

BALLOON PROGRAM FAQ

Will we use ALG to base the value of the cars? If so, will we allow 90% of ALG?

The balloon will be determined using the year, make, model, trim and 90% of ALG. A Balloon Calculator is available on the Chrysler Capital Dealer Website to assist in the determining the proper vehicle value.

Are there balloon rebates?

Available incentives for each region will be determined by FCA.

What are the rates for balloon?

Please reference the Balloon Rate Sheet for a full list of the current information and available rates.

What contracts do we use?

A regular retail contract should be used and the Balloon payment indicated as the final payment. The only exception is in NJ, where the Wolters Klower contract is not allowed.

Is there a balloon addendum?

Yes. A balloon addendum that must be included with the contract and signed by the customer.

Is there flexibility for the dealer to drop the residual?

No.

What are the eligible terms?

Eligible terms include 48 or 60 months only.

What is the maximum markup?

Maximum markup is 1.75 percent.

Can balloon be used to finance used vehicles?

No. The program is only for new Chrysler, Dodge, FIAT®, Jeep®, and Ram vehicles.

Will there be a fee for this type of loan?

No.

At the end of term, can the customer turn the vehicle in or does it have to be refinanced?

The vehicle cannot simply be "turned in." The customer can sell the unit back to Chrysler Capital at an end-of-term negotiated price, based on market conditions, miles and excess wear and tear. It is NOT a guaranteed value. If the customer is in a negative-equity position they will need to pay the difference.

Are there special programs available when all payments are complete?

The customer can apply to refinance the remaining balloon. However, at this time there are no special programs.

Is Chrysler Capital going to guarantee the financing at the end of the term?

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No. We do not guarantee the financing. We have the option to decline the credit application.

If the payments have been made as agreed, will the customer receive a preferred rate?

Rates are determined by market conditions and the customer's credit file.

Will we buy a lower credit profile and promote the dealer switching a used-car buyer to new?

The credit decision will be determined by credit. There is not special pricing for this instance.

Will it be simple-interest based on an APR, similar to a regular retail installment contract?

Yes.

Is the advance preset or open-ended based on an internal score?

Please refer to the Balloon Program Guide and Balloon Rate Sheet for the advance based on tier.

From what end-of-term options can a customer choose?

Depending on the state of residence, a customer can choose from the following end-of-term options:

- Trade-in Vehicle - Customer may trade the vehicle in and purchase a new or used vehicle at any participating dealer.
- Payoff Balance - Customer may pay the outstanding balance on the account and keep the vehicle.
- Refinance - Customer may be able to refinance the outstanding balance with Chrysler Capital (retail installment only) and keep the vehicle, subject to eligibility rules.
- Sell Vehicle - Customer may opt to sell the vehicle back. See Balloon Addendum for specific details.

Is there a prepayment penalty?

No.

Is there a minimum balloon payment?

The minimum balloon payment must be at least two times the customer's regular scheduled monthly payment amount.