

Quick Reference Guide

Evaluating Lease Early Termination (“ET”) Vehicle Return Options For Use in Connection with an Ally Monthly Payment Lease¹

I. **Obtain ET Return Quotes from AVRVM or Call 888-919-2559 to get a Quote Sheet**

1. **Early Termination Dealer Purchase for Inventory Quote (ET DI Quote) – Not for Resale to Lessee**
2. **Early Termination Lessee Return Quote (ET LR Quote)**
3. **Early Termination Dealer Purchase for Lessee (ET DL Quote) – Not a Return Quote. Requires Proof of Resale to Lessee**

Note: AVRVM Quotes must be requested independently.

II. **Review Lease ET Vehicle Return Options**

1. ***ET Dealer Purchase for Inventory (ET DI Quote)***

- The ET DI Quote amount is NOT a “payoff” amount that the lessee owes under the lease
- Quote amount is based: (i) on an “AutoQuote” amount reflecting our view of the value of the vehicle; plus (ii) the amount we will accept in satisfaction of the ET obligation of the lessee
- If you purchase vehicle at the ET DI quote amount, lessee’s ET obligation is completely satisfied except, if applicable, for any unpaid summonses debited to their account after the quote is furnished
- Lessee will receive a final settlement letter indicating they owe nothing further except as noted above

2. ***ET Lessee Return (ET LR Quote)***

- Quote amount is a pre-sale estimate of the maximum amount the lessee will owe, assuming no excess wear, if the lessee returns the vehicle to Ally
 - Includes “Net Remaining Base Monthly Payments” (remaining base monthly payments less the unearned rent charge)
 - Includes maximum potential excess mileage charge based on odometer reading you provide when requesting the quote
- Lessee’s liability for “Net Remaining Base Monthly Payments” will be offset by the amount, if any, by which the vehicle sale price exceeds the Residual Value
- If Ally sells the vehicle for Residual Value or greater, there will be no Early Excess Mileage and Wear Charge to the lessee
- Regardless of the vehicle sale price, lessee will still owe other unpaid amounts such as past due payments, late charges, fees, taxes, summonses and other amounts owed
- After the vehicle is sold, lessee will receive a final detailed statement reflecting any outstanding balance due

Note: If the lessee wishes to purchase the vehicle through your dealership instead of returning it, request an ET Dealer Purchase for Lessee Quote (ET DL Quote). This is not a return quote. Proof of resale to lessee is required when a dealership purchases an off-lease vehicle for resale to the lessee. Lessees who purchase their leased vehicles are not responsible for excess mileage or wear.

¹ **WARNING:** This evaluation procedure does NOT apply to returns made pursuant to a Pull-Ahead Program, or to Single Payment Leases.

III. Evaluate Lease ET Vehicle Return Options

1. Appraise the vehicle to determine if you would like to purchase for dealer inventory at the ET DI Quote amount
 - Scenario 1: ET DI Quote Amount < or = Appraised Value = Consider Purchasing
 - Scenario 2: ET DI Quote Amount > Appraised Value
 - Do **NOT** Purchase for the Quoted Amount Unless You Are Willing to Do So **Without** Seeking Compensation from the Lessee for Any Portion of the Difference Between the Quoted Amount and Your Appraised Value
 - Otherwise, Consider Bidding on SmartAuction. Go to Step 2 below.
2. Determine bid amount using the estimated “Remaining Payments Satisfaction Amount”.
 - The estimated “Remaining Payments Satisfaction Amount” is equal to the sum of the Early Termination LR Quote + Residual Value
 - If you bid this amount and your bid is accepted, lessee typically will not owe any portion of the “Net Remaining Base Monthly Payments” or any Early Excess Wear and Mileage Charge. (This may not be the case in the unlikely event the lessee made unmatured lease payments that lowered the ET LR quote amount.)
 - Lessee will still owe any past due payments, unpaid fees and taxes and unpaid other charges.
 - Inform lessee that they will receive an ET Pre-Sale letter from Ally reflecting the maximum potential excess mileage and excess wear charges that may be due, any past due payments, and any unpaid other charges. (If you are one of the dealers who process returns pursuant to our new dealer lease return process, you will instead deliver to the lessee at turn-in a Customer Lease End Packet containing a pre-sale estimate of the Total Maximum Amount that may be required to satisfy their early termination obligation.) These amounts are not required to be paid at this time. The lessee should wait for a final detailed statement reflecting any outstanding balance due.

See the “Steps for Evaluating Lease Early Termination Vehicle Return Options” for additional information. You also may call the Ally Dealer Service Center at 888-919-2559 with any questions.

Steps for Evaluating Lease Early Termination Vehicle Return Options For Use in Connection with an Ally Monthly Payment Lease²

TYPES OF LEASE EARLY TERMINATION (“ET”) QUOTES YOU WILL NEED TO OBTAIN

Use either AVRМ or call to get a Quote Sheet and request BOTH of these quotes:

1) **ET Dealer Purchase for Inventory Quote:** This quote is the total price at which we will sell you the off-lease vehicle for your inventory. It is the sum of: (i) an AutoQuote amount reflecting our view of the value of the vehicle; and (ii) the amount we will accept in satisfaction of the early termination obligation of the lessee calculated using the AutoQuote amount as the vehicle sale price. This quote includes both amounts because you simultaneously purchase the off-lease vehicle for your inventory and satisfy the lessee’s early termination obligation when you purchase the off-lease vehicle from us at the quoted amount. As a result, if you buy the vehicle from us at the ET Dealer Purchase for Inventory Quote amount, we will send the lessee a final statement indicating that they owe nothing further. (**WARNING:** The lessee remains responsible, if applicable, for any unpaid summonses debited to their account after the quote is furnished.)

Note: Make sure to request the ET Dealer Purchase for Inventory (“ET DI”) not the ET Dealer Net Purchase for Inventory (“ET NI”) quote. When requesting the ET DI Quote, do NOT elect to apply any lease security deposit to the quote amount. ET DI Quotes are NOT to be used for resale to the lessee.

2) **ET Lessee Return Quote:** This quote is a pre-sale estimate of the maximum amount the lessee will owe if the lessee returns the vehicle to us and you do not buy it for your inventory. It includes the maximum potential excess mileage charge based on the odometer reading you provided. If the lessee returns the vehicle to us and you do not buy it for your inventory, we must sell it at auction before we can settle the account and determine the early termination obligation of the lessee. (**WARNING:** This quote assumes there is no excess wear. The lessee will be responsible for any excess wear charges and for mileage in excess of the total allowed mileage, plus applicable taxes, but only to the extent the residual value disclosed in the lease agreement (the “Residual Value”) exceeds the vehicle’s sale price at auction.)

Liability for the Net Remaining Base Monthly Payments: The ET Lessee Return Quote includes the remaining base monthly payments less the unearned rent charge (the “Net Remaining Base Monthly Payments”). If we ultimately sell the vehicle for more than the Residual Value, we will reduce the amount the lessee owes for the Net Remaining Base Monthly Payments by the surplus of the vehicle sale price over the Residual Value. If we sell the vehicle for the Residual Value or less, the lessee will owe the full amount of the Net Remaining Base Monthly Payments.

Any Early Excess Mileage and Wear Charge will not exceed the Residual Value minus the vehicle sale price. Even if there is excess mileage and wear, the lessee will not owe an Early Excess Mileage and Wear Charge if we sell the vehicle for an amount equal to, or greater than, the Residual Value.

Regardless of the price for which we ultimately sell the vehicle at auction, the lessee will still owe any past due payments, unpaid late charges, unpaid fees and taxes, unpaid summonses and any other amounts due because the lessee broke agreements in the lease (we will refer to these additional items collectively as “other charges”). The ET Lessee Return Quote includes any other charges that we know about when you request the quote.

² **WARNING:** This evaluation procedure does NOT apply to returns made pursuant to a Pull-Ahead Program, or to Single Payment Leases.

RECOMMENDED DEALER STEPS AFTER OBTAINING THE ABOVE QUOTES

Step 1. Evaluate the Early Termination Vehicle Return Options:

Determine your appraised value for the vehicle and then compare that amount to the ET Dealer Purchase for Inventory Quote amount. To evaluate the lessee's ET return options, it is important to understand what the ET Dealer Purchase for Inventory Quote represents. See the preceding description of the ET Dealer Purchase for Inventory Quote. **Note: The ET Dealer Purchase for Inventory Quote amount is NOT a "payoff" amount that the lessee owes under the lease.**

Scenario 1: Appraised Value Greater than ET Dealer Purchase for Inventory Quote Amount

If your appraised value is greater than or equal to the ET Dealer Purchase for Inventory Quote amount, then you can buy it from us for the ET Dealer Purchase for Inventory Quote amount and ensure that the lessee owes us nothing more except, if applicable, for any unpaid summonses debited to their account after the quote is furnished. If you choose to purchase the vehicle for your inventory for the quoted amount, no further steps are necessary.

If your appraised value is less than the ET Dealer Purchase for Inventory Quote amount, go to Scenario 2.

Scenario 2: Appraised Value Less than ET Dealer Purchase for Inventory Quote Amount

If your appraised value is less than the ET Dealer Purchase for Inventory Quote amount, but you nevertheless are willing to purchase the vehicle for the quoted amount **without** seeking compensation from the lessee for any portion of the difference between the quoted amount and your appraised value, then you can buy it from us for the ET Dealer Purchase for Inventory Quote amount and ensure that the lessee owes us nothing more except, if applicable, for any unpaid summonses debited to their account after the quote is furnished. If you choose to purchase the vehicle for your inventory for the quoted amount, no further steps are necessary.

If your appraised value is less than the ET Dealer Purchase for Inventory Quote amount, and you are unwilling to purchase the vehicle for the quoted amount **without** seeking compensation from the lessee for any portion of the difference between the quoted amount and your appraised value, then the lessee should return the vehicle to us. In that event, you should consider bidding for the vehicle on SmartAuction to limit the lessee's early termination liability. If you wish to bid on SmartAuction, proceed to Step 2.

You should inform the lessee of the following: The lessee will receive from us an ET "pre-sale" letter reflecting the maximum potential excess mileage and excess wear charges that may be due, any past due payments, and any unpaid other charges. (Note: If you are one of the few dealers who process returns pursuant to our new dealer lease return process, you instead will deliver to the lessee at turn-in a Customer Lease End Packet containing a pre-sale estimate of the Total Maximum Amount that may be required to satisfy their early termination obligation.) These amounts are not required to be paid at this time. After the vehicle is sold at auction, we will settle the lease account and send to the lessee a final detailed statement reflecting any outstanding balance due.

Step 2: Estimate the "Remaining Payments Satisfaction Amount":

The "Remaining Payments Satisfaction Amount" is the minimum price at which we must sell the vehicle in an ET Lessee Return scenario in order for the lessee to not owe any portion of the Net Remaining Base Monthly Payments. This amount is the same as the unamortized capitalized cost, which is the sum of: (i) the Net Remaining Base Monthly Payments defined above; and (ii) the Residual Value.

You can estimate the Remaining Payments Satisfaction Amount by adding the following amounts.

- 1) The ET Lessee Return Quote obtained from Ally; and
- 2) The Residual Value provided by Ally. (Note: On Fax Quotes the Residual Value is displayed in the "Other Information" section).

Note: The ET Lessee Return Quote is a pre-sale estimate of the maximum amount the lessee would owe if the lessee returns the vehicle to us and you do not buy it for your inventory. In addition to the Net Base Remaining Monthly Payments, the ET Lessee Return Quote includes other charges of the type described above that are known to us when the quote is furnished, and the maximum potential estimated excess mileage charge based on the odometer reading you provided when you requested the quote. (**WARNING:** This quote assumes there is no excess wear. The lessee will be responsible for any excess wear charges and for mileage in excess of the total allowed mileage, plus applicable taxes, but only to the extent the Residual Value exceeds the vehicle's sale price at auction.) Any anticipated payments we have received are netted out in calculating the ET Lessee Return Quote amount. (Anticipated payments are unmatured lease payments that have been paid.)

As a result, the sum of the ET Lessee Return Quote and the Residual Value may be different than the "Remaining Payments Satisfaction Amount" if:

- The lessee owes other charges such as past due payments, unpaid late charges, unpaid fees and taxes, unpaid summonses and any other unpaid charges
- The odometer reading you provided when you requested the quote included mileage greater than the total mileage allowed under the lease
- The lessee is due credit for anticipated payments

If you would like to estimate the "Remaining Payments Satisfaction Amount" more accurately, you can call the Ally Dealer Service Center at 888-919-2559 to find out whether the ET Lessee Return Quote reflects any such additional charges or credits. This additional information will enable you to estimate the Remaining Payments Satisfaction Amount more accurately by adjusting the ET Lessee Return Quote component accordingly.

Step 3: Bidding for the Vehicle on SmartAuction to Limit Lessee's ET Liability

- **Appraised Value Greater Than the Estimated "Remaining Payments Satisfaction Amount"**

If your appraised value is greater than or equal to the estimate of the "Remaining Payments Satisfaction Amount" and you bid your appraised value, you typically will ensure that the lessee does not owe: (i) any portion of the Net Remaining Base Monthly Payments; and (ii) any Early Excess Mileage and Wear Charge.³ The lessee will still owe any other charges of the type described above less any credits due to the lessee.

- **Appraised Value Less Than the Estimated "Remaining Payments Satisfaction Amount"**

If your appraised value is less than the estimated "Remaining Payments Satisfaction Amount" and you bid your appraised value, the maximum amount the lessee will owe with respect to the remaining payments typically is:

1. The "Net Remaining Base Monthly Payments" (Remaining base monthly payments less the unearned rent charge); minus
2. The amount, if any by which your bid exceeds the Residual Value.⁴

Note: If you bid your appraised value and you are not the winning bidder, the amount the lessee will owe with respect to the remaining payments will be even less. The lessee will also owe any other charges minus any credits due to the lessee. If your bid is less than the Residual Value, the lessee may also owe an Early Excess Mileage and Wear Charge. Any Early Excess Mileage and Wear Charge will not exceed the Residual Value minus the vehicle sale price.

³ Bidding an amount equal to or greater than the "Remaining Payments Satisfaction Amount" may not ensure this result if the ET Lessee Return Quote amount has been reduced by any anticipated payment(s), which are unmatured lease payments that have been paid. Anticipated payments we have received are netted out in calculating the ET Lessee Return Quote amount. Accordingly, if the ET Lessee Return Quote amount has been reduced by anticipated payment(s), there may be instances in which the sum of the ET Lessee Return Quote amount and the Residual Value is less than the "Remaining Payments Satisfaction Amount."

⁴ If the ET Lessee Return Quote amount has been reduced by anticipated payment(s), there may be instances in which bidding an amount less than the "Remaining Payments Satisfaction Amount" will establish a greater maximum obligation with respect to the remaining payments than that described above.

Bidding Process:

Proceed with the normal early termination return process and place your bid on SmartAuction. If the SmartAuction opening floor price is below the amount you wish to bid, you may need to bid more than once to reach the price you are willing to pay for the vehicle. Bidding can be done in increments of up to \$500.00 per bid. As a result of this limitation, if you are the only bidder and you want the purchase price to be no less than your appraised value, you may need to keep bidding until the SmartAuction sale price reaches the amount you are willing to pay for the vehicle. Most vehicles will remain on your lot during the SmartAuction bidding, which will begin approximately 10 days after Ally is notified that the vehicle was returned. Bidding may last for up to 5 days.

If the vehicle is not posted on SmartAuction within 10 days after you notified Ally the vehicle was returned, please call our Remarketing Center at 877-290-9544, option 4 to find out where the vehicle will be sold. Provide the account number or VIN and the associate will be able to tell you what auction the vehicle will be sold at, but they may be unable to give you the exact sale date.

Note: The majority of all SmartLease vehicles that are returned are posted to SmartAuction. In some instances, however, a SmartLease vehicle that is returned may not be posted to SmartAuction. For example, a vehicle that is returned severely damaged or has a mechanical issue will be sold at a physical auction instead.

LINK TO
[LEASE ET VEHICLE RETURN OPTION CALCULATOR](#)