



## Contractor Financing Plan

### STEP 1

Enroll in EGIA Financing Program.

[www.egia.org/amana](http://www.egia.org/amana)

### STEP 2

Review both financing plans.

We have plans that cover both “cash type” customers and customers that need monthly payments.

1. **Plan 3128** – 12 Month, No Interest, No Payment  
Contractor Fee: 6.25% (4.50% +1.75%)\*
2. **Plan 1207** – Reduced Rate APR 7.99%  
Term (Total Payments): 120  
Contractor Fee: 8.35% (6.60% +1.75%)\*  
Estimated Payment Factor: 1.25%

### STEP 3

Factor in your dealer fees.

The Dealer fees must be added to your total sales price. Rather than have two separate prices, use the average of the two fees (7.3%) and add it to the cash price you would use without financing. The total will become your new price, and you can offer a cash discount for those customers who do not use financing. Please review the example below.

Dealer Fee Conversion	
Cash Price (without Financing) and Amount Funded	\$10,000
Dealer Fee (7.3%)	\$730
Credit Price	<b>\$10,730</b>
Cash Discount (5%)	\$536
Cash Discount Price	<b>\$10,194</b>

Many dealers will take about half of the dealer fee (in this case 5%) to utilize as a cash discount.

### STEP 4

Roll out and train your team.

\*Based on 1.75% Merchant Service Fee. Rates as low as 1.75% are available from EGIA [www.egia.org](http://www.egia.org)

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## Facts That Spell Out Why Financing Is Important

### 1 Average baby boomer (the folks with the cash in our society) would finance any job over \$5,000

Source: NAHB 2012

How much is an HVAC replacement? If the folks with the cash in the US would want to finance, how about your other customers who are more cash strapped?

### 2 US consumers find it hard to write a check for over \$2,000

Source: GE Capital 2011

Homeowners that suffer from “sticker shock” or “cash separation anxiety” often find financing can make it easier to replace their system rather than just fix it. Much like the car industry successfully does every day.

### 3 Average homeowner has \$3,800 in savings

Source: Federal Reserve, US Census Bureau, Internal Revenue Service

Is this enough to buy your product?

### 4 60% of US households live paycheck to paycheck

Source: GE Capital 2012

Wonder what homeowners are really saying when they say “we will get back to you”?

### 5 Average available credit for typical household\*:

Source: Federal Reserve

% of households with a credit card balance	_____	46.7%
Average credit card debt per indebted household	_____	\$15,257
Average credit available adjusted out top 1%	_____	\$21,700
Adjusted available credit	_____	\$6,443

How would they afford to buy your system?

### 6 Financing is a proven sales tool for closing more transactions at a higher gross margin. Here is an example at the lowest level of what offering financing on every job can do for your company.

Cash With Financing Options		
Leads	10	10
Sold	3	4
Avg. Ticket	\$8,900	\$8,900
Revenue	\$26,700	\$35,600

\* Source: Federal Reserve, US Census Bureau, Internal Revenue Service. Adjusted with top 1% out.



## **Financing Best Practices**

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**Below are 8 best practices many of our financing successful dealers have found effective:**

**1 Every customer and every time!**

Consistency allows you to avoid the sales mistake of prejudging your customer.

**2 For every repair over \$1,000, offer a new system with a low monthly payment as an alternative to the repair.**

**3 Get over contractor fees!**

They are in everything from cars, furniture, spas, big screens, ect. Financing fees allow for a contractor to deliver the interest rate and term you promised any qualifying homeowner. The alternative is rates that are varied based on credit score. Imagine you close a job and the customer wants financing and they have a 680 credit score which earns them a 12% interest rate at a six year term instead of 7.99% at ten years. That could lose you a sale. Also, it allows for you to deliver what you advertise on approved credit.

**4 Mention the availability of financing early and often to ensure the customer is pre-conditioned that the home investment is affordable.**

**5 Have a plan that starts with a strategy meeting that builds financing into your sales strategy and then ensure the team is trained and role-plays its use.**

**6 Add a 10 year parts and labor plan to make it an easier decision for your homeowner to choose the financing option. This offers them peace of mind for the duration of the loan.**

**7 Be sure to build financing into your web site and all marketing activities.**

**8 Use financing as a soft close; “Mr. or Mrs. Customer, we can deliver the system that best fits your needs for as little as \$89.00 per month or we have 12 months no interest/no payments. Which program would you like?”**





## **Get Approved!**

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- 1 Call GreenSky at (866) 760-1507 and give them:**
  - a. Your dealer number
  - b. Plan number
    - i. Plan 3128 – 12 Month, No Interest, No Payment
    - ii. Plan 1207 – Reduced Rate APR
  - c. Loan Amount consistency allows you to avoid the sales mistake of prejudging your customer.
- 2 Hand phone to customer to answer questions.**
- 3 Upon approval, use the 16-digit account number to process the transaction like you would any credit card purchase.**

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## Estimated Payment Factor - Plan 1207

Financed Price	Estimated Payment
\$1,500.00	\$18.75
\$1,600.00	\$20.00
\$1,700.00	\$21.25
\$1,800.00	\$22.50
\$1,900.00	\$23.75
\$2,000.00	\$25.00
\$2,100.00	\$26.25
\$2,200.00	\$27.50
\$2,300.00	\$28.75
\$2,400.00	\$30.00
\$2,500.00	\$31.25
\$2,600.00	\$32.50
\$2,700.00	\$33.75
\$2,800.00	\$35.00
\$2,900.00	\$36.25
\$3,000.00	\$37.50
\$3,100.00	\$38.75
\$3,200.00	\$40.00
\$3,300.00	\$41.25
\$3,400.00	\$42.50
\$3,500.00	\$43.75
\$3,600.00	\$45.00
\$3,700.00	\$46.25
\$3,800.00	\$47.50
\$3,900.00	\$48.75
\$4,000.00	\$50.00
\$4,100.00	\$51.25
\$4,200.00	\$52.50
\$4,300.00	\$53.75
\$4,400.00	\$55.00
\$4,500.00	\$56.25
\$4,600.00	\$57.50

Financed Price	Estimated Payment
\$4,700.00	\$58.75
\$4,800.00	\$60.00
\$4,900.00	\$61.25
\$5,000.00	\$62.50
\$5,100.00	\$63.75
\$5,200.00	\$65.00
\$5,300.00	\$66.25
\$5,400.00	\$67.50
\$5,500.00	\$68.75
\$5,600.00	\$70.00
\$5,700.00	\$71.25
\$5,800.00	\$72.50
\$5,900.00	\$73.75
\$6,000.00	\$75.00
\$6,100.00	\$76.25
\$6,200.00	\$77.50
\$6,300.00	\$78.75
\$6,400.00	\$80.00
\$6,500.00	\$81.25
\$6,600.00	\$82.50
\$6,700.00	\$83.75
\$6,800.00	\$85.00
\$6,900.00	\$86.25
\$7,000.00	\$87.50
\$7,100.00	\$88.75
\$7,200.00	\$90.00
\$7,300.00	\$91.25
\$7,400.00	\$92.50
\$7,500.00	\$93.75
\$7,600.00	\$95.00
\$7,700.00	\$96.25
\$7,800.00	\$97.50

Financed Price	Estimated Payment
\$7,900.00	\$98.75
\$8,000.00	\$100.00
\$8,100.00	\$101.25
\$8,200.00	\$102.50
\$8,300.00	\$103.75
\$8,400.00	\$105.00
\$8,500.00	\$106.25
\$8,600.00	\$107.50
\$8,700.00	\$108.75
\$8,800.00	\$110.00
\$8,900.00	\$111.25
\$9,000.00	\$112.50
\$9,100.00	\$113.75
\$9,200.00	\$115.00
\$9,300.00	\$116.25
\$9,400.00	\$117.50
\$9,500.00	\$118.75
\$9,600.00	\$120.00
\$9,700.00	\$121.25
\$9,800.00	\$122.50
\$9,900.00	\$123.75
\$10,000.00	\$125.00
\$10,100.00	\$126.25
\$10,200.00	\$127.50
\$10,300.00	\$128.75
\$10,400.00	\$130.00
\$10,500.00	\$131.25
\$10,600.00	\$132.50
\$10,700.00	\$133.75
\$10,800.00	\$135.00
\$10,900.00	\$136.25
\$11,000.00	\$137.50

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## What Should Your Price Be To Account For Financing?

Non-financed Price	Financed Price
\$3,000.00	\$3,219.00
\$3,100.00	\$3,326.30
\$3,200.00	\$3,433.60
\$3,300.00	\$3,540.90
\$3,400.00	\$3,648.20
\$3,500.00	\$3,755.50
\$3,600.00	\$3,862.80
\$3,700.00	\$3,970.10
\$3,800.00	\$4,077.40
\$3,900.00	\$4,184.70
\$4,000.00	\$4,292.00
\$4,100.00	\$4,399.30
\$4,200.00	\$4,506.60
\$4,300.00	\$4,613.90
\$4,400.00	\$4,721.20
\$4,500.00	\$4,828.50
\$4,600.00	\$4,935.80
\$4,700.00	\$5,043.10
\$4,800.00	\$5,150.40
\$4,900.00	\$5,257.70
\$5,000.00	\$5,365.00
\$5,100.00	\$5,472.30
\$5,200.00	\$5,579.60
\$5,300.00	\$5,686.90
\$5,400.00	\$5,794.20
\$5,500.00	\$5,901.50
\$5,600.00	\$6,008.80
\$5,700.00	\$6,116.10
\$5,800.00	\$6,223.40
\$5,900.00	\$6,330.70
\$6,000.00	\$6,438.00
\$6,100.00	\$6,545.30

Non-financed Price	Financed Price
\$6,200.00	\$6,652.60
\$6,300.00	\$6,759.90
\$6,400.00	\$6,867.20
\$6,500.00	\$6,974.50
\$6,600.00	\$7,081.80
\$6,700.00	\$7,189.10
\$6,800.00	\$7,296.40
\$6,900.00	\$7,403.70
\$7,000.00	\$7,511.00
\$7,100.00	\$7,618.30
\$7,200.00	\$7,725.60
\$7,300.00	\$7,832.90
\$7,400.00	\$7,940.20
\$7,500.00	\$8,047.50
\$7,600.00	\$8,154.80
\$7,700.00	\$8,262.10
\$7,800.00	\$8,369.40
\$7,900.00	\$8,476.70
\$8,000.00	\$8,584.00
\$8,100.00	\$8,691.30
\$8,200.00	\$8,798.60
\$8,300.00	\$8,905.90
\$8,400.00	\$9,013.20
\$8,500.00	\$9,120.50
\$8,600.00	\$9,227.80
\$8,700.00	\$9,335.10
\$8,800.00	\$9,442.40
\$8,900.00	\$9,549.70
\$9,000.00	\$9,657.00
\$9,100.00	\$9,764.30
\$9,200.00	\$9,871.60
\$9,300.00	\$9,978.90

Non-financed Price	Financed Price
\$9,400.00	\$10,086.20
\$9,500.00	\$10,193.50
\$9,600.00	\$10,300.80
\$9,700.00	\$10,408.10
\$9,800.00	\$10,515.40
\$9,900.00	\$10,622.70
\$10,000.00	\$10,730.00
\$10,100.00	\$10,837.30
\$10,200.00	\$10,944.60
\$10,300.00	\$11,051.90
\$10,400.00	\$11,159.20
\$10,500.00	\$11,266.50
\$10,600.00	\$11,373.80
\$10,700.00	\$11,481.10
\$10,800.00	\$11,588.40
\$10,900.00	\$11,695.70
\$11,000.00	\$11,803.00
\$11,100.00	\$11,910.30
\$11,200.00	\$12,017.60
\$11,300.00	\$12,124.90
\$11,400.00	\$12,232.20
\$11,500.00	\$12,339.50
\$11,600.00	\$12,446.80
\$11,700.00	\$12,554.10
\$11,800.00	\$12,661.40
\$11,900.00	\$12,768.70
\$12,000.00	\$12,876.00
\$12,100.00	\$12,983.30
\$12,200.00	\$13,090.60
\$12,300.00	\$13,197.90
\$12,400.00	\$13,305.20
\$12,500.00	\$13,412.50

