Installment Sales Contract/Loan GAP Plus Waiver Addendum – Election Form

"Please carefully review all of the terms and conditions of the GAP Waiver Addendum prior to signing."

Borrower Account Number	Lender
Borrower Address	Lender Address
City State ZIP	City State ZIP

Vehicle Year Make Model	GAP Waiver Date Dealer Name
Vehicle ID Number (VIN)	Loan Date Amount Financed
MSRP/NADA Mileage	Term in Months APR % Payment

☐ **YES, you elect the GAP Waiver.**

You understand that the purchase of the GAP Waiver Addendum is voluntary and is not required by the Lender to obtain credit. You understand that this GAP Waiver Addendum is not an offer of insurance coverage. You understand that by purchasing the GAP Waiver Addendum for your installment sales contract or loan that the Lender waives, in the event of a Constructive Total Loss, its contractual right to hold you liable for the GAP Amount, subject to the provisions and exclusions identified on this election form. You will remain fully liable to the Lender for any portion of the unpaid net balance that is not waived by this GAP Waiver Addendum. You understand that this GAP Waiver Addendum is not a substitute for collision or property damage insurance. You understand that the Lender may retain all of the one-time fee, or pay a portion to a third party as a service fee, or for indemnification.

The one-time fee is: $ _______________ (please see Cancellation/Refunds on reverse)
GAP Plus Waiver is: $1000 (please see details on reverse)

Signature:____ Date:_________________________

Signature:____ Date:_________________________

This Waiver **does not** include:

1. Any refundable additions to amount financed including such items as service contracts, warranties, insurance, or other items.
2. **Interest Accrued after the Date of Loss**.
3. Delinquent Payments > 60 Days Past Due .
4. Late charges, fees, extensions and/or funds added after installment sales contract/loan inception.
5. Primary Insurance deductible in excess of $1,000*.
6. Portion of installment sales contract/loan at loan inception date that exceeds 150% of MSRP (new vehicles) or 150% of NADA Official Used Car Guide retail value (used vehicles).
7. More than one (1) Skip-a-Payment extension per year and no more than two (2) total over the term of the loan.

*The Primary Insurance deductible is waived only to the extent it is part of the "GAP Amount".

☐ **No, you do not elect the GAP Waiver.**
In the event your vehicle is stolen or a total loss and your insurance company pays less than the unpaid net balance of your installment sales contract/loan, you understand that you will be fully responsible for any deficiency balance.

Signature:____ Date:_________________________

Signature:____ Date:_________________________

TERMS AND CONDITIONS OF THE GAP WAIVER ADDENDUM

This GAP Waiver Addendum is incorporated into and supplements the terms of the Installment Sales Contract/Loan. By electing this GAP Waiver Addendum, the Debtor agrees to the terms below and on the reverse side, which are incorporated by reference into this Addendum.

DEFINITIONS:

For the purposes of this Installment Sales Contract/Loan GAP Waiver Addendum, the following words are defined and their meanings will be as follows:

"We", "us", and "our" refer to the lender; "you" and "your" means the borrower/debtor/buyer.

"GAP Amount" means the difference between the primary carrier's physical damage insurance payments, including any tax and fee refunds applied, for a Constructive Total Loss or, if uninsured, the collateral's Actual Cash Value and the Unpaid Net Balance of the installment sales contract/loan as of the Date of Loss. If you are entitled to collect the same from others, including but not limited to, primary and other insurance, or salvage sale, that portion of the payment will not be covered in the GAP settlement. GAP does not cover deductions made by the primary insurance carrier for prior damage that has already been paid to you or due to prior salvaged title. Amount waived shall not exceed $50,000 in total.

"Constructive Total Loss" means the direct and accidental damage to or theft of the Collateral which meets one of these criteria: 1) Either the total cost to repair the Collateral is greater than or equal to the ACV of the Collateral immediately prior to the date of Loss; or 2) The Collateral is stolen and is not recovered within thirty (30) days from the date a police report is filed.

"Actual Cash Value (ACV)" means the retail value of the Collateral, on the Date of Loss, as listed in the NADA Official Used Car Guide for the territory in which the Collateral is principally garaged and with appropriate adjustments for mileage or optional equipment. For any Collateral which has no NADA Retail Value available, ACV will be determined using the best information available to us which we reasonably believe accurately reflects the retail value of the collateral and is customarily used as the basis for establishing ACV in that territory.

"Primary Insurance" means in force insurance coverage, required by us, and carried by you to protect the covered collateral from collision and comprehensive loss, naming us as Loss Payee or Lien holder. Provides liability coverage to any person who has caused the Borrower's collateral to incur a Constructive Total Loss, and for which that person is legally liable. Additionally, primary insurance shall be any other coverage we may have protecting our interest in the covered collateral, insuring at least the ACV of the Collateral, contingent upon the failure or absence of primary insurance coverage.

"Unpaid Net Balance" means the amount owed by you to clear the outstanding installment sales contract/loan account upon the date of loss. This amount shall not include any unearned finance charges or interest; installment sales contract/loan charges; late charges; deferred payment; any delinquent payments; any uncollected service charges; refundable prepaid taxes and fees; or any other proceeds you may duly recover by canceling insurance coverages; service contracts; warranties, disposition fees, termination fees, penalty fees, or other items built into or added to the initial installment sales contract/loan balance.

"Delinquent Payments" means any payment, as described in the installment sales contract/loan instrument, which remains unpaid for a period of more than sixty (60) days after the due date stated in the installment sales contract/loan instrument. The definition does not include approved deferred payments for Lender programs (i.e. "Skip-a-payment, "Skip-your-Christmas-Payment", etc.) as listed in item 7 on the reverse side.

"Multiple Collateral" If two or more pieces of covered collateral are secured under the installment sales contract/loan agreement, we will not pay more than a proportionate share of the total unpaid net balance that each piece of covered collateral represents to the total loan.

INSTALLMENT SALES CONTRACT/LOAN GAP WAIVER ADDENDUM: In consideration for the payment of the cost shown on the reverse side of this form, we will waive the GAP Amount due to a Constructive Total Loss to the collateral shown on the reverse side of this form. The deductible is waived only to the extent it is part of the "GAP Amount". Our maximum waiver shall be the GAP Amount including, if the collateral is protected by primary insurance, up to $1,000 for the primary insurance deductible. If the collateral is not protected by primary insurance, we will waive only the GAP Amount obtained by subtracting the ACV of the covered collateral from the unpaid net balance and you will remain responsible for the ACV of the collateral. We will not waive the portion of the unpaid net balance attributable to the original installment sales contract/loan amount exceeding 150% of the Manufacturer's Suggested Retail Price (MSRP) on new vehicles, or 150% of NADA average retail book value on used vehicles, including all refundable items such as service contracts, warranties, insurance, or other such items**.** **GAP Plus Waiver**: In the event that a GAP Amount for covered collateral is waived by this GAP Waiver Addendum, you may be eligible to receive an additional waiver from us, in the amount shown on the reverse side of this form. **In order for you to receive this additional waiver, you must finance your replacement vehicle with us within ninety (90) days from the date the GAP Amount is paid. The GAP Plus Waiver has no cash value and will only be paid by us in the form of a waiver towards the amount financed of your replacement vehicle. If a GAP Amount is not waived by this GAP Waiver Addendum, then the GAP Plus Waiver will not apply.**

CANCELLATION/REFUNDS: This GAP Waiver Addendum may be canceled for a full refund within sixty (60) days of the Origination Date for any reason, by contacting the Lender listed on the first page of this Waiver Addendum. However, in the event of a Constructive Total Loss of the covered Vehicle, the GAP Waiver Addendum fee will be deemed as fully earned and therefore, no refund will be due. This Installment Sales Contract/Loan GAP Waiver Addendum is fully earned and non-refundable after sixty (60) days from the Origination Date, unless otherwise required by applicable state regulations. This Addendum shall automatically terminate and without prior notice terminate concurrently with the termination of the Loan agreement for Collateral or sale of Collateral.

ELIGIBILITY REQUIREMENTS, CONDITIONS AND EXCLUSIONS: There are Eligibility requirements, Conditions and Exclusions that could prevent you from receiving benefits under the GAP Waiver Addendum. Please review the following (14) fourteen Exclusions and the (7) seven Exclusions listed on the reverse side of the Addendum. This GAP Waiver does not apply when the Constructive Total Loss is: (1) due to losses occurring prior to the GAP Waiver effective date; (2) due to dishonest, fraudulent, criminal, or illegal act, including forgery by the Borrower; (3) due to wear and tear, gradual deterioration, rust, corrosion, or resulting from any repairing, restoration, or remodeling, or resulting from any structural, mechanical or electrical breakdown or failure; (4) due to nuclear action or reaction, radiation or radioactive contamination; (5) due to war, whether or not declared, invasion, civil war, insurrection, rebellion or revolution or any consequence of these; (6) due to confiscation of Collateral by a government body or public official; (7) caused by theft of Collateral , unless the Borrower or the Lender files a police report; (8) resulting from the Collateral being operated, used or maintained in any race, speed contest, or other contest; (9) to a vehicle that is part of a fleet that is intended for use as a public or livery conveyance, or any vehicle with commercial use; (10) is to a vehicle with a "salvage" title; (11) caused intentionally by the borrower; (12) due to conversion, embezzlement or secretion by any person in lawful possession of the covered collateral; (13) to other than the standard or optional equipment available from the manufacturer of the covered collateral; (14) sustained outside of the United States of America, its territories or possessions, Canada, the Republic of Mexico or is being transported between parts thereof.

NOTICE OF LOSS: You must notify us within 365 days of receiving final settlement from the primary or third party insurance carrier and provide the following: (a) copy of the insurance settlement, (b) verification of the insurance deductible, (c) copy of police report in the case of an unrecovered theft. Failure to comply with the above time frame requirements shall result in the denial of GAP Waiver Addendum benefits. To file a claim contact the Lender listed on the first page of this Waiver Addendum.

IMPORTANT NOTICE

You are solely responsible for the payment of any and all Taxes you may owe due to the discharge of your debt under this Addendum. You may wish to consult with a tax professional. You are reminded that this GAP Waiver is not an insurance policy.

All provisions within this Waiver are subject to state specific regulations.