



FSB #2009-MILITARY  
April 01, 2009

# Military Rebate Program



To: All Toyota Dealers

Re: Military Rebate Program – Renewal For FY10

In a joint effort between Toyota Financial Services\* (TFS) and Toyota Motor Sales, U.S.A., Inc., we are pleased to announce an **EXTENSION** to the Military Rebate Program through **March 31, 2010**. Under the program, active military personnel can receive a rebate by leasing or financing a New Toyota vehicle through TFS and a participating dealership.

ELIGIBLE VEHICLES	REBATE
New Toyota	\$400

**SPECIFIC INSTRUCTIONS HAVE BEEN PROVIDED TO SUPPORT THIS PROGRAM:**

- Eligibility Requirements For the Customer and Vehicles
- Program Parameters, Rates, Terms, Participation and Flat Fees
- Program Compatibility
- Documentation Requirements
- Contract Disclosure
- RouteOne – Comment Section Instructions
- Check Disbursement for Dealer Rebate Reimbursement

At TFS we're doing our part to show our support for the men and women in the military who serve our country. Should you have any questions, please contact your Area Sales Manager at the local TFS office.

**Toyota Financial Services**



**TOYOTA REWARDS VISA®** | Driving Customers Back To Your Dealership

The creditor and issuer of the Toyota Rewards Visa is Toyota Financial Savings Bank. Toyota Financial Services is a service mark used by Toyota Financial Savings Bank.

# MILITARY REBATE PROGRAM

## DEALER GUIDELINES

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### Program Period

Effective April 01, 2009 through March 31, 2010. Retail contracts or Lease agreements must be dated no later than March 31, 2010. This Military Rebate Program may be modified or terminated at any time.

### Eligible Vehicles\*

- New Toyota vehicles

\*TCUV vehicles are not eligible under this program

### Eligible Dealers\*

- All participating Toyota dealers (CCC dealers are not eligible)

\*Toyota dealers in SET states are not eligible

### Customer Eligibility:

1. Eligible customers must be in current active duty status in the U.S. Military (Navy, Army, Air Force, Marines, National Guard, Coast Guard and active Reserve)
2. Verifiable proof of military status or proof of active service is required at time of purchase in the form of one of the following documentation:
  - a. Leave and Earning Statement
  - b. Military Orders including Call to Active Duty Letter within one month of departure
  - c. Military Identification Card\*

**\* PLEASE NOTE: Photo IDs, including Military IDs, may be requested only when the application is approved or countered and only for the purpose of eligibility verification.**

3. Reserve or Retired Military Personnel are not eligible for the rebate
4. Receive a salary sufficient to cover ordinary living expenses and vehicle payments
5. Upon credit approval by TFS

### Maximum Terms

The maximum terms (in months) for eligible vehicles under the program are outlined below. An uprate applies for 61-84 month terms.

Retail: 84 month maximum

Lease: 60 month maximum

Preferred Option\*: 48 month maximum

\*Preferred Option available in the following states only (AR, IL, LA, MS, OK & TX).

### Tier Application\*

Retail: All Tiers

Lease: All Tiers

\* There is no minimum Tier application for this program (FICO score determines Tier for this program)

### Dealer Participation

Retail/Preferred Option: Maximum rate participation is 2.50% APR above buy rates on all tiers for terms 60 months and less, 2.00% APR for terms of 61-71 months, and 1.75% APR for terms of 72 months. The contract rate cannot exceed the state maximum rate.

Lease: Dealer participation up to 0.00100 RCF is allowed (On 1Pay & Multiple Security Deposit Programs, the maximum dealer participation is 0.00040 RCF).

### Flat Fees

See Standard Flat Fee schedules on rate letters and subvention announcements for further details.

# MILITARY REBATE PROGRAM DEALER GUIDELINES

## Program Compatibility

**The Military Rebate Program is NOT compatible with the College Rebate Program.**

The Military Rebate Program may be used with National TFS Retail, Lease and Preferred Option subvention programs, as well as:

### Toyota

Retail: Compatible with all Standard features except College Grad Rebate and Lease-End Refi Program.

Note: Extended Term Financing and 90-Day Deferred Program can not be combined.

Preferred Option: Compatible with Low Mileage Option and Standard Retail features except 84 month Financing, Mobility Program, 90-Day Deferred, 61-72 Extended Term Financing and Lease-End Refinance Program.

Lease: Compatible with all Standard features except College Grad Rebate and Lease-End Refi Program.

## Documentation Requirements

- Standard Retail, Lease and Preferred Option documents are required
- All applications (including the Dealer Funding Checklist) must be denoted **"Military Rebate"** in the upper right hand corner
- The Military Rebate Form must be forwarded to the DSSO in complete and original form with the contract in order for the dealer to qualify for the rebate

### The Military Rebate Form

- The form will also be posted in the Document Center of Dealer Daily
- Rebates are only available on contracts that are actually booked with TFS
- Toyota vehicles will use the TMS \$400 form
- To receive the reimbursement, the Military Rebate Form must be submitted **no later than 90 days from the contract date.** Rebate forms received beyond the 90 day reimbursement period will not be processed.

## Contract Disclosures

Retail: The \$400 rebate must be disclosed as **"Military Rebate"**. Since not all TFS Retail Contracts contain an itemized disclosure for a discount certificate, the dealer should ensure the following contract disclosures are made (See Retail Contract example below):

- In the *"Itemization of Amount Financed"* section, the \$400 must be included in the amount of any cash down paid by the customer;
- The dealer must type an asterisk (\*) following the amount of cash down payment;
- In an available area of the *"Down Payment"* section, type: **"\*Incl.'s \$400 Military Rebate"**

FEDERAL TRUTH-IN-LENDING DISCLOSURES				
<b>ANNUAL PERCENTAGE RATE</b> The cost of your credit as a yearly rate. _____ %	<b>FINANCE CHARGE</b> The dollar amount the credit will cost you. \$ _____	Amount Financed The amount of credit provided to you or on your behalf. \$ _____	Total of Payments The amount you will have paid after you have made all payments as scheduled. \$ _____	Total Sale Price The total cost of your purchase on credit, including your down-payment of \$ _____. \$ _____
<b>Your Payment Schedule Will Be:</b>				
Number of Payments:	Amount of Each Payment:	When Payments Are Due:		
One Deferred Downpayment of _____		Monthly, beginning _____		
_____ Regular Payments of _____				
One Final Payment of _____				
Prepayment. If you pay off all your debt early, you will not have to pay a penalty. Security. You are giving a security interest in the vehicle being purchased. Other Terms. Please read this contract, including the reverse side, for additional information about security interests, nonpayment, default, any required repayment in full before the scheduled date and penalties.				
<b>ITEMIZATION OF THE AMOUNT FINANCED</b>				
1 Cash Price (including any accessories, services, delivery and handling charge of \$ _____ *and \$ _____ sales tax) _____ (1)				
2 Total Downpayment - Trade-in	Make _____ Year _____	Gross Trade-in Allowance \$ _____	(Payoff - made by Seller) \$ _____	Trade-in (Net) plus \$ _____ Cash Downpayment
	Model _____	*Incl.'s \$400 Military Rebate		

# MILITARY REBATE PROGRAM DEALER GUIDELINES

## Contract Disclosures (cont.)

Lease: On lease contracts it will be included as part of Section # 7, "Amount Due at Lease Signing or Delivery" and disclosed as *Rebates and Noncash Credits* in Section # 8b, "How the Amount Due at Lease Signing or Delivery will be Paid" section of the Lease Agreement. See example:

Itemization of Amount Due at Lease Signing or Delivery			
<b>7. Amount Due at Lease Signing or Delivery:</b> a. Capitalized Cost Reduction \$ 0.00 . b. First Month Payment \$ 325.00 . c. Refundable Security Deposit \$ 0.00 . d. Title Fees \$ 0.00 . e. Registration Fees \$ 300.00 . f. License Fees \$ 0.00 g. Tax on Capitalized Cost Reduction \$ 0.00 h. Document Preparation Fee (Not a Government Fe \$ 0.00 i. Acquisition Fee \$ 650.00 j. _____ \$ _____ k. Total \$ <u>1275.00</u>	<b>8. How the Amount Due at Lease Signing or Delivery will be Paid:</b> a. Net Trade-In Allowance \$ 0.00 b. Rebates and Noncash Credits \$ <u>400.00</u> c. Amount to be Paid in Cash \$ 875.00 . d. Total \$ <u>1275.00</u>		

\$400 here

In those instances where the first monthly payment is less than the rebate amount and no other fees are collected, the remainder must be treated as a *Capitalized Cost Reduction* in Section #7, "Amount Due at Lease Signing or Delivery" section of the agreement. See example:

Itemization of Amount Due at Lease Signing or Delivery			
<b>7. Amount Due at Lease Signing or Delivery:</b> a. Capitalized Cost Reduction \$ 140.00 b. First Month Payment \$ 250.00 c. Refundable Security Deposit \$ 0.00 d. Title Fees \$ 0.00 e. Registration Fees \$ 0.00 f. License Fees \$ 0.00 g. Tax on Capitalized Cost Reduction* \$ 10.00 h. Document Preparation Fee (Not a Government Fee) \$ 0.00 i. Acquisition Fee \$ 0.00 j. _____ \$ _____ k. Total \$ <u>400.00</u>	<b>8. How the Amount Due at Lease Signing or Delivery will be Paid:</b> a. Net Trade-In Allowance \$ 0.00 b. Rebates and Noncash Credits \$ <u>400.00</u> c. Amount to be Paid in Cash \$ 0.00 . d. Total \$ <u>400.00</u>		

\$400 here

\*example based on 7.15% tax rate collected upfront

# MILITARY REBATE PROGRAM DEALER GUIDELINES

## RouteOne - Comment Section Instruction

When completing the Entry Screen of RouteOne, type in the words "Military Rebate" in the Comments section as shown below:

The screenshot displays the RouteOne application entry screen. At the top, there are navigation links: "RouteOne Home", "Participating Finance Sources", and "Participating Dealer Service Provider". Below this, there are tabs for "Applications", "Credit Reports", and "autoValue". The main header area includes "RouteOne Notifications", "RouteOne Help", "My RouteOne", and "Exit RouteOne".

The "Individual App" section shows "RouteOne App #: 01-1-50204723". Below this, there are fields for "Transaction Type" (Retail), "Co-App" (No), and "Trade-In" (No). A yellow highlight indicates that "highlighted = required field".

The "Applicant Information" section contains various fields for personal and employment details, including Title, Home Ph. #, Address, ZIP, City/State, Time at Address, Res. Type, Rent/Mortgage, Empl. Type, Empl. Status, Time at Job/Time Retired, Gross Income, Income Interval, Other Income Source, Other Income Amt., Other Income Interval, and Prev. Employer.

The "Sale Vehicle" section includes fields for Intended Use (Personal), New/Used (New), Year (2007), Make (Toyota), Model (Select One), Style (Select One), and Inception Miles.

The "Contract Information" section shows financial details such as Cash Price, Taxes, Title/Lic/Reg/Other Fees, Cash Down, Rebate, Trade Allowance, Trade Owed, Ins/Svc/Other, and Financed Amount. It also includes fields for Net Trade, Total Down, and Total Cash Selling Price.

The "Comments" section is circled in red and contains the text "Military Rebate".

At the bottom, there are buttons for "Send App to" (LFS, TFS), "Attention: By submitting this application the dealer acknowledges that all required disclosures have been read to all applicants.", "SAVE & EXIT", "SAVE & PRINT", "SUBMIT (F2)", "Cancel", and "View Application Summary".

## Check Disbursement for Dealer Rebate Reimbursement

The month following the booking of the contract, each Dealer will receive a rebate reimbursement check for contracts booked under the Military Rebate Program. Checks will be disbursed by the local TFS Office on a monthly basis.



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