

CHRYSLER
CAPITAL

LEASE PROGRAM GUIDE



REVISED 10/2020

LEASING GUIDELINES

This document serves as an overview of the current guidelines and policies for originating lease contracts with Chrysler Capital. Chrysler Capital reserves the right to change all rules, fees, rates, charges, reserve policies and other matters described in this overview or elsewhere at any time, without notice. You can also visit the Chrysler Capital Dealer Website for the latest versions of this overview and all documents, forms, credit policies and program rules.

The Lease Program Guide is updated periodically and available on the Chrysler Capital Dealer Website via DealerCONNECT.

Chrysler Capital evaluates the creditworthiness of applicants requesting financing. All applicants will be treated in a fair and equitable manner. This overview describes the policies that will be employed for providing indirect financing (contracts originated through a dealer) to consumers and businesses (only with an individual co-applicant) in the United States for new vehicle leases.

ELIGIBLE VEHICLES

Any new FCA US vehicle

INELIGIBLE VEHICLES

An ineligible vehicle is any vehicle that could result in a liability issue for Chrysler Capital or vehicles not listed in the Chrysler Capital residual guide. Other vehicles may be added at any time at the discretion of Chrysler Capital.

- » Motor homes
- » Vehicles with special equipment
- » Driver's education-use vehicles
- » Emergency or law enforcement vehicles
- » Frame damaged vehicles
- » Hail or flood damaged vehicles
- » Vehicles with a branded title, including Lemon Law
- » Limousines and other unapproved specialty vehicles
- » Compressed natural gas vehicles
- » Chassis Cab, 4500 and 5500 trucks
- » Vans with a capacity of 11 or more people (including driver) to be used to transport students to/from school or school-affiliated activities or events
- » Previously titled vehicles
- » Used vehicles or vehicles with more than 5,000 miles for non-demonstrator vehicles and 7,500 miles for demonstrator vehicles
- » Modified, customized or racing vehicles
- » Vehicles not originally manufactured for sale in the United States.
- » Right-hand drive vehicles (e.g. postal delivery, etc.)

MONEY FACTORS

Chrysler Capital money factors are published in the Chrysler Capital Standard Lease Rate Sheet and the Incentivized Lease Program. Chrysler Capital may offer periodic special programs, which will be published as introduced.

- » The adjusted minimum money factor may not be less than 0.00001
- » The money factor cannot exceed five decimal places

TERMS OFFERED

24, 27, 36, 39, 42 and 48-month terms are eligible for lease

MAXIMUM MILEAGE ALLOWED

80,000; maximum annual mileage is 20,000

IMPORTANT NOTES

No contracts will be funded for vehicles that have had their factory structure materially altered, such as the installation of an after-market sunroof.

ACQUISITION FEE

An acquisition fee may or may not be required on each lease transaction. Acquisition fees are listed in the Incentivized Lease Program Guide. Please refer to the Incentivized Lease Program Guide on DealerCONNECT under the Chrysler Capital tab in Dealer Incentive Communications.

Dealer markup is not allowed on any reduced or waived acquisition fee. Please refer to the Dealer Markup Policy posted on the Standard Lease Rate Sheet and Incentivized Lease Rate Sheet.

DISPOSITION

A disposition fee will be charged when the customer returns the vehicle (at maturity/lease termination). Disposition fee may be waived when the vehicle is returned and the customer re-leases a new FCA US vehicle through Chrysler Capital.

PURCHASE OPTION FEE

A purchase option fee of \$350 will be assessed when a leased vehicle is purchased by the customer or dealer.

VEHICLE EARLY RETURN FEE

A vehicle early return fee will be charged when the customer returns the vehicle more than 90 days prior to the end of the lease. Refer to customer's signed lease agreement for early termination fees.

SECURITY DEPOSITS

The security deposit is equal to the monthly payment rounded to the next highest \$25 increment. See callback for state-specific guidelines and see the Chrysler Capital Security Deposit Policy on the Standard Lease Rate Sheet for customers desiring an alternative method for collection of this fee.

CAPITALIZED COST REDUCTIONS

Capitalized cost reductions are allowed. However, the adjusted capitalized cost cannot be lower than the greater of the adjusted residual value of the vehicle plus \$2,500 or 60% of the MSRP.

VEHICLE USE OUTSIDE OF THE UNITED STATES

As stated in the Chrysler Capital lease agreement, lease customers agree not to use or permit the vehicle to be removed from the United States without Chrysler Capital's prior approval. Extended stays outside of the United States will not be permitted. Please see most recent rate sheet or callback for requirements.

GAP COVERAGE

All Chrysler Capital vehicle leases include GAP coverage at no additional cost to the lessee. Selling GAP coverage by the dealer is strictly prohibited.

SIGN & DRIVE

Chrysler Capital offers the option to waive the first payment by increasing the money factor for 24 months by 0.00063; for 25-48 months, increase the money factor by 0.00029.

DEALER PARTICIPATION PROGRAM

Chrysler Capital may pay dealer participation on lease transactions where the customer money factor exceeds current Chrysler Capital published money factors. Please review current Standard Lease Rate Sheet for published markups.

GUARANTEED PARTICIPATION STRUCTURE	
Markup	1.75% (0.00073) markup on standard rates, tiers 1-4 No markup on standard rates, tier 5 1% (0.00042) markup on incentivized rates, tiers 1-5
Participation Split	75/25

LEASE PARTICIPATION CALCULATIONS (STANDARD RATES)

Example: $[(\text{Adjusted Cap Cost} + \text{Residual Value}) \times \text{Dealer Participation Factor} \times \text{Lease Term}] \times (0.75) = \text{Dealer Lease Participation}$		
STEP 1: Adjusted Capitalized Cost = \$35,000 Adjusted Residual Value = \$18,000		$\$35,000 + \$18,000 = \$53,000$
STEP 2: Dealer Participation Factor 0.00073	X	$\$53,000 \times 0.00073 = \38.69
STEP 3: Lease Term 36 months	X	$\$38.69 \times 36 = \$1,392.84$
STEP 4: Dealer's 75% of Markup	X	Preferred: $\$1,392.84 \times 75\% = \$1,044.63$

Dealer lease participation is guaranteed and will not be charged back provided the customer makes the first three scheduled payments. A payoff is not a scheduled payment.

LEASING GUIDELINES, RESIDUAL VALUE

RESIDUAL VALUE

Residual percentages, as well as residual-related policies, are published in the Chrysler Capital Residual Value Lease Guide.

ADDITIONS TO RESIDUAL VALUE

Chrysler Capital will residualize all factory-installed options. Dealer-installed optional equipment may be residualized according to the limits specified in the Dealer Installed Option section of the Chrysler Capital Residual Value Lease Guide.

All other dealer-installed factory or non-factory parts may be added to the capitalized cost (section 4 of the Chrysler Capital Lease Worksheet).

ADDED EQUIPMENT

Any modification to the vehicle may be considered excess wear and can be chargeable at the end of the lease. To avoid charges, any modifications should be removed and original equipment in place prior to having a vehicle inspection performed.

CHRYSLER CAPITAL LEASE OPTIONS

ACQUISITION FEE OPTIONS

- » Pay up front
- » Capitalize in monthly payment
- » May be waived by FCA US or Chrysler Capital; see callback for more details*

SECURITY DEPOSIT OPTIONS

- » Pay up front
- » Waive for an increased money factor
- » Waived for eligible incentivized rates*

*Please see most recent rate sheets for eligible programs.

SINGLE PAYMENT LEASE

WHAT IS A SINGLE PAYMENT LEASE?

Chrysler Capital Single Payment Lease is an up-front payment alternative for customers with available cash. Monthly payments are eliminated, but the customer has the same lease-end options as a regular lease.

CONSUMER BENEFITS:

- » Reduced money factor
- » No monthly payments
- » The option of returning or purchasing the vehicle at lease-end
- » Customer only pays for the portion of the vehicle they use

DEALER BENEFITS:

- » A finance alternative that allows the dealership to convert a cash customer into a finance opportunity
- » Opportunity to increase finance penetration and finance income
- » Directs the customer back to the dealership at the end of the term to lease or purchase another new vehicle
- » Increases customer retention and dealership traffic

SINGLE PAYMENT LEASE ELIGIBILITY REQUIREMENTS

THE REQUIREMENTS FOR A SINGLE PAYMENT LEASE ARE CONSISTENT WITH THE LEASE PROGRAM GUIDE. PLEASE REFERENCE THE APPLICABLE PAGES WITHIN THE GUIDE.

MONEY FACTORS

Chrysler Capital money factors are published in Chrysler Capital standard and incentivized rate sheets. Chrysler Capital may offer periodic special programs, which will be published as introduced.

- » The adjusted minimum money factor may not be less than 0.00001 for standard or incentivized single payment leases
- » The money factor cannot exceed five decimal places

- » Single payment leases receive the following reduction:
 - 0.00041 for 24 month terms
 - 0.00072 for 27, 36, 39, 42 and 48 months terms

DEALER MARKUP

Single payment leases are available for dealer markup. Please refer to the Standard Lease Rate Sheet for details.

UNDERWRITING GUIDELINES

Refer to Standard Lease Rate Sheet.

PAYMENT TERMS

Total payment amount is due at time of contract.

CONTRACT EXAMPLE

Examples of a Single Payment Lease Contract and Worksheet can be found on the Chrysler Capital Dealer Website via DealerCONNECT.

SOLD ORDER PROTECTION

Sold order protection is available when a vehicle is sold to, or ordered for, a customer during an incentive program, and that program will be expired by the time the vehicle is delivered. The Chrysler Capital Sold Order Protection Policy works in conjunction with the Fiat Chrysler Automobiles Sold Order Consumer Incentive Program available on DealerCONNECT. All program rules must be adhered to as listed in the Gold Book. To qualify for the program, please see the Sold Order Protection Checklist located on the Chrysler Capital Dealer Website.

The dealer must submit the customer application to Chrysler Capital and notify their retail credit buyer that the customer's deal is eligible for sold order protection. Sold order protection is available for consumer incentive programs as of the date of the buyer's order and deposit or the date of delivery.

Sold order protection will not protect the residual value for a lease contract.

Acquisition fees will be honored based on the applicable period.

In the event that the buyer's order date and delivery date are in different incentive time periods, the customer has the option to choose the time period for incentives. All programs and incentives must be used for only the selected time period. If the dealer and/or customer decide to choose the current incentives the dealer must submit a new application. The new application would be subject to approval based on a recent credit report and, if applicable, updating the tier, rates and incentives for the new time frame.

Chrysler Capital reserves the right to modify, change and/or amend the Sold Order Protection Policy at any time.

END-OF-LEASE OPTIONS

CHRYSLER CAPITAL ALLEGIANCE TEAM

The Chrysler Capital Allegiance Team is dedicated to help dealers by facilitating dealer payoffs, dealer buyouts, vehicle grounding, vehicle purchase, vehicle transports and all other lease-end related activities. The Allegiance Team also serves as the customer's lease-end coordinator by directing customers toward their originating dealer, organizing the end-of-term inspection process, managing the lease inventory sales process and the end-of-term billing process.

Customer Allegiance Team

Hours: Monday - Friday, 7 a.m. - 7 p.m., CT

Saturday, 8 a.m. - 2 p.m., CT

Sunday, closed

Phone number: 855.383.0558

Email Address: chryslerallegianceteam@chryslercapital.com

Dealer Allegiance Team

Hours: Monday - Friday, 8 a.m. - 6 p.m., CT

Saturday - Sunday, closed

Phone Number: 855.569.9023

END-OF-LEASE OPTIONS

The three most commonly exercised lease-end options include:

- » Lease a new vehicle
- » Purchase a new vehicle
- » Purchase the current lease vehicle

A lessee may opt to complete their lease up to 90 days prior to the final payment due date without an early termination fee. They can do so by paying the remaining lease payments and applicable excess wear and tear, excess mileage and any remaining charges, including outstanding taxes that may or may not have already been billed.

RETURN THE VEHICLE AND LEASE OR PURCHASE A NEW ONE

If the customer decides to return the vehicle, they can make an appointment with their dealer. When the customer chooses a vehicle and qualifies for a new lease or financing, they'll experience the same great benefits, such as:

- » Driving the latest model with the most recent technology
- » No resale or trade-in hassles
- » Fast, convenient arrangements through their dealer

If the customer decides to re-lease through Chrysler Capital they may be eligible for loyalty rewards such as a waived disposition fee.

PURCHASE THE VEHICLE

If the customer decides to keep the vehicle, they may purchase it at the price stated in their lease agreement, plus any applicable fees, charges and taxes. Chrysler Capital financing may be available for qualified customers. The customer should contact their dealer for assistance with the purchase.

If a customer decides to purchase the vehicle, any excess wear and tear and excess mileage charges do not apply.

RETURN THE VEHICLE AND PAY APPLICABLE FEES, CHARGES AND TAXES

If the customer chooses to return the vehicle but does not desire to lease or purchase a new one, the FCA US dealer will take possession of the lease return and Chrysler Capital will determine the fees associated with closing the account. Fees may include the termination/disposition fee, plus applicable excess wear and tear, excess mileage and any remaining charges, including outstanding taxes that may or may not have already been billed.

INSPECTION

As a customer approaches lease-end, a pre-inspection is offered at no charge to the customer. If a pre-inspection has not been performed when the vehicle is returned, an inspection will take place after the vehicle has been returned.

WEAR

It is important for customers to understand the difference between normal and excess wear. Normal wear is expected and a customer is not charged. Excess wear beyond normal wear will result in additional charges to the customer.

- » **Normal wear** is the minor and reasonable wear a vehicle endures every day under ordinary operation. Normal wear can include a few small door dings, paint scratches, stone chips or tire tread that is worn to no less than 4/32 inch.
- » **Excess wear** includes wear beyond those of normal everyday use. This includes wear caused by neglect, abuse, damage, poor maintenance, changing the vehicle's appearance or using inferior parts and material for repairs or other examples contained in the lease agreement. Please be aware that the dollar amounts of the excess wear can only be determined by a formal inspection before or at turn in, which will tell customers if their vehicle has any excess wear.

A Wear and Tear Loyalty Waiver may be available for customers re-leasing through Chrysler Capital. It can cover wear and tear charges up to \$250. If the charges are greater than \$250, they cannot be waived.

MILEAGE

Mileage driven beyond the contractual allowance will be assessed per the lease agreement. These charges will be applied to the customer's vehicle return invoice and are billed to the customer upon the return of the vehicle.

BEGINNING MILEAGE

- » **Non-Demonstrator Vehicles:** for all vehicles - excluding demonstrators, previous high school education vehicles and special event vehicles - the mileage at lease inception cannot exceed 5,000 miles. If the beginning mileage exceeds 500, adjust the residual value down for all miles over 500 by \$0.20 per mile. (Alfa Romeo 4C and Quadrifoglio, Jeep® Grand Cherokee Trackhawk and SRT® vehicles receive a \$0.40-per-mile residual adjustment.) Lessees must contract for the standard mileage allowance (15,000 miles annually) to purchase extra mileage.
- » **Demonstrator Vehicles:** beginning mileage cannot exceed 7,500 miles on previous demonstrator vehicles, previous high school driver education vehicles and special event vehicles. If the beginning mileage exceeds 500, adjust the residual value down for all miles over 500 by \$0.20 per mile. (Alfa Romeo 4C and Quadrifoglio, Jeep® Grand Cherokee Trackhawk and SRT® vehicles receive a \$0.40-per-mile residual adjustment.) Lessees must contract for the standard mileage allowance (15,000 miles annually) to purchase extra mileage.

PREPURCHASED MILEAGE

Customer may prepurchase miles above 15,000 per year, up to 20,000 per year, at a discounted

rate. The prepurchased amount is \$0.20 per mile for most vehicles. Alfa Romeo 4C and Quadrifoglio, Jeep® Grand Cherokee Trackhawk and SRT® vehicles are \$0.40 per mile.

TERMINATION

EARLY TERMINATION LIABILITY

On early termination, customer agrees to pay Chrysler Capital the following items:

- » A standard vehicle return fee of \$495
- » All accrued and unpaid amounts that are due or past due at that time
- » The amount by which the adjusted lease balance at that time exceeds the realized value
 - If realized value is greater than the adjusted lease value, the excess will be applied as a credit toward liability
 - For single payment lease only, any remaining amount of the excess will be credited to the customer
- » All official fees and taxes imposed in connection with the lease termination

If the early termination occurred because of theft, loss or irreparable damage to the vehicle, any insurance proceeds received by us for that theft, loss or damage will be applied to pay that early termination liability.

Lessee can complete the lease 90 days or less prior to the maturity date without a vehicle-return fee or an early termination fee by paying the remaining lease payments and (if applicable) excess wear and tear, excess mileage, disposition fee and any remaining charges, including outstanding taxes that may or may not have already been billed.

Full maturity termination is defined as a vehicle that is returned on or after the last payment has been made, or on or after the maturity date. Additional fees may occur if the vehicle is not turned in by the maturity date (see contract).

DEALER EARLY LEASE BUYOUT OPTION

Customer Early Termination – If a customer wishes to terminate their lease more than 90 days from the maturity date without paying off the account or paying the remaining payments, the customer is responsible for the liability outlined on the lease contract. This liability may include a vehicle return fee, an early termination fee, all unpaid or past-due amounts, official fees and taxes and the adjusted lease balance. No inspection is necessary under this option. Once the vehicle is sold at auction the proceeds from the sale will be applied to the liability owed by the customer, if applicable, and the customer will be billed as per the lease contract.

Dealer Early Lease Buyout – Using this option, the account will be treated as a matured lease in that applicable early termination vehicle return fees are waived if unpaid by the dealer. The dealer agrees to make the remaining lease payments to Chrysler Capital and the customer will be billed for any excess wear and tear, excess mileage and other fees due.

Under the Dealer Early Lease Buyout option, the inspection for wear will occur after the vehicle has been grounded. The customer will be billed for any applicable charges approximately 30 days later. Once all payments, fees, mileage overages and excess wear fees have been received, the account will be closed and the customer will not be responsible for potential residual deficiencies.

Step-by-Step Dealer Process – Please refer to the Chrysler Capital Dealer Lease-End Guide on the Chrysler Capital Dealer Website via DealerCONNECT.

Determine Remaining Payments – Please refer to the Chrysler Capital Lease-End Grid on the Chrysler Capital Dealer Website via DealerCONNECT for payment options.

Dealer Payoffs will be available until 60 days prior to maturity for all dealers, 30 days prior to maturity for Gold Level VIP dealers.* After that, purchases will be based on market value pricing. Dealer payoffs will be available all the way to maturity for Chrysler Capital floorplan dealers.

*Must attain gold level status two out of the three previous three months; status is updated by the 15th day of the quarter's first month.

Vehicle Return Invoice

- » Will include any unpaid amounts:
 - Miscellaneous fees (toll charges, parking violations, etc.)
 - Payments
 - Mileage overages
 - Excess wear
- » Customer will not be due for any potential residual losses

FCA US CERTIFIED PREOWNED VEHICLES (CPOV)

Most off-lease vehicles are a perfect fit for the CPOV Program, making them a great resource for quality used vehicles and a well-rounded dealer inventory. Purchase off-lease vehicles returned to your dealership or at other FCA US dealers across the country on ChryslerDirect.com.

Dealer benefits from selling CPO vehicles:

- » Dedicated field support (12 CPOV Area Managers and two Regional Managers)
- » Incremental gross profit
- » Faster inventory turn
- » Generate traffic
- » Backend gross opportunities

Give your customers the confidence and satisfaction of buying a CPO vehicle:

- » Seven-Year/100,000-mile Powertrain Limited Warranty
- » Three-Year/3,000-mile Maximum Care Coverage
- » 125-point inspection
- » Car rental allowance
- » 24-hour roadside assistance
- » CARFAX® Vehicle History Report™
- » SiriusXM® Satellite Radio three-month trial subscription
- » Lifetime Certified Upgrade Plans

In addition, Chrysler Capital will add \$1,000 to the book value of all CPO vehicles.

Follow these simple steps to get your CPO vehicles on the road:

1. Select the certified option in Dealertrack or RouteOne during the application submission
 - » Vehicle must be certified prior to the contract date
2. Add the additional \$1,000 to the clean trade for NADA or to the wholesale value for Kelley Blue Book
3. A printout of the UVDR supporting the certification must be included in the contract package