

Open Lines of Credit & TRAC Leasing

The benefits of an Open Line of Credit and its unique advantages that TRAC leasing gives businesses. How you can present this option to your customer every time.

 **by Casilyn Lund**



Total Fleet Management

1

Vehicles

- Acquisition
- Finance/TRAC
- Remarketing
- Assignments
- Cycling

2

Maintenance

- Preventative Maintenance
- Unplanned Repairs
- Payments
- Tracking
- Warranty

3

Fuel

- Tracking
- Payment
- Assurance

4

Telematics

- GPS Tracking
- Vehicle & Driver Behavior
- Vehicle Health
- Reports/Analysis



CURRENT SITUATION

Fleet

Current Fleet Size

11

Avg. Vehicle Model Year

7

Avg New Vehicle Price

\$ 69,545.45

Avg. Current Mileage

58,990

Current Cycle (Years)

21

Avg. Annual Miles

7,940

MAINTENANCE COST

Total Annualized Spend

\$ 4,823.76

Per Vehicle Spend

\$ 438.52

Vehicle Spend/Month

\$ 36.54

Avg. Cost Spend

\$ 94.11

FUEL COST

Avg. MPG

12.81

Avg. Annual Miles

7,940

Number of Vehicles

11

CYCLING COMPARISONS

Proposed Cycle (Years)

5

Monthly Lease Cost Average

\$ 1,582.73

Average Year 1 MPG

15.14

Y1 Fuel Spend/Vehicle

\$ 1,327.99

Year 1 Monthly Maintenance

\$ 28.50

Year 1 Average Cost Per Mile

\$ 0.04

CREATE

VIEW REPORT

EXPORT

CASH BUYER

Fleet Mix											
Fiscal Year	Fleet Size	Annual Needs	Purchased/Financed	Cycling Payment	Cash Outlay	Current Payment	Maintena...	Fuel	Fleet Spend	Vehicle Equity	Savings
Current	11	3	3	\$ 0	\$ 208,636.35	\$ 0	\$ 4,823.76	\$ 19,694.11	\$ 233,154.22	\$ 0	\$ 0
Year1	11	6	6	\$ 113,956.56	\$ 0	\$ 0	\$ 3,762.65	\$ 16,068.44	\$ 133,787.65	\$ 66,000.00	\$ 165,366.57
Year2	11	3	9	\$ 170,934.84	\$ 0	\$ 0					
Year3	11	1	10	\$ 189,927.60	\$ 0	\$ 0					
Year4	11	0	10	\$ 189,927.60	\$ 0	\$ 0					
Year5	11	1	11	\$ 208,920.36	\$ 0	\$ 0					

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CURRENT SITUATION

Fleet

Current Fleet Size

22

Avg. Vehicle Model Year

1

Avg New Vehicle Price

\$ 52,318.18

Avg. Current Mileage

34,509

Current Cycle (Years)

5

Avg. Annual Miles

17,796

MAINTENANCE COST

Total Annualized Spend

\$ 20,851.12

Per Vehicle Spend

\$ 947.78

Vehicle Sp

Avg. Cost Spend

\$ 18.07

FUEL COST

Avg. MPG

17,796

Avg. Annual Miles

22

CYCLING COMPARISONS

Proposed Cycle (Years)

4

Monthly Lease Cost Average

\$ 1,372.50

Average Year 1 MPG

17.79

Y1 Fuel Spend/Vehicle

\$ 3,398.26

Year 1 Monthly Maintenance

\$ 76.40

Year 1 Average Cost Per Mile

\$ 0.05

CREATE

VIEW REPORT

EXPORT

APR BUYER

Fleet Mix											
Fiscal Year	Fleet Size	Annual Needs	Purchased/Financed	Cycling Payment	Cash Outlay	Current Payment	Maintena...	Fuel	Fleet Spend	Vehicle Equity	Savings
Current	22	5	0	\$ 0	\$ 0	\$ 396,000.00	\$ 20,851.12	\$ 79,111.24	\$ 495,962.36	\$ 0	\$ 0
Year1	22	6	6	\$ 98,820.00	\$ 0	\$ 288,000.00	\$ 20,169.60	\$ 79,981.92	\$ 486,971.52	\$ 0	\$ 8,990.84
Year2	22	5	11	\$ 181,170.00	\$ 0	\$ 198,000.00	\$ 26,263.84	\$ 79,203.33	\$ 484,637.17	\$ 4,000.00	\$ 15,325.19
Year3	22	7	18	\$ 296,460.00	\$ 0	\$ 72,000.00	\$ 23,933.92	\$ 78,373.38	\$ 470,767.30	\$ 8,000.00	\$ 33,195.06
Year4	22	12	22	\$ 362,340.00	\$ 0	\$ 0	\$ 20,512.16	\$ 76,572.73	\$ 459,424.89	\$ 20,000.00	\$ 56,537.47
Year5	22	5	22	\$ 362,340.00	\$ 0	\$ 0	\$ 19,560.57	\$ 76,780.47	\$ 458,681.04	\$ 18,250.00	\$ 55,531.32

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Total Savings: \$ 169,579.88

Paying Cash: Why?

Based on the average American, most customers lean towards paying cash for their vehicles. This, no doubt, influences business owners looking for to replace or add to their business' fleet. They see this strategy as:

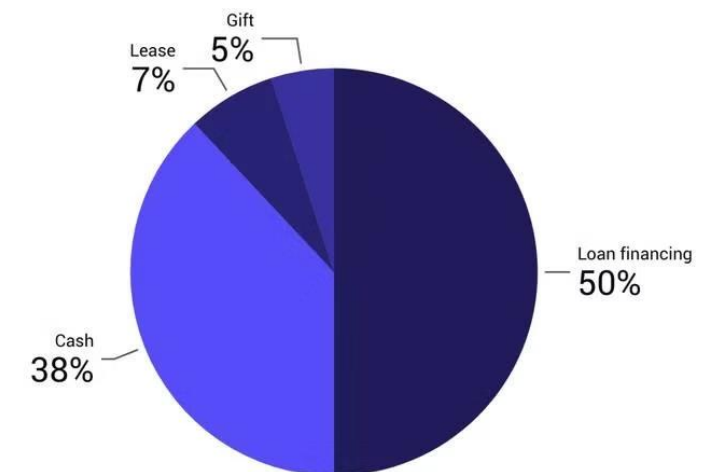
Financial Advantages

It also simplifies accounting, reduces financial risk, and may offer tax benefits, but businesses should consider the impact on cash flow.

Operational Costs & Risk Management

Focuses on full ownership, simplified accounting, and eliminating lender restrictions or repossession risks.

How did you acquire your last vehicle?



THE zebra

Open Line of Credit: Why?

When presented with a new strategy, business owners will see how they can **maximize cash flow, minimize costs, and maintain flexibility** with their fleet by using TRAC Leasing with an Open Line of Credit.

Flexibility

Access funds when needed, without needing to reapply for every vehicle. Perfect for unpredictable expenses or seasonal business needs.

TRAC leasing is especially beneficial for businesses that frequently upgrade vehicles, want to manage costs efficiently, and need flexibility in ownership decisions.

Convenient

Streamline your finances with easy access to funds through a revolving line of credit, ideal for managing vehicle expenses. This avoids tying up business lines of credit.

Open Line of Credit vs. Cash

The way we pitch it is:

Cash

Tied up capital.

Limited access to funds.

No flexibility for unexpected expenses.

Open Line of Credit

Preserves working capital.

Flexible access to funds.

Supports growth opportunities and manages unexpected needs.



Open Line of Credit: Benefits



Business Expansion

Invest in new equipment, expand operations, or seize opportunities for growth.



Financial Stability

Provide a safety net for your business, ensuring you can weather economic fluctuations.



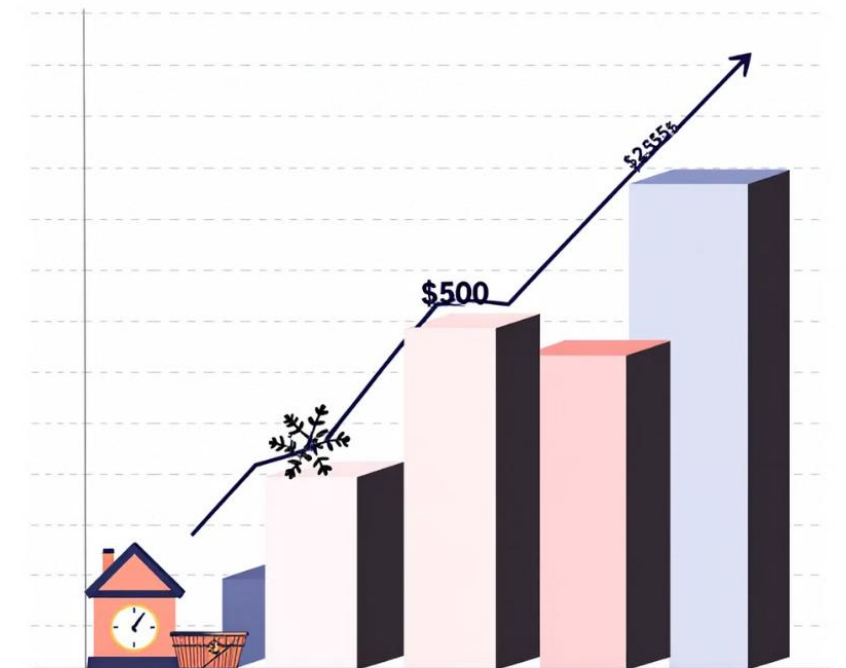
Cash Flow Management

Bridge seasonal dips in revenue or manage unexpected expenses effectively.



Flexible Lease Options

Unlimited mileage, no wear/tear penalties, and easy exit strategies.



What is TRAC Leasing?

Terminal Rental Adjustment Clause – when the term ends, the final settlement amount is determined when the vehicle is resold.

example below



Capital Cost \$55,000

70% Residual Rate + Interest =
Monthly Payment Amount

4 Year Term – 15K miles/year
no mileage restrictions; no wear/tear charges



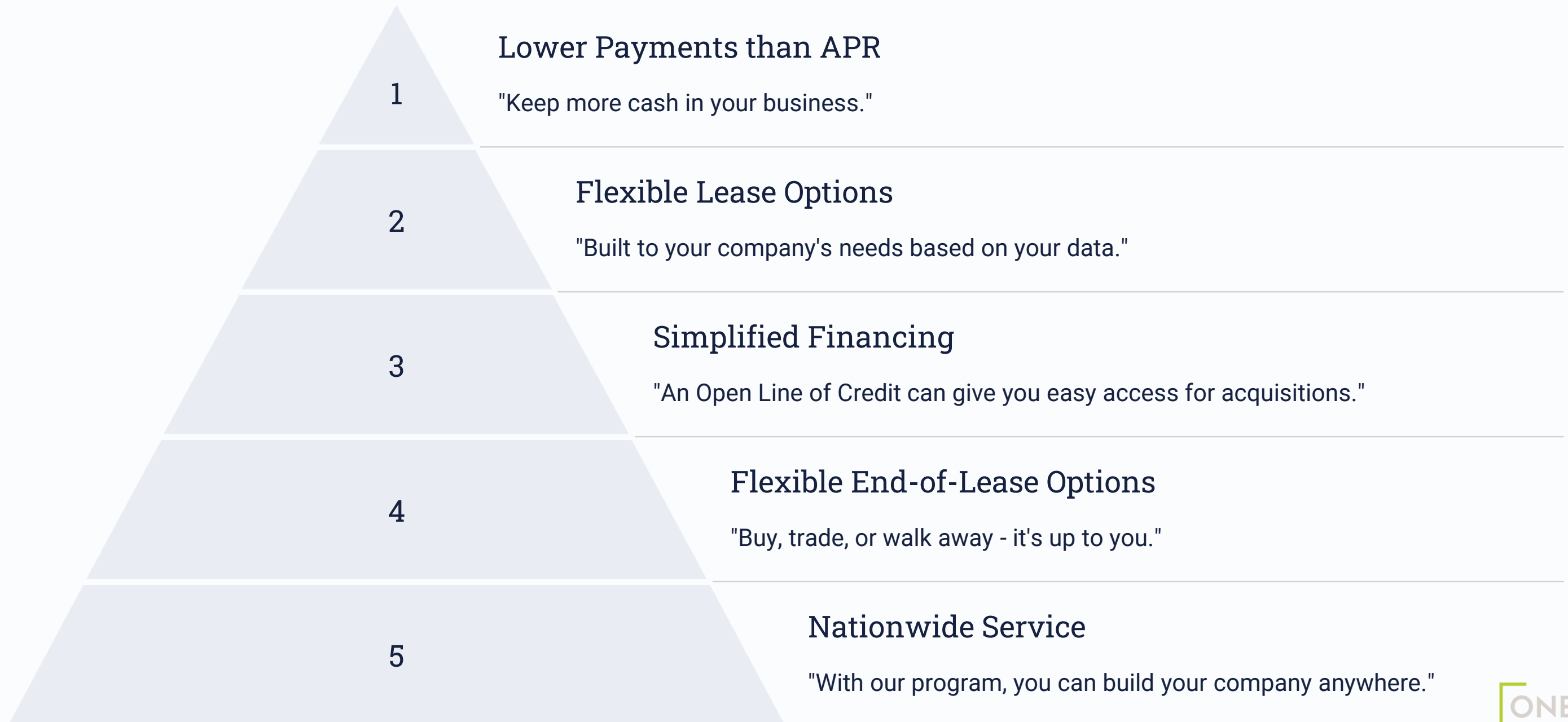
Equity Gain: \$8,500

Principal Balance Remaining:
\$16,500

Resale amount Trade/Auction:
\$25,000

TRAC leasing is the **smart choice** for business owners who want the **best of both worlds**—low monthly payments and full control at lease end.

TRAC Lease: Advantages through Dealerships





Next Steps: Choose a Financial Partner

Please consult with your internal F&I team for TRAC Lease availability and conditions, per your store's agreements.