIVERSAL REQUESTED CANCELLATION DUE TO CUSTOMER DEFAULT:

| <u>Canceled After</u> | <u>3rd Month</u> | <u>6 Month</u> |
|------------------------------------|-----------------------------|-----------------------|
| Unearned Premium | 92% \$1380.00 | 83% \$1245.00 |
| Cancellation Fee | (\$50.00) | (\$50.00) |
| Refund per VSC Policy | \$1330.00 | \$1195.00 |
| Credit Due back from GWC | 92% (\$690.00) | 83% (\$623.00) |
| Cost to Dealer | \$640.00 | \$572.00 |
| Universal Requested Amount* | \$1000.00 | \$700.00 |
| Credit Due back from GWC | 92% (\$690.00) | 83% (\$623.00) |
| Cost to Dealer | \$310.00 | \$ 77.00 |

* May be slightly higher due to Late Charges and Misc fees



Business Manager's Resources

Access our website at www.the-zero-plan.com

The ZERO Plan™

Business Partner Login User: DLR9950 Password: ●●●●●● [Forgot password?](#) **Sign in**

0% Payment Solutions

ZERO Plan® Partners

- Overview of the ZERO Plan® and Universal Lenders LLC
- Current Forms and Forms Builder Program
- ZERO Plan® Reference Guide and FACT Sheets
- Current Program Guidelines and News
- Approved Product List - Service Contracts and Other Products
- Agent Resources
- How Do I Contact Universal Lenders LLC?



Customer Service

Refer your customers to our website to address most concerns.

Frequently Asked Questions

Who is Universal Lenders LLC?

Where do I send my payments?

How Do I Contact Universal Lenders LLC?

How Do I Cancel My Service Contract or Policy?

How Do I Setup Automatic Deductions to Make My Payments?

How Do I File a Claim on My Service Contract or Policy?

Who can Answer Questions On What My Policy Covers?

What Is The Current Balance On My Account?

How Do I Pay My Account Off Early?

How Much Interest Am I Paying?

My Service Contract Was Cancelled; Why Do I Still Owe Universal Lenders LLC Money?

If we did not address your question please [click here to email us.](#)



Thank You

Questions?

Contact Information:

866-954-1050

info@universallenders.net

www.the-zero-plan.com