30-008-2016



# Hyundai Auto Canada Corp.

75 Frontenac Drive, Markham, ON L3R 6H2 Telephone: 905.477.0202 Fax: 905.477.5268

January 27th, 2016

то: All Hyundai Auto Canada Corporation Dealers (All Zones)

Re: Launch of New HPP Solution on Hyundai DealerTrack Finance Portal & Extended Warranty Policy

Effective Date: February 2nd, 2016

Bulletin: 30-008-2016



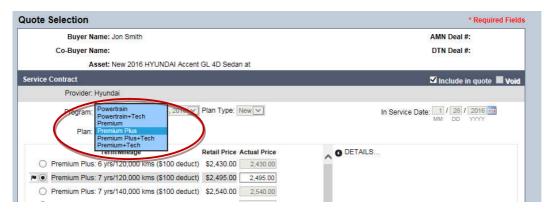
Back in November the completely new Hyundai Protection Plan program was launched. With this new suite of products, we had to make upgrades to how the plans were displayed on the Hyundai DealerTrack Finance portal under the "Extended Service Contracts" field on the worksheet. We are excited to announce that these changes have been implemented and the new display format will be available with the launch of the February retail incentive programs (February 2<sup>nd</sup>).

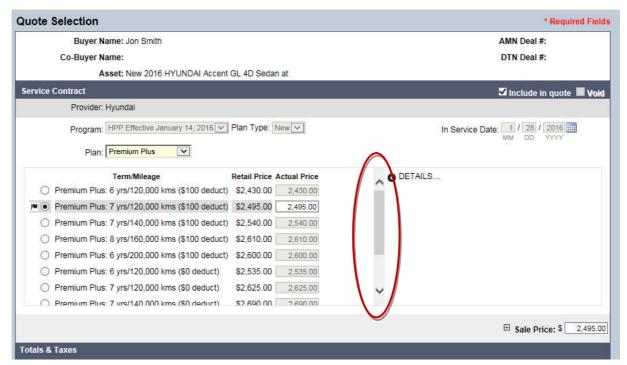
To accommodate for these new plans the display format of the plans has changed. When clicking on the "H" logo beside the "Extended Service Contracts" field on the worksheet, there will now be a drop down option beside the Plan. From this you can select the different types of plans available (ie. Powertrain, Premium, Premium Plus). This will then populate the available terms/coverages with the respective deductible below.





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We will not have specific fields to enter in the new products (i.e. Hyundai Appearance Protection, Hyundai Loan Protection and Hyundai Vehicle Loss Privilege Program). You may choose to add them on the selling price of a Hyundai extended protection plan by using one the coverages or use one of the other fields under the "aftermarket service" that best describes the product being sold. As reminder, if you override the "extended service contract" field once it is populated from the Hyundai logo screen, this will generate a blend rate.

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The ability to print Hyundai HPP documents from DealerTrack will continue to be disabled. HPP documents and terms & conditions will only be able to be printed from Hyundai's SAP Dealer Portal for new contracts sold.

As a reminder the changes we made back in August to finance and lease restrictions on Non-Hyundai extended warranties remains (reference bulletin 30–70–2015). Only Hyundai Extended Warranty Plans will attract subvented rates while all other third party plans will attract the Smart Rate, leading to an overall blended rate for the consumer. Until further notice, we will continue to subvent third party products of the following categories as long as they fit within the 140% (finance) and 115% (lease) maximum thresholds.

- Appearance Protection
- Loan Protection
- Vehicle Loss Privilege

We will continue our dialogue with the NDAC committee to ensure that we maximize the growth of the newly branded Hyundai F&I products allowing for increased returns that can be reinvested in the Hyundai business to ultimately move more cars and SUV's into the retail market. We will advise of any further changes only once we have fully vetted out the issue with your dealer council.

The next pages outline how to properly select a Hyundai product to add to the deal in the Hyundai Finance portal with DealerTrack. It is important to note that if a new Hyundai product is selected on VIN, the Hyundai product must be registered as we will be auditing VIN's and if it is not registered your dealership will be charged back the cost of the Hyundai product. It is paramount that we focus our incentive dollars on Hyundai products to collectively grow our volume.

Please ensure that your Sales Managers and Finance Office teams are informed of these upcoming changes effective February 2<sup>nd</sup>, 2016. If you have any questions, please direct them to your District Sales Manager.

Regards,

Steve Milette
Director, Sales



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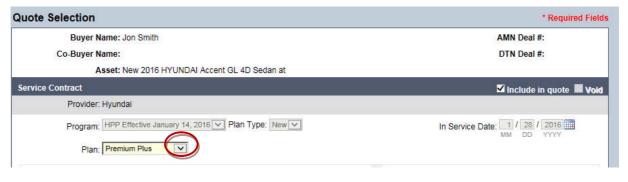
Hyundai Finance Portal with DealerTrack - How to properly add a Hyundai Product to a deal

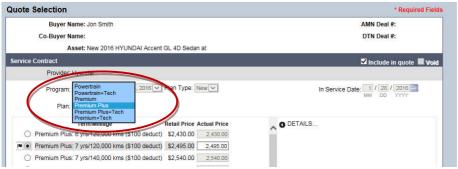
## Finance & Lease Worksheet:

In the Aftermarket Service section on the worksheet click on the "H" logo beside the Extended Service Contract field. This will take you to a new screen where you can select the applicable product. This is the only way to add a valid Hyundai product. Important to note: If you key an amount into the field, it will assume it is a non–Hyundai service contract and generate a blend rate automatically.

	PPSA.	\$0.00
Aftermarket Service		
Extended Service Contract: \$0.0	Life Insurance:	\$0.00
Ext. Warranty Term: 1	A/H Insurance:	\$0.00
Replacement Warranty: \$0.00	Taxes on Insurance:	\$0.00
Override	Re-Rate	Aftermarket

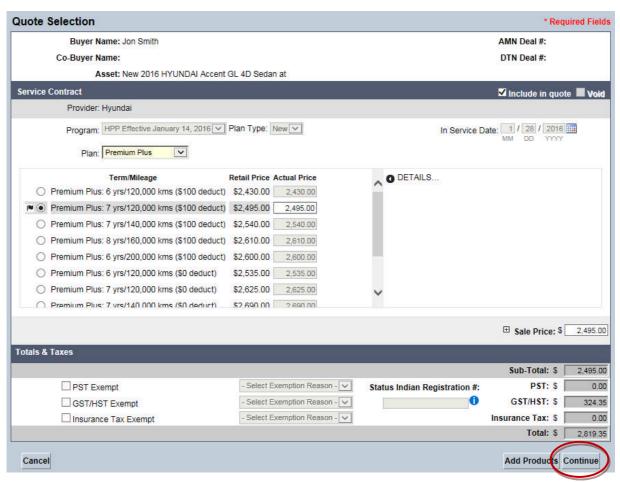
Select the applicable Hyundai plan, and then applicable term/mileage coverage. You can override the "actual price" field to a lower sell price but you cannot exceed retail price as outlined by the Hyundai Service department. Once the selection is made and selling price added, click on "Continue".



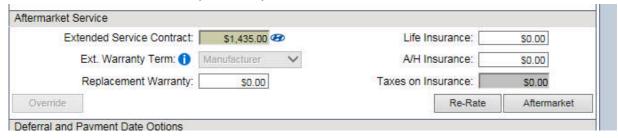




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This will then populate the amount from the previous screen for the Hyundai product in the "Extended Service Contract" field. This amount will attract the promo or smart rate if the amount financed falls under the loan cap/lease cap.



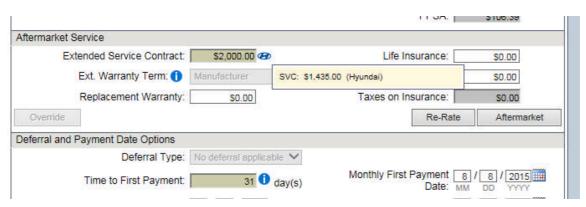
If you over-ride the "Extended Service Contract" field, the amount entered from the previous screen will still attract the promo rate and the additional amount will attract the LTV rate as this will be treated as a non-Hyundai service contract.

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If you key an amount into the field, this is treated as a Non-Hyundai service contract and will attract the LTV rate for the program month.



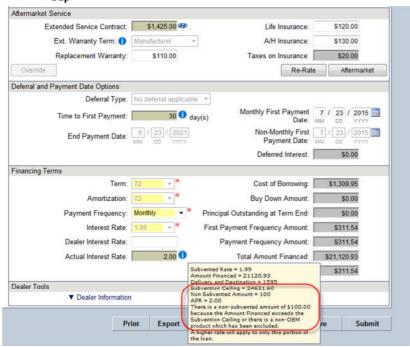
Please note: Any VIN that has a Hyundai product selected will be audited to ensure that a Hyundai product is registered. If an HPP product is not registered, your dealership will be charged for the dealer cost of the HPP product, as this is misuse of the finance subvention program.



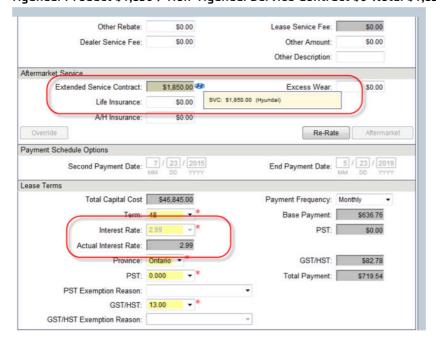
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Message Examples that will be displayed by DealerTrack portal for actual interest rate:

Hyundai Product \$1,325 / Non-Hyundai Service Contract \$100 (total \$1,425) / Under Finance



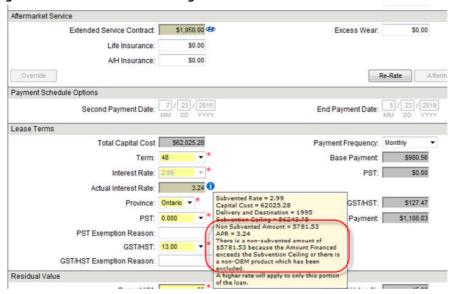
2) Hyundai Product \$1,850 / Non-Hyundai Service Contract \$0 (total \$1,850) / Under Lease Cap





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3) Hyundai Product \$1850 / Non-Hyundai Service Contract \$100 (total \$1950) / Over Lease Cap



4) Hyundai Product \$1850 / Non-Hyundai Service Contract \$0 (total \$1850) / Over Loan Cap

