



Credit Union Leasing of America

Commercial Vehicle Lease Program Key Features



CULA
3570 Camino Del Rio North • Suite 300
San Diego, CA 92108
www.cula.com

Contact:
Greg Gandolfo, Vice President Business Development
Natalie Jager, Project Manager

(800) 878-5400 • (619) 516-3900
Fax: (619) 516-3910



Did you know that vehicle leasing represents 22% of all new vehicle transactions in the U.S.? In many regions of the country, leasing penetration is as high as 34%.

KEY FEATURES OF OUR PROGRAM

CULA'S COMMERCIAL LEASING PROGRAM dovetails nicely with any existing indirect lending program or centralized lending structure. Using some of the same dealer network as your indirect lending program, CULA's commercial lease product can be offered to existing and potential members alike when financing options are discussed at the dealership. The credit union makes the credit decision the dealer executes the necessary paperwork and the credit union funds the dealer directly.

OPPORTUNITIES FOR YOUR CREDIT UNION

Market influences beyond your control can slow the growth of your credit union. Factors such as a slowing economy, rising interest rates and competitive offerings by similar financial institutions can stagnate your key products portfolio such as credit cards, mortgages and vehicle loans.

By successfully attracting new members, your credit union's growth, member retention and increased market share depends on the products and services you now offer. For many credit unions, expanding growth means expensive advertising, cutting loan margins and a lot of hard work.

CULA's proven program is an excellent way to increase your market share by offering your members the benefits of automobile leasing in addition to your existing indirect lending program and other financial services.



CULA's comprehensive insurance protection and claims administration, unmatched experience with member education and disposition of returned vehicles at lease end, as well as its' effective approach toward residual risk mitigation, assures a safe, competitive and compliant program that is proven to increase the credit union's loan growth.

CULA'S COMMERCIAL TRAC LEASE

CULA'S Commercial TRAC lease is the perfect product to meet the needs of your business members. Whether your member is looking for a fleet of construction vehicles, or a delivery van, CULA has the program to meet the need.

Standard Commercial Vehicle Lease— CULA's standard commercial vehicle lease allows your member to lease any vehicle make/model available through his local dealership such as vans, sedans, SUV's and sports cars.

Custom Commercial Vehicle Lease— CULA's custom commercial vehicle lease allows your member the flexibility to lease vehicles that have a GVWR greater than 12,500 lbs., which includes medium duty vehicles with any variety of dealer-installed options such as lift gates or refrigeration units.

TRAC LEASE—

Flexibility for your member, no residual risk for your credit union!

TRAC is an acronym for Terminal Rental Adjustment Clause. The CULA commercial lease is an open-ended TRAC lease. At lease end, the member is responsible for the difference in the actual value of the vehicle and the residual value. With the TRAC lease, the member can also purchase the vehicle at lease end for the purchase option price set at the beginning of the lease. Residual values are set conservatively, to put your member in the best possible position at lease end, with no mileage limitations.

CULA's Commercial TRAC lease provides your member with all the associated tax benefits of a commercial vehicle lease!



CREDIT UNION CONTROLLED CASH FLOW

From beginning to end, all cash is controlled by the credit union

- Credit Union funds dealer
- Member pays monthly payment directly to the credit union
- At maturity, the funds to purchase the vehicle are paid directly to the credit union

COMPLETE DOCUMENT PACKAGES CUSTOMIZED FOR YOUR PROGRAM

All necessary forms, designed to be NCUA compliant, provided at no cost to the credit union

- No need to create or print forms or other documents
- Customized lease agreements that are state specific
- Comprehensive residual value website that provides new and used vehicle residuals
- Online training manuals for credit union staff and dealers.

CULA PERFORMS TAX FILINGS AND ACCOUNTING

Full lease accounting and management provided

- Relieves the credit union of accounting and tax remittance responsibility
- CULA reports and remits sales tax and manages all lease accounting, including FASB 13



COMPREHENSIVE LESSOR-RELATED INSURANCE

Comprehensive insurance coverage second to none in the credit union industry

- Contingent Liability/Contingent Physical Damage Insurance and Interim Insurance
- Full Care & Custody Garage Keepers Insurance
- The credit union is named as the loss payee guaranteeing the credit union receives the insurance benefits.

INSURANCE TRACKING

Insurance tracking is provided by CULA via a third-party vendor

- Tracks insurance for correct coverage
- Easy to use website contains reports of delinquencies and details of resolutions efforts

INITIAL AND ON-GOING CREDIT UNION STAFF TRAINING

In-house planning and training at all levels assures the program launches and runs smoothly

- CULA provides pre-implementation planning and training
- Comprehensive training manuals for credit union staff
- On-going training by experienced trainers
- Senior management and board member training sessions
- Customer Service Representative is assigned to assist your credit union throughout the life of the lease portfolio



DEALER TRAINING AND SUPPORT

Active presence and support at the dealership secures dealership loyalty to your program

- Credit Union's dealer representatives trained in the field by a CULA seasoned dealer representative
- Dealer training manuals and users guides available online
- User-friendly, comprehensive CULA dealer website

COMPREHENSIVE MEMBER EDUCATION REGARDING LEASE-END OPTIONS

Multiple resources made available to member at lease end keeps members satisfied with their leasing experience

- Personal tele-consulting, educational brochures and complete follow up provided
- Members section of CULA website contains detailed information on lease end, videos and webinars
- Member education and convenience is emphasized
- Enhanced member retention and product satisfaction

STATE AND FEDERAL PROGRAM COMPLIANCE

Conformity with all state and federal requirements carefully monitored. Keeps the program up-to-date and gives the credit union peace of mind

- CULA's lease program is designed to be compliant with NCUA's ruling regarding credit unions engaged in indirect leasing programs and business lending guidelines
- State compliance and federal leasing laws are carefully monitored to ensure a compliant lease program is in place



UNIQUELY EFFECTIVE REMARKETING SERVICE

Experienced disposition experts aim for top-dollar recovery with sales proceeds maximized and selling time minimized

- CULA's remarketing department assists the member with convenient vehicle return and disposes of the vehicle for the credit union
- Unique remarketing strategies for lease return using nationwide industry relationship provide maximization of sales proceeds, while minimizing the time for selling off-lease vehicles

THE END OF TERM PROCESS

The end of term process is designed to promote education of members to assist them in making informed decisions regarding their end of term options

PROCESS

- Member education/marketing
- Tele-consulting
- Disposition

MEMBER EDUCATION/MARKETING OBJECTIVES

- Member education
- Build credit union lease loyalty



ONLINE ORIGATION SYSTEM

Simple to use on-line origination system provided at no cost to the credit union or dealer

- Print all lease-related documents and forms at www.cula.com
- No login required
- Easy to use
- On-line system produces residual, payment and lease, so no room for error
- Lease agreement prints on plain paper from any laser printer

HERE'S WHAT OUR SATISFIED CLIENTS HAVE TO SAY ABOUT US!

CULA's commitment to credit union service is very important to us as we continually strive to offer the best products in the marketplace. Our business philosophies are quite similar — both companies are dedicated to the credit union and its members.

Tami Anderson
*Vice President of
Business Development,
CU Direct Connect*

We recently celebrated Ten great years of association with CULA. With over \$100 million in lease originations, we continue to offer one of the most competitively priced and consumer friendly lease products in the country.

Kristi Hart
*AVP, Lending
Midwest America
Federal Credit Union*

