

Budco Financial Payment Plan Solutions



January 2020



THE PAYMENT PLAN COMPANY

About Budco Financial



About Budco Financial

Budco Financial is a payment plan program management company specializing in comprehensive payment plan solutions in the automotive industry. Founded in Detroit, Budco Financial is rich with automotive industry knowledge, with over 15 years of experience working with major OEMs, and Third Party Administrators.

We deliver no-interest payment plan solutions designed to help you create new revenue streams through more VSC and product sales opportunities. We focus on integrated solutions that increase revenue, enhance brand loyalty and help retain customers.



THE PAYMENT PLAN COMPANY

Executive Team



Bud Brian – Chairman & C.E.O.

The founder of Budco: The Dialogue Company a leading marketing services organization. Over a 25-year span, Bud grew the original company from 16 employees and \$800,000 in sales to over 1,000 employees and \$100,000,000 in annual revenue. Coming out of retirement in 2012, he invested in Budco Financial and began assembling a team and energizing a culture with the goal of doing in the premium finance market what they had successfully accomplished in the marketing services industry.



Glenn Fontaine – President & C.O.O.

Glenn has 30 years of broad business experience in the automotive and financial services industries, including extensive experience working in the VSC industry. He previously held leadership positions at both Ford Motor Company and the original Budco. He has served in a variety of business development, client services and operational capacities. Glenn's keen understanding of the relationships between OEM's, dealers and consumers provides a unique ability to develop and sell integrated solutions that are both innovative and high-value.



Bill Henry – Chief Financial Officer

Bill brings top executive-level financial and management experience to the team. He previously served as President and CEO of the original Budco, President of The Stroh Brewery Company and held executive finance positions at Ford Motor Company. He has extensive experience not only in the area of finance, but also strategic planning, marketing and customer service delivery.



Mark Pierret – Vice President of Sales & Marketing

Mark has 30 years of experience in the automotive industry and a deep understanding of the VSC market. He has held leadership roles in business development, marketing and operations at Ford Motor Company, MSX International, and Dealer Tire. Mark is highly skilled at understanding and navigating the complexities of both the OEM's and dealership networks. He is an expert in automotive aftermarket sales and service operations.



Brian Satterfield – Vice President of Operations & Technology

Brian has nearly 30 years experience in senior-level operations management. He previously held leadership roles at General Electric and IBM, where his clients were primarily automotive based, including General Motors. Brian has a strong technical background and process orientation as well as a proven track record for having developed high-performing teams in the contact center and project management environments.



Budco Financial Has Full Legal Compliance

- Ensure all contracting documents are compliant with state/province/country requirements. These documents include:
 - Retail Installment Contracts
 - ACH/Credit Card Authorizations
 - Dealer Agreements
- Licensed and registered as required throughout the U.S. and Canada



Aftercare

Specific Program

When Dealerships Should Utilize a Payment Plan



Time of Sale

- ✓ Credit Union or cash buyers, unable to roll the contract into vehicle financing
- ✓ Customers at the limit of their vehicle loan amount



Post Vehicle Sale

- ✓ Customers within the vehicle warranty visiting your service department
- ✓ Dealer initiated CRM direct marketing to consumers not buying at delivery

Aftercare Payment Plan Program

Budco Financial Program

- Applies to the following Aftercare Products with over 12 months of coverage
 - Vehicle Service Contracts
 - Tire & Wheel Plans
 - Other Cancellable F&I Plans excluding GAP
- Maximum finance amount up to \$9,999.99
- Online Portal for Dealership Ease of Use for eContracting
- Flexible Consumer Payment Terms and Methods
 - Terms: 6, 12, 18, 24, 30 & 36 month options
 - Methods: Recurring CC debit or ACH
- Flexible Consumer Down Payment Options (**Dealer Choice**)
 - Traditional: 10% down payment
 - New: 5% down payment
- Flexible Dealership Payment Options (**Dealer Choice**)
 - Traditional: Monthly settlement process
 - New: Settlement weekly via ACH

budco FINANCIAL

Find a Loan Create New Loan Cancelled Loan Review Reports Dealerships Users Products Dispositions

mpierat@budcofinancial.com Sign Out

New Loan

Purchaser Details

*First & last name must be specified if company name is blank.

First Name Last Name Company Name * Email

* Address * City * State * Zip Code

*At least one phone number must be specified.

Home Phone Ext Mobile Phone Ext Work Phone Ext

Product Information

* Product Name * Product Description

GMC Protection Plan GMC Protection Plan

* Expiration Date Contract Ref # * Current Vehicle Odometer * Vehicle VIN

July 25 2016

Vehicle Make Vehicle Model Vehicle Year

Financing Information

* Finance Term Length * Cash Price (excluding tax) * Sales Tax * Down Payment Amount

- Select -

Number of Payments Total Cash Price Amount Paid on Account Total Amount Financed

Monthly Payment Amount

Aftercare Payment Plan Program

Budco Financial Dealership Fees & Eligibility

Amount Financed Range	Payment Plan					
	6 Payments	12 Payments	18 Payments	24 Payments	30 Payments	36 Payments
\$1 - \$9,999.99	5.5%	7.5%	9.5%	12.5%	14.5%	16.5%

Adjusted Admin Fee Amounts on Cancelled Accounts:

- ✓ If no funding and no payment, \$0 of Admin Fee is earned by BFS.
- ✓ If funded and no payment collected, 10% of Admin Fee is earned by BFS.
- ✓ If cancelled 1 payment collected, 25% of Admin Fee is earned by BFS.
- ✓ If cancelled 2 payments collected, 40% of Admin Fee is earned by BFS.
- ✓ If cancelled 3 payments collected, 55% of Admin Fee is earned by BFS.
- ✓ If cancelled 4 payments collected, 70% of Admin Fee is earned by BFS.
- ✓ If cancelled 5 payments collected, 85% of Admin Fee is earned by BFS.
- ✓ If cancelled >5 payments collected, 100% of Admin Fee is earned by BFS.

Eligibility						
VSC Month Coverage	12	24	36	48	60	72+
Allowed Monthly Finance Term	6	12	18	24	30	36



MORE PAYMENT OPTIONS

THAN ANYONE IN AUTOMOTIVE.


We offer low-interest and zero-interest installment payment plans that empower customers to pay for an extended service contract over time, on their terms.

[GET STARTED TODAY →](#)

BUDCO FINANCIAL
THE PAYMENT PLAN COMPANY

Budco Financial is a payment plan program management company specializing in comprehensive payment plan solutions for transportation application—including automotive, boating, and recreational sports. We deliver no-interest or low-interest payment plan solutions designed to help OEMs, dealerships, and vehicle service contract administrators create new revenue streams.

[LEARN ABOUT OUR COMPANY →](#)



DOWNLOAD THE WHITEPAPER

Download our free whitepaper to learn how to maximize profits outside of vehicle sales

[DOWNLOAD NOW →](#)

ACCESS INDUSTRY INSIGHTS

Keep up with industry trends, tips, and sales advice on Budco Financial's blog.

[READ OUR BLOG →](#)

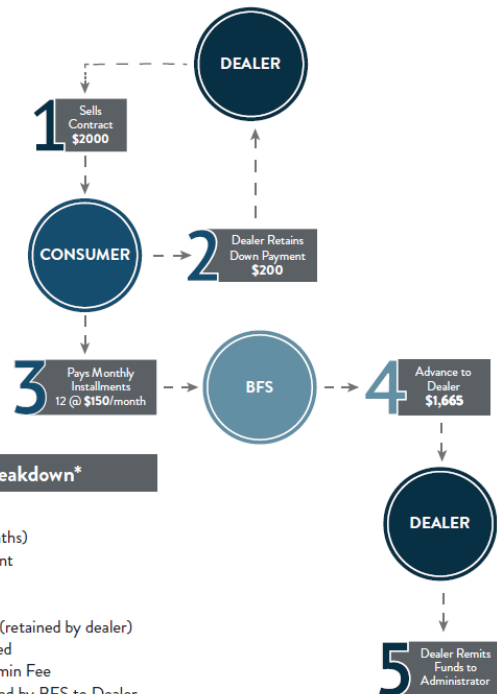
Aftercare Program –Funds Flow

Budco Financial Funds Flow Diagram – Contract Sale

VSC term: 24 months
Payment term: 12 installments

Reference numbered steps in illustrated flow on right.

1. Dealer sells contract to consumer
2. Dealer retains down payment amount
3. Consumer pays monthly installments to BFS
4. BFS advances contract sale price to dealer
5. Dealer remits contract cost to administrator



Sample Sale Contract Breakdown*

12	Installments
24	VSC Term (months)
\$150.00	Monthly Payment
\$2,000.00	Sale Price
-\$200.00	Down Payment (retained by dealer)
\$1,800.00	Amount Financed
-\$135.00	BFS Earned Admin Fee
\$1,665.00	Amount Remitted by BFS to Dealer

\$1,665.00 Dealer Settlement Amount

*(example numbers for illustrative purposes)

Note: Funding occurs after the customer makes their first installment payment to Budco Financial.

Budco Financial Funds Flow Diagram – Contract Cancellation

VSC term: 24 months
Payment term: 12 installments

Reference numbered steps in illustrated flow on right.

1. Consumer contract is cancelled
2. Dealer delivers any refund due to consumer
3. Dealer delivers any refund due to BFS
4. Administrator returns funds to Dealer

Sample Sale Contract Breakdown*

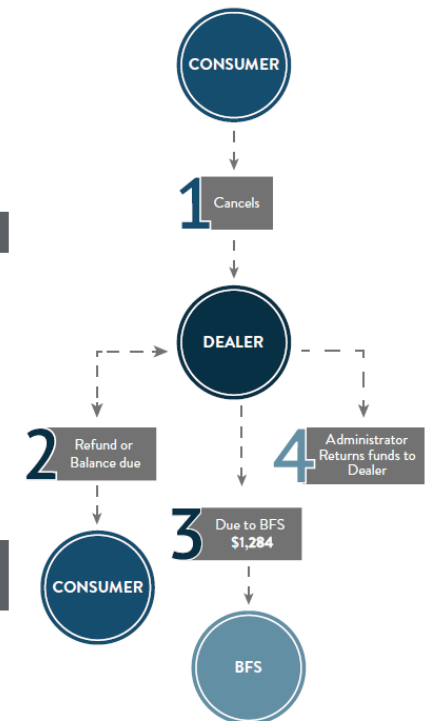
12	Installments
24	VSC Term (months)
\$150.00	Monthly Payment
\$2,000.00	Sale Price
-\$200.00	Down Payment (retained by dealer)
\$1,800.00	Amount Financed
-\$135.00	BFS Earned Admin Fee
\$1,665.00	Amount Remitted by BFS to Dealer

\$1,665.00 Dealer Settlement Amount

*(example numbers for illustrative purposes)

Balance Due to Budco Financial Upon Cancellation

2	Installments
60%	Admin Fee Refund %
\$1,665.00	Amount Remitted by BFS to Dealer
-\$300.00	Customer Paid to BFS
-\$81.00	BFS Admin Fee Refund
\$1,284.00	Balance due to BFS upon cancellation



Frequently Asked Questions

FAQs

- What is the Installment Payment Plan (IPP) Program?
 - IPP provides a zero-interest deferred payment option for customers purchasing an Aftercare extended service contract or Tire & Wheel coverage. This unique product can be used to enhance VSC sales opportunities both at the time of sale and post vehicle sale.
- Is there a cost to my dealership?
 - Yes, the dealership is charged a discount fee for any Aftercare contract processed using IPP. The discount fee is based on the dollar amount financed and length of the finance term. A rate chart can be found in this document for Aftercare, as well as the Budco Financial Dealer Guide.
- Is there an enrollment required for the dealership to participate in the IPP program?
 - Yes, there is a Dealership Participation Agreement that dealerships must sign. This Agreement defines the relationship between the parties (dealership, consumer and Budco Financial). There is no enrollment cost to the dealership.
- Can the consumer be charged the discount fee?
 - No, the customer cannot be charged the discount fee.
- What Aftercare plans are eligible for IPP?
 - Customers can purchase any Vehicle Service Contract, Tire & Wheel, or other F&I plans with 12 months or greater coverage using IPP excluding GAP.
- How are contracts reported to Aftercare under the IPP?
 - The remittance process is the same used for traditional sales. You can report your IPP financed sales with your regular production each month.
- Is there a limit to the amount an Aftercare contract can be financed using IPP?
 - Yes, the maximum finance amount is \$9,999.99.



Frequently Asked Questions

FAQs

- Is there a down payment required from the customer?
 - Yes, consumers are required to submit at least 5% down payment based upon the retail cost plus any applicable sales tax.
- Does the customer have an option to change form of payment after initial down payment?
 - Yes, consumers are invited to establish an online account with BFS, and can change payment options, address, etc. Customers can be referred to BFS at (888) 352-7901
- What process is used to collect from the customer before cancelation?
 - BFS will email and phone the customer for a minimum of 21 days before sending a notice of formal cancelation. BFS will also notify the dealership of consumer default and pending cancelation.
- How are Aftercare cancellations handled under IPP?
 - If Aftercare coverage is cancelled (for any reason) before the IPP has been paid in full, Aftercare will refund the unused wholesale cost of the contract to the dealership and the dealership will owe BFS the unpaid portion of the customer loan. The dealership will owe any refund, if applicable, to the customer.
- How is the dealership paid?
 - After the customer makes his/her first payment, selling dealers have two options for how the dealership is funded. Option 1 is weekly, whereby BFS will settle activation of accounts via ACH on Friday for contracts where a customer first payment is processed the previous week. Option 2 is monthly, whereby BFS will settle activations on the 15th of the month for contracts where a first payment was received the prior month.
- If I have a question regarding IPP, whom can I contact?
 - Budco Financial at (888) 368-8462. Or email dealer@budcofinancial.com.

