



Managed Originations Solution Overview

Fund with Certainty





F&I SENTINEL

Managed Originations

powered by CITADEL®

The F&I Product Dilemma

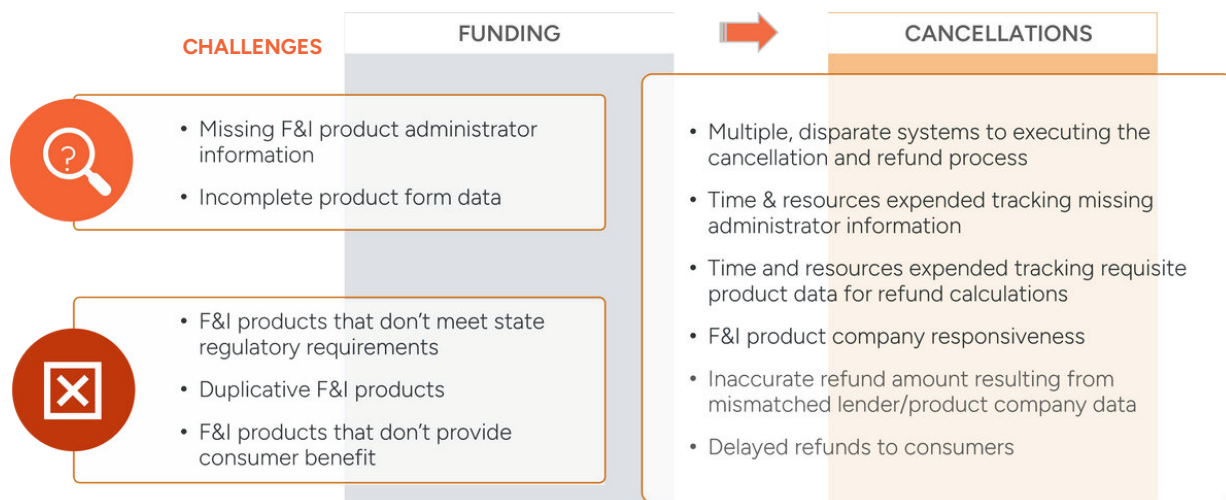
F&I products and F&I product bundles power dealer profits but their popularity and success has inadvertently created compliance exposure and complexity for lenders. The sale of F&I products accounts for **~73 percent** of dealer profits and, the average dealership sells **1.57** F&I products per deal.

While lenders aren't responsible for the design and/or sale of F&I products, they are "on the hook" if the F&I

products that are financed are not in compliance with state and/or federal regulations.

Moreover, F&I product data—often incomplete or misclassified, and sometimes just missing—is at the root of many of the issues encountered by lenders at upstream at the time of origination. This in turn has an exponentially negative impact downstream at the time of servicing.

Even as many in the industry are primarily focused on the timely, accurate and compliant processing of F&I product cancellations and refunds, many of the challenges associated with servicing F&I products can be mitigated by proactively managing products upstream at the time of origination.



F&I SENTINEL | Managed Originations

Data You Can Trust. Compliance You Can Prove.

F&I Sentinel Managed Originations solution proactively ensures F&I product data integrity and completeness at the time of origination. The CITADEL® platform uniquely captures and organizes F&I product data, down to the form and state level, while ensuring products funded are in full regulatory compliance.

Compliance-First Expertise

Unlike technology-only solutions, **F&I Sentinel's Concierge Compliance Team:**

- Actively consults with lender partners to develop a framework that meets each partner's unique requirements, and that will proactively address virtually all known F&I product-related risks.
- Engages in a proprietary process known as "credentialing" where product forms, marketing collateral and related documents are collected and reviewed proactively against the lender's requirements for compliance. Once complete, lender partners have access to a database of credentialed product forms offered by F&I product companies that meet each lender's requirements. Each lender partner leveraging their respective database of credentialed product can do so with the confidence that products it chooses to fund comply with requirements.
- Ensures lender-specific agreements with F&I product companies are executed in the lender's favor giving a lender the ability to align product company behavior and responsiveness with the lender's needs.

Powered by Tech

The **CITADEL® platform** serves as a lender's system of record for all F&I product forms submitted by product companies.

System of Record for F&I Products

Lenders are able to leverage CITADEL to obtain data requested during a regulatory audit or exam such as complete copies of F&I product forms, supporting state filing, insurance policy-backing, marketing materials and other supporting documents that are commonly requested during audit or examination.

Advanced Data Appending & Enrichment

With CITADEL's extensive library of over 225,000 F&I product form submissions and corresponding supporting materials for each form, lenders can leverage the repository to append missing data and re-classify misclassified F&I products, especially product bundles, to mitigate common challenges experience on the downstream in servicing.

07

OF THE TOP 10 LENDERS

TRUSTED BY

600⁺

F&I PRODUCT ADMINISTRATORS

INDUSTRY-FIRST REPOSITORY OF

225,000⁺

F&I PRODUCT FORMS

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The F&I Sentinel Advantage

CLEAR RULES. CONFIDENT COMPLIANCE.

01 Minimum Business Requirements (MBRs)

A built-in lender-specific F&I product compliance framework that addresses

- **Documentation Standards:** F&I product form documentation such as base terms, product type, correct F&I company provider/administrator name by state, etc. and compliance-driven documentation such as proof of state filing, insurer A.M. Best rating, insurance policy-backing, etc. as required in each state or specifically required by a lender.
- **F&I Product Integrity Standards:** e.g., rules defining the types of products that can be bundled.
- **Transparency and Consumer Protection Standards:** e.g. wait periods, optionality disclosures, etc.
- **Refund & Cancellation Requirements:** e.g., full refund periods, defined calculation method and obligor responsibility and when it comes to timing or funds flow on the payment of refunds.
- **Rules on Fees & Terms:** e.g., transfer and cancellation fee caps, permissibility of dealer- or lender-specific requirements and more.
- **UDAAP Compliance:** e.g., language in the product form or corresponding marketing materials that could result in a UDAAP is reviewed and eliminated *prior* to approval for funding.

02 Product Submission Agreement (PSA)

Lender-specific agreement obtained by F&I Sentinel executed in favor of the lender by the F&I product company, insurer backing the product, and/or administrator

- **Risk Reduction via Pre-vetting:** forms must meet lender MBRs ensuring consumer protection and limiting exposure to regulatory violations and class action.
- **Data Rights & Consumer Protection:** lender has the right to initiate cancellations and collect refunds, even after charge-offs or dealer exits, ensuring account balances are properly credited
- **Compliance & Audit Readiness:** lenders' ability to audit administrators and providers provides robust oversight.
- **Refund Control:** procedures prioritize lender over dealer needs and practices ensuring lender can act swiftly in consumer- or regulator-facing situations or account reconciliations.
- **Indemnification Safeguard:** protects lender against issues arising from F&I products' sale, administration or insurance backing.
- **Consistency & Version Management:** requires form and marketing collateral resubmission when revisions are made.
- **Consumer Protections & Service:** codifies best practices for fair claim processing and cancellation handling, reducing the risk of customer dissatisfaction or compliance issues.



...ensuring that [F&I products sold by dealers] are compliant, we didn't have a good process in place...outside of hiring a ton of people and lawyers for that matter, to begin mulling through those documents. F&I Sentinel filled a hole for us.

-- EVP, AUTO FINANCE COMPANY

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The F&I Sentinel Advantage - *continued*



CONTINUOUS RELEVANCE

Lenders enjoy the peace of mind that comes from knowing that relevant compliance issues, litigation risk, and law and regulation changes are incorporated into MBRs, PSAs and F&I Sentinel technology platforms.



PEER BENCHMARKING

As we manage F&I product compliance processes for 7 of the top 10 auto lenders, all lender partners benefit from insights into these industry-leading best practices.



UNPARALLED INSIGHTS

Lender partners stay ahead of news and legislative developments impacting F&I product compliance management with the most relevant updates delivered each month to their inbox.



3RD PARTY INTEGRATION

Reduce time-to-funding while maintaining data integrity and eliminating the need to manually request data from dealers via integrations with third-party systems such as defi, RouteOne and Dealertrack.



OPEX COST SAVINGS

Reduce direct expenses and mitigate financial, reputational and legal risks. Outsource the highly specialized and people-intensive function to the only provider with the regulatory experience and technology capabilities to address these complex issues.



OPTIMIZE DEALER / PRODUCT COMPANY RELATIONS

We liaise directly with dealers and product companies on the lender's behalf for all F&I product-related matters, enabling lenders to focus on value creation interactions with dealers and consumers.

Mission

Create a compliant, transparent and efficient F&I product marketplace for automotive lenders, dealers and product companies.

**Year
Founded**

2018

**Number of
Employees**

100+

Accolades



2023, 2024



Contact

3500 Financial Plaza,
Suite 350
Tallahassee, FL 32312

+1.850.425.4040
FandISentinel.com