

CULA Procedure Updates Bulletin

September 2008

Procedure Update Effective 9/4/2008

As always, we are ever improving our processes and making our program even more competitive, effective and efficient! Beginning September 4, 2008, CULA will make the following changes to the consumer/balloon/commercial lease program.

Changing Computation of Residual Values based on MRM or MSRP:

MRM+500 (MRM) is a number that is provided in our files to subscriber services such as Dealer Track and Market Scan. The acronym stands for "Maximized Residual MSRP". The file that we send to the services includes this number with the \$500 added in.

As of 9/4- CULA residuals will be calculated on the LESSER of "MSRP" or "MRM".

How do you find the MRM number?

- Well, the residual will be calculated in the service you use (Dealer Track, Lease Prophet, etc), based on the correct number... but if you need to know the MRM, you can find it at CULA's website on the residual calculator page.
 - When entering a vehicle for a residual value, you will data enter the MSRP from your documentation
 - If that number is greater than the MRM we have in our database, you will get a message that tells you to enter the MRM number- and yes, the MRM number will be displayed.
 - If you enter a number less than MRM, no message will be displayed and therefore, the MRM will not be displayed.

Residualized Adds (New Vehicles):

No more adds such as alarm, bed liner and cd changer. Why? In our experience they are seldom used as most vehicles come equipped with these items.

As of 9/4 CULA is discontinuing all residualized adds previously allowed to be added to the MSRP for residual calculation of a new vehicle lease.

What about discount packages? They can still be added to the MSRP before computation of the residual value. *However*, if adding the discount package creates an MSRP that is greater than MRM... the residual will be based on the MRM.

Used Vehicle Leases – Additional Model Years:

We've added two model years and have extended available residuals on a vehicle model years as well. Here's the new chart of years/terms available:

2008- 24, 30, 36, 42, 48, 54, 60
2007- 24, 30, 36, 42, 48, 54, 60
2006- 24, 30, 36, 42, 48, 54, 60
2005- 24, 30, 36, 42, 48, 54, 60
2004- 24, 30, 36, 42, 48
2003- 24, 30, 36

Cool, huh? Even more opportunity!

If you have any questions on our policy changes, please email us at culaops@cula.com. Or simply give us a call. We look forward to hearing from you!

