

### Guaranteed Asset Protection Advantage (GAP Advantage)

helps protect your borrower against financial loss in the event their vehicle is damaged beyond repair (totaled) or stolen and never recovered.

### BENEFITS TO THE BORROWER

- ✓ Eliminates or reduces “out of pocket” expenses for the remaining loan balance after loss settlement
- ✓ Borrower is able to purchase replacement vehicle sooner because there is little or no carry-over balance
- ✓ Borrower may purchase up to 1 year from effective date of loan
- ✓ May cover a deficiency balance up to \$50,000
- ✓ Often available at reduced amount compared to other GAP Advantage providers
- ✓ Fully refundable within the first 60 days. After 60 days, the refund is calculated by pre-determined formula if no GAP benefits have been paid

### ELIGIBLE COLLATERAL & RATES

COLLATERAL TYPE	MAX MSRP/ J.D. POWER COVERAGE	MISSED PAYMENT COVERAGE	MAX LIMIT OF LIABILITY	MAX ELIGIBLE LOAN TERM*	MAX ELIGIBLE LOAN BALANCE	GAP ADV COST PER WAIVER
Autos Light Trucks	125%	Two (2) Missed Payments (per year)	\$50,000	84 Months	\$125,000	\$550
Motorcycles ATVs Snowmobiles Golf Carts Jet Skis	125%	Two (2) Missed Payments (per year)	\$50,000	240 Months*	\$50,000	\$520
Travel Trailers Watercraft Motor Homes	125%	Two (2) Missed Payments (per year)	\$50,000	240 Months*	\$0-\$50,000 \$50,001-\$100,000 \$100,001-\$150,000 \$150,001-\$200,000 \$200,001-\$240,000	\$643 \$728 \$886 \$1,102 \$1,296

\*Coverage provided shall not exceed eighty-four (84) months



### KEEP IN MIND

- GAP Advantage may provide \$1,000 towards new loan when a borrower returns to the Financial Institution for replacement financing.
- In some cases, the insurance settlement may have covered the loan balance. In this instance, the Borrower is still eligible for the GAP Advantage benefit.
- In order to receive this benefit, the Financial Institution must file a claim with SWBC within 90 days of the insurance settlement.
- Borrower may purchase up to one year from effective date of the loan. Vehicle value must be obtained at time of GAP purchase to establish current LTV.

## LIMITATIONS

- ⚠️ GAP Advantage will not cover any delinquent/skipped/missed payments in excess of the maximum allowable (as indicated in rate schedule).

**Note:** Under the terms and conditions of the GAP Advantage Waiver, a skipped payment is a payment that is not made in accordance with the payment schedule as defined in the original loan agreement and is therefore considered "unpaid".

In the event of a claim, all delinquent/skipped/missed payments of any kind, in excess of the maximum allowable, will be deducted from any payable GAP Advantage benefit.

Borrower has 3 missed payments. Rate Schedule indicates coverage for 2 missed payments. GAP Advantage Benefit will cover 2 payments and deduct for 1 payment.

- ⚠️ Portion of the loan at origination that exceeds 125% of MSRP (new auto, van, light truck) or 125% J.D. Power (used auto, van, light truck). Refer to rate schedule for maximums on all eligible collateral.

- ⚠️ Maximum Limit of Liability for any claim shall not exceed \$50,000.

Vehicle value at loan origination = **\$20,000**,  
Amount Financed = **\$27,000**, Loan to Value = **135%**

GAP Advantage Limit of Liability =  
**\$20,000 x 125% = \$25,000**

Financial Exposure = **\$2,000**  
(amount not covered by GAP Advantage)

Amortization of **\$25,000** will define what the outstanding balance should have been on date of loss.



According to National Safety Council, there are **13.2 million motor vehicle accidents per year.**

## EXCLUSIONS

### GAP ADVANTAGE DOES NOT COVER:

- ✗ Auto/Motorcycle loans beyond 84 months
- ✗ Private Passenger Vehicles that exceed 1-Ton load capacity  
*Note: If vehicle is labeled over 350/3500 it is ineligible for GAP Advantage coverage.*
- ✗ Additional Collateral Loans with a term longer than 240 months. Coverage will not exceed 84 months.
- ✗ Any type of vehicle not currently listed in J.D. Power/KBB
- ✗ Commercial vehicles, rental vehicles, taxi cabs, buses, limousines, salvage vehicles
- ✗ Conversion costs that are not a part of the amount financed  
*Note: If it has been modified to include living quarters (stove, bed, sink, running water) then it is considered an RV.*
- ✗ Loss occurring prior to the date of the GAP Advantage policy
- ✗ Late charges, other fees or amounts that are built into or added to the loan balance after the inception date of the loan
- ✗ Intentional acts of the borrower
- ✗ Loans where the payment is due more than 90 days after the finance date
- ✗ Past due payments or any other charges such as interest that occur after the date of loss

## AUTO DEDUCTIBLE REIMBURSEMENT (ADR)

ADR pays up to \$1,000 per loss (limit of 2 losses per year) in the event the borrower files a claim against the comprehensive or collision coverage on their automobile insurance policy. Any eligible collateral listed on the same insurance policy as the financed vehicle is also eligible for the ADR benefit. Coverage is effective upon date of enrollment and will continue for 3 years.

The purchase of Guaranteed Asset Protection Advantage is voluntary and cannot be required as a condition of loan approval. This reference guide is not a contract, it is simply a brief description of the program. Please refer to the GAP Advantage Policy for complete details of coverage, limitations, and exclusions.