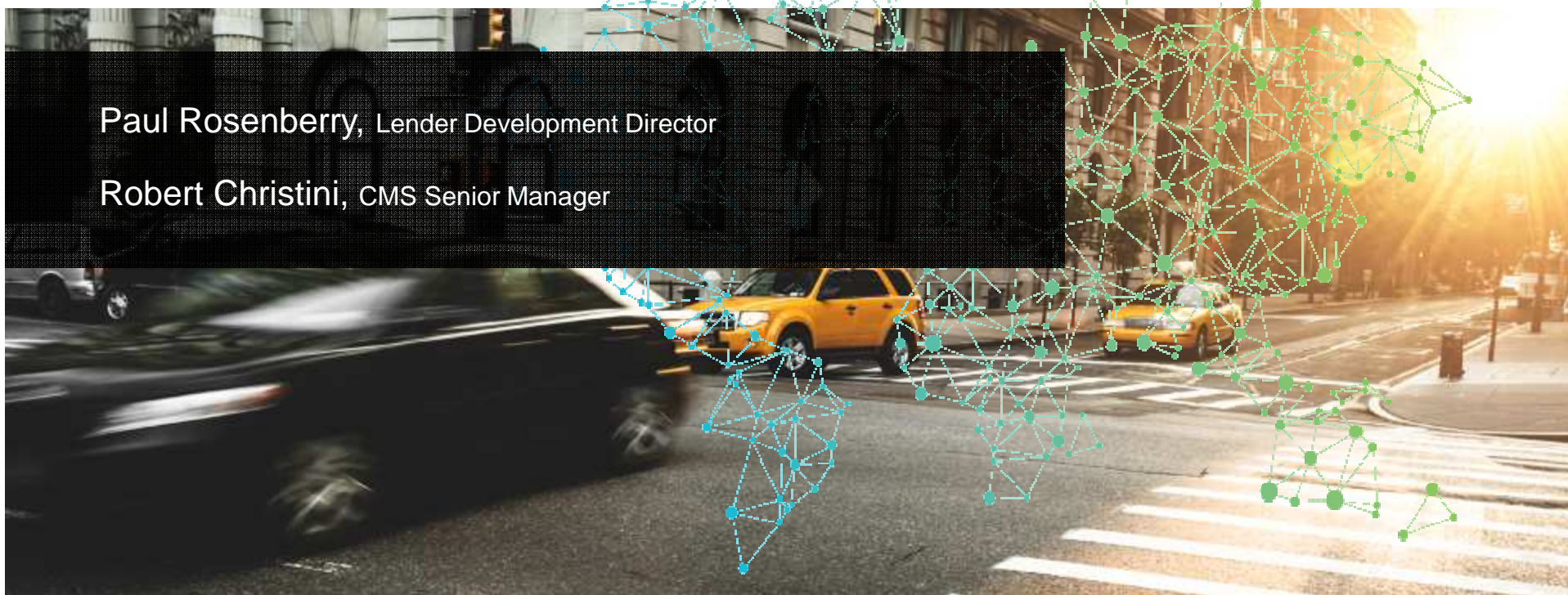




Direct or Direct to Indirect – We Have You Covered

Paul Rosenberry, Lender Development Director

Robert Christini, CMS Senior Manager





Direct to Indirect: Enabling Growth with Integrated Solutions

Session Goal:

To provide an overview of how Dealertrack can further help you drive your Direct to Indirect Channel with innovative solutions.

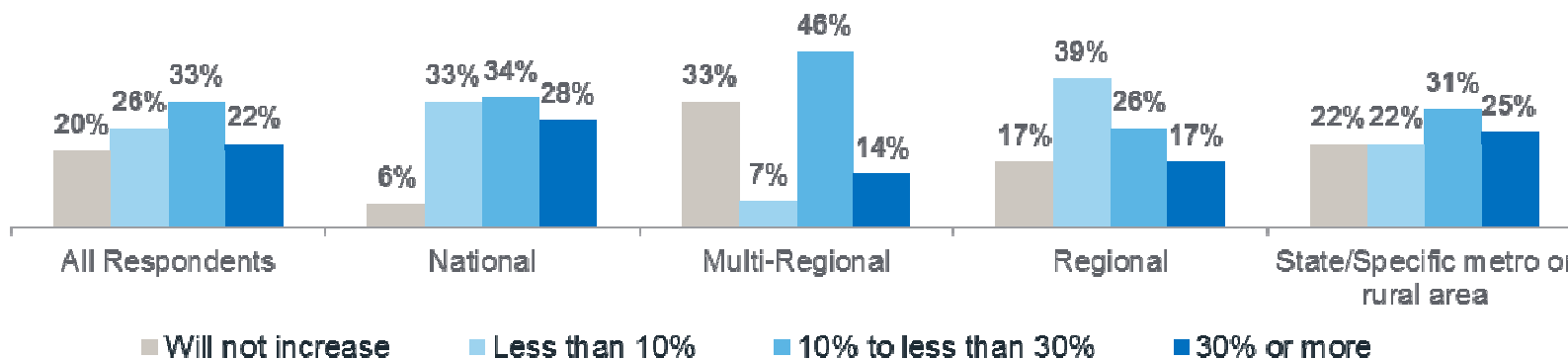
Collaborate on what solutions would work for your organization – and how we can best help you evolve and transform.



Expected Growth in Automotive Direct Lending

“Over the next five years, my organization’s level of automotive direct lending will likely increase ___ of our annual automotive loan applications.”

By Auto Lending Footprint

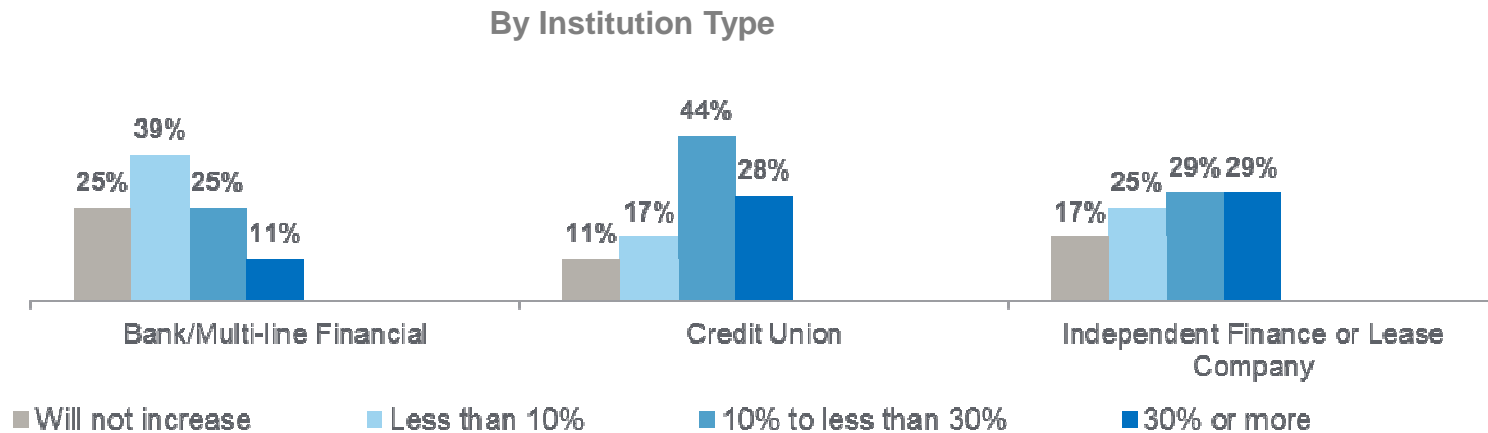


Source: 2015 Dealertrack Lender Partner Survey

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Direct to Indirect: Enabling Growth with Integrated Solutions

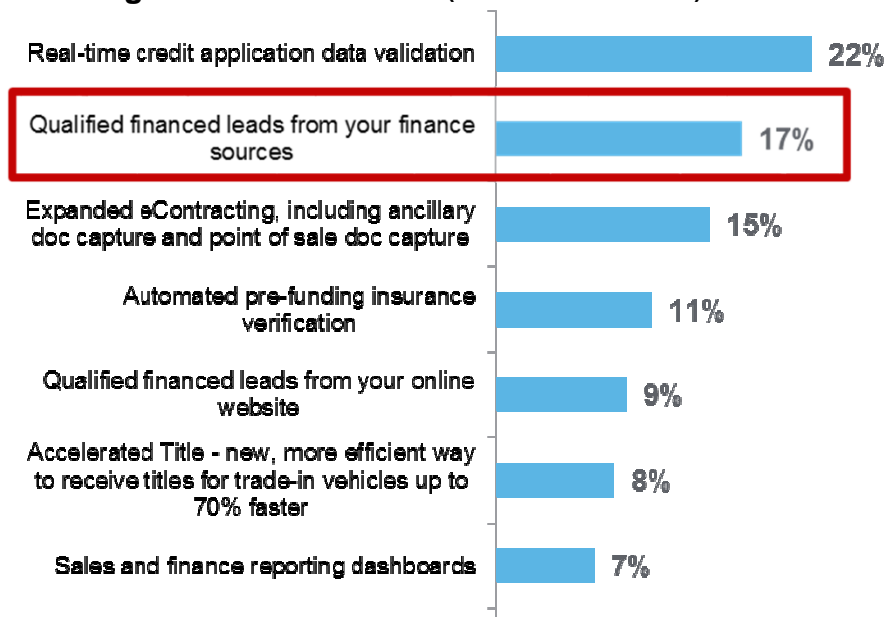
A LOOK BACK

- DIRECT to INDIRECT CHANNEL HAS HAD MIXED REVIEWS
- Lower than expected Conversion Ratios
- Dealerships left to “flip” deals from Lead Lender
- Tools to engage consumer were not as robust
- Integration and Functionality not always seamless



Most important additional service or product enhancement Dealertrack should provide:

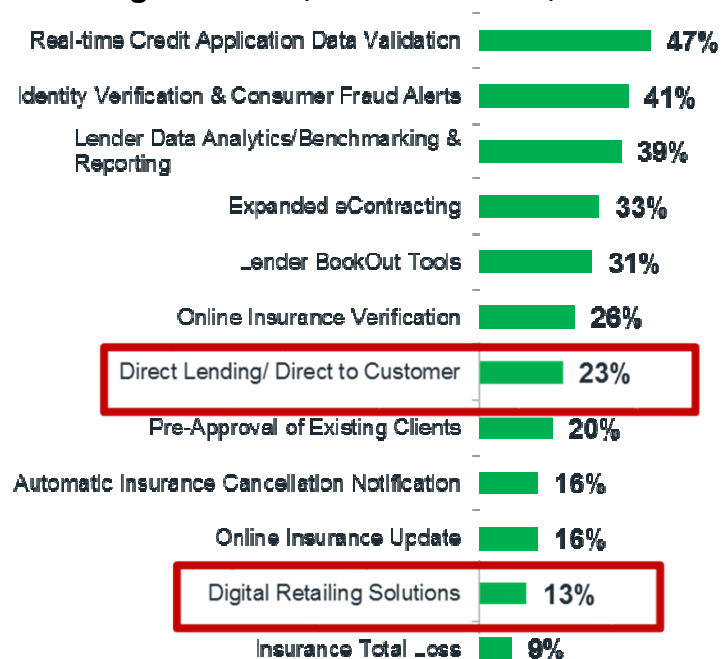
Among Franchise Dealers (Percent Ranked First)



Source: 2015 Dealertrack Dealer Industry Survey

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Among Lenders (Percent Ranked First)



Source: 2015 Dealertrack Lender Partner Survey

dealertrack.



Direct to Indirect: Enabling Growth with Integrated Solutions

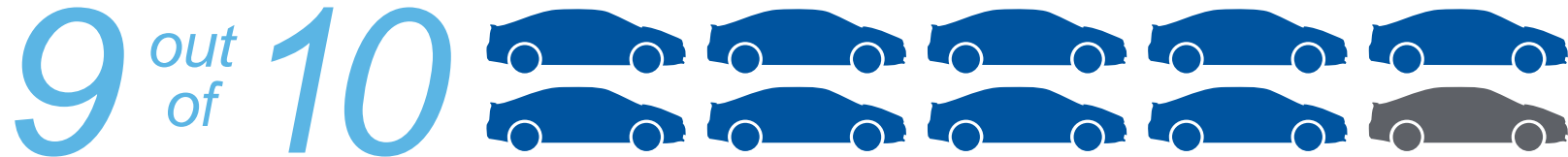
Why Direct? Why Now? Why Dealertrack?

- Largest network of dealers using Digital Retailing in the industry
- Direct to Indirect can augment an effective indirect channel
- Opportunity to deepen relationships with dealer partners
- Key industry statistics reflect increased consumer demand for online to in-store

The Shopping Process is Changing

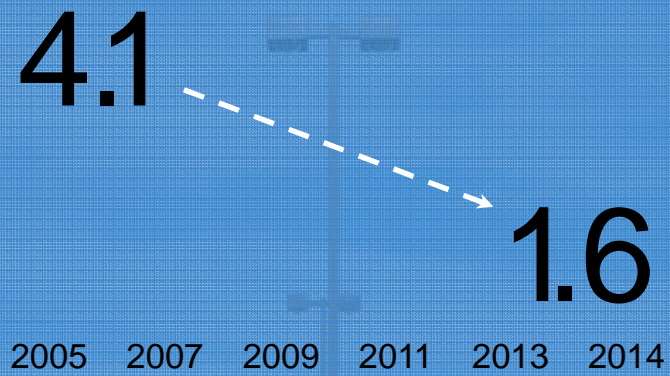


Factors and Changes	Implications
<ul style="list-style-type: none">• Internet and mobility has transformed shopping• Shoppers demand transparency, speed, no hassle• “Pride of ownership” replaced by ease and utility	<ul style="list-style-type: none">• Industry will rapidly shift marketing spend to digital• Industry will Improve online to in-store experience via tech.• Dealers will prioritize self-branding and experience



Consumers want an extremely efficient purchase process.*

*2014 Deloitte Automotive Consumer Study



The average car-buyer will make only 1.6 lot visits before purchase.

Source: McKinsey & Company, February 2014 study.



Direct-to-Indirect to Consumer

Pre-approval Workflow and Exclusive Indirect

Pre-Approval Workflow





Pre-Approval Workflow

Consumer provides Dealer with Lender Name & Pre-Approval Code

Within the Pre-Approval Screen, the Dealer selects the Lender & enters Pre-Approval Code

Lender returns consumer's personal information, decision details & collateral to Dealertrack

Credit Application is Pre-populated with consumer's personal information, decision details & collateral



Pre-Approval Benefits

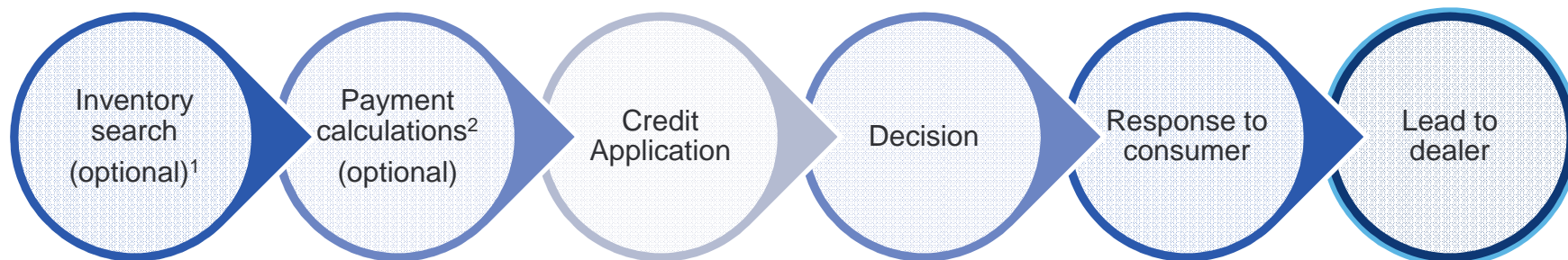
- Reporting capabilities: provide insight on conversion ratios
- Integration capabilities: help to keep your customers loyal to you
- Stay top of mind with customers and dealers: particularly during softer cycles of Indirect
- Keep current with industry trends: meet the new generation where and how they shop – online!
- More efficient workflow: less time in dealership correlates to increased customer satisfaction



Direct-to-Indirect to Consumer

Digital Retailing - Indirect Exclusive

High-level Enhanced Online Workflow



¹ Responsive design available Q2 '15.

² Requires participation in publishing rates.

Digital Retailing: Indirect Exclusive Lender Website





Digital Retailing: Indirect Exclusive Features and Benefits

- Fully customizable workflows that support lease, loan, and payment call applications.
- Electronic transmission of consumer-supplied data helps to reduce errors and speed processing time.
- Dealers receive lender-decisioned application in Dealertrack and their CRM for follow up.
- Integrate finance applications with a payment calculator, trade-in offer tool, and real-time dealer inventory.



Direct Lending Services

Robert Christini

Direct Lending on the Rise



- One of the most requested ancillary products being requested from our lender clients
- Dealertrack Direct Lending Services had a **28% growth** in new clients over the past year
- Dealertrack Direct Lending Services transactions in 2015 are currently on pace to show **400% growth** over last year



Issues with Classic Direct Workflow

- Too many “critical-to-quality” process points
- Lender has little leverage once loan origination is complete
- Consumer/Lender uninformed of DMV requirements which creates a poor consumer experience
- Lender exposed to higher exception rates
- Consumer must pay taxes/fees @ DMV
- Lender bears cost of operations

Direct Lending – Financing Challenges



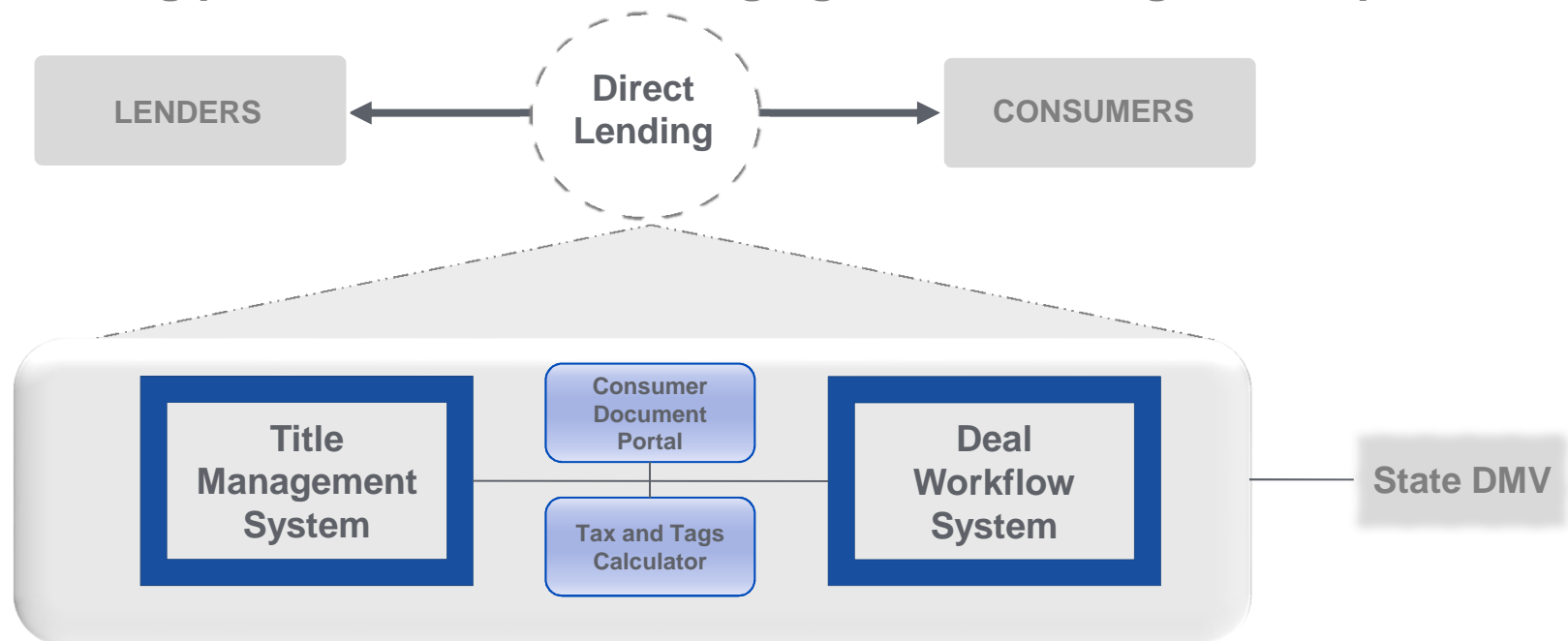
- Constant DMV requirement modifications require lenders to spend extra dollars on training/knowledge.
- Development and enhancement of new lending channels reduce borrower “face time” required to gather appropriate requirements.
- Lenders forced to make difficult choices to originate quickly or run possibility of losing loan opportunities.

How do lienholders protect their collateral, managing the gap between loan origination and loan securitization?

Innovation through Integration

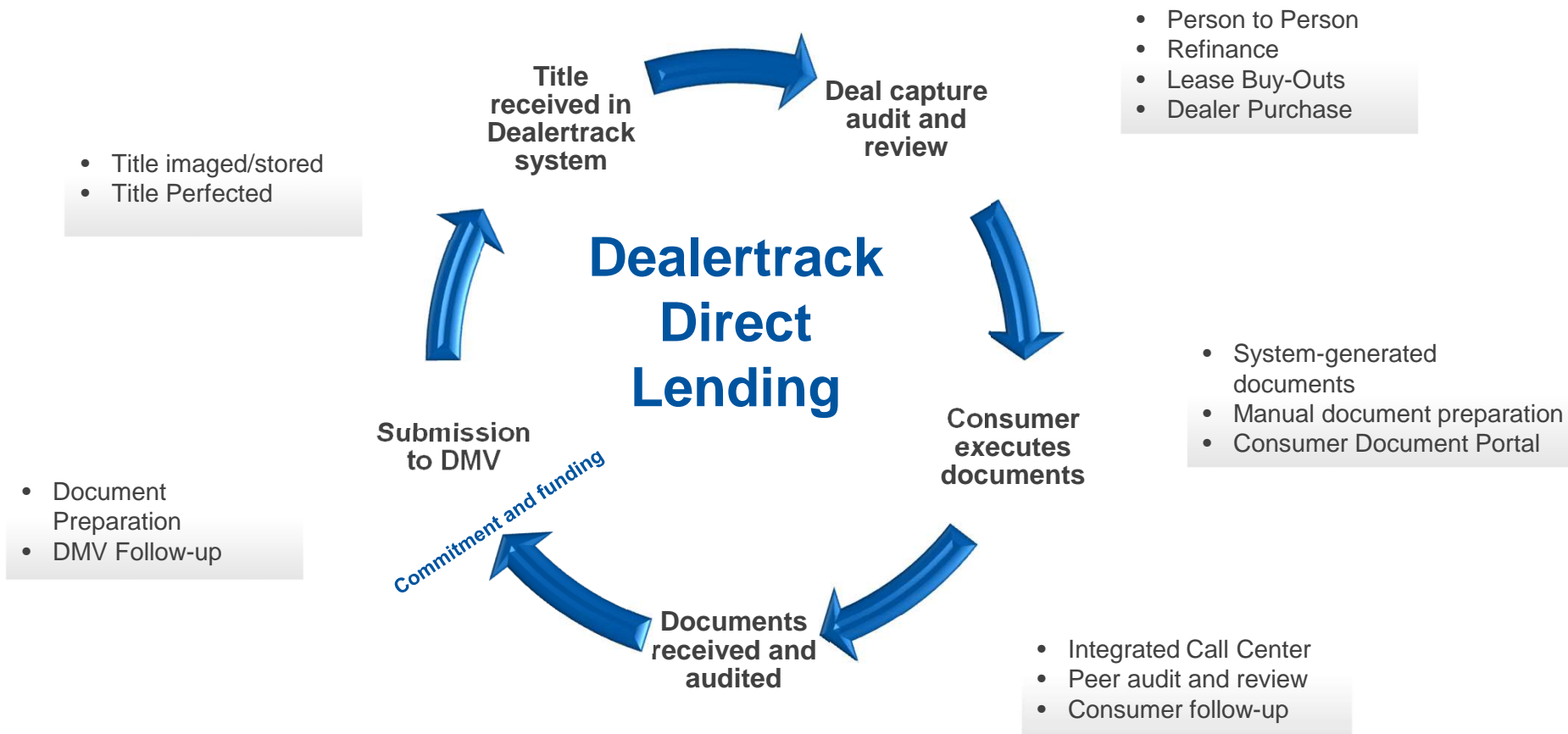


Providing seamless integration that allows lenders to maintain a consistent Direct Lending portfolio in an ever-changing auto-financing landscape.





Direct Lending Workflow



Options Designed to Your Needs



Dealertrack's services are developed to fit the specific needs of your organization, providing either a full-service solution, or one designed to fit needs specific to the lien filing process.


- Pre-funding Audit & Review
- Work Request Queue & Process Workflow
- Electronic Document Workflow
- Document Delivery & Online Signature
- Custom Consumer and Seller Checklists
- Tax & Tags Calculation
- Duplicate Title
- Lien Placement & Follow-Up
- Registration & Plating





Consumer Document Portal – TitleMyCar.com



TitleMyCar [Change Password](#) [Contact Us](#) [Sign Off](#)

Note: If you are not authorized to use this private system, disconnect now.

 Welcome Sam Jackson!
2007 PORSCHE 911
WFOCB288973770730

			Status	Last Retrieved
 My Title Documents	My Title Documents	Completed	Feb 13, 2014 4:37:52 PM	
 My Loan Documents	My Loan Documents	Completed	Aug 16, 2013 11:37:39 AM	
 Customer Checklist	Customer Checklist	Completed	Feb 13, 2014 4:35:23 PM	
 DMV Document	DMV Document	Completed	Aug 16, 2013 11:37:39 AM	

[Generate a UPS® Shipping label](#)

Benefit to Consumer

- ✓ Improves experience by providing dynamic checklist based upon consumer status
- ✓ Speeds funding time by permitting immediate document execution
- ✓ Reduces negative impact of discrepant documents by permitting individual reprint
- ✓ Turns a negative experience into a positive experience

Delivering Value, Driving Growth, Building Loyalty

Benefits to Lender	Benefits to Consumer
Gain expertise of 51 DMV jurisdictions for multiple automotive products	Turns lien filing from an unpleasant process into a value-added process
Accurately finance sales tax and filing fees	Provides accurate tax and registration fees with option allowing more flexible financing options
Avoid the hassles of collecting documents, information, or funds to file liens	Replaces the “collections-type” title follow up with a consumer-friendly model
Partner to work with your members to get the loans funded and liens secure on your title/account	Eliminates the DMV line