

Toyota Dealer Reference Guide

Lease-End Roadmap



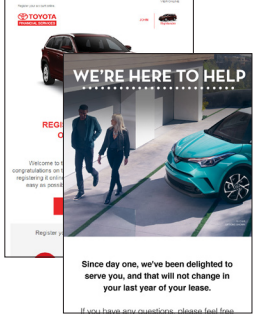


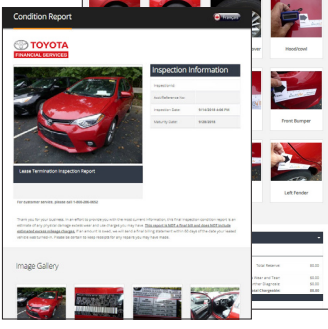
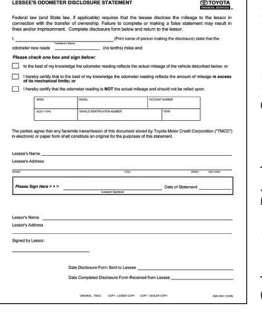

End-of-Lease Activity
Lease-End Roadmap

Customer Lease-End Options

1 Lease or purchase a new Toyota

2 Purchase current Toyota

3 Return vehicle

	12–9 Months to Maturity	6 Months to Maturity	3 Months to Maturity	2 Months to Maturity	1 Month to Maturity	End-of-Term
	 <p>Begin Awareness</p>	 <p>Provide Guidance</p>	 <p>Call Customers</p>	 <p>Schedule & Perform Optional Vehicle Inspection</p>	 <p>Schedule Turn-In</p>	 <p>Choose Lease-End Option</p>
TFS	<ul style="list-style-type: none"> Send “Exploration of Your Next Vehicle” email creating awareness of upcoming lease maturity. 	<ul style="list-style-type: none"> Tailored lease-end messaging in final six billing statements and through other preferred channels (e.g., email). Communicate targeted marketing offers, if applicable, through preferred channels. <p>Note: These communications continue through maturity.</p>	<ul style="list-style-type: none"> TFS Customer Loyalty Advocates: <ul style="list-style-type: none"> Discuss lease-end options and obligations (continues through customer’s lease-end). Send lead information to dealers, with customer consent. Share marketing offer details, if applicable, with consenting customers. 	<ul style="list-style-type: none"> Provide Condition Report containing estimated wear and use charges to customers who have completed a vehicle inspection prior to maturity. 	<ul style="list-style-type: none"> Send Odometer Disclosure Statement with final TFS Billing Statement. Link to Odometer Disclosure Statement on TFSLeaseEnd.com. 	<ul style="list-style-type: none"> Conduct vehicle inspection to identify final Excess Wear and Use charges if: <ul style="list-style-type: none"> Inspection was not done prior to maturity. Customer or dealer requests secondary inspection. 60 days have passed since initial inspection. Send final TFS Lease-End Invoice to applicable customers within their state’s required timelines and no later than 60 days from grounding. Contact lease customers who have kept their vehicle beyond term length.
Dealer	<ul style="list-style-type: none"> Prepare to answer lease-end and new vehicle questions from customers who visit or call dealership. 	<ul style="list-style-type: none"> Review upcoming lease maturities through Customer Lookup Service (CLS). 	<ul style="list-style-type: none"> Contact customers through compliant communication channels using lead information from ELMS (Enterprise Lead Management System). Remind customers about lease-end vehicle inspection benefits. 	<ul style="list-style-type: none"> Download Condition Reports from consenting customers through Dealer Daily. Contact customers to review Condition Reports and assist with lease-end decisions. 	<ul style="list-style-type: none"> Contact lease-end customers to schedule their turn-in appointments. 	<ul style="list-style-type: none"> Discuss lease-end options with customer: <ol style="list-style-type: none"> Lease or purchase a new Toyota. Purchase current Toyota. Return vehicle. Ensure customer addresses any outstanding payments. Contact TFS for secondary inspection if repairs have been made after initial inspection. Remit payoff or other funds within seven days.
Customer	<ul style="list-style-type: none"> Begin researching next Toyota vehicle. 	<ul style="list-style-type: none"> Become aware of lease-end options, mileage limitations, excess wear and use guidelines, and shopping opportunities. 	<ul style="list-style-type: none"> Speak with TFS about lease-end options and obligations. 	<ul style="list-style-type: none"> Contact AutoVIN to schedule vehicle inspection prior to maturity. Bring all keys and required equipment to inspection appointment. Complete inspection and receive Condition Report. 	<ul style="list-style-type: none"> Make desired repairs ahead of vehicle return and advise TFS of those repairs. Schedule turn-in appointment with Toyota dealer. Select new Toyota vehicle. 	<ul style="list-style-type: none"> Make any outstanding payments to TFS (e.g., contract balance). Return vehicle to Toyota dealer. Drive off in new Toyota vehicle. Receive Lease-End Invoice or Lease-End Satisfaction Letter (typically within 30 days of vehicle return).

Dealer Resources

STRATUS | Dealer Daily | Dealer Connect: 1-800-253-9332
 Dealer Direct | TFS Area Sales Manager

Customer Resources

TFSLeaseEnd.com | ToyotaFinancial.com

Dealer Daily Customer Lookup Service (CLS)

Benefits

The CLS allows dealers to view retention campaign lists, find individual customers, and execute custom searches for vehicle models, maturity dates, and more.

Access

Log in to Dealer Daily and navigate to the TFS page under the Financial Services tab. We recommend using Google Chrome.

- 1 Enter a full or partial VIN, then click SUBMIT.
- 2 Customize results by selecting new search criteria.
- 3 Default results only include customers who have opted in to dealer sharing.*
- 4 Sort results by clicking on column headers (Exception: Customer Names).
- 5 Increase/decrease the volume of records displayed per page.

*In certain campaigns, search results will include customers who have opted out of dealer sharing for dealers who have signed the Joint Marketing Agreement (JMA).

The screenshot shows the Dealer Daily Customer Lookup Service interface. It includes a search bar with a 'Submit' button, search criteria dropdowns, and a results table with columns for Program Name, Offer Name, Account #, Primary Customer Name, Co-Signer Name, Certificate #, Monthly Payment Amount, Retail Payoff Amount, Lease Remaining Value, and Payments Remaining. A 'Customer Payoff Quote' section is also visible on the right side of the results table.



DID YOU KNOW?

Using the Payoff Quote module will not disrupt CLS search results.

Dealer Daily Vehicle Inspection Portal

Inspection Condition Report Benefits

Should the customer opt in to dealer sharing, dealers will have visibility to the customer's Condition Report. Dealers can leverage Condition Reports to:

- Assist customers with lease-end decisions.
- Drive increased service revenue from customers who want to make repairs.*
- Begin selling vehicles before being grounded, and more effectively manage pre-owned inventory.

*Under certain circumstances, TFS does not charge its lease customers for excess wear and use damage. Guidance provided to customers should be evaluated based on the customer's lease-end circumstances.

Access Condition Reports

Under the Important Links section of the TFS page, click on the Pre-Inspection link.

Search and Review Tips

- 1 Search by account, VIN, customer name, model, and other criteria.
- 2 Click RESET SEARCH to clear all filters and return to the default search results.
- 3 To select all reports, click the checkbox to the left of the VIN column header.

The screenshot shows the Dealer Daily Vehicle Inspection Portal interface. It includes a search bar with a 'SEARCH' button, search criteria dropdowns, and a results table with columns for VIN, ACCT#, LAST NAME, MODEL, POSTING DATE, and READ. A 'RESET SEARCH' button is also visible.

Vehicle Return Timeline

Use the Dealer Direct app to complete grounding and improve TFS processes.

DAY 1

Customer Returns Vehicle Today

- Ensure customer signs Odometer Disclosure Statement electronically in Dealer Direct app. (If physical signature is needed, statement can be uploaded into STRATUS.)
- Confirm both sets of keys are returned and accounted for in Dealer Direct.

Grounding

- Residual Value is available.
- Inspection is completed by a third party which will determine vehicle condition. Dealer personnel are not authorized to determine TFS excess wear and use charges.
- Decide to purchase at payoff/residual, wait for MBP, or pass on purchase.

DAY 3-6

Inspection Takes Place

- Most will be completed within two business days of grounding in major markets and five business days in special situations.
- To expedite, indicate the specific lot location through the grounding process.



DAY 7-10

Market-Based Price (MBP) is Published

Purchasing

- Grounded vehicles must be purchased through Dealer Direct.
- For payoffs on vehicles not grounded, purchase via Dealer Daily ACH Portal.
- You can elect to purchase during period of exclusivity.

Passing

- Expedites vehicle pickup.
- **Note:** You can elect to pass on vehicle at any time after grounding.

DAY 11-30

Customer Receives Lease-End Invoice

- Invoice will contain unpaid payments, late fees, and miscellaneous charges.
- The invoice will also include any excess wear and use charges,* excessive mileage charges, and Disposition Fee, if applicable. These items may be taxable.

*Charges derived from most recent inspection.

DID YOU KNOW?

Delays in billing are commonly a result of delayed grounding or early returns where payments still due have not been received.

Guaranteed Payments

Dealers are required to guarantee and remit payments due on the contract in order to purchase the vehicle for residual or MBP.

Guaranteed payments are to be remitted via Dealer Daily ACH Portal. If not received within 15 days from date of dealer guarantee, dealer reserve will be debited.

Payment Waiver Program (PWP)

Payments that became due before the vehicle was grounded are not eligible to be waived.

Payment Waiver redemptions without a qualifying new vehicle contract with TFS may result in revocation of the waiver and dealer liability.

- Certificate number must be entered into Dealer Direct.
- Dealer must guarantee payments not covered by the program.

Early Termination

If a vehicle is returned 31+ days prior to maturity, and the dealer is not guaranteeing or remitting remaining payments, using PWP, or purchasing the vehicle for payoff through Dealer Direct prior to the expiration of grounding dealer exclusivity, the customer may face alternate liabilities.

DID YOU KNOW?

Missing key fobs lead to most excess wear and use charges. Confirm that inspectors validate both sets of keys for accurate Condition Report.



What are the Customer's Obligations if I . . .

Ground in Dealer Direct & Do Not Purchase

- Remaining payments
- Late fees or miscellaneous charges (e.g., property tax)
- Excess wear and use
- Excessive mileage
- Disposition Fee (unless a new TFS lease or loan is contracted within 30 days of return)

Ground in Dealer Direct & Purchase at Residual Value

- Dealer will be required to guarantee remaining payments
- Late fees or miscellaneous charges (e.g., property tax)

Ground in Dealer Direct & Purchase at Market-Based Price

- Dealer will be required to guarantee remaining payments
- Late fees or miscellaneous charges (e.g., property tax)
- Excess wear and use
- Excessive mileage
- Disposition Fee (unless a new TFS lease or loan is contracted within 30 days of return)

Ground in Dealer Direct & Purchase at Payoff

- No additional charges

*Please see back cover for an explanation of lease-end charges.

Lease-End Charges

Disposition Fee

TFS charges a disposition fee. Fee will be waived if the customer buys or leases a new or certified Toyota **AND** finances/leases with TFS within 30 days of lease return (regardless of maturity date).

- Delays in termination, often as a result of delayed grounding or early return with remaining payments still due, may prevent TFS from applying the waiver prior to billing.
- Due to statutory requirements, customers who originated in NJ may receive a bill for a disposition fee prior to the application of the waiver.
- Disposition fee may be waived in other circumstances.

Excess Wear and Use (EWU)*

Damage that is beyond normal wear and use is considered excessive.

- Total excess wear and use charges under \$100 will be waived.
- If the lease account includes a TFS EWU Protection Program optional product, the final Lease-End Invoice will be adjusted with the applicable product waiver/credit.

Excessive Mileage

Any mileage above the amount stated in the excess wear and use section of the lease agreement is considered excessive.

- Mileage charges under \$25 will be waived.

Remaining Payments

Any unpaid installments not guaranteed by the dealer still due on the lease are included in the Lease-End Invoice.

Late Fees and Miscellaneous Charges

Any unpaid late fees or miscellaneous charges (e.g., property tax) still due on the lease are included in the Lease-End Invoice.



Contacting TFS

- Dealer Connection: 1-800-253-9332
- Lease-End Services for customer inquiries: 1-800-874-8822

*Dealers should review the lease agreement for information on TFS standards of excess wear and use.

Information provided is subject to change.

Toyota Financial Services is a division of Toyota Motor Credit Corporation (TMCC).
TMCC is the authorized attorney-in-fact and servicer for Toyota Lease Trust.