



Damage Repair Program Loss Damage Waiver

THIS IS NOT A POLICY OF INSURANCE

This document is a **LOSS DAMAGE WAIVER** agreement.
THIS IS NOT A POLICY OF INSURANCE
This agreement is intended to protect the lienholder interest of California Auto Finance in your vehicle in lieu of an insurance policy.

THIS AGREEMENT DOES NOT PROVIDE BODILY INJURY AND PROPERTY DAMAGE LIABILITY INSURANCE AND DOES NOT COMPLY WITH ANY CALIFORNIA COMPULSORY FINANCIAL RESPONSIBILITY LAW. IF YOU HAVE ANY QUESTIONS ABOUT THIS AGREEMENT CONSULT WITH AN ATTORNEY.

The parties to this agreement are:
Customer name

hereinafter referred to as Borrower and California Auto Finance, P. O. Box 68003, Anaheim, California, 92817, 800-690-6948, hereinafter referred to as Lender.

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Year	Make	Model	License Plate #

\$

**LDW Monthly Payment Amount
IF PAID FOR FULL TERM ONLY**

Note: Monthly payment is estimated until approved and accepted by Lender. In the event of coverage cancellation due to early payoff, new policy, cancellation/reinstatement, etc., the average monthly LDW payment paid over the remaining life of the coverage may be higher.

ACKNOWLEDGEMENT

If Borrower has not provided proof of insurance, Borrower must pay the LOSS DAMAGE WAIVER fee listed above or the fee approved by Lender. Borrower always has right to obtain their own coverage and not pay this fee. If Borrower has provided acceptable proof of existing insurance, Borrower is not required to pay the LOSS DAMAGE WAIVER fee listed above. By signing below, Borrower acknowledges having read both sides of this document, understands and agrees to be bound by each of the terms and conditions contained in this LOSS DAMAGE WAIVER AGREEMENT and with this in mind elects to purchase a LOSS DAMAGE WAIVER from Lender.

If at any time during the course of this loan contract, Borrower fails to maintain acceptable insurance coverage or fails to provide acceptable proof of such insurance to Lender, Borrower agrees that this Loss Damage Waiver shall take effect and allows Lender to add the cost of the LOSS DAMAGE WAIVER to Borrowers loan payment.

MONTHLY LDW PAYMENTS ARE PAID IN ARREARS OF COVERAGE AND MUST BE PAID TIMELY WITHIN 10 DAYS OF PAYMENT DUE DATE OR THERE WILL BE NO COVERAGE.

Date _____

Borrower #1

Date _____

Borrower #2

Date _____

Borrower #3

The Borrower has purchased a vehicle and has a loan contract. Borrower is required by the contract to provide insurance to protect Lender's lien interest in the vehicle against loss or damage. The Lender is willing to sell to Borrower the LOSS DAMAGE WAIVER and waive the requirement that Borrower provide proof of insurance. As consideration for Borrower's purchase of the LOSS DAMAGE WAIVER Lender agrees to assume the risk of loss from Borrower under the following conditions:

When Damage Occurs to Vehicle

1. Borrower shall notify Lender within **10** days of an occurrence wherein the vehicle sustains damage or loss exceeding \$500. If Lender is not notified timely, then the date of loss shall be deemed the date Lender receives notice. **FAILURE TO NOTIFY LENDER WITHIN 45 DAYS FROM DATE OF LOSS WILL RESULT IN NO COVERAGE.**

2. In the event of loss or damage, to the vehicle, the Lender in its sole discretion will determine if the vehicle is a total loss. A vehicle will be deemed a total loss when the estimated cost of repairing the vehicle exceeds the Lender's lien interest or is not economically feasible. **THE RIGHT TO DECLARE A TOTAL LOSS SHALL BE LENDER'S EXCLUSIVELY.**

3. If Lender declares the vehicle a total loss, Borrower is still responsible for the following: the first \$500.00 in damages per loss occurrence; all past due payments; interest in arrears through the date of loss; all past due LOSS DAMAGE WAIVER fees and arrearages; all late charges; all legal or collection or repossession fees, any storage or towing costs exceeding \$150 related to the damage occurrence and lost salvage fees resulting from a lien sale or other event where Lender cannot obtain or recover salvage value of damaged vehicle. **THE DAMAGE EVALUATION WILL NOT BE PROCESSED UNTIL ALL SUCH FEES AND CHARGES ARE PAID IN FULL.**

4. In the event of a total loss, the LOSS DAMAGE WAIVER is secondary to any existing insurance coverage that Borrower has in force. In the event of existing insurance, Lender will waive any contract balance up to the RETAIL KELLY BLUE BOOK VALUE not satisfied by Borrower's insurance, only after Lender receives full payment from Borrower's insurance carrier. In a secondary claim, Lender will waive the first \$500 of damages normally required to be paid by the Borrower under paragraph (3) above, but the Borrower remains responsible for all other amounts in paragraph (3) above.

5. If damage or loss occurs wherein paragraph (3) above is deemed satisfied, Borrower acknowledges that Lender will have no further obligation to Borrower beyond complying with the terms and conditions of this LOSS DAMAGE WAIVER agreement.

6. In the event of a total loss, Lender reserves the right to retain the damaged vehicle, provided, however, that the Borrower shall not abandon the vehicle to Lender without Lender's prior written consent.

Cancellation Provisions

7. Lender may cancel this LOSS DAMAGE WAIVER and Lender's obligations hereunder shall be suspended if (a) Borrower becomes delinquent by **10** days or more on Borrower's loan contract payments or the fee on the LOSS DAMAGE WAIVER; (b) the vehicle is repossessed; (c) an accident occurs prior to the effective date and time of the LOSS DAMAGE WAIVER. Any repossession of the vehicle under this provision shall be conducted in compliance with applicable law, and Borrower's rights shall be the same as if the vehicle had been repossessed for nonpayment of Borrower's loan contract.

8. Should Borrower subsequently obtain insurance on the vehicle in an amount and with provisions satisfying Lender, this LOSS DAMAGE WAIVER shall terminate upon Lender receiving acceptable proof of such insurance. In that event, Lender will calculate any refund due to Borrower using the refund calculation method consistent with the executed finance contract and shall apply such refund, to Borrower's loan contract.

9. Lender reserves the right to cancel the LOSS DAMAGE WAIVER at any time without cause. Upon receipt of written notice of such cancellation, Borrower shall be responsible for obtaining insurance coverage as required by Lender.

General Provisions

10. This LOSS DAMAGE WAIVER is not an insurance policy and is not intended to provide Buyer with any benefit whatsoever beyond the shifting of risk of loss of the vehicle from Borrower to Lender up to an amount not to exceed the lesser of the contract balance or the RETAIL KELLY BLUE BOOK VALUE, as determined by Lender under the conditions specified herein.

11. **This LOSS DAMAGE WAIVER WILL NOT COVER** and the Borrower will remain financially responsible to the Lender for any damage to vehicle as a result of:

A. Damage or loss resulting from (i) intentional, willful, wanton or reckless conduct, (ii) unlawful operation of the vehicle under the influence of drugs or alcohol, (iii) towing or pushing anything, (iv) operation of the car off road if the damage or loss is a direct result of the driving conditions, (v) use of tire chains, (vi) wear and tear, mechanical or electrical breakdown, repairing, restoration or modification of the vehicle or (vii) mechanical problem, failure or breakdown, for example an engine fire;

B. Damage or loss occurring while the car is (i) used for commercial hire, (ii) used in connection with conduct that could be properly charged as a felony, (iii) involved in a speed test or contest or in driver training activity, (iv) operated outside the United States or (v) seized as a result of criminal activity.

C. (i) Damage or loss to other than standard or optional equipment available from the manufacturer (after-market/premium accessories are not covered), (ii) damage or loss due to conversion or embezzlement by Borrower or anyone in lawful possession of the vehicle.

D. Damage or loss occurring when (i) the occupants of the vehicle have fled the scene, (ii) the required documentation (i.e. a Police Department Report) has not been furnished to the Lender within 30 days of the date of loss, (iii) account was not current or within 10 day grace period on the date of loss, interest and / or LDW fees in arrears have not been paid.

12. In the event of a total loss and after the Borrower has paid all fees and monies due in paragraph(3) above, Lender will credit to the Borrower's account the lesser of the outstanding contract balance or the RETAIL KELLY BLUE BOOK VALUE. This amount may be inadequate to pay off the account in full and will result in a deficiency balance still owed to Lender. The Borrower is responsible to pay this deficiency balance to Lender. If the Borrower purchased "gap" coverage at the point of sale, the deficiency balance will be considered to be paid in full as defined by the Deficiency Waiver Addendum.