

Financing Guide

Tips for Success



Success...

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Contact List

1-855-241-0024

www.foundationfinance.com

Physical Address

(Documents mailed UPS, FedEx, etc.)
Foundation Finance Company
7802 Meadow Rock Dr.
Weston, WI 54476

Mailing Address

(Documents sent US Postal Service)
Foundation Finance Company
P.O. Box 437
Schofield, WI 54476

Hours of Operation (Central Time Zone)

Monday-Thursday: 7 a.m. - 9 p.m.
Friday: 7 a.m. - 6 p.m.
Saturday: 10 a.m. - 2 p.m.

Credit Dept.

855-241-0024
Option 3, Option 1

Ext: 4436

Fax: 715-847-4437

credit@foundationfinance.com

- Approvals
- Stipulations
- Re-looks/Credit Increases

Funding Dept.

855-241-0024
Option 3, Option 2

Ext: 4438

Fax: 715-847-4439

funding@foundationfinance.com

- Paperwork
- Stipulations
- Loan Completion
Certificates

Dealer Support Dept.

855-241-0024
Option 3, Option 3

Ext: 5012

Fax: 715-847-4429

sales@foundationfinance.com

- Training
- Point of Sale Materials
- Change of Dealership
Information

Follow us on our social channels for updates, important announcements, free content and more!



@foundationloans



The Process is Simple

We work with you to get you the most approvals with the least amount of hassle.

1) Submit Credit Applications

- Enter applications through our online portal, submit by fax or email or call our expert credit analysts while in the home.
- We'll give you a decision in minutes.

2) Complete Loan Docs

- From the online portal, generate loan documents for remote electronic signing, in-person electronic signing or print hard copies to sign.
- If hard copy documents were signed, fax, email or upload copies in the online portal and then mail the original, signed copies to FFC.

3) Pre-verification

- Let the customer know FFC will contact them within 24 hours to verify loan terms and application information.
- After the call is completed, you will receive an email notification to proceed with installation.

4) Complete The Job

- Once the job is finished, submit the completion certificate.
- FFC will call the customer to confirm installation and set the first payment date.

5) Get Paid

- FFC will fund you by ACH within 24-48 hours once the job is complete and the final verification call is done.
- If hard copy documents were signed, we need the originals prior to funding.
- You will receive an email notification of funding.

Tips

- Down payments must be disclosed on loan documents.
- In CA – the law requires you to wait until the 3 day right-to-cancel period expires before installing.
- Be aware of any state-specific financing requirements (see pages 9-10).

Loan Types

Closed-End vs. Revolving

Foundation Finance Company offers two different loan types to give you flexibility in meeting your customers' needs. This chart shows some features and benefits of each of these loan types.

	Closed-End	Revolving
Term	12-120 mos., depending on loan size	No fixed term
Add-Ons	Not allowed	Subject to FFC approval and current account status. May be allowed if customer has available credit and is not in default.
Payment factor	Varies by term and APR	1.25% - 2.0% of the amount financed (rounded to the next dollar) *Depending on plan offered
Benefits	<ul style="list-style-type: none"> • Payments won't change • Customers know exactly how much interest they will pay and how long it will take to repay the loan (if paid on time) • Clear Truth-in-Lending disclosures make understanding loan terms simple • Shorter terms are available to help the customer save money on interest charges 	<ul style="list-style-type: none"> • Low monthly payment factor fits most budgets • Open lines of credit allow customers to purchase additional items without reapplying • Open line of credit at your dealership builds brand loyalty • Simple loan paperwork and payment calculation

CE: Closed-End Loans (Also called Installment or Fixed-Term loans)

REV: Revolving Loans (Also called Lines of Credit)

Financing Promotional Plans

FFC offers a variety of promotional plans designed to help you attract new customers and close sales.

Types of promotions:

Same-As-Cash with payments (SAC):

No interest if the amount financed is paid in full before the end of the promotion period. If the amount financed is not paid in full during the promotion period, interest will be imposed from the date of sale at the contract rate. Minimum payments are due monthly. On installment loans, the 1st payment date must be set 30-45 days from contract date. Available on revolving credit or installment loans.

Same-As-Cash with deferred payments (DEFSAC):

No interest if the amount financed is paid in full in the promotion period. If the amount financed is not paid in full during the promotion period, interest will be imposed from the date of sale at the contract rate. Monthly payments begin 3, 6 or 12 months from the contract date, depending on the promotion selected.

Deferred Payments (DEFPMT):

The first payment is deferred 3 months. Interest accrues from day one and is not waived at any point during the loan term. Available for revolving or installment loans.

Equal Payments (EQLPMT):

The amount financed is broken into equal monthly payments at 0% APR.

Reduced APRs:

A variety of reduced APR plans are available. The interest rate is reduced for the entire loan term. May be combined with SAC, DEFSAC and DEF promotions - different pricing will apply.

Promotional plan fees are in addition to risk fees on Tier 3 customers.



Credit Tips

Use these tips to ensure you are getting the most accurate approvals when submitting an application.

- Be sure to include dealer number and sales rep phone number in case we have questions.
- Fill out as much information on the credit application as possible. The more information provided, the more accurate a decision you'll get.
- Down payments must be disclosed on the contract.
- Do not "gross up" fixed incomes.
- You cannot use household income unless all parties are signing the documents.
- Make sure the homeowner is on the application.
- Get a co-applicant whenever possible.
- Split tickets with another lender must be disclosed at the time of the application.



FFC is not an "approve or deny" only lender. We look at more than just the credit score. Application factors (time at home, monthly income, time at job) and credit factors (FICO score, payment history, debt ratio) can affect a decision.

Funding Tips

Use these tips to ensure your documents are accurate and you get funded faster.

- If an approval qualifies for reduced APR, you still must list/select that rate on the contract.
- If dates are altered on the contract (even initialed), the contract is void. We would need new paperwork with the correct dates.
- No white-out is permitted on any legal document.
- List a full Description of Goods Sold on the contract.
- Customers must sign the documents with full signatures (no abbreviations or initials).
- You must give customers physical copies of all their loan documents (if electronic signing was not used).
- Fax or email copies of the documents before mailing the originals so we can review and advise if there are any problems with paperwork.
- Use electronic signing option when possible to avoid mailing fees and speed up the funding process.
- Stipulation requirements must be cleared for each applicant prior to funding.
- We cannot fund you until the Notice of Cancellation is expired, even if all other funding requirements are met.
- You will receive the ACH bonus only if we have the customer's ACH information prior to the verification process and the customer confirms it during the call.

The Power of Second Look Financing



Example of discounts for a \$5,000 sale.

What is Second Look Financing?

Second Look or "Discount Financing" is a way to approve a wider variety of credit, including customers that most "prime lenders" (like banks) would decline, by sharing a portion of the risk with the dealer. Risk discounts are costs to the dealer based on the customer's credit and application information; the weaker the credit, the higher the fee may be.

Risk Discount	None	95% Bid	None	95% Bid
Promotion Discount	No Promo	No Promo	6 MOSAC	6 MOSAC
Total Discount	0%	5%	2.75%	7.75%
Dealer Payout	\$5,000	\$4,750	\$4,862.50	\$4,612.50

How can second look financing add to your bottom line?

Example: \$5,000 sale turned down by a prime only lender = no money in your pocket. If FFC is able to approve that loan at a 90% bid (10% risk discount), you will be paid \$4,500, turning a loss into incremental revenue you'd otherwise have missed. Note: The actual risk discount will vary based on the customer's credit and application information.

Why Accept a Discounted Deal?

- › Some profit is better than no profit.
- › Help cover general, administrative and marketing expenses.
- › Prevent customers from using a competitor who does take discounts.
- › Future sales & service from customers along with referrals.
- › Breaks from suppliers on pricing due to greater volume of sales.

APPROVAL TIERS

Our Tier 1 and Tier 2 approvals are paid out at 100% (less any promotional plans) with NO dealer fees.

Our Tier 3 bids are done at discounted levels, allowing you to close sales with customers most lenders would decline. Let us show you how to turn these discounted bids into additional revenue to build your bottom line.

FAQs:

Second Look Financing

Q Do all approvals have a risk discount?

A No! Risk discounts are only applicable to Tier 3 approvals. Tiers 1 & 2 will always be at 100%. The only fee that would apply is if you select a promotional program that has a fee to you.

Q Can I accept a down payment?

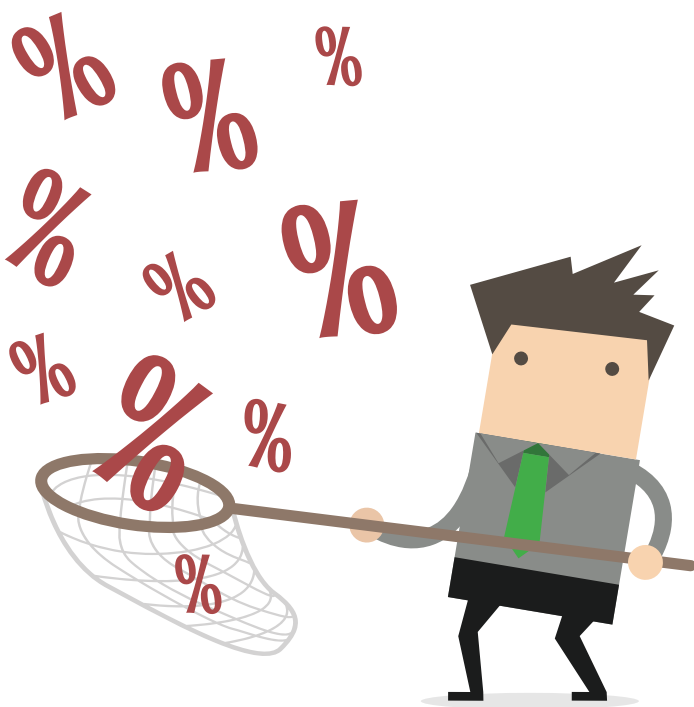
A Yes. Any down payments will go directly in your pocket with no discount removed and must be disclosed on the contract.

Q On Tier 3 bids, what determines the risk fee? How can I get the best approvals?

A FFC is not strictly a “FICO score” driven lender. We look at credit and application factors to determine what tier a customer falls into. Getting joint credit applications whenever possible and accurately listing all income will help with getting better approvals.

Q Can I pass along the discount to the customer?

A No. According to the Truth in Lending law, you are not allowed to pass along the cost to the customer.



Foundation Finance approves up to

77%
of deals other lenders decline.

State-Specific Financing Requirements

Finance Licenses

Do you do business in any of the following states?

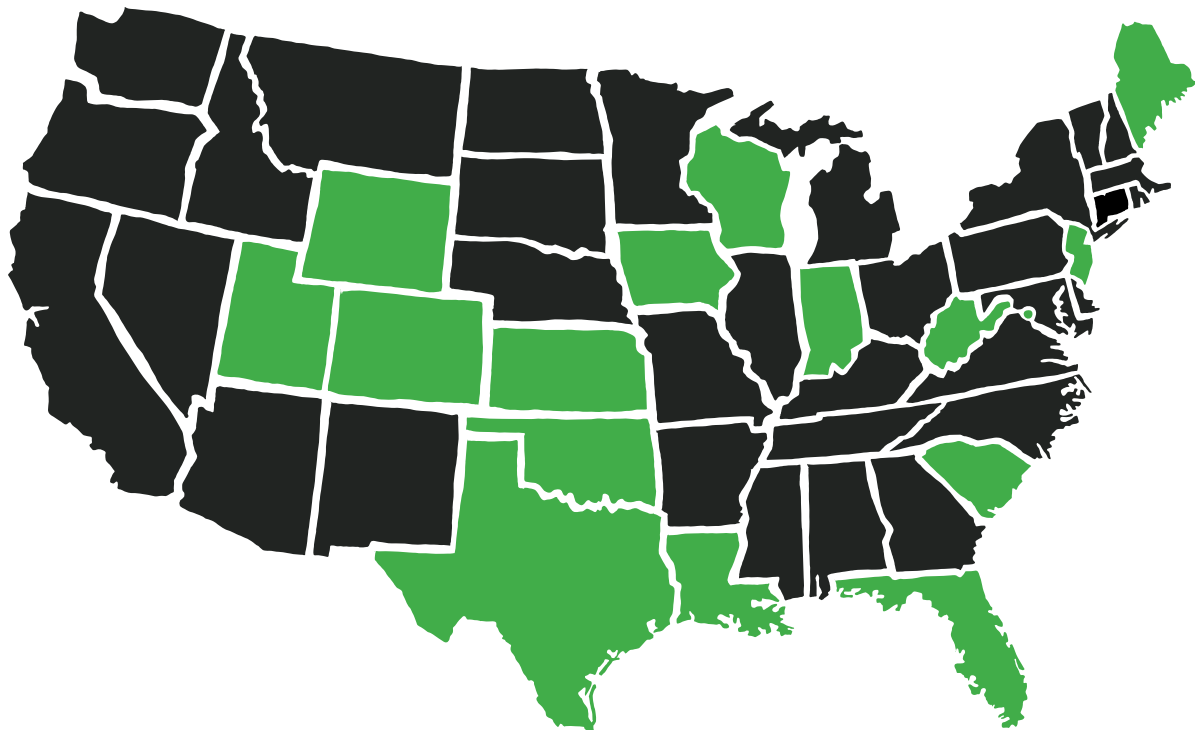
CO, DC, FL, IA, IN, KS, LA, ME, NJ, OK, SC, TX, UT, WI, WV, WY

To offer financing in these states, you may need to complete a simple registration form. The requirements in each state are different but FFC can assist you with understanding those requirements and directing you to the needed form or website.

Why do I need to register if I am not the finance company?

These are state requirements, not FFC's, so the reasons and requirements may vary. Generally speaking, the states simply want to know who is offering financing in the state so they can keep them up-to-date on any law changes or new requirements. In most states, registering is as simple as completing a short form and paying a nominal fee.

As your partner, Foundation Finance wants to ensure we are protecting you and your business by following state-specific requirements. If you do business in any of these states or have questions about the licensing or registration, please call or email us.



State-Specific Funding Requirements

General State Requirements

Arkansas: The maximum interest rate is 17.00%. Buydown fees apply for Tier 3 customers.

California: The Loan Completion Certificate must be dated AFTER the Notice of Cancellation has expired. CA law requires dealers to wait until AFTER the expiration of the 3 day right-to-cancel before installation may occur.

Connecticut: The maximum interest rate on installment contracts is 11.9%. Buydown fees apply.

Florida: On installment contracts, the required Florida Doc Stamp Fee* will be deducted from your funding amounts in addition to any applicable risk or promotion fees. *This fee is 35 cents per \$100 funded

Michigan: The maximum interest rate is 13.5%. Buydown fees apply for Tier 3 customers. (This does not apply to water treatment sales).

Pennsylvania: The maximum interest rate is 13.5%. Buydown fees apply for Tier 3 customers. (This does not apply to water treatment sales).

Vermont: The maximum interest rate on an installment loan is 15.00%. Buydown fees apply for Tier 3 customers.

Notice of Cancellation Requirements

Federal holidays: New Year's Day, Martin Luther King Jr. Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Christmas Day must be excluded.

Sundays: Sunday may not be used in any state when calculating the notice of cancellation date.

Saturdays: The following states are prohibited from counting Saturdays when calculating the notice of cancellation date: Delaware, Hawaii, Iowa, Michigan, Minnesota, Missouri, Oregon, Vermont, Wisconsin.

North Dakota: If the customer's age is 65+, the Notice of Cancellation must be dated 15 days after the loan date.

Maryland: The Notice of Cancellation must be dated 5 business days after the loan date and 7 days if the customer is over 65.

Alaska: The Notice of Cancellation must be dated 5 business days after the loan date.

Approval Email Example

Date: **06/05/2018**
Dealer: **ABC Doors & Windows**
Dealer Contact: **John Smith**
Applicant(s): **Gary Golfer**
Customer Address: **256 E. Parr St, Fantasy Island, IL 60750**
Application No.: **1985**

Bid %: 95%

Tier: **3**

Amount Approved: \$10,000.00

Down Payment: **\$2,000.00**

Approval Expiration Date: **10/02/2018**

Application Submitted By: **Katie Palesh**

Application Stipulation(s)

Stip Name

Proof of Income

Customer ID for applicant

BID PERCENT:
Shows the bid rate. Anything less than 100% indicates a risk discount. e.g. 95% = 5% risk discount

APPROVAL AMOUNT:
Shows the loan amount that was approved.

STIPULATION:
Look here to see stips on the loan.

When your loan is processed, you will receive an email with the approval details.

SPECIAL MESSAGE:
Updates, special promotions and important temporary reminders will appear here.

Comments:

If Foundation Finance has any comments for the dealer regarding the approval, they will be entered here.

**Special Message*

-1ST QUARTER FINANCING SPECIALS - We're making it easy, no need to update your promo sheets - keep using the same awesome promotions through the end of the year! 11.9% APR is FREE for ALL tiers. 9.9% APR is free for Tier 1 customers and 2.5% dealer fee for Tiers 2 and 3 customers. Check your dealer portal or call for details

APPROVAL TERMS:

- 1) This bid/approval is good until the approval expiration date shown above. Loans not funded before that date may be re-decided or be returned unfunded at our discretion.
- 2) Per section 1(e) of the Master Dealer Agreement, you are required to have all necessary licenses, bonding and permits required for each job. FFC may verify or request copies of any required items at any time. FFC reserves the right to refuse funding on any loans not complying with these requirements.
- 3) The bid % is the percent of the net amount financed that we will pay you for the loan. You may not pass the discount percent on to the borrower. If you use a promotional plan that has a fee, the promotional fee is IN ADDITION to any risk discount shown on this approval.
- 4) The bid is based on the information listed on the credit app and loan documents being accurate. If we find out during verification or any other time that something is not correct, we may decrease our bid, request additional documentation or reject the loan.
- 5) SPLIT FINANCING/SPLIT TICKETS: Split tickets between Foundation Finance Company and another finance company must be disclosed at the time of the application. Sales that are found to be partially financed with another finance company without prior FFC knowledge may be subject to review. We may re-underwrite them (which may affect any approval bid %) or return them unfunded at our discretion.

We Appreciate Your Business!

Foundation Finance Company

Phone #: (855)-241-0024

Approvals for Home Improvement dealers are valid for 120 days. Approvals for all other products are good for 45 days. Always be aware of the expiration date.

Denial Email Example

Dealer: **ABC Doors & Windows**
Dealer Contact: **John Smith**
Date: **06/13/2018**
Applicant(s): **Gary Golfer**
Customer Address: **256 E. Parr St, Fantasy Island, IL 60750**
Application No.: **1985**
Amount Requested: **\$10,000.00**
Application Submitted By: **Katie Palesh**

Application Stipulation(s)

Stip Name

Will reconsider with co-applicant or additional verifiable income

STIPULATION:
Look here to see stips on the loan for a relook by our credit department. (e.g. "Will reconsider with a co-app or additional income.")

Comments:

Special Message

-1ST QUARTER FINANCING SPECIALS - We're making it easy, no need to update your promo sheets - keep using the same awesome promotions through the end of the year! 11.9% APR is FREE for ALL tiers. 9.9% APR is free for Tier 1 customers and 2.5% dealer fee for Tiers 2 and 3 customers. Check your dealer portal or call for details

APPROVAL TERMS:

- 1) This bid/approval is good until the approval expiration date shown above. Loans not funded before that date may be re-decisioned or be returned unfunded at our discretion.
- 2) Per section 1(e) of the Master Dealer Agreement, you are required to have all necessary licenses, bonding and permits required for each job. FFC may verify or request copies of any required items at any time. FFC reserves the right to refuse funding on any loans not complying with these requirements.
- 3) The bid % is the percent of the net amount financed that we will pay you for the loan. You may not pass the discount percent on to the borrower. If you use a promotional plan that has a fee, the promotional fee is IN ADDITION to any risk discount shown on this approval.
- 4) The bid is based on the information listed on the credit app and loan documents being accurate. If we find out during verification or any other time that something is not correct, we may decrease our bid, request additional documentation or reject the loan.
- 5) SPLIT FINANCING/SPLIT TICKETS: Split tickets between Foundation Finance Company and another finance company must be disclosed at the time of the application. Sales that are found to be partially financed with another finance company without prior FFC knowledge may be subject to review. We may re-underwrite them (which may affect any approval bid %) or return them unfunded at our discretion.

We Appreciate Your Business!

Foundation Finance Company
Phone #: (855)-241-0024
Fax #: (715)-847-4437

Counter Offer Email Example

Date: **06/04/2018**

Dealer: **ABC Doors & Windows**

Dealer Contact: **John Smith**

Applicant(s): **Gary Golfer**

Applicant Address: **256 E. Parr St, Fantasy Island, IL 60750**

Application No.: **1985**

Application Submitted By: **Katie Palesh**

We are unable to offer you credit on the terms that you requested for the following reason(s):

Applicant's Counter Offer Reasons(s)

Income Insufficient for Amount of Credit Requested

REASON:
The reason for the counter offer will be located here

Co-Applicant's Counter Offer Reasons(s)

We can, however, offer you credit on the following terms:

Dealer Loan Request	Lender Offer
Amount Requested:\$12,000.00	Approved Amount: \$5,000.00
Term: 120	Bid: 95%
	Tier: 3
	Term: 120
	Approval Expiration Date: 10/02/2018

OFFER:
Here you will see the amount requested and the amount FFC is offering for the loan.

Application Stipulations:

Stip Name
Proof of Income
Customer ID for applicant

STIPULATION:
Look here to see stips on the loan.

Comments:

If Foundation Finance has any comments for the dealer regarding the counteroffer, they will be entered here.

****Special Message****

-1ST QUARTER FINANCING SPECIALS - We're making it easy, no need to update your promo sheets - keep using the same awesome promotions through the end of the year! 11.9% APR is FREE for ALL tiers. 9.9% APR is free for Tier 1 customers and 2.5% dealer fee for Tiers 2 and 3 customers. Check your dealer portal or call for details

APPROVAL TERMS:

- 1) This bid/approval is good until the approval expiration date shown above. Loans not funded before that date may be re-decided or be returned unfunded at our discretion.
- 2) Per section 1(e) of the Master Dealer Agreement, you are required to have all necessary licenses, bonding and permits required for each job. FFC may verify or request copies of any required items at any time. FFC reserves the right to refuse funding on any loans not complying with these requirements.
- 3) The bid % is the percent of the net amount financed that we will pay you for the loan. You may not pass the discount percent on to the borrower. If you use a promotional plan that has a fee, the promotional fee is IN ADDITION to any risk discount shown on this approval.
- 4) The bid is based on the information listed on the credit app and loan documents being accurate. If we find out during verification or any other time that something is not correct, we may decrease our bid, request additional documentation or reject the loan.
- 5) SPLIT FINANCING/SPLIT TICKETS: Split tickets between Foundation Finance Company and another finance company must be disclosed at the time of the application. Sales that are found to be partially financed with another finance company without prior FFC knowledge may be subject to review. We may re-underwrite them (which may affect any approval bid %) or return them unfunded at our discretion.

We Appreciate Your Business!

Foundation Finance Company

Phone #: (855)-241-0024

Funding Email Example

ABC Doors & Windows - 8552410024

A loan application has been funded on 06/13/2018.

The date the loan was funded will appear here.

Customer Name: GARY GOLFER

Customer Address: 256 E. Parr St, Fantasy Island IL 60750

Co-Applicant Name: NA

Loan Number: 1985

Loan Product: CEHI

Amount Financed: 10000.00

Buy Rate: 91.5%

Risk Discount: 5%

Promo Cost: 3.5%

Any factors reducing the funded amount will appear here.

Promo Plan: CE_8.9APR_SLAMDUNK

Risk Disc. \$

Promo Disc. \$

Total Disc. \$

FL Doc Stamp Fee: \$

Other Fee: \$

ACH Premium %

ACH Premium \$

Other Premium %

Other Premium \$

Total Funded \$ 9150.00

The total funded amount is the amount financed, less any fees, plus any premiums.

Please call us at 1-855-241-0024 x4436 with questions.

Thank you for your business!

Foundation Finance Company

Application Status Update Email Example

Application ID: 1492

Name(s): **Amanda S Smith Andrew W Smith**

Decision Status: **Counter Offer**

Funding Date:
Active Stips: **2**
Documents: **Needs Review**
Verification: **Cleared**
Originals: **Need Originals**

The application status details will appear here.

Stip Name
Customer ID for co-applicant
Proof of income for both applicants

Any outstanding stipulations will appear here. These need to be resolved prior to funding.

Dealer Notes: This is where any additional notes or items will be communicated to the dealer.

Status Definitions

Active Stips

Number of stipulations, if any, that have not been satisfied

Documents

- **Need Documents** – Need loan documents
- **Needs Review** – Documents have been received and are being reviewed by FFC
- **Contact FFC** – Please contact FFC regarding questions on the documents you submitted
- **Dealer Action Reqd** – FFC has informed you of an issue with the documents. Please make the necessary changes to resolve the issue
- **Cancel** – Loan application has been canceled
- **Sent Back** – Loan application has been sent back to the dealer
- **Cleared** – The documents have been reviewed with no issues

Verification

- **Need Items** – Awaiting items to verify the loan
- **Need Verification** – Need to complete verification
- **Need Pre-Verify** – Need to complete pre-verification
- **Need Final Verify** – Need to complete final verification
- **Needs Review** – FFC is reviewing the verification
- **Contact FFC** – FFC has questions regarding the verification, please contact the office
- **Dealer Action Reqd** – FFC has informed you of an issue with the verification. Please resolve the issue
- **Cleared** – The verification has been completed

Originals

- **Have Originals** – FFC has your original documents
- **Need Originals** – Please provide your original loan documents to FFC

DEALER SUPPORT TEAM

855-241-0024 ext. 5012

sales@foundationfinance.com

