**Credit Criteria and Interest Rates**

DLL can be very competitive on interest rates. Below are DLL’s standard rate offerings based on credit quality. With management approval, DLL can decrease a rate listed in the chart below to beat the competition by as much as 0.5% (that means 0.5% lower than the rates listed below).

Competitors can use the following rate chart throughout the competition and the dealer’s credit quality will be provided in the scenarios before the rounds where it is relevant. There will be no need to go beyond the chart’s credit line size for the competition.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Interest Rate (%) | | | | | |
| Credit Quality | F | 10 | 9 | 6 | 5 | 4.5 | 4 |
|  |  |  |  |  |  |  |
| D | 7 | 7 | 5 | 4.5 | 4 | 3.5 |
|  |  |  |  |  |  |  |
| C | 6 | 5 | 4.25 | 4 | 3.5 | 3 |
|  |  |  |  |  |  |  |
| B | 5 | 4 | 3.75 | 3.25 | 3 | 2.75 |
|  |  |  |  |  |  |  |
| A | 4 | 3.5 | 3.25 | 3 | 2.75 | 2.5 |
|  |  | 250K | 500K | 750K | 1M | 1.25M | 1.5M |
|  |  | Credit Line Size | | | | | |

For DLL, it really does not take more manpower to manage a large account versus a small account because billing, invoice purchasing, and processing are highly automated.

<https://www.dllgroup.com/us/en-us/solutions/digital-solutions>

Interest starts accruing once the inventory has been purchased and no payments are due typically for a period of 6 to 9 months (that time frame is negotiable). The interest on the balance is due monthly on the 15th (starting on the first 15th that passes) and curtailment payments (monthly payments on the balance) for aging inventory that has not sold are due in conjunction with the interest monthly after the 6 to 9 months have passed. Curtailment payments are 10% of the balance.