



Contractor Financing Plan

STEP 1

Enroll in EGIA Financing Program.

www.egia.org/goodman

🔑 ExPress Loan • 🔑 Enrollment Application

STEP 2

Review both financing plans.

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

1. **Plan RE468** – 12 Month, No Interest, No Payment
Contractor Fee: 6.02% *
2. **Plan 69910YRR69** – Reduced Rate APR 6.99%
Term (Total Payments): 120
Contractor Fee: 7.15%
Estimated Payment Factor: 1.161%

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 (6.5%) 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 (6.5%) - $100 = 93.5\%$ ($10,000 \div 93.5\% =$	\$695
Price with overhead built in	\$10,695
Cash Discount (5%)	\$535
Cash Discount Price	\$10,160

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. Tools needed

1. One page flyer with plans/terms, process and contact information for bank.
This is found at www.egia.org/goodman under the marketing toolkit.





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Facts That Spell Out Why Financing Is Important

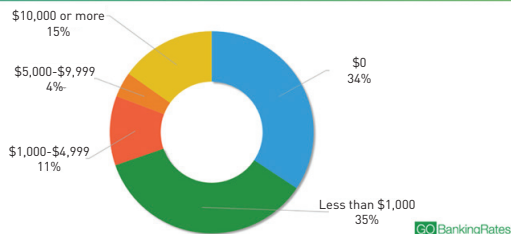
A total of 61 percent — 52 percent of men and 69 percent of women — report that they don't have enough in an emergency fund to cover six months' worth of expenses. This GOBankingRates survey, U.S.

Responses were collected through Survata on May 30, 2017

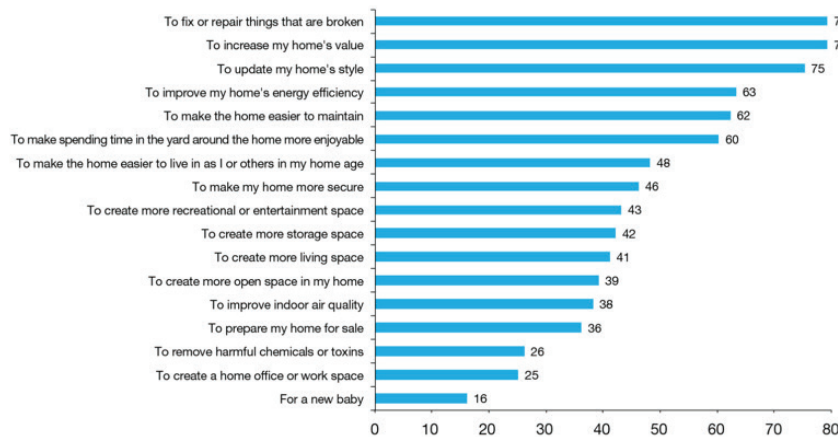
Percent of American Families Who:	Percent
Find it difficult to pay the bills	52%
Are certain they could come up with \$2,000 if an unexpected need arose next month	39%

American Family Financial Statistics	Data
Average American family saving account balance	\$4,220
Percent of American families who have no savings at all	24.3%

SURVEY: HOW MUCH MONEY DO YOU HAVE SAVED IN YOUR SAVINGS ACCOUNT?



Reasons for taking on a home improvement project



Source: Demand Institute 2015 American Communities Survey. Respondents could choose multiple responses.

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 Financing		
	CASH	FINANCIAL*
Leads	10	10
Sold	3	4
Avg. Ticket	\$8,900	\$10,680
Revenue	\$26,700	\$42,720

* Contractors that close jobs with financing can experience higher average tickets and more jobs won. This example is for illustrative purposes only.

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Financing Best Practices

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 6.99% 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?**





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Get Approved!

12 Months No Interest, No Payments, Tiered Payments

1. Open App.
 - a. Select "New Loan Application"
 - or
 - b. Call 888-390-1220 option 2
2. Enter address and property type
3. Enter loan code, loan amount and project type
4. Pass the device to the homeowner
5. Homeowner enters their information
6. Homeowner reviews information and submits
7. Answer in 90 seconds
8. Approved, In review or denied

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Estimated Payment Factor - Plans

9995YR26 • 9997YR76 • 699104RR69

12 Months No Interest, No Payments

Plan RE468

Sell Price x Multiplier = Payment

9.99% 60 Months \$_____ x .0212 = \$_____

9.99% 84 Months \$_____ x .0166 = \$_____

6.99% 120 Months \$_____ x .01161 = \$_____





What Should Your Price Be To Account For Financing?

Non-financed Price	Financed Price	Non-financed Price	Financed Price	Non-financed Price	Financed Price	Non-financed Price	Financed Price
\$3,000.00	\$3,195.00	\$6,200.00	\$6,603.00	\$9,400.00	\$10,011.00	\$12,600.00	\$13,419.00
\$3,100.00	\$3,301.50	\$6,300.00	\$6,709.50	\$9,500.00	\$10,117.50	\$12,700.00	\$13,525.50
\$3,200.00	\$3,408.00	\$6,400.00	\$6,816.00	\$9,600.00	\$10,224.00	\$12,800.00	\$13,632.00
\$3,300.00	\$3,514.50	\$6,500.00	\$6,922.50	\$9,700.00	\$10,330.50	\$12,900.00	\$13,738.50
\$3,400.00	\$3,621.00	\$6,600.00	\$7,029.00	\$9,800.00	\$10,437.00	\$13,000.00	\$13,845.00
\$3,500.00	\$3,727.50	\$6,700.00	\$7,135.50	\$9,900.00	\$10,543.50	\$13,100.00	\$13,951.50
\$3,600.00	\$3,834.00	\$6,800.00	\$7,242.00	\$10,000.00	\$10,650.00	\$13,200.00	\$14,058.00
\$3,700.00	\$3,940.50	\$6,900.00	\$7,348.50	\$10,100.00	\$10,756.50	\$13,300.00	\$14,164.50
\$3,800.00	\$4,047.00	\$7,000.00	\$7,455.00	\$10,200.00	\$10,863.00	\$13,400.00	\$14,271.00
\$3,900.00	\$4,153.50	\$7,100.00	\$7,561.50	\$10,300.00	\$10,969.50	\$13,500.00	\$14,377.50
\$4,000.00	\$4,260.00	\$7,200.00	\$7,668.00	\$10,400.00	\$11,076.00	\$13,600.00	\$14,484.00
\$4,100.00	\$4,366.50	\$7,300.00	\$7,774.50	\$10,500.00	\$11,182.50	\$13,700.00	\$14,590.50
\$4,200.00	\$4,473.00	\$7,400.00	\$7,881.00	\$10,600.00	\$11,289.00	\$13,800.00	\$14,697.00
\$4,300.00	\$4,579.50	\$7,500.00	\$7,987.50	\$10,700.00	\$11,395.50	\$13,900.00	\$14,803.50
\$4,400.00	\$4,686.00	\$7,600.00	\$8,094.00	\$10,800.00	\$11,502.00	\$14,000.00	\$14,910.00
\$4,500.00	\$4,792.50	\$7,700.00	\$8,200.50	\$10,900.00	\$11,608.50	\$14,100.00	\$15,016.50
\$4,600.00	\$4,899.00	\$7,800.00	\$8,307.00	\$11,000.00	\$11,715.00	\$14,200.00	\$15,123.00
\$4,700.00	\$5,005.50	\$7,900.00	\$8,413.50	\$11,100.00	\$11,821.50	\$14,300.00	\$15,229.50
\$4,800.00	\$5,112.00	\$8,000.00	\$8,520.00	\$11,200.00	\$11,928.00	\$14,400.00	\$15,336.00
\$4,900.00	\$5,218.50	\$8,100.00	\$8,626.50	\$11,300.00	\$12,034.50	\$14,500.00	\$15,442.50
\$5,000.00	\$5,325.00	\$8,200.00	\$8,733.00	\$11,400.00	\$12,141.00	\$14,600.00	\$15,549.00
\$5,100.00	\$5,431.50	\$8,300.00	\$8,839.50	\$11,500.00	\$12,247.50	\$14,700.00	\$15,655.50
\$5,200.00	\$5,538.00	\$8,400.00	\$8,946.00	\$11,600.00	\$12,354.00	\$14,800.00	\$15,762.00
\$5,300.00	\$5,644.50	\$8,500.00	\$9,052.50	\$11,700.00	\$12,460.50	\$14,900.00	\$15,868.50
\$5,400.00	\$5,751.00	\$8,600.00	\$9,159.00	\$11,800.00	\$12,567.00	\$15,000.00	\$15,975.00
\$5,500.00	\$5,857.50	\$8,700.00	\$9,265.50	\$11,900.00	\$12,673.50	\$15,100.00	\$16,081.50
\$5,600.00	\$5,964.00	\$8,800.00	\$9,372.00	\$12,000.00	\$12,780.00	\$15,200.00	\$16,188.00
\$5,700.00	\$6,070.50	\$8,900.00	\$9,478.50	\$12,100.00	\$12,886.50	\$15,300.00	\$16,294.50
\$5,800.00	\$6,177.00	\$9,000.00	\$9,585.00	\$12,200.00	\$12,993.00	\$15,400.00	\$16,401.00
\$5,900.00	\$6,283.50	\$9,100.00	\$9,691.50	\$12,300.00	\$13,099.50	\$15,500.00	\$16,507.50
\$6,000.00	\$6,390.00	\$9,200.00	\$9,798.00	\$12,400.00	\$13,206.00	\$15,600.00	\$16,614.00
\$6,100.00	\$6,496.50	\$9,300.00	\$9,904.50	\$12,500.00	\$13,312.50	\$15,700.00	\$16,720.50