



Dealer Program

Guidelines Schedule "A"

Effective January 2024

These guidelines, including the Exhibit "A" attached hereto and incorporated herein by reference as though set forth in full, provide criteria that allows Dealers to understand what Consumer Portfolio Services, Inc. ("CPS") will approve and purchase, and what CPS will not approve or purchase. Only authorized CPS personnel at the corporate office have the right of approval.

CPS is committed to maintaining a culture of fair lending throughout the organization. CPS does not discriminate against any Applicant with respect to any aspect of a credit transaction on the basis of sex, marital status, race, color, religion, national origin, age (provided Applicant has the legal capacity to enter into a binding contract), the fact that all or part of the Applicant's income is derived from a public assistance program, the Applicant's good faith exercise of rights under the Consumer Credit Protection Act, sexual orientation, military status, familial status or disability. All dealers shall treat all customers and prospective customers fairly and consistently throughout the entire credit process without regard to prohibited basis or nondiscriminatory category.

Mutual Representations and Warranties – Each of the parties hereby represents and warrants to the other, and covenants and agrees, that:

- Such party will comply with all applicable federal, state, and local laws, rules and regulations, including, without limitation, all consumer credit, retail installment sale and privacy laws, rules and regulations, in the performance of its obligations under this Agreement and under any Contract with a Buyer.

This is notice that in accordance with the Fair Lending policy, Dealers are not permitted to pass along, charge, or otherwise specifically recoup (i.e., increase the price of the vehicle for the amount of the discount or fee) the discount or fee from the customer.

CPS reserves the right to approve or turn down any application or contract and all credit decisions are at the sole discretion of CPS.

Overview

<p>Applicant Profile</p>	<p>The typical CPS Applicant has prior credit problems that may include bankruptcy, repossession, charge-offs, or collection accounts. The Applicant has experienced situational credit problems but is, generally, not chronically unwilling to pay credit obligations and generally does not have multiple or significant past due payments. CPS does not finance customers who have a previously charged off CPS account.</p> <p>The Applicant or Co-Applicant must be the person(s) who will be driving the vehicle (i.e. no straw purchases). CPS accepts digital contracts, DECON with Dealer Track and e-Contracting with Route One and Dealer Center.</p> <p>The primary applicant must be listed on line one of the credit application. CPS does not refinance vehicles owned by the Applicant(s). Leases are owned by the bank, so CPS may refinance a leased vehicle. Only one open auto loan is permitted per licensed Applicant. Multiple vehicles are acceptable only on a case-by-case basis if approved by CPS.</p>
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Employment

<p>Employment</p>	<p>The Applicant must be a regular, permanent employee. Unearned income (SSI, VA, etc.) is also acceptable. W-2 employees are Applicants who are employed by others and have income taxes and social security contributions withheld and remitted on their behalf by their employer. Required proof of income for W-2 employees includes:</p> <ol style="list-style-type: none"> 1. The most recent pay stub (within 30 days of package received date) showing year-to-date earnings. 2. If YTD information is not shown, CPS requires consecutive pay stubs disclosing all taxes and deductions covering the past two months. Copies of canceled checks will be required to support pay stubs and may be required for any pay stub if the verification of employment is unsatisfactory. 3. Before April 1st of each year, only base pay will be considered if a previous year's W-2 or December pay stub is not available. <p>Bonus income will be considered on a case-by-case basis. Bonus income received less than quarterly will not be considered in YTD income calculations.</p>
<p>Employment Stability</p>	<p>The Applicant must be presently employed for a minimum of six months of continuous, permanent employment. If the applicant is approved with a job less than 6 months, previous job must verify with no gap greater than 90 days. Job histories with more than two jobs in one year are unacceptable. Current and previous employment (if applicable) will be verified. Previous employment must be verifiable. Cell phones are not permitted for employment verification. Previous employers that are out of business or cannot be verified are unacceptable. Self-employed previous job time will not be considered in establishing job history. A 1099 employee's previous job time that can be verified will be considered on a case-by-case basis in establishing job history.</p> <p>CPS will not purchase a contract for an Applicant on a leave of absence until the Employer verifies the Applicant has returned to permanent work status. An Applicant under agreement to terminate employment or pending imminent separation is unacceptable.</p>

Self Employed or Independent Contractor 1099	<p>Self-employment or 1099 employment is acceptable on all programs <u>except</u> FTB. If self-employed, the business must be individual ownership in the Applicant's name and in business for a minimum of one-year. GIG workers (Uber, Lyft, etc.) are considered self-employed and are acceptable. CPS only accepts DBS (Digital Bank Statements) or Turbopass. Manual bank statements are only considered on a case-by-case basis if the Applicant's bank has not partnered with our DBS business partners.</p> <p>CPS will take an average of the deposits, excluding transfers and credits. The minimum monthly deposits must be at least 50% of the average income. CPS is looking for the deposits to be somewhat consistent. No negative or zero balance month end statements. Excessive NSF's (more than three (3) NSF charges in one (1) month or more than five (5) NSF charges in three (3) months) are unacceptable. If the bank statement is joint, CPS will divide the deposits in half.</p>
ITIN	<p>ITIN applicants must earn a minimum of \$2,000 and have at least a one-year job and residence. CPS requires an ITIN card and/or ITIN letter.</p>
Seasonal and Temporary Work	<p>Applicants who work for a temp agency are acceptable if they meet all other CPS job requirements on their current and previous assignment(s). CPS does not accept Applicants who work for a temp agency where the Applicant changes assignments frequently or have gaps in assignments.</p> <p>Seasonal employment is not acceptable. If affiliated with a union, Applicant must be a member for at least one year or otherwise must meet the employment stability requirements set forth above. Union employees whose income fluctuates or who have received income from more than one employer during the year will be required to provide a current paystub, the previous year's W-2's, and/or the last paystub from every assignment worked during the current year to document income.</p>
Applicants with Two Jobs	<p>To consider income from two jobs, the Applicant needs to have been employed for six months at both the primary job and secondary jobs.</p>
Co-Applicants	<p>Co-Applicants without joint credit must qualify individually. Co-Applicants must each meet the minimum qualifying credit, income, job, and residence requirements (as applicable). The primary Applicant (i.e. the person driving the vehicle) must be on line one of the credit application.</p>
Co-Signors / Guarantors	<p>CPS does not consider co-signers or guarantors for Applicants not meeting minimum requirements. Each Applicant on the contract is fully responsible for the loan.</p>

Income

Proof of Income	<p>Current proof of income dated within 30 days of package receive date is required for each Applicant unless otherwise waived on the final approval. All income must be verifiable. Cash income is not acceptable. Applicant or Co-Applicant must earn the required minimum gross verifiable income from a single source, not including any overtime (base rate/salary). Any garnishments, liens, loans, or attachments appearing on the proof of income will be added to the Applicant's debt and may cause the Applicant to fail to meet CPS budget requirements.</p>
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<p>Unearned Income Verification</p>	<p>Unearned income is regular monthly payments to the Applicant from sources other than the Applicant's employer or place of business. This includes, but is not limited to, child support, alimony, permanent disability, public assistance, social security, trust funds, annuities, and interest income. Any unearned income used for meeting any budget or income requirements must be verifiable.</p> <p>Unearned income acceptable as primary income: SSI, permanent disability, pension, public assistance. Unearned income acceptable as secondary income: child support/alimony, rental income, foster/adoption income.</p> <p>Sufficient supporting documentation must be sent to CPS (e.g. a court order, award letter, etc.) AND evidence that the payments are actually being paid to the Applicant and will continue for the term of the contract. The following are acceptable methods of verifying this type of income.</p> <ol style="list-style-type: none"> 1. Child Support must be court ordered and supported by a copy of the court order plus evidence that payments are actually being received by the Applicant directly through the court or three months of consecutive canceled checks or bank statements showing deposits (if paid directly to the Applicant). 2. Alimony must be court ordered and supported by a copy of the divorce decree plus evidence that payments are actually being received by the Applicant directly through the court or three months of consecutive canceled checks or bank statements if paid directly to Applicant. 3. Permanent Disability Income will be considered when supported by an award letter, the payments are continuous, and there is evidence that the payments are actually being paid to the Applicant. Temporary disability income is not acceptable without evidence that income will continue for the term of the contract. 4. Public Assistance will be considered when supported by documentation showing it is consistent, verifiable, and will be received for the term of the loan. 5. Social Security payments must be supported by evidence that the payments are currently being paid to the Applicant and will be payable for the term of the account. Social Security for a dependent that is being paid to the Applicant must be supported by proof of receiving the payments for the previous six months. CPS will not gross-up the Social Security. <p>Foster Care, Annuities, etc. Income from these sources must be supported by documentation and will be considered on a case-by-case basis.</p>
<p>Budget/Credit</p>	<p>All budget calculations use the gross verifiable monthly income of Applicant. Do not gross up unearned income; CPS will automatically gross up unearned income.</p>

Residence

<p>Residence Stability</p>	<p>Generally, an Applicant must have a minimum of one year of continuous occupancy at the present residence but may be considered with less than one year if there is a 12- month history of residence in the same geographic area. Changing residence due to relocation by the same employer is acceptable. Applicants living in motels/hotels, RV's, boats, or any other temporary facility are unacceptable.</p>
<p>Rent/House Payment</p>	<p>A minimum amount defined in our Exhibit "A" for the rent or house payment will be used in budget calculations, even if the actual monthly rent is less. This applies even if the</p>

	Applicant is living rent free (except Military Applicants). The actual mortgage payment will be used for a homeowner whose monthly payment is less than the minimum amount. A mortgage or lease in a spouse's name that is not on the sales contract will be budgeted for the full rent or mortgage amount as verified. Splitting of rent or mortgage may be approved only on a case-by-case basis. Section 8 Housing Assistance is acceptable.
Proof of Residence	<p>Proof of Residence ("POR") is a document showing the Applicant's name, physical address, and date. Acceptable forms of POR include gas bill, electricity bill, water bill, bank statement, etc. A U.S. Postal Service postmark cancelled; pre-addressed envelope mailed to the Applicant at Applicant's current address is also acceptable. A window envelope is not acceptable. The address must reflect the actual physical location of the residence. A post office box or a rural route box is not acceptable.</p> <p>Homeowner - An Applicant who owns a home, condominium, or town home in Applicant's name is a homeowner. A homeowner may also be an Applicant who owns a manufactured home (mobile home) and who also owns the land upon which the manufactured home is located. CPS requires documentation that the Applicant owns both the manufactured home and the land, and that the title to both is in the Applicant's name to consider the Applicant a homeowner.</p>
Landline / Cellphone	The Applicant must have an active telephone or cell phone at time of application and funding. Cell phones in a third-party name are unacceptable. International phone numbers are unacceptable.

Unique Applicants

Military Applicant	<p>A Military Applicant cannot be on terminal leave prior to or at time of funding. The Military Applicant must be assigned to a duty station within the United States.</p> <p>A Military Applicant living on base is acceptable. There will be no minimum rent factor used in budget calculations for Military Applicants living rent free in base housing. CPS will use the privatized housing amounts on the LES as the rent amount. CPS will also use BAH and BAS as income, if applicable.</p> <p>The most recent LES must be a part of the contract package.</p> <p>All other requirements for CPS Applicants throughout this Schedule "A" and in the CPS Exhibit "A" also apply to Military Applicants, subject to any applicable SCRA or MLA provisions. California military applicants cannot finance GAP.</p>
First Time Applicant	<p>A First Time Buyer (FTB) is defined as an Applicant who (excluding student loans) does not have at least one \$1500 high single "Applied for Credit" trade line with an opening date at least three years prior to application date which is either a consumer loan, a credit card, or a mortgage, and which shows is the direct or joint responsibility of the Applicant.</p> <p>A FTB who has had a vehicle repossessed or who has filed bankruptcy is not acceptable to CPS.</p> <p>A FTB must be on the lease where they reside. A FTB living with a relative or immediate family member of a spouse is generally unacceptable even if the FTB is paying rent to the relative.</p>
Applicants Employed by Dealership	Commission based employees of either the selling dealership or affiliates of the dealership are generally not eligible for financing with CPS. It will be considered on a case-by-case basis.

Applicants with An Existing CPS Account	An Applicant may qualify for a second CPS account if there is a qualifying Co-Applicant (one auto per Applicant still applies). CPS reserves the right to offset funds from new account proceeds to pay off the existing CPS account if it is being traded.
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Credit Items

Budget Rules	CPS will budget open obligations on the credit report and anything on the employee pay stub, including but not limited to garnishments, child support, tax liens, and employee loans.
Bankruptcy	<p>An open Chapter 7 Bankruptcy is acceptable one day after the filing date. A Chapter 7 Bankruptcy Discharge form may be required for a recently discharged Chapter 7 Bankruptcy or if disposition of the BK filing is unclear.</p> <p>An open Chapter 13 Bankruptcy with a filing date over a year is acceptable with a Letter of Authorization from the Bankruptcy Trustee or a court order in most cases. In some bankruptcy districts, approval of open Chapter 13 Bankruptcy will not be offered (Eastern District of Michigan, Western District of Pennsylvania, and the Eastern District of Washington). A Chapter 13 Bankruptcy Discharge form may be required for a discharged Chapter 13 when the case disposition is unclear. If a Chapter 13 Bankruptcy is converted directly to a Chapter 7 Bankruptcy, the conversion date must be prior to the application date.</p> <p>Chapter 11 Bankruptcy and Chapter 12 Bankruptcies must be discharged to qualify for CPS financing.</p> <p>Significant derogatory credit after the bankruptcy discharge will generally disqualify the Applicant.</p> <p>Multiple discharged bankruptcies or multiple bankruptcy filings will disqualify the Applicant. Only one bankruptcy filing is permitted per Applicant or Co-Applicant combined. However, a Chapter 13 bankruptcy converted directly to a Chapter 7 bankruptcy and discharged will be treated as a single bankruptcy.</p> <p>Repossessions included in a bankruptcy may be less than one year old. Multiple repossessions included in a bankruptcy will be considered on a case-by-case basis.</p>
Repossession	Repossessions less than one year old from date of the credit application are unacceptable. Multiple repossessions and Applicants and Co-Applicants that each have a repossession are generally unacceptable.
Multiple Vehicle Loans	Only one open auto loan is permitted per licensed Applicant. Multiple vehicles are acceptable only on a case-by-case basis if approved by CPS.

Vehicle/Structure

Deal Structure	<p>CPS purchases contracts on “mainstream,” conventional automobiles, light trucks, and light commercial vehicles (3500 series and under). CPS does not purchase contracts on exotic, high performance, or specialty vehicles.</p> <p>CPS will not purchase contracts on Canadian or gray market vehicles unless the vehicle meets current U.S. emissions, safety, warranty standards and the odometer is converted to miles. CPS will not purchase contracts on “Salvage”, “Rebuilt”, “Lemon</p>
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	Law,” “TMU”, “Frame or Unibody Damage” (including repaired frame, severe damage, or structural alteration), “Flood or Water Damage”, “Total Loss”, “Branded Title,” “Structural Damage,” emission deleted or other like vehicles. CPS reviews AutoCheck for the aforementioned issues. The vehicle must be in good condition at the time CPS purchases the contract. CPS will not purchase contracts on stolen or totaled vehicles with unresolved accidents, or vehicles with mechanical issues.
Model Year Change and Vehicles not in Book	CPS will value past model year vehicles as new vehicles until May 31 st each year. After May 31 st , past model year vehicles will be valued using the “book” value if available or by the following schedule: A. ≤6000 miles at 90% of invoice B. 6001 to 12000 miles at 85% of invoice C. 12001 to 25000 miles at 75% of invoice
Wholesale Book	CPS accepts JD Power, Kelley, or Black Book values. CPS uses “Wholesale Book” to determine vehicle value. Wholesale Book is determined by adding/subtracting applicable equipment plus/minus mileage adjustment. Used current model year vehicles will be valued using Kelley Bluebook Lending Value, JD Power Clean Trade, or Black Book Clean Wholesale when these values are available. If none of the three values are available, CPS will value used current model year vehicles using the following invoice schedule: A. ≤6000 miles at 90% of invoice B. 6001 to 12000 miles at 85% of invoice C. 12001 to 25000 at 75% of invoice
Down Payment	The minimum down payment required is defined in Exhibit “A.” A cash down payment must be paid from the Applicant’s own funds and cannot be borrowed. CPS considers advances from Applicant’s own credit cards to be a borrowed down payment. Deferred down payments (if any) must be disclosed on the contract. Any deferred down payments must be scheduled prior to the first payment due date and must be paid prior to CPS purchasing the contract. Hold checks are considered deferred down payments—even if a check guarantee company guarantees them. Third party down payments or dealer assisted down payments are not acceptable to CPS. CPS considers payments by check guarantee companies to be third party down payments. The Applicant's cash and/or net trade-in value must equal at least the minimum down payment required on the Exhibit “A.”
Trade Equity	Trade in vehicles must be titled in the name of the Applicant (at least 30 days prior to the sale date) to be considered as down payment. CPS will generally only require proof when we offer a fee reduction for a trade-in.
Manufacturer’s Rebates	A manufacturer’s rebate to the Applicant may not count toward the minimum down payment requirement except as set forth on the current CPS Exhibit “A.”
Sales Tax	Applicable sales tax for the Applicant’s state of residency must be disclosed on the contract.

Ancillary Products

Guaranteed Asset Protection (“GAP”)	GAP policies must be from a reputable provider. GAP sold in TX must be on the state acceptable list. GAP policies must be written to equal the term of the contract. GAP is only acceptable from dealers in states where GAP is permitted by law. CPS will finance only up to the maximum as noted on a state specific Exhibit “A”. California military applicants cannot finance GAP.
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	<p>Premium Rebate: The dealer is obligated to rebate to CPS the unearned portion of the premium as of the date of default or date of prepayment. For purposes of this Agreement the first date of default shall be the contract date if the default is a "First Payment Default." For all other defaults, the date of default will be the date of repossession or charge off, whichever occurs first. The unearned portion of the premium will be calculated based upon a "straight line" amortization of the premium based upon the actual term of the GAP policy used during the period the GAP policy was in force.</p> <p>The premium rebate is due to CPS from the dealer immediately upon receipt of the billing from CPS, regardless of whether the dealer has applied for or has received any rebate or refund from the GAP provider. If the GAP provider fails to honor a legitimate claim or goes out of business, the dealer will be charged back for the amount of the GAP advance.</p> <p>In the event the dealer fails to pay premiums financed in the contract purchased by CPS or in the event the dealer fails to pay to CPS unearned premiums billed to dealer by CPS, CPS reserves the right to offset funds from new account proceeds to pay the unpaid premiums or to pay those unpaid billings for unearned premium rebates.</p>
Service Contract	<p>A service contract can be included in a contract. For new vehicles the service contract must be at least 48-months. For used vehicles, the term of the service contract must be at least 24 months. CPS will accept a 12-month policy. The advance is reduced to \$1200 for 12-month service contracts.</p> <p>Premium Rebate: The dealer is obligated to rebate to CPS the unearned portion of the premium as of the date of default or prepayment. For purposes of this Agreement the first date of default shall be the contract date if the contract is a "First Payment Default." For all other contract defaults, the date of default will be the date of repossession or charge off, whichever occurs first. The unearned portion of the premium will be calculated based upon a "straight line" amortization of the premium based upon the actual term of the service contract or mileage used during the period the service contract was in force, whichever results in the larger rebate to CPS.</p> <p>The premium rebate is due to CPS from Dealer immediately upon receipt of the billing from CPS, regardless of whether the Dealer has applied for or has received any rebate or refund from the service contract company.</p> <p>In the event the dealer fails to pay premiums financed in the contract purchased by CPS or in the event the dealer fails to pay to CPS unearned premiums billed to dealer by CPS, CPS reserves the right to offset funds from new account proceeds to pay the unpaid premiums or to pay those unpaid billings for unearned premium rebates.</p>

STIPS

Standard Documents	<p>The standard STIPS to be included in the package submitted for purchase, unless expressly waived on the approval:</p> <ol style="list-style-type: none"> 1. Proof of Income ("POI") for each Applicant. 2. Proof of Residence ("POR") for the physical residential address (telephone bill or utility bill preferred).
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	<p>3. One (1) reference, preferably a relative.</p> <p>4. Evidence of vehicle insurance in the Applicant’s name.</p> <p>CPS personnel at the corporate office may stipulate additional documentation or conditions of approval on a case-by-case basis.</p> <p>NOTE 1: CPS will not purchase a contract with a past due payment. Any payments which are currently due or could become due prior to CPS purchasing the contract, must accompany the package. No more than 2 payments can be due on any contract. If more than 2 payments are due on a contract, the total amount of payments due must be collected as additional down payment and the contract rewritten.</p> <p>NOTE 2: Upon receipt of the contract and supporting documents for purchase, CPS will verify employment, insurance, and references prior to purchasing each contract. CPS also conducts a Welcome Call interview with the Applicant. These verifications must satisfactorily support the information used to issue the approval. If the Applicant’s information verified differently than what was submitted on the credit application, the contract may not qualify to be purchased.</p> <p>NOTE 3: The Applicant must be in possession of the vehicle at time of funding. Any unresolved issues including, but not limited to, the vehicle not in acceptable working condition must be resolved prior to funding.</p> <p>NOTE 4: CPS will not purchase a contract for an Applicant residing in an area with restrictions on the ability to repossess.</p>
References	CPS will accept at least one (1) home or cell number, including the area code, of a friend or relative. CPS prefers a relative.
Driver’s License	A valid driver’s license for each open auto account is required. An identification card or a learner’s permit is not acceptable. CPS will not purchase a contract on an Applicant with an expired or suspended driver license.
Powers of Attorney	CPS does not accept a Power of Attorney for the purpose of executing applications or contracts.
Auto Insurance	<p>A minimum amount defined in our Exhibit “A” for insurance premium payments will be used in all budget calculations. The dealer must provide CPS with an insurance binder or policy as evidence of comprehensive and collision vehicle insurance coverage with a maximum \$1,000 deductible to lienholder. CPS must be able to verify coverage and verify that CPS has been added to the policy as first lienholder and as an additional insured as:</p> <p>Consumer Portfolio Services, Inc. P.O. Box 57071 Irvine, CA 92619-7071 Casualty Insurance (PDI) cannot be financed in any contract purchased by CPS.</p> <p>Notwithstanding the above, the dealer is responsible for any and all losses and claims resulting from damage to the vehicle that occur before the date the contract is purchased by CPS. CPS will not purchase a contract on a totaled or stolen vehicle, or on a vehicle that has an unresolved accident.</p>

Title	Title must be registered in the Applicant and/or Co-Applicant's <u>exact names</u> as shown on the contract. Title must reflect Consumer Portfolio Services, Inc. as the first lienholder within the time specified in the Dealer Agreement, enforceable under state and federal law (including bankruptcy law).															
Lienholder	The "First Lienholder" on the application for title <u>must be shown</u> as: Consumer Portfolio Services, Inc. P.O. Box 57071 Irvine, CA 92619-7071															
State Electronic Title Codes	AZ	330459135	KS	330459135	NE	40212345	PA	33045913501	CA	Q85	LA	EICA	NH	18055	SC	34142208
	CO	E3304591350001	MA	C31375	NJ	218678783926192	TX	33045913500	FL	96429667	MD	6159	NV	CZ0011	VA	CPS05
	GA	1102186969	MI	LH035044	NY	49567	WA	CPO	IA	33045913500	MO	C1800106	OH	E03474	WI	42460
	ID	330459135	MS	90010395300	OR	50803 (CPS)			IN	3304591350001	NC	35171100	OR	3578385 (FIRESIDE)		
Funding Packages	CPS accepts e-Contracting via DealerTrack, RouteOne, and Dealer Center. Send funding packages to: Consumer Portfolio Services, Inc. 19500 Jamboree Rd, Suite 600 Irvine, CA 92612 Or Consumer Portfolio Services, Inc. 850 Trafalgar Court, Suite 400 Maitland, FL 32751															