

Keystone Lending Alliance

Power Sport Underwriting Guidelines – PA



Effective 08-01-22

Eligible Units

Subject to year restriction: Motorcycles must be 2011 model year or newer with less than 50,000 miles. RV's, Personal Watercraft, Snowmobiles, As of March 1, all prior year new vehicles will be valued at book value; Alternative may be utilized for tiers 1-3 using 80% of MSRP as value with maximum exception 125% of adjusted value. Current year new, non-titled, with over 2,500 miles and current year used vehicles without a book value will be valued using the chart below.

Mileage	<2,500	2,500-4,999	5,000-9,999	10,000-15,000	>15,000
Total Invoice Allowance	Up to 90%	Up to 85%	Up to 80%	Up to 75%	Call for value

Minimum Loan Amount: \$3,500 (minimum book amount \$3,000)

Income/Employment: Minimum Monthly Income \$1,500; 1 year employment or in same field with no more than 2 jobs in past 24 months; Self-employed, including 1099 employees, must be in business for a minimum of 3 years, have a FICO score >700, Consider lower scores with 2 years tax returns with schedule C. No Loans may be made to any borrower deriving income from a marijuana related business (MRB).

Credit Bureau: FICO Score to be determined by KLA bureau. Minimum 2 years in bureau, 5 trade lines, and \$1,500 minimum "applied for credit". No prior repossession or foreclosure. Discharged bankruptcies only (no open or multiple) with and a minimum 24 months re-established installment payment history with no delinquency; (explanation may be required). Rate surcharge applies.

Down Payment: All Tier 4 and below, first time buyers, repossessions, bankruptcies, and foreclosures require the greater of \$500 or 10% of base price down payment.

Residence: Minimum 2 year residency history. 6 months at current address, or homeowner. No more than 2 residences in past 12 months. Co-borrowers must live at same address. The primary driver must be on the contract as obligor. Applicant(s) must reside or work in defined Western PA 12 counties.

Debt Service Capacity: Up to 45% max all payments to gross verifiable income; Up to 10% max payment to gross income.

Advances: **Based on MSRP/NADA Retail Value or Selling Price (if lower and there is no cash down payment); Value may be adjusted based on mileage – see chart above.**

Up to 125% Advance Including Tax, Tags, License and Back-End adds*; Rate surcharge may apply on high advances. *Maximum Backend (Warranty, GAP, LAH) 15% of MSRP/Retail Value up to individual limits.

Service Contract/GAP: Limited to greater of **\$1200 or 10% of MSRP/NADA Retail**, excluding tax (min. 2 year/12,000 mile contract); *Exceptions require KLA/Credit Union approval*. GAP \$600 or State Max, whichever is less. Must fit within maximum line 5 advance based on tier (see rate sheet)

Insurance/Deductible: Required on all contracts greater than \$5,000 with maximum \$500 deductible.

Eligible Terms: 24-72 months; 24-48 months (min. amount financed \$3,500); 60 months (min. amount financed \$7,500); 66 month (min. amount financed \$10,000; 72 month (min. amount financed \$12,500). 6 month term extensions – add .50% with credit officer approval.

Participation/Flat Fee: Contracts written at retention rate pay 1% of the amount financed up to \$250; Contracts written at .50% over retention rate pays 1.5% of the amount financed up to \$375; Contracts written at 1.0% over retention rate pays 2.0% flat fee up to \$500; Contracts written at 1.5% over retention rate pays 2.5% flat fee up to \$750; Contracts written at 2.0% over retention rate pays 3.0% flat fee up to \$900. Plus dealers earn bonus payout based on the amount financed (see rate sheet for details). Maximum rate increase on current credit union members is 1.0%.
135 day chargeback period for payoffs, charge-offs repossessions, skips, and bankruptcies.

Fee Structure: A \$25 fee will apply on contracts <\$3,500 amount financed in addition to a .50% rate add.

Discounts: Preferred Make: Harley-Davidson .25%; Indian .25%; Equity (<90% LTV) = .10%

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Expirations: Approvals must be submitted for funding within 30 days of approval; up to 60 days on ordered vehicles from the manufacturer with notification and approval. Rates guaranteed for 30 days only.