



# FREQUENTLY ASKED QUESTIONS

## **What is Guaranteed Asset Protection (GAP)?**

In the event your vehicle is totaled or stolen and not recovered, your primary insurance company settlement can be significantly less than your outstanding loan or lease balance. This may create a deficiency balance or a “gap” resulting in a serious financial hardship for you. Not only do you need to finance a loan for a replacement vehicle, you also have to pay off the deficiency balance left on your current loan. GAP waives all or part of the loan balance that your primary insurance carrier did not cover, subject to limitations and exclusions including a loan to value maximum.

## **How do I pay for GAP?**

Normally, GAP is financed with your loan. You may be able to pay the full GAP fee up front in one payment. Consult with your loan officer to see if this is an available payment option.

## **Will I receive something in the mail after I purchase GAP explaining the protection features and exclusions?**

No, the GAP coverage is defined in the GAP Waiver given to you at time of purchase. Please be sure to read the GAP Waiver for a full explanation of the benefits, limitations, and exclusions of GAP.

## **Can I buy GAP from my dealer?**

Yes you can, but you will find GAP sold through dealerships is typically more expensive than purchasing it from us.

## **Can I purchase GAP after loan origination?**

Yes, you can purchase GAP any time after loan origination, but you want to be sure you will still receive a benefit from the protection. If you still owe more on your loan than the ACV of your vehicle, adding GAP may be a good choice. Ask your loan officer whether GAP is right for you.

## **I am refinancing my loan. Can I purchase GAP at that time?**

Yes, GAP covers the new loan term and balance. If you have GAP prior to refinancing and modifications are made to the loan that would increase the balance, cause the loan to pay down more slowly, or extend the original loan term, you should purchase a new GAP Waiver to ensure maximum protection.

## **What is the Loan-to-Value limitation on GAP?**

GAP is subject to a “loan-to-value” or “LTV” limitation that caps the maximum benefit you can receive in the event your loan amount exceeds the value of the vehicle at the time of loan origination. The amount exceeding the LTV limitation is not eligible for waiver under GAP and you are responsible for this amount. Ask your loan officer for the GAP LTV limitation that applies to you.

## **What are the benefits of GAP?**

1. 60-day free look period
2. Protection is provided for the term of the loan (up to 84 months)
3. Covers primary insurance deductible up to \$1,000 (not available in all states, consult with your financial institution)
4. No model, mileage or year restrictions
5. Waives all or part of the out-of-pocket expense for the remaining loan balance after loss settlement
6. Helps you avoid financial hardship and afford a replacement vehicle
7. May prevent negative equity from being added to new loan
8. Helps protect your credit rating

