



## **Car Dealers Are Lenders/Creditors When the Consumer Gets both the Car and the Financing from the Dealer**

For the millions of consumers who get both the vehicle and financing at the dealership, auto dealers are “creditors.” Both the contract and the law say so. Take a look at the attached sample of a typical motor vehicle installment sales contract.

- *The auto dealer is the creditor on the installment contract with the buyer:* The contract says that the buyer/borrower promises to pay the dealer in installments, and that the dealer is the “secured party” in that credit contract.

Under contract and under state and federal law, that makes the dealer a “creditor.”<sup>i</sup>

- *The auto dealer frequently then sells the contract to a third party “assignee”* – a larger bank or finance company such as those affiliated with the auto manufacturers, such as GMAC or Ford Motor Credit.

Some car dealers keep their own installment sales accounts (such as some “buy-here/pay-here subprime auto dealers), but most dealers sell the contracts on to third party lenders. This is called “indirect lending,” and approximately \$430 billion of auto financing in 2007 was done through this method.<sup>ii</sup>

### ***Car dealers act just like mortgage brokers, as well.***

The auto dealers, like mortgage brokers, can *raise the interest rate* so that the buyer pays more than she qualifies for. This interest rate mark-up goes to the dealer: just like a mortgage broker’s yield spread premium, this raises the interest costs for the car buyer.

Just like mortgage brokers, the dealers can decide which lender to use for the deal, and the auto dealer can decide to use the one that will pay it the biggest mark-up.

## **There Should Be No Special Interest Carve Out for Auto Dealers who Originate or Broker Loans – They Must Fall Within the Jurisdiction of the Consumer Financial Protection Bureau Like Other Lenders & Creditors**

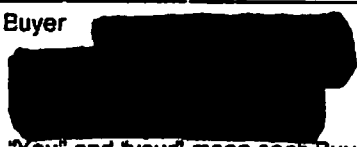
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<sup>i</sup> See, e.g. *Walker Mobile Homes Sales, Inc. v. Walker*, 965 S.W.2d 271 (Mo App. WD. 1998)(retail installment sales contract was a contract between the buyer and seller; not between assignee and buyer);

The federal Truth in Lending defines the creditor as the person to whom the contract is initially payable on its face. 15 U.S.C. §1602(a)(17). The dealer is also a creditor under the Equal Credit Opportunity Act, 15 U.S.C. §1691a(e).

<sup>ii</sup> Richard Howse, “How Different is the Indirect Channel from the Direct Channel?” Presentation to Consumer Bankers Association, (March 31, 2008).

<b>RETAIL INSTALLMENT CONTRACT AND SECURITY AGREEMENT</b>  No. Date <b>07/01/2005</b>	Seller <b>HOLMAN MOTORS, INC</b> <b>4387 ELLICK LANE 2 HWY 32</b> <b>DAYTONA OH 45103</b> "We" and "us" mean the Seller above, its successors and assigns.	Buyer 
	"You" and "your" mean each Buyer above, and guarantor, jointly and individually.	

**SALE:** You agree to purchase from us, on a time basis, subject to the terms and conditions of this contract and security agreement (Contract), the Motor Vehicle (Vehicle) and services described below. The Vehicle is sold in its present condition with all accessories and attachments.

Description of	Year	2005	VIN	1FDXE45S45HA92610	Other:	The dealer is legally and contractually the creditor on this credit sales contract.
Motor Vehicle	Make	SUNSEEKER	Lic. No./Year	ACTUAL		
Purchased	Model	3100	<input checked="" type="checkbox"/> New <input type="checkbox"/> Used			
Odometer Mileage	324		Mileage Is Accurate <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

Description of Trade-In

**SECURITY:** To secure your payment and performance under the terms of this Contract, you give us a security interest in the Vehicle, all accessions, attachments, accessories, and equipment placed in or on the Vehicle, together called Property, and proceeds of the Property. You also assign to us and give us a security interest in proceeds and premium refunds of any insurance and service contracts purchased with this Contract.

**PROMISE TO PAY AND PAYMENT TERMS:** You promise to pay us the principal amount of \$ 59594.69, plus finance charges accruing on the unpaid balance at the rate of 5.74 % per year from today's date until paid in full. Finance charges accrue on a 365 day basis. You agree to pay this Contract according to the payment schedule and late charge provisions shown in the TRUTH IN LENDING DISCLOSURES. You also agree to pay any additional amounts according to the terms and conditions of this Contract.

**DOWN PAYMENT:** You also agree to pay, or apply to the Cash Price, on or before today's date, any cash, rebate and net trade-in value described in the ITEMIZATION OF AMOUNT FINANCED. ☐ You agree to make deferred payments as part of the cash down payment as reflected in your Payment Schedule.

☒ **RETURNED CHECK CHARGE:** If you make any payment required by this Contract with a check or negotiable instrument that is returned or dishonored, you agree to pay a fee of \$ 20.00.

#### TRUTH IN LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	AMOUNT FINANCED The amount of credit provided to you or on your behalf.	TOTAL OF PAYMENTS The amount you will have paid when you have made all scheduled payments.	TOTAL SALE PRICE The total cost of your purchase on credit, including your down payment of
5.74 %	\$ 29629.51	\$ 59594.69	\$ 89224.20	\$ 5000.00 \$ 94224.20

**Payment Schedule:** Your payment schedule will be

Number of Payments	Amount of Payments	When Payments Are Due
180	495.69	MONTHLY, BEGINNING: 08/15/2005

**Security:** You are giving a security interest in the Motor Vehicle purchased.

☒ **Late Charge:** If a payment is more than 10 days late, you will be charged 5% OF THAT PAYMENT OR \$20.00 WHICHEVER IS LESS

**Prepayment:** If you pay off this Contract early, you will not have to pay a penalty.

**Contract Provisions:** You can see the terms of this Contract for any additional information about nonpayment, default, any required repayment before the scheduled date, and prepayment refunds and penalties.

Filing Fees: \$ 5.00

**CREDIT INSURANCE:** Credit life, credit disability (accident and health), and any other insurance coverage quoted below, are not required to obtain credit and we will not provide them unless you sign and agree to pay the additional premium. If you want such insurance, we will obtain it for you (if you qualify for coverage). We are quoting below ONLY the coverages you have chosen to purchase.

**Credit Life:** Insured ☐ Single ☐ Joint Prem. \$ N/A Term N/A

**Credit Disability:** Insured ☐ Single ☐ Joint Prem. \$ N/A Term N/A

Your signature below means you want (only) the insurance coverage(s) quoted above. If none are quoted, you have declined any coverages we offered.

#### ITEMIZATION OF AMOUNT FINANCED

Vehicle Price (incl. sales tax of \$ <u>4126.35</u> )	\$ <u>58504.69</u>
To:	\$ <u>N/A</u>
Service Contract, Paid to:	\$ <u>4495.00</u>
Amount to Finance line a. (if e. is negative)	\$ <u>N/A</u>
Cash Price	\$ <u>62999.69</u>
Manufacturer's Rebate	\$ <u>N/A</u>
Cash Down Payment	\$ <u>5000.00</u>
Deferred Down Payment	\$ <u>N/A</u>
a. Total Cash/Rebate Down	\$ <u>5000.00</u>
b. Trade-In Allowance	\$ <u>N/A</u>
c. Less: Amount owing	\$ <u>N/A</u>
Paid to:	
d. Net Trade-In (b. minus c.)	\$ <u>N/A</u>
e. Net Cash/Trade-In (a. plus d.)	\$ <u>5000.00</u>

...and any other insurance coverage quoted below, are not required to obtain credit and we will not provide them unless you sign and agree to pay the additional premium. If you want such insurance, we will obtain it for you (if you qualify for coverage). We are quoting below ONLY the coverages you have chosen to purchase.

**Credit Life: Insured**

☐ Single ☐ Joint Prem. \$ N/A Term N/A

**Credit Disability: Insured**

☐ Single ☐ Joint Prem. \$ N/A Term N/A

Your signature below means you want (only) the insurance coverage(s) quoted above. If none are quoted, you have declined any coverages we offered.

Buyer d/c/b Buyer d/c/b

**PROPERTY INSURANCE:** You must insure the Property securing this Contract. You may purchase or provide the insurance through any insurance company reasonably acceptable to us. The collision coverage deductible may not exceed \$ N/A If you get insurance from or through us you will pay \$ N/A for N/A of coverage.

This premium is calculated as follows:

☐ \$ N/A Deductible, Collision Coverage \$ N/A  
☐ \$ N/A Deductible, Comprehensive Cov. \$ N/A  
☐ Fire-Theft and Combined Additional Coverage \$ N/A  
☐ \$ N/A

**Liability Insurance coverage for bodily injury and motor vehicle damage caused to others is not included in this Contract unless checked and indicated.**

☐ **SINGLE-INTEREST INSURANCE:** You must purchase single-interest insurance as part of this sale transaction. You may purchase the coverage from a company of your choice, reasonably acceptable to us. If you buy the coverage from or through us, you will pay \$ N/A for N/A of coverage.

☒ **SERVICE CONTRACT:** With your purchase of the Vehicle, you agree to purchase a Service Contract to cover 72 MO DIAMOND MOTORHOME

This Service Contract will be in effect for \_\_\_\_\_

**ASSIGNMENT:** This Contract and Security Agreement is assigned to \_\_\_\_\_ the Assignee, phone \_\_\_\_\_. This assignment is made ☐ under the terms of a separate agreement. ☐ under the terms of the ASSIGNMENT BY SELLER on page 2. ☐ This assignment is made with recourse.  
Seller: By \_\_\_\_\_ Date 07/01/2005

OHIO RETAIL INSTALLMENT CONTRACT AND SECURITY AGREEMENT  
Exempt © 1995, 1998 Bankers Systems, Inc., St. Cloud, MN Form 88-SI-MV-OH 3/14/2002

The dealers then usually sell this completed contract to a third party.

Vehicle Price (incl. sales tax of \$ 4126.35) \$ 58504.69  
To: \_\_\_\_\_ \$ N/A  
Service Contract, Paid to: \_\_\_\_\_ \$ 4495.00  
Amount to Finance line e. (if e. is negative) \$ N/A  
Cash Price \$ 62999.69  
Manufacturer's Rebate \$ N/A  
Cash Down Payment \$ 5000.00  
Deferred Down Payment \$ N/A  
a. Total Cash/Rebate Down \$ 5000.00  
b. Trade-In Allowance \$ N/A  
c. Less: Amount owing \$ N/A  
Paid to: \_\_\_\_\_  
d. Net Trade-In (b. minus c.) \$ N/A  
e. Net Cash/Trade-In (a. plus d.) \$ 5000.00  
Down Payment (e.; disclose as \$0 if negative) \$ 5000.00  
Unpaid Balance of Cash Price \$ 57999.69  
Insurance Premiums\* \$ N/A  
To: CLASSIC \$ 1495.00  
To: HOLMAN MOTORS, INC \$ 100.00  
To: \_\_\_\_\_ \$ N/A  
To: \_\_\_\_\_ \$ N/A  
Total Other Charges/Amounts Pd. to Others \$ 1595.00  
Less: Prepaid Finance Charges \$ N/A  
Amount Financed \$ 59594.69

\*We may retain or receive a portion of this amount.

**NOTICE TO BUYER**

(1) Do not sign this agreement before you read it or if it contains any blank spaces. (2) You are entitled to a completely filled-in copy of this agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge.

BY SIGNING BELOW BUYER AGREES TO THE TERMS ON PAGES 1 AND 2 OF THIS CONTRACT AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS CONTRACT.

Buyer: \_\_\_\_\_  
Signature \_\_\_\_\_ Date 07/01/2005  
Signature \_\_\_\_\_ Date 07/01/2005  
Seller: By \_\_\_\_\_



# **RETAIL INSTALLMENT SALE CONTRACT SIMPLE FINANCE CHARGE**

Dealer Number \_\_\_\_\_ Contract Number \_\_\_\_\_

Buyer (and Co-Buyer) Name and Address (Including County and Zip Code) <div style="background-color: black; width: 150px; height: 30px; margin: 5px 0;"></div> COLONIAL HEIGHTS HOPEWELL VA 23834	Creditor - Seller (Name and Address) VICTORY NISSAN OF MECHANICSVILLE 6564 MECHANICSVILLE TRNPK MECHANICSVILLE VA 23111
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You, the Buyer (and Co-Buyer, if any), may buy the vehicle below for cash or on credit. By signing this contract, you choose to buy the vehicle on credit under the agreements on the front and back of this contract. You agree to pay the Creditor - Seller (sometimes "we" or "us" in this contract) the Amount Financed and Finance Charge according to the payment schedule below. We will figure your finance charge on a daily basis. The Truth-In-Lending Disclosures below:

New/Used/Demo	Year	Make and Model	Vehicle ID	Primary Use For Which Purchased
NEW	2004	NISSAN ALTIMA	1N4AL11D54C	<input checked="" type="checkbox"/> personal, family or household <input type="checkbox"/> business <input type="checkbox"/> agricultural

The dealer is legally and contractually the creditor on this credit sales contract.

FEDERAL TRUTH-IN-LENDING DISCLOSURES				
ANNUAL PERCENTAGE RATE <small>The cost of your credit as a yearly rate.</small>	FINANCE CHARGE <small>The dollar amount the credit will cost you.</small>	Amount Financed <small>The amount of credit provided to you or on your behalf.</small>	Total of Payments <small>The amount you will have paid after you have made all payments as scheduled.</small>	Total Sale Price <small>The total cost of your purchase on credit, including your down payment of \$2000.00</small>
12.54 %	\$ 12005.42	\$ 27575.86	\$ 39581.28	\$ 41581.28

Insurance. You may buy the physical damage insurance this contract requires (see back) from anyone you choose. You are not required to buy any other insurance to obtain credit unless the box indicating Vendor's Single Interest insurance is required is checked below.

If any insurance is checked below, policies or certificates from the named insurance companies will describe the terms and conditions.

**Check the insurance you want and sign below:**  
**Optional Credit Insurance**

☐ Credit Life: ☐ Buyer ☐ Co-Buyer ☐ Both  
☐ Credit Disability (Buyer Only)

Premium:

Credit Life \$ N/A

Credit Disability \$ N/A

Insurance Company Name N/A

Home Office Address \_\_\_\_\_

Credit life insurance and credit disability insurance are not required to obtain credit (see back). They will not be provided unless you sign and agree to pay the extra cost. If you choose this insurance, the cost is shown in Item 4A of the Itemization of Amount Financed. Credit life insurance is based on your original payment schedule. This insurance may not pay all you owe on this contract if you make late payment. Credit Disability Insurance does not cover any increase in your payment or in the number of payments. Coverage for credit life insurance and credit disability insurance ends on the original due date for the last payment unless a different term for the insurance is shown below.

**Other Insurance**

☐ N/A ☐ N/A

Type of Insurance Term

Premium \$ N/A

Insurance Company Name N/A

Home Office Address N/A

I want the insurance checked above.

Buyer Signature \_\_\_\_\_ Date \_\_\_\_\_

Co-Buyer Signature \_\_\_\_\_ Date \_\_\_\_\_

**THIS INSURANCE DOES NOT INCLUDE INSURANCE OR YOUR LIABILITY FOR BODILY INJURY OR PROPERTY DAMAGE.**

**Your Payment Schedule Will Be:**

Number of Payments	Amount of Payments	When Payments Are Due
72	\$ 549.74	Monthly beginning 07/01/2004

Or As Follows: \_\_\_\_\_

**Late Charge.** If payment is not received in full within 7 days after it is due, you will pay a late charge of 5% of the part of the payment that is late.

**Prepayment.** If you pay off all your debt early, you will not have to pay a penalty.

**Security Interest.** You are giving a security interest in the vehicle being purchased.

**Additional Information:** See this contract for more information including information about nonpayment, default, any required repayment in full before the scheduled date and security interest.

**ITEMIZATION OF AMOUNT FINANCED**

1 Cash Price (including \$ 832.36 sales tax)	\$ 26832.36 (1)
2 Total Downpayment =	
Trade-In 1998 GMC 1500	
(Year) (Make) (Model)	
Gross Trade-In Allowance	\$ 7100.00
Less Pay Off Made By Seller	\$ 7100.00
Equals Net Trade In	\$ 0.00
+ Cash	\$ 500.00
+ Other CASH	\$ 1500.00
(If total downpayment is negative, enter "0" and see 4H below)	\$ 2000.00 (2)
3 Unpaid Balance of Cash Price (1 minus 2)	\$ 24832.36 (3)
4 Other Charges Including Amounts Paid to Others on Your Behalf (Seller may keep part of these amounts):	
A Cost of Optional Credit Insurance	
Paid to the Insurance Company or Companies:	
Life \$ N/A	
Disability \$ N/A	
B Vendor's Single Interest Insurance	
Paid to Insurance Company(ies)	\$ N/A
C Other Insurance Paid to Insurance Company(ies)	\$ N/A



Disability	\$	N/A	\$	N/A
B Vendor's Single Interest Insurance Paid to Insurance Company(ies).	\$	N/A		
C Other Insurance Paid to Insurance Company(ies)	\$	N/A		
D Official Fees Paid to Government Agencies	\$	10.00		
1) to _____ for _____	\$	N/A		
2) to _____ for _____	\$	N/A		
3) to _____ for _____	\$	N/A		
E Government Taxes Not Included in Cash Price	\$	N/A		
F Government License and/or Registration Fees (Describe)	\$	N/A		
G Government Certificate of Title Fees	\$	39.50		
H Other Charges (Seller must identify who is paid and describe purpose.)				
1) to _____ for Prior Credit or Lease Balance	\$	N/A		
2) to SECURITY P for SERVICE CONTRACT	\$	1795.00		
3) to VICTORY MI for DOC FEE	\$	399.00		
4) to _____ for _____	\$	N/A		
5) to GREEN TREE for GAP INSURANCE	\$	500.00		
Total Other Charges and Amounts Paid to Others on Your Behalf	\$	2743.50	(4)	
5 Amount Financed (3 + 4)	\$	27575.86	(5)	

THIS INSURANCE DOES NOT INCLUDE INSURANCE OF YOUR LIABILITY FOR BODILY INJURY OR PROPERTY DAMAGE.

**Returned Check Charge:** If any check you give to us is dishonored, we may, at our option, charge you \$25.

☐ **VENDOR'S SINGLE INTEREST INSURANCE (VSI insurance):** If the preceding box is checked, the Creditor requires VSI insurance for the initial term of the contract to protect the Creditor for loss or damage to the vehicle (collision, fire, theft). VSI insurance is for the Creditor's sole protection. The insurance does not protect your interest in the vehicle. You may choose the insurance company through which the VSI Insurance is obtained. If you elect to purchase VSI insurance through the Creditor, the cost of this insurance is \$ N/A and is also shown in Item 4B of the ITEMIZATION OF AMOUNT FINANCED. The coverage is for the initial term of the contract. See Section 7 on the back for more information.

OPTION: ☐ You pay no finance charge if the amount financed, item 5, is paid in full on or before N/A, Year \_\_\_\_ . SELLERS INITIALS \_\_\_\_\_

### NO COOLING OFF PERIOD

State law does not provide for a "cooling off" or cancellation period for this sale. After you sign this contract you may only cancel it if the seller agrees or for legal cause. You cannot cancel this contract simply because you change your mind. This notice does not apply to home solicitation sales.

**HOW THIS CONTRACT CAN BE CHANGED.** This contract contains the entire agreement between you and us relating to this contract. Any change to this contract must be in writing and we must sign it. No oral changes are binding. Buyer (and any Co-Buyer) initials ABC

If any part of this contract is not valid, all other parts stay valid. We may delay or refrain from enforcing any of our rights under this contract without losing them. For example, we may extend the time for making some payments without extending the time for making others.

See back for other important agreements.

### NO LIABILITY INSURANCE INCLUDED

**NOTICE TO RETAIL BUYER:** Do not sign this contract in blank. You are entitled to a copy of the contract at the time you sign. Keep it to protect your legal rights.

You agree to the terms of this contract and confirm that you received a completely filled-in copy when you signed it

Buyer Signs [Signature] Date 05/17/2004 Co-Buyer Signs \_\_\_\_\_ Date \_\_\_\_\_

Co-Buyers and Other Owners — A co-buyer is a person who is responsible for paying the entire debt. An other owner is a person whose name is on the title to the vehicle but does not have to pay the debt. The co-buyer or other owner knows that the Creditor has a security interest in the vehicle and consents to the security interest.

Other owner signs here \_\_\_\_\_ Address \_\_\_\_\_

Seller signs VICTORY NISSAN OF MECHANICSVILLE Date 05/17/2004 By \_\_\_\_\_ Title \_\_\_\_\_

Seller assigns its interest in this contract to

(Assignee) under the terms of Seller's agreement(s) with Assignee

☒ Assigned with recourse

☐ Assigned without recourse

☐ Assigned with limited recourse

XX

Seller VICTORY NISSAN OF MECHANICSVILLE

Title \_\_\_\_\_

**LAW** FORM NO. 553 VA (REV. 4/03) U.S. PATENT NO. 6,400,782  
©2002 Reynolds and Reynolds. TO ORDER: www.reynolds.com 1-800-344-0096; toll 1-800-631-9055  
THE PRINTER MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO CONTENT OR FITNESS FOR PURPOSE OF THIS FORM. CONSULT YOUR OWN LEGAL COUNSEL.

The dealers then usually sell this completed contract to a third party.

DING COPY



# RETAIL INSTALLMENT SALE CONTRACT SIMPLE FINANCE CHARGE

Deal #62959  
Stock #12421

Dealer Number \_\_\_\_\_ Contract Number \_\_\_\_\_

Buyer (and Co-Buyer) Name and Address (Including County and Zip Code)

Creditor - Seller (Name and Address)

STANTON, STANTON CITY, VA 24401

STEVEN TOYOTA  
2970 SO MAIN STREET  
HARRISONBURG, VA 22801  
540-434-1400

The dealer is legally and contractually the creditor on this credit sales contract.

You, the Buyer (and Co-Buyer, if any), may buy the vehicle below for cash or on credit. By signing this contract, you agree to pay for the vehicle on credit under the agreements on the front and back of this contract. You agree to pay (you, the Buyer, or "us" in this contract) the Amount Financed and Finance Charge according to the payment schedule below. We will figure your finance charge on a daily basis. The Truth-In-Lending Disclosures below are part of this contract.

New/Used/Demo	Year	Make and Model	Vehicle Identification Number	Primary Use For Which Purchased
NEW	2006	TOYOTA COROLLA	JTDBR32E5	<input checked="" type="checkbox"/> personal, family or household <input type="checkbox"/> business <input type="checkbox"/> agricultural

## FEDERAL TRUTH-IN-LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	Amount Financed The amount of credit provided to you or on your behalf.	Total of Payments The amount you will have paid after you have made all payments as scheduled.	Total Sale Price The total cost of your purchase on credit, including your down payment of
7.50 %	\$ 4822.74	\$ 19695.42	\$ 24518.16	\$ 1000.00 is \$ 25518.16

## Your Payment Schedule Will Be:

Number of Payments	Amount of Payments	When Payments Are Due
72	340.53	Monthly beginning 06/08/2006

Or As Follows:

**Late Charge.** If payment is not received in full within 7 days after it is due, you will pay a late charge of 5 % of the part of the payment that is late.

**Prepayment.** If you pay off all your debt early, you will not have to pay a penalty.

**Security Interest.** You are giving a security interest in the vehicle being purchased.

**Additional Information:** See this contract for more information including information about nonpayment, default, any required repayment in full before the scheduled date and security interest.

## ITEMIZATION OF AMOUNT FINANCED

1 Cash Price (including \$ 556.38 sales tax) \$ 18952.38 (1)

2 Total Downpayment =

Trade-In 2000 TOYOTA COROLLA  
(Year) (Make) (Model)

Gross Trade-In Allowance	\$ 0.00
Less Pay Off Made By Seller	\$ 0.00
Equals Net Trade In	\$ 0.00
+ Cash	\$ 500.00
+ Other Consumer Rebate(s)	\$ 500.00

(If total downpayment is negative, enter "0" and see 4H below) \$ 1000.00 (2)

3 Unpaid Balance of Cash Price (1 minus 2) \$ 17952.38 (3)

4 Other Charges Including Amounts Paid to Others on Your Behalf

(Seller may keep part of these amounts):

A Cost of Optional Credit Insurance

Paid to Insurance Company or Companies.

Life	\$ N.A.
Disability	\$ N.A.

B Vendor's Single Interest Insurance

Paid to Insurance Company(ies). \$ N.A.

C Other Insurance Paid to Insurance Company(ies) \$ N.A.

D Official Fees Paid to Government Agencies \$ N.A.

1) to STATE OF VA for GROSS REC TAX \$ 36.79

Insurance. You may buy the physical damage insurance this contract requires (see back) from anyone you choose. You are not required to buy any other insurance to obtain credit unless the box indicating Vendor's Single Interest insurance is required is checked below.

If any insurance is checked below, policies or certificates from the named insurance companies will describe the terms and conditions.

Check the insurance you want and sign below:

## Optional Credit Insurance

☐ Credit Life: ☐ Buyer ☐ Co-Buyer ☐ Both

☐ Credit Disability (Buyer Only)

Premium:

Credit Life \$ N.A.

Credit Disability \$ N.A.

Insurance Company Name

LIFE INVESTORS

Home Office Address

CEDAR RAPIDS, IA

Credit life insurance and credit disability insurance are not required to obtain credit (see back). Your decision to buy or not to buy credit life insurance and credit disability insurance will not be a factor in the credit approval process. They will not be provided unless you sign and agree to pay the extra cost. If you choose this insurance, the cost is shown in Item 4A of the Itemization of Amount Financed. Credit life insurance is based on your original payment schedule. This insurance may not pay all you owe on this contract if you make late payments. Credit Disability Insurance does not cover any increase in your payment or in the number of payments. Coverage for credit life insurance and credit disability insurance ends on the original due date for the last payment unless a different term for the insurance is shown below.

## Other Insurance

☐ Type of Insurance Term

Premium \$ N.A.

Insurance Company Name

Home Office Address

I want the insurance checked above.

X Buyer Signature 05/09/06 Date

X Co-Buyer Signature Date

THIS INSURANCE DOES NOT INCLUDE INSURANCE ON YOUR LIABILITY FOR BODILY INJURY OR PROPERTY DAMAGE.

Returned Check Charge: If any check you give

D	Official Fees Paid to Government Agencies	\$	N. A.
1)	to STATE OF Vt for GROSS REC TAX	\$	36.79
2)	to for	\$	N. A.
3)	to for	\$	N. A.
E	Government Taxes Not Included in Cash Price	\$	22.07
F	Government License and/or Registration Fees		
	TEMP TAG FEE/ON LINE FILING FEE	\$	41.50
G	Government Certificate of Title Fees	\$	10.00
H	Other Charges (Seller must identify who is paid and describe purpose.)		
1)	to for Prior Credit or Lease Balance	\$	N. A.
2)	to TMS for SERVICE CONTRACT	\$	677.73
3)	to TMS for MAINTENANCE PLAN	\$	205.00
4)	to SELLER for GAP PREMIUM	\$	500.00
5)	to for	\$	N. A.
6)	to STEVEN TO for PROCESS FEE	\$	149.95
7)	to for	\$	N. A.
8)	to for	\$	N. A.
	Total Other Charges and Amounts Paid to Others on Your Behalf	\$	1743.04 (4)
5	Amount Financed (3 + 4)	\$	19695.42 (5)

**YOUR LIABILITY FOR BODILY INJURY OR PROPERTY DAMAGE.**

**Returned Check Charge:** If any check you give us is dishonored, we may, at our option, charge you \$ 35.

☐ **VENDOR'S SINGLE INTEREST INSURANCE (VSI insurance):** If the preceding box is checked, the Creditor requires VSI insurance for the initial term of the contract to protect the Creditor for loss or damage to the vehicle (collision, fire, theft). VSI insurance is for the Creditor's sole protection. This insurance does not protect your interest in the vehicle. You may choose the insurance company through which the VSI insurance is obtained. If you elect to purchase VSI insurance through the Creditor, the cost of this insurance is \$ N. A. and is also shown in Item 4B of the ITEMIZATION OF AMOUNT FINANCED. The coverage is for the initial term of the contract. See Section 7 on the back for more information.

**OPTION:** ☐ You pay no finance charge if the amount financed, item 5, is paid in full on or before N. A. , Year . SELLERS INITIALS

### NO COOLING OFF PERIOD

State law does not provide for a "cooling off" or cancellation period for this sale. After you sign this contract, you may only cancel it if the seller agrees or for legal cause. You cannot cancel this contract simply because you change your mind. This notice does not apply to home solicitation sales.

**The Annual Percentage Rate may be negotiable with the Seller. The Seller may assign this contract and retain its right to receive a part of the Finance Charge.**

**HOW THIS CONTRACT CAN BE CHANGED.** This contract, along with all other documents signed by you in connection with the purchase of the vehicle, comprise the entire agreement between you and us affecting this purchase. No oral agreements or understandings are binding. Upon assignment of this contract: (i) only this contract and addenda to this contract comprise the entire agreement between you and the assignee relating to this contract; (ii) any change to this contract must be in writing and the assignee must sign it; and (iii) no oral changes are binding.

Buyer Signs **X**

Co-Buyer Signs **X**

If any part of this contract is not valid, all other parts stay valid. We may delay or refrain from enforcing any of our rights under this contract without losing them. For example, we may extend the time for making some payments without extending the time for making others.

See back for other important agreements.

### NO LIABILITY INSURANCE INCLUDED

**NOTICE TO RETAIL BUYER:** Do not sign this contract in blank. You are entitled to a copy of the contract at the time you sign. Keep it to protect your legal rights.

You agree to the terms of this contract. You confirm that before you signed this contract, we gave it to you, and you were free to take it and review it. You confirm that you received a completely filled-in copy when you signed it.

Buyer Signs **X** Date 05/09/07 Co-Buyer Signs **X** Date 05/09/07

**Co-Buyers and Other Owners** — A co-buyer is a person who is responsible for paying the entire debt. An other owner is a person whose name is on the title to the vehicle but does not have to pay the debt. The other owner agrees to the security interest in the vehicle given to us in this contract.

Other owner signs here **X** Address \_\_\_\_\_  
 Seller signs STEVEN TOYOTA Date 05/09/07 By **X** Title \_\_\_\_\_

Seller assigns its interest in this contract to

(Assignee) under the terms of Seller's agreement(s) with Assignee.

☐ Assigned with recourse

☒ Assigned without recourse

☐ Assigned with limited recourse

Seller STEVEN TOYOTA

Title \_\_\_\_\_

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The dealers then usually sell this completed contract to a third party.

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