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# Payment Plan Addendum to Producer Agreement

This PAYMENT PLAN ADDENDUM TO THE PRODUCER AGREEMENT ("Payment Plan Addendum") is made and entered into as of _______________ ("Effective Date").

## Recitals

**WHEREAS,** the terms, conditions, and definitions set forth in the applicable Producer Agreement are incorporated as if fully set forth herein at length;

**WHEREAS,** in consideration for Producer's execution of the Producer Agreement with the Servicing Entities and payment of the Installment Program Additional Premium ("Additional Premium") set forth on Schedule "A" hereto, the Servicing Entities agree to permit Producer, and Producer's Contract Holders, to participate in a Payment Plan Program ("Program") with an affiliate Payment Plan Processor, in its discretion for Producer's sale of Finance and Insurance Products ("F&I Products" to include Vehicle Service Contracts ("VSC");

**WHEREAS,** the Program, when utilized by Producer, shall permit Contract Holders to pay for Contracts monthly over the term of the applicable consumer Payment Plan Agreement, subject to the terms, conditions, and criteria of the Program as set forth herein, the consumer Payment Plan Agreement, and the terms and conditions of such Contracts, including, but not limited to claims, cancellations, and refunds;

**WHEREAS,** the Payment Plan Processor is in the business of administering the Program and processing the payment thereunder for the Servicing Entities and Producer agrees to serve in such capacity in the collection and disbursement of applicable premiums and/or funds owed to the Payment Plan Processor, Producer, the Servicing Entities, and/or the Contract Holder(s), if any, as set forth in detail in this Payment Plan Addendum; and

**WHEREAS,** Producer understands and agrees that the Program identified herein and this Payment Plan Addendum shall only be used in connection with the sale of Contracts provided and/or administered exclusively by the Servicing Entities, which requirement of exclusivity is likewise indicated in the Producer Agreement.

**NOW THEREFORE,** for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. **RECITALS.** The above-referenced Recitals are incorporated as if fully set forth herein at length.
2. **TERM.** The Term of this Payment Plan Addendum shall run concurrently with the Term identified in the Producer Agreement. Notwithstanding the foregoing, the Servicing Entities and/or Payment Plan Processor may terminate this Payment Plan Addendum immediately at any time, without notice.
3. **PROGRAM REQUIREMENTS.** To qualify for participation in the Program, the following criteria must be satisfied, without which the Payment Plan Processor shall not accept or agree to serve as the processor and administrator of a Contract Holder's Payment Plan Agreement for participation in the Program:
   - **i.** Contract Holder must execute a Payment Plan Agreement in the form provided by the Servicing Entities and/or the Payment Plan Processor;
   - **ii.** Producer must submit all Payment Plan Agreements and required information relating to same to the Payment Plan Processor through its Portal or in such other manner as agreed upon by the Parties as set forth herein;
   - **iii.** The term of the Payment Plan must be 50% or less than the VSC term; and
   - **iv.** The down payment must be at least ten percent (10%) or more of the combined cost of all F&I Product Contracts included in the Payment Plan, but in no event less than one hundred dollars ($100.00).
4. **SUBMISSION OF CONTRACTS TO THE SERVICING ENTITIES AS CONTRACT ADMINISTRATOR.** Upon sale of a Contract to a Contract Holder, whereby the Contract Holder wants to participate in the Program and use the Payment Plan Processor's services, Producer shall enter all required information into the Payment Plan Processor's Portal prior to the end of the day in which such Contract is sold. Producer understands that Producer's strict compliance with this provision is required to facilitate the Payment Plan Processor's timely funding to the Producer, remittance coverage cost to servicing entities by the Producer, and the collection of the monthly payment amount from the Contract Holder. The Payment Plan Processor's funding to the Producer shall be funded in accordance with Section 5 herein.
5. **FUNDING TO PRODUCER.** Upon Producer's timely entry of all required information into the Portal pursuant to Section 4 herein, the Payment Plan Processor shall fund the Producer on or before the fifth business day of the month following the Contract's entry into the Payment Plan Portal. Funding shall be calculated and paid to Producer less the Additional Premium, identified on Schedule "A", less the down payment, if taken by Producer, and less any amounts due to the Payment Plan Processor, including, but not limited to, claims and cancellations. Producer understands and agrees that all premium associated with the Contracts to be earned and collected from the Contract Holders shall be the exclusive property of the Payment Plan Processor. Producer shall have no rights, title to, and/ or interest in any such premium.
6. **PRODUCER'S DUTY TO REMIT TO CONTRACT ADMINISTRATOR.** Upon Payment Plan Processor's acceptance of the Payment Plan Agreement and the funding to the Producer in accordance with Section 5 herein, Producer unconditionally understands and agrees that all remits shall be paid in normal course pursuant to the Producer Agreement. Producer is under an obligation to remit to the Contract Administrator the applicable Coverage Cost for administration of the applicable Contract to commence, the failure of which shall constitute an Event of Default hereunder and is defined as such in the Producer Agreement.
7. **ADMINISTRATION OF CONTRACTS; PAYMENT PLAN PROCESSOR LIMIT OF LIABILITY.** The Parties understand and agree that the Contract Administrator shall continue to provide all Contract administration services, including, but not limited to, adjudication of claims, cancellations, and payment of refunds. The Payment Plan Processor shall have no responsibility, liability, or obligations with respect to administration of any Contract, unless otherwise contemplated herein, or of any Contract Administrator obligations under the Producer Agreement. The Parties understand and agree that the Payment Plan Processor is not involved in the contractual relationship between the Servicing Entities and Producer and serves solely in a payment plan processing capacity on the Servicing Entities' behalf.
8. **CANCELLATION OF CONTRACTS.** The Contract Administrator and Producer shall be jointly responsible for providing any refund due to the Payment Plan Processor and/or Contract Holders of their respective portions upon the cancellation of a Contract. Refunds shall be calculated by the Contract Administrator in accordance with the balance of the term remaining on the Contract(s), less claims paid. Producer understands and agrees that it is unconditionally responsible for its portion of any refund due, as well as any shortfall in amounts to be refunded to the Payment Plan Processor because of refunds calculated less claims paid. The payment of cancellation fees resulting from cancelled Contracts shall be offset against any refund amount due to Contract Holder. Refinancing will be available on any contracts not cancelled by the Contract Holder.
9. **COMPLIANCE WITH EFT LAW.** The Parties agree to comply with the Electronic Funds Transfer Act and Federal Reserve Regulation E (as may be amended from time to time) and any similar state or local laws or regulations with respect to payment processing by direct debit, ACH, or pre-authorized draft. Producer agrees to indemnify the Servicing Entities and the Payment Plan Processor, as applicable, for any breach of this Section 9, and breach of any applicable laws and/or regulations pertaining to payments made by consumers, including, but not limited to, by way of ACH, direct debit, and/or pre-authorized draft.
10. **RESERVATION OF RIGHTS.** Provisions of the Producer Agreement not in conflict herewith shall remain in full force and effect. The Servicing Entities reserve and reincorporate all rights and remedies as set forth in the principal Producer Agreement, which shall apply with equal force and effect to this Payment Plan Addendum.

11. **PRODUCER AGREEMENT TERMS.** All of the Parties' obligations under the Producer Agreement and this Agreement not explicitly addressed in this Agreement are unaffected and remain in full force and effect and are applicable to this Agreement.

12. **PRODUCER'S REPRESENTATION AND WARRANTIES.** Producer represents and warrants to make payment of all necessary taxes, fees, and charges relating to the offering and sale of the Contracts. Producer agrees to and will indemnify Servicing Entities for any damages suffered by Servicing Entities resulting from Producer's failure to pay any and such taxes, fees, and charges, and for any failure by Producer to take any other actions as obligated by this Agreement.

13. **PERSONAL GUARANTY OF PRODUCER OBLIGATIONS.** To induce Servicing Entities to enter into this Agreement with Producer the undersigned Guarantor personally and unconditionally guarantees the full and timely payment of all amounts due to Servicing Entities under the Agreement, along with Producer's complete performance of all Obligations. Producer's Obligations, whether existing or arising in the future, remain enforceable even in cases of Producer's bankruptcy or insolvency. This Guaranty is primary, absolute, and unconditional, and does not require Servicing Entities to pursue remedies against Producer or any collateral before proceeding against Guarantor. The Guaranty remains in full effect despite renewals, extensions, modifications, or alterations of Producer's Obligations, to which Guarantor expressly consents. Without notice to or assent by Guarantor, Servicing Entities may modify the Agreement, extend terms, or compromise claims. Guarantor agrees to pay all amounts due and satisfy all outstanding Obligations upon demand, acknowledging such payment as part of the consideration for the Servicing Entities entering the Agreement. If Producer defaults, discontinues business, or enters bankruptcy, all sums and Obligations become immediately due from Guarantor. Guarantor agrees to provide financial statements upon request, notify Servicing Entities of material financial changes, and waives rights to require Servicing Entities to exhaust remedies against Producer before enforcing this Guaranty. Additionally, Guarantor waives notice of default, demand, presentment, non-payment, and protest, and agrees to be liable for reasonable collection expenses, including attorneys' fees, should legal action be necessary.

**IN WITNESS WHEREOF,** the Parties hereto have caused this Addendum to be signed as of the Effective Date of the Producer Agreement.

**SERVICING ENTITIES**

_______________________________

*Signature*

**PRODUCER**

_______________________________

*Signature*

**GUARANTOR**

_______________________________

*Signature*

**NAME:**

**TITLE:**

## SCHEDULE A: ADDITIONAL PREMIUM SCHEDULE

| RETAIL | FINANCE TERM | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 6 | 12 | 18 | 24 | 30 | 36 | 42 | 48 |
| **$0 - $999** | $100 | $100 | $100 | $125 | $150 | $175 | $200 | $225 |
| **$1,000 - $1,999** | $120 | $125 | $150 | $175 | $225 | $250 | $325 | $400 |
| **$2,000 - $2,999** | $120 | $200 | $225 | $275 | $325 | $400 | $475 | $625 |
| **$3,000 - $3,499** | $250 | $250 | $275 | $350 | $400 | $500 | $600 | $725 |
| **$3,500 - $4,999** | $275 | $315 | $350 | $425 | $500 | $600 | $725 | $900 |
| **$5,000 - $5,499** | $300 | $350 | $425 | $550 | $600 | $700 | $850 | $1,025 |
| **$5,500 - $5,999** | $325 | $350 | $450 | $585 | $625 | $750 | $875 | $1,050 |
| **$6,000 - $6,499** | $350 | $400 | $475 | $650 | $650 | $775 | $900 | $1,075 |
| **$6,500 - $6,999** | $375 | $450 | $550 | $650 | $675 | $800 | $925 | $1,100 |
| **$7,000 - $7,499** | $400 | $465 | $550 | $700 | $700 | $825 | $950 | $1,125 |
| **$7,500 - $7,999*** | $400 | $465 | $565 | $725 | $750 | $850 | | |
| **$8,000 - $8,999** | $425 | $475 | $575 | $750 | $775 | $900 | | |
| **$9,000 - $9,999** | $450 | $500 | $600 | $775 | $825 | $950 | | |
| **$10,000 - $10,999** | $475 | $525 | $650 | $800 | $900 | $1,025 | | |
| **$11,000 - $11,999** | $500 | $575 | $700 | $825 | $950 | $1,075 | | |
| **$12,000 - $12,999** | $525 | $600 | $750 | $875 | $1,000 | $1,125 | | |
| **$13,000 - $13,999** | $550 | $625 | $775 | $925 | $1,050 | $1,175 | | |
| **$14,000 - $14,999** | $575 | $650 | $825 | $975 | $1,100 | $1,225 | | |
| **$15,000 - $15,999** | $600 | $700 | $850 | $1,000 | $1,150 | $1,275 | | |

** Available for specialty programs, subject to program-specific approval*



### ADDITIONAL TERMS

1. Contracts cancelled in the first 60 days will receive a 50% refund of additional premium paid.
2. Payment Plan term must be fifty percent (50%) or less than the VSC term.
3. Down payment must be ten percent (10%) or more of the product(s) purchase price but no less than $100.