



suretys

You Connect. We Protect.

**HELPING PEOPLE BUY
THEIR FIRST VEHICLE**

**HELPING LENDERS SAFELY
FINANCE THAT FIRST VEHICLE**

A New, Insured Solution, To An Age-Old Problem



Lendgistics

Connect. Build. Grow

The Program

*Think of the Suretys Plus One Insurance Policy as an equivalent to PMI for auto lenders and car dealers.
An insured replacement for Co-signers*



Connecting
Limited Credit
Buyers



With Suretys
PlusOne
Insurance
(Virtual Co-Signer)



Protecting First-
time buyers,
Lenders, and
Co-signers



**Loans are
approved with
insured default
protection for
Lenders
(At No Cost To
Lenders)**

Protecting Lenders from loan losses

Average Consumer Cost: **\$27/month**

Average Mo. Payment Savings: **\$150+/month***

*(*Vs non and subprime pricing)*



For too long, buyers with limited credit history (54 million in US, estimated by Experian) get rejected, need a Co-signer, or pay predatory interest rates.

**1st Time Buyers/Thin Files = No Credit Score to very limited Credit History, limited # of tradelines reported and/or # of payments*



REJECT/DECLINE: Lenders lose potential members, and sometimes existing members.



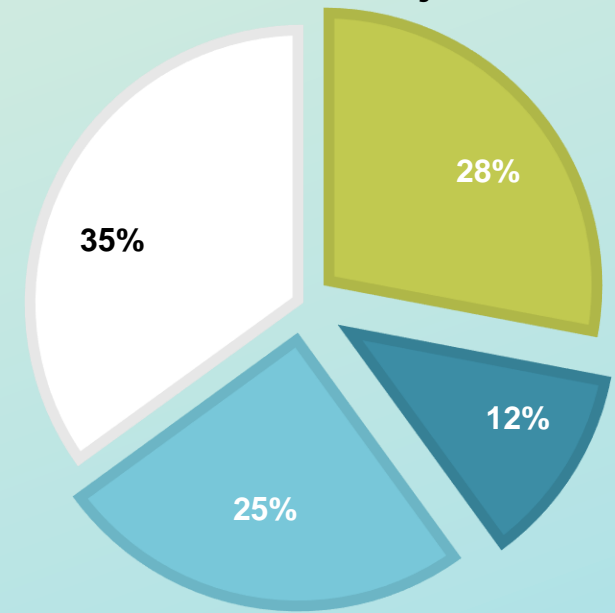
Co-Signer Required
4/10 Co-Signed deals lose money for Lenders. Collecting from Co-Signers, and asset recovery processes are problematic 8/10 times.



High Interest Loans
Higher Rates (Avg. 20%) And **Fees** Result in high Default & Repossession, and losses.

Credit Rejections by Generation

Millennials have been hit hardest with a 35% credit rejection rate.



SOURCE: BANKRATE.COM

Mostly 1st *Time/Thin Files ■ GenZ(18-23)

■ Boomers (56 — 74) Lowest % *1st Time/Thin File

Surprising % of *Thin-Files ■ Gen X(40- 55)

■ Millennials (24 - 39) Damaged Credit/*Thin-Files

The Program Helps Lenders Achieve . . .

June 28th email solicitation - regarding July 6th Webinar



Are Neobanks Undermining Your Primary Accounts?

Walt,

Dave's most popular webinar is back by demand. While the fintech and neobank flood has hit the high water mark, there is no time for your financial institution to relax.

Millennials and Gen Z have joined neobanks at staggering numbers, far outpacing signups to community banks and credit unions during the post-COVID time frame.

What used to be considered PFI - primary financial institution - is now more accurately primary financial interactions. And the challenge is, how do community FIs turn this new PFI in their favor?

You can help transform your FI by delivering new experiences that add value to customers and members while delivering products reaffirming their lifetime value.

[Don't miss out. Register now for this free webinar.](#)

- 1 Truly **Connect** with, **Grow** and serve your underserved market members.
Build & retain younger members.
- 2 **Grow** and **Protect** your auto loan portfolio with loan-loss insurance, **at no cost to lenders!**
- 3 **Protect** Co-signers from damaging their credit, and affecting their savings, relationships, etc.
- 4 Strengthen and **Build** your community image and standing in all member segments.
- 5 **Protect** your existing and new members and Co-signers from predatory auto lenders.
- 6 Earn higher yields and income, while reducing operational, recovery, **protecting** lenders from loan loss expense.
- 7 **Build** and **Grow** a profitable and effective indirect program, gaining dealership and member loyalty, with a competitive edge.
- 8 Other organizational and Strategic Objectives

Negative Long-term Impacts of Requiring Co-Signers

For Co-Signers

1. Generally, this reduces Co-Signers ability to borrow money
2. May Lower Co-Signer credit score
3. Typically increases borrowing APR and/or limits terms on new loans
4. Can seriously damage Co-Signer credit (@ borrower late payments, default risk)
5. Could damage their family/friend and Lender relationships

5

For Lenders

1. Increased underwriting time with higher rejections
2. Generally damages your relationship with your member
3. Co-Signers often do not make the Lender whole at default
4. Creates double work at default, tracking down, negotiating, etc.

**Now you can help protect your members,
and build their future the right way...**

EXAMPLE
2020 Hyundai
Elantra



Loan \$Amount \$25,631

Terms 72 mo

Without Suretys

APR 20%
Or higher

**Monthly
Payment**
\$679.06

Big Down Payment
&
Co-Signer Required

Interest
\$15,113



Lenders lose \$ at Default

**With
Suretys**

APR 9%+
Each Lender sets APR

**Monthly
Payment**
\$462.01

Mo. Savings:
\$187/mo

Interest
\$7,634
saves \$7,700

**Minimal if any
Lenders loss
at Default**



**...Lenders protect themselves, and Co-signers,
at No Cost to you, the lender!**

Markel Corporation → For investors → Financial strength rating

Financial strength rating

\$48B+
Assets

AS OF 12/31/2021



	S&P	A.M. Best ⁽¹⁾
Financial strength rating (FSR) ⁽²⁾		
Evanston Insurance Company	A (Strong)	A (Excellent)
Markel Insurance Company	A	A
Markel American Insurance Company	A	A

Since 1930, from jitneys to Fortune 500, Markel began with insurance—and became much, much more. In 1930, Sam Markel had the dream of establishing an insurance company to insure jitney buses. He probably never imagined that one day Markel would be a Fortune 500 holding company that operates a leading specialty insurer and owns an impressive portfolio of products and services businesses.

Evanston Insurance Company A Markel® Company

Markel® is a registered trademark of Markel Corporation. Refer to Markel’s website for the most current information. The rating represents the overall financial status of Markel and Evanston Insurance Companies and is not a recommendation of the specific policy provisions, rates, or practices of the issuing insurance company.

How many of you on this Webinar have either said or heard this?
"I love my Credit Union. They were the only Financial institution that would take a chance on me when I needed my first loan. I'll be a member of that Credit Union for life!"

Many of us were once in this same place, personally.



CUSTOMER REVIEW

Katie T, 20, Waitress

I had five prior turn-downs! The Suretys and Credit Union approval process was painless. The quality of the vehicle I qualified for, and the low monthly payment blew my mind.



CUSTOMER REVIEW

Austin B, 26, Military

I live on base, no real credit to speak of. Co-Signer lives far away, and their credit was not great. With Suretys - mission accomplished.



CUSTOMER REVIEW

Timothy M, Mid 20s, Oil Rig

Dealer called me a Credit ghost, no credit score, not even a credit card. Bought my first car, quick and easy, without a Co-signer.



CUSTOMER REVIEW

Alberto S, Immigrant, Cook

ITIN, no Credit Report. First car financed. First quality vehicle for my family and I. Suretys and the Credit Union made it happen!

STATE INSURANCE REGULATOR APPROVAL

Currently Licensed in:

CT, TX, OK, MI, IL

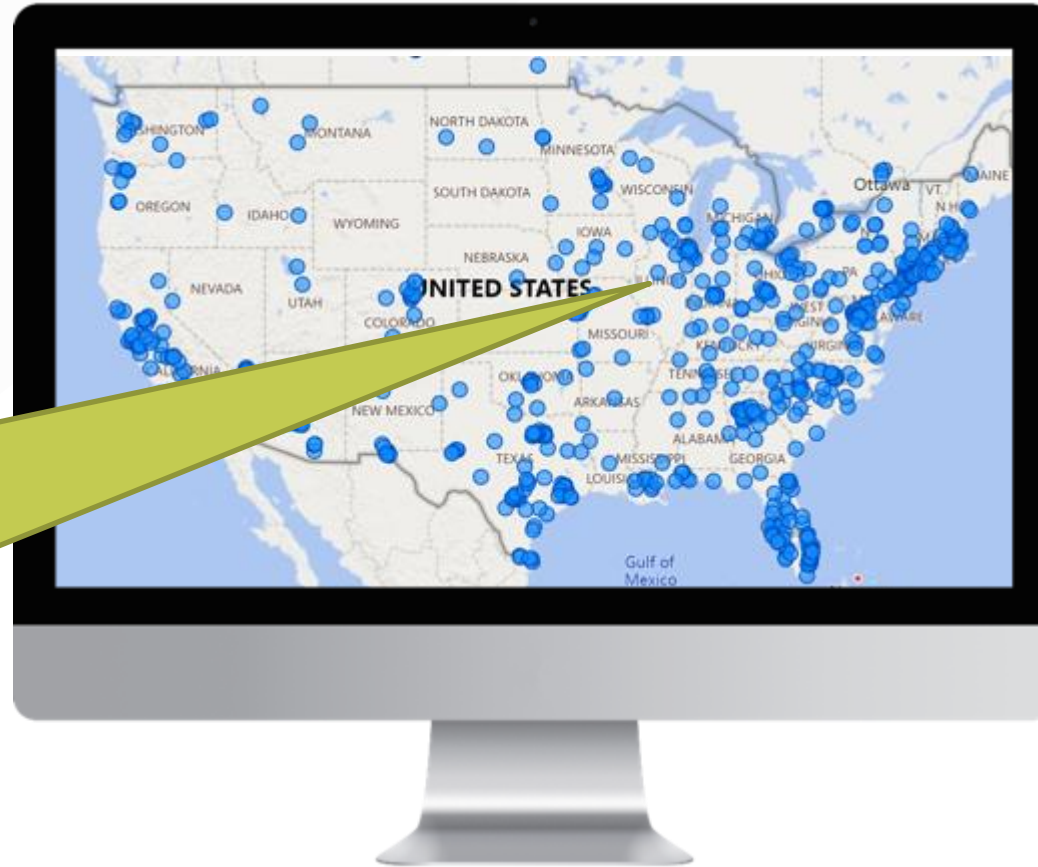
**More to come in 2023
and 2024**

First-Time Consumer Buyers waiting list of over 2,000 and growing!



First-time buyers
want and need help!

Hi, my name is Lucas.
I work full time. I don't have
access to someone that will
help me buy my first car. I
am hoping and praying that
you guys are available in my
state and are willing to help
me get off to the right track!



Just one of the thousands of consumer Direct submissions to Suretys, Jan 2023. Many more since then . . .

“The Old Way” *(The way it’s been done by Lenders for 40+ years)*

- **Co-Signers Required** –
- **Interest Rates Are High** – Lenders trying to offset the risk *(sometimes take advantage)*
- **Terms/Structures** –
 - **Limited # months for terms** – *Wholesale value, Limited \$ max loan amounts* –
 - **Down Payments** – *Typically 20% +*
- **Dealer Incentives / Lender Limitations:**
 - Most Lender programs for First-Time/Thin-File buyers are not competitive for dealers . . .

Times have changed

*Today’s market requires new solutions to past and current problems
and opportunities*

“The New Way” *(Suretys Insured Solution)*

- **No need to seek out Co-Signers** – *Suretys covers deficiency balances at default, At No Cost To Lenders*
- **Better and More Competitive Lender Program** – *Higher Quality Vehicles -Year/Mileage, allows other competitive financing terms, up to 72 months, making payments affordable. . .*
- **Room in the deal for Lender protection products** – *Retail LTV’s for GAP and Warranty, Including the Suretys default protection policy - protects Buyers & Lenders*
- **Builds Borrower Credit and Self-worth** - *Positions borrower for next vehicle loan (and other loans and other important financial services) with Lender*

11


**Suretys protection allows Lenders to build and maintain
a competitively positioned program
that truly and properly serves and benefits the underserved
community, while minimizing lender risks,
at no cost to Lenders!**

Marketing

- **Marketing Partnership – Suretys and Lendgistics combined market and Credit Union experience help you Build and Grow your first-time/Thin-File buyer program.** You'll **Connect** with new, and younger, highly profitable members as well as attract and retain quality Dealers.
- **Online Pre-approval – Suretys provides a quick and easy, real-time “max monthly payment” pre-approval, delivered digital/mobile at Point-of-Sale or in-house.** We **Connect** with your marketing programs.
- **Social Media – Increase your market presence and standings** with positive comments and ratings by consumers that help you market yourself and the program.

12

Your CU Logo



No Cosigner Needed.
Get pre-approved for a Suretys Plus One™ policy and you'll be in the driver's seat!

Get the car you want and can afford.
Now you can lease it on your terms.

With our pre-approval:

- No fee to apply
- Use your phone or any device
- You know what you'll be approved to spend
- You get a decision in as little as 10 minutes
- You're notified by email or text
- There's no need for a cosigner
- You start building your good credit history

First Name*

Last Name*

Email Address*

Mobile Phone Number

Desired monthly payment (USD)*

START APPLICATION

Lender Value

An Enhanced, Competitive, Truly Marketable Program that Delivers

More Loans, More Members, Lower Loan Loss

Minimize Operational Costs and Default Risk

Improve Your Member Experience and Retention

Operational Efficiency, Improved Financial Performance

13



Grow Your Credit Union by Safely Serving the First Time Auto Buying Market



Learn how credit unions of any asset size can BUILD and MAINTAIN a competitive "First Time/This File Auto Buyer" program that improves Gen Z and Millennial loan approval and funding ratios while *lowering lender loan loss risk and increasing net yields!*

Predatory interest rates, short-term loans, and co-signer requirements for "near prime" first time auto buyers are creating a financial crisis for millions of Gen Z and Millennials. Click [HERE](#) to read "**How Credit Unions Can Solve America's Underserved Auto Buyers Lending Crisis**" recently published in *Credit Union Business Magazine*.

This Program is Highly Recommended by:

THE HALES CONNECTION

A CREATIVE CORPORATE COMMUNICATIONS FIRM FOR CREDIT UNIONS | CUSOs | ASSOCIATIONS and INDUSTRY PARTNERS

Email: HalesConnect@gmail.com
Text/Call: 949.291.6363

Final Questions?

Our session objective was to have you be Fully Informed of this new opportunity

*Suretys is better than any Co-signer,
Co-signers don't always pay . . . Suretys does!*

Next Steps

1. All participants in today's webinar will be receiving a copy of this deck to pass along to your management team, along with a link that provides complimentary access to our recently published White Paper, or download the white paper from the

Lendgistics.com website.

2. For more information or to schedule a Management team presentation to assess how this program fits into your Credit Union strategy . . .

Contact Walt Agius – Walt.Agius@Suretys.com