

## Selling Auto Loan or Lease Portfolios

Typically “Buy Here / Pay Here” auto dealers fund their own buyer purchases meaning that their buyers pay the dealer monthly or weekly for the car they purchased. Over time a dealer can have \$100,000 and often much more, tied up in loans to their buyers or customers. When it comes time to buy more inventory or expand the business in other ways, these dealers are strapped for cash and need to sell their portfolio or car loans or car lease portfolios. This is where we can help them. With dealer cooperation we can fund the purchase of their auto loan portfolio or auto lease portfolio in a matter of days.

To facilitate the sale of an auto loan portfolio the following criteria is preferred:

1. Realistic vehicle sales prices
2. Cash down payments from the buyers 5% or more
3. Monthly payments are preferred vs weekly or bi-weekly
4. Loans or leases seasoned 3 months
5. Remaining term 1 year to 3 years
6. Maximum interest rate allowed on loans or APR on leases
7. GPS locators on the vehicles is preferred
8. Vehicles are less than 10 years old
9. Mileage about 12,000 to 15,000 a year

While the above is desired not all of these criteria have to be met with each loan or lease; these are just goals and deals are funded that fall outside these criteria but as many as possible being met increase the value of the portfolio maximizing the amount of cash to the dealer.

A dealer can expect a range of cash from the low 70% to the low 80% of the portfolio’s remaining balance of the portfolio. On rare occasions we can go to the low 90% of the remaining balance.

With everyone’s cooperation, a portfolio can be sold and funded in about a week. To start the process we need our spreadsheet completed with all the particulars of each loan or lease. Often we can use with the Excel spreadsheet provided by the dealers software program as long as it contains all the criteria needed for our underwriting. The spreadsheet data should include:

1. Name, address, phone of the buyer
2. Make, model, year of the vehicle
3. Date of sale, sales price, down payment
4. Starting amount financed
5. Periodic payment
6. Interest rate on the loan or lease
7. Date of first payment, last payment received and next payment due & maturity date
8. Term, payment frequency
9. Remaining balance owed

10. Specify loan or lease
11. Name & address of dealer with phone, contact & email

All the above info is required and omitting any of these items will result in delay in the process. Some of the buyers will be contacted during underwriting.

Once we review and analyze the above data on the spreadsheet we will be ready to offer a bid price for the portfolio. When the bid is accepted, we will be needing copies of each loan or lease with all documentation for each deal. Upon receipt of all this info we are ready to fund the sale.

If you have an auto loan or lease portfolio that you would like to sell please contact us. We will send you a package including:

1. Excel Spreadsheet with instructions
2. Authorization Form
3. Steps to the sale

We need the first two items back completed to start the underwriting process and provide you with a cash bid to purchase. We hope that the above provides you with some of the answers you need when [selling your auto loan portfolio](#) or [selling auto lease portfolio](#). We welcome your questions and look forward to serving you in the near future. If you're looking for an [auto loan portfolio buyer](#) or an [auto lease portfolio buyer](#) we may be able to help you.

Thanks for your time,

Tom Stewart

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