

Frequently Asked Questions

The following is a question and answer interview with the founder of www.aztrucksource.com

Question: I'm Cindy and I'm interviewing Mr. Doug Shields the founder of aztrucksource.com.

Answer: Thanks Cindy.

Question: So Doug, how long have you been doing financing for trucks?

Answer: I've worked as a salesperson in the retail used truck dealerships for almost twelve years. During that time I learned a lot about financing and was able to help quite a few people who had been turned down even while I was working at the dealerships. About a year and a half ago, I decided to go out on my own as a free lance consultant and have been doing so full-time ever since.

Question: What solutions do you and your partners bring to the client and how do they work?

Answer: We offer a variety of finance solutions based upon the client's needs. What works for one person's credit profile, history, and experience might not work for another. The proposed solution can vary dramatically and that is why we require a phone interview as well as a credit profile prior to recommending a specific solution. If you walked into a doctor's office for the first time with a headache and without even examining you, he told you that he wanted to amputate your leg, you'd run away from him as fast as you could!

We take the time to get to know our clients, check their credit history and then make solid recommendations as to the best solution for their specific situation. To make any recommendation without first obtaining information that tells us what programs a client qualifies for would be the equivalent of a doctor writing a prescription without a thorough examination. It would be malpractice!

Question: So you require a credit application **before** you talk specific trucks or programs?

Answer: Absolutely. If I steered someone toward a program without first knowing if they qualified for it, I would simply waste their time as well as my own. By collecting information and doing an assessment based upon that information I can make a much more informed decision as to the client's specific needs and qualifications.

Question: What if I don't want to divulge my credit information up front until I know all about what you have to offer?

Answer: Then I would suggest that you shop at the dealerships until you're good and fed up with the turn downs that they give you. Then when you've come to realize that you're spinning your wheels and taking unnecessary hits to your credit report every time they check it I would suggest that you come back to us and allow us to help you using our proven programs, that is, as long as you haven't damaged your credit with all of the inquiries the dealerships have put on your credit file to the point that you can no longer qualify.

Question: That's a pretty blunt answer Doug! You mean to tell me that you would rather me shop at the dealerships if I weren't comfortable giving you my credit information "up front"?

Answer: I'm famous for being blunt and brutally honest with my clients. To answer your question: Absolutely! My team of professionals and I are extremely busy. We receive anywhere between 60 to 200 applicants in a given week. We don't have the time or patience to play games with potential clients who wish to waste our time and their own debating the age old question: "Which came first, the chicken or the egg?" A client seeking solutions from us without first giving us the information we need to truly help them is like a man standing in front of a wood stove saying: "I'll give you wood once you give me heat." We would prefer that they shop elsewhere because we simply don't have the time to waste. We are very serious about getting truck approvals and there is no shortage of people willing to do what it takes to get a truck through our programs.

Question: What sort of programs do you offer Doug?

Answer: We have programs for virtually every type of credit profile.

We have wide range of "A" and "B" credit programs that get you the very best interest rates and the ultimate in flexibility whether you are the fleet owner that wants to lease or finance multiple trucks and trailers to the individual owner operator who has done an excellent job of paying his bills on time and simply needs a capital loan to expand his business, bring on another trailer or truck or even in-frame overhaul an engine that is down.

We have "C" & "D" credit programs that are specifically geared to the tougher credit profiles that may have some issues on their credit, limited resources for a large down payment, or a short time in the business. Our \$500.00 down program fits into that credit profile quite nicely.

We even have programs for the extremely credit challenged individuals who simply have to have a truck. Usually these programs are geared toward the "Under 550" credit score category and these require a significant down payment

(Usually 25% down payment or more) or combination of down payment and collateral in order to get these done.

Question: Do you require any fees up front in order to process an application?

Answer: No! We don't charge any fees up front. However, once we do perform for you and get you qualified and you pick out a truck and put it on deposit hold, then we charge a nominal fee of only \$99.00 to justify our time and effort on your behalf. Let me reiterate: You don't get billed for that fee **until** we've performed for you. You pay that fee at the same time you file your \$500.00 deposit for the truck or trailer that you wish to purchase.

Question: Doug you mentioned warranty. Tell me more about that.

Answer: All of the trucks on the \$500.00 down bank owned program come with a 2 year 200,000 mile warranty covering the engine, transmission and differentials. There is also a supplemental warranty that covers the turbo, injectors and water pump. This warranty is required on all bank owned trucks and is a part of the cost of the truck itself. Trailers are not covered by any warranty. This warranty comes in the client's name and is a contract between the client and the warranty company. Neither we, nor the bank are part of the contract. The client is provided with an 800# that allows them to contact the warranty administrator anywhere in the 48 states 24/7. The administrator will instruct the client where to take the truck to have the issue checked out.

Question: You mentioned DOT inspections. Will any trucks or trailers sold on the \$500.00 down program be fully DOT ready?

Answer: Absolutely! A full DOT report is generated for every truck or trailer financed on this program, and is given to the client showing that the truck and/or trailer passed DOT.

Question: What are the interest rates, term and approximate payment for the \$500.00 down program that you talk about Doug?

Answer: That program is what we call a "cookie cutter" program in that it applies equally to anyone regardless of their credit standing. If they qualify they get the rate and terms as follows:

12.5% APR 60 Months no pre-payment penalties. Monthly payments for one single sleeper truck on average are usually between 950.00 to \$1700.00 per month depending on the truck. We only finance 2004 and newer trucks and trailers.

Question: How do the prices of the trucks and trailers on this program stack up to your competition?

Answer: Cindy, we have no competition. Most people who buy on the \$500.00 program would never have been able to buy a truck any other way. Most banks require a minimum of 25% or more down for first time buyers even with great credit. On a \$50,000 truck that is a minimum of \$12,500.00 in the form of a down payment. With tougher credit the number goes up from there to as high as 50% down along with the interest rates which can be as high as 35% with some of the more high risk lenders.

Most people looking to purchase a truck for the first time or with less than perfect credit simply don't have the money to do a transaction like the one mentioned above nor would I recommend it.

To answer your question: Our trucks are usually priced higher than a "cash purchase" and rightfully so. The bank is taking a huge risk in allowing someone who is unproven in their prior use of credit or as an owner operator to purchase one of their trucks with \$500.00 out of pocket. Their philosophy is simply this: If we take this high risk then we will get every single penny out of this truck that's owed to us. I believe that is a fair expectation given that the bank is assuming all of the risk in the transaction. You or I may be able to buy a truck for "X" with cash money but if you or I were to walk into the seller's office and explain that we had bad credit, were first time buyers, wanted to pay \$500.00 down and take payments over 60 months they'd laugh us out of the office.

I guess my point is this: If you had the cash or the excellent credit to get the lowest priced truck to begin with then you probably wouldn't be talking to us in the first place. We don't sell trucks; we sell financial solutions.

Question: So you're saying that most people who purchase on this program have bad credit?

Answer: Not necessarily although that is often the case.

We have a variety of situations.

I'll give you an example:

Earlier this year, I had a gentleman who sported an 800+ credit score and had purchased and paid off several trucks with some of the major OEM lenders in years past. He could afford to walk into any dealership and point at a truck and say "Sign me up." Here was his dilemma: He didn't want to tap his cash reserves to buy a truck for a new contract that just opened up. The OEM lenders wanted him to bring at least 20% to the table. The contract was paying him \$2.10 per mile both ways + fuel surcharge and he simply couldn't pass it up. When he crunched the numbers on his cost of ownership his words to me were simply this: "Doug why would I want to put \$15,000 of my own money to the table when I can pay \$500.00 down and do it all on the bank's dime." I could only

smile and nod as he was absolutely right. The bank assumes all the risk, the truck is covered by the best aftermarket warranty available and it is fully DOT inspected.

Here is another example:

A person purchased a truck from me last year who just got out of the military. He went with our program because it didn't discriminate against his not having CDL experience in the United States. He had his own haul contract, his own insurance and he simply needed a truck. His credit was okay but the dealerships had turned him down repeatedly because he didn't have verifiable experience driving in the United States. As a result this program was simply a "no brainer" for him.

My final example:

We had a father and son situation where the son's credit wasn't good but he was going to drive and the father's credit was great but he didn't have a CDL. As a result we were able to use the father's credit to buy the truck. This is the only program that I'm aware of anywhere that will allow this sort of transaction to take place.

What you've seen in the prior examples are two situations where the individual client would **never** have been able to purchase a truck otherwise and one example of an individual who had the capability to purchase elsewhere but chose to purchase from us because it **made financial sense**.

Question: What qualifications are necessary for the \$500.00 down program?

Answer: The applicant should have a 550 or better Equifax score. This is the only bureau report that the bank considers in its decision. They also **cannot** have any of the following issues:

- **Bankruptcy filing in the past 3-4 years:** This includes any bankruptcy filing that was subsequently dismissed. One is just as bad as the other in the bank's eyes.
- **Child support in arrears:** The bank's view is that if you can't pay for your kids then you can't pay for a truck. Enough said.
- **A violent felony record:** If the felony is at least five years old or has been subsequently quashed then you should be okay. The bank does perform a background check prior to funding and if anything comes up in your history that you haven't disclosed they will find out. Better to get it out of the way up front than to experience a problem at the last minute.
- **Unpaid IRS tax liens:** If the IRS is having trouble collecting money from you then the bank doesn't want to get in line behind them.

- **Delinquent accounts in excess of \$2,000:** We do not count medical bills in that assessment. However anything else including charge-offs, repossessions, foreclosures and any other situation leading to your total delinquent accounts being in excess of \$2,000 would prevent the bank from approving you.

Question: What about mortgage loan modifications?

Answer: The bank understands that this is a widespread problem. If you have paperwork to prove that you are currently in a mortgage loan modification and provide it to us, any late payments or delinquency on your mortgage will not be a factor in our decision. You must provide proof however, on the bank's letterhead or official documents.

Question: You mentioned that a non-CDL driver could purchase a truck on the \$500.00 down program. Is there anything special that they have to do besides qualifying for credit?

Answer: In this specific situation where a non-driver is going to be purchasing the truck and hiring a driver (or the person who actually wants the truck but can't buy it because of credit) then they are required by the bank to establish a company. Either a Subchapter S Corporation or a full C Corporation is acceptable to the bank. LLC's are frowned upon if they are just started for the express purpose of buying a truck, however if they've been in existence awhile then it is perfectly acceptable to use one provided that the person purchasing the truck is the sole member. It is not required that they have a corporation in existence prior to the pre-approval however once they are approved and issue a deposit on a specific truck they need to start the process of incorporation at that point. A non CDL investor who wishes to purchase a truck and put a driver in it must either be related to the driver by familial relationship (husband, wife, son, daughter, uncle etc.) or must have a credit score of at least 650 or better.

Question: Why is it important for only one person to be the owner of the corporation in this context?

Answer: Because all persons shown as owners on a corporation are required to sign for the truck i.e. all owners have to show credit capability and they all have to be present to sign. It can be very difficult to get multiple owners to travel to sign for a truck however if there is only one owner then it is less of a hassle both from a credit as well as a logistical standpoint.

Question: How long does it normally take to get pre-approved for the \$500.00 down program?

Answer: Once we receive the application (completed and signed) then it normally only takes 24 hours or less.

Question: What types of trucks and trailers are available on the \$500.00 down program?

Answer: Just about anything the bank would have in inventory from sleeper tractors (all brands and models) to day cabs, from flatbed trailers to reefers, from dry vans, to belly dumps. We aren't brand specific and anything 2004 and newer is usually available for financing on this program. We can't go older than 2004 year model for the bank's purposes. Any makes from Volvos to Western Stars to Freightliners to Internationals to **Peterbilts and **Kenworths are usually available in inventory. We usually have upwards of 80+ sleeper trucks and usually 40-50 various types of trailers on hand.

For those people who are very picky as to what they want but don't have the credit or down payment capability to get standard financing you might want to widen your sights a bit. If you **only want a Pete 379 and nothing else will do then you're in for a long wait. It is kind of like traveling at the peak season to Disneyland and getting in line to ride Space Mountain. Yes you'll probably eventually get to it but it could take quite a while and you may need to pack a lunch.

Question: Where do I have to travel to pick up my equipment on the \$500.00 down program?

Answer: We do have various trucks and trailers available in different programs scattered across the U.S. However the trucks and trailers on the \$500.00 down program are in one spot: Georgia. Anyone buying on the program would be required to travel there to sign and pick up their truck.

Question: How long does the process take from the time I pick out a truck until it is ready for pickup?

Answer: It depends. On the \$500.00 down program if you pick a truck that hasn't been put into front line ready condition then you've got about a ten day to two week wait until the truck and the bank closing documents are ready. However, if you pick out a truck that is already good to go we could potentially have the deal done within a matter of a few days.

Question: What about state sales taxes? Does the client have to pay those themselves?

Answer: Yes anyone living in a state that requires sales taxes for a truck purchase is required by that state to pay the sales taxes. However the bank may at its discretion, elect to finance some or all of the state required sales taxes in with the loan. It is definitely worth asking about!

Question: Is there ever a situation where a person who wasn't qualified the first time for the \$500.00 down program could come up with additional down payment and get approved?

Answer: Yes. This does happen occasionally. Usually when someone is turned down it is for keeps. However there is an occasional instance where additional money down (for example \$5,000.00) would make the bank strongly reconsider their initial decline. This is considered on a case by case basis.

Question: Is the \$500.00 down program a lease or true finance?

Answer: Another excellent question Cindy. This program is straight finance. There is no residual at the end, no variable interest rates, no smoke and mirrors, no surprises. When you make the final payment you get the free and clear title from the bank. Other programs that we have can be lease or finance however on this specific program it is strictly finance. Because it is simple interest you can pay the truck off anytime you want or you can even double up payments as you see fit thereby saving on interest.

Question: Can a person come back and buy again once they've purchased a truck and if so how soon?

Answer: Again another great question Cindy! Yes anyone who has purchased a truck via the \$500.00 down program and then decides to come back to us can do so if they have made timely payments for at least six months. If they have been late on a payment then the bank will probably decline. However if the payments are made in a timely fashion then usually the second truck or trailer goes through like a breeze.

Question: Can a person pick a truck outside of the bank owned inventory?

Answer: No. However if they wish to pursue standard financing and have an adequate down payment available and decent credit then we do have lenders that will allow them to do just that. However this specific program i.e. the \$500.00 down program only applies to the trucks that the bank owns.

Question: What do you have to say to detractors out there?

Answer: It doesn't matter what you do or how well you do it Cindy. There is always somebody out there who won't like you or appreciate your work. Just look at Wal-Mart.

There are a select few people who contact us and try to push us around and tell us how to do our jobs or who, upon being informed as to what they need to do in order to qualify, begin arguing with us. When these rare situations come up we immediately stop the process and simply ask them to shop elsewhere. As I mentioned earlier we don't play those games.

We also have applicants turned down. Many times the applicant gets mad at us for not providing an approval and tries to badmouth us to everyone that will take the time to listen. Cindy, we are very good at what we do, however we aren't

miracle workers. If you just filed bankruptcy, never paid anybody including your parents or your ex-wife, have child support in arrears, your lights are turned off in your home which just happens to be in foreclosure and you have no money then no bank or lender will be able to help you. Let's face it: If you are the person just described then you have much bigger problems in your life than not being able to buy a truck and instead of blaming us for your credit problems, perhaps taking a job as a company driver or attending a class in home economics would be more beneficial to you.

Question: (Cindy laughs) Well Doug you've certainly given me a lot of food for thought. I must say you've been very open about your business and you've answered all of my questions.

Answer: Cindy again that is what I'm famous for. I don't pull any punches in this business. If I can help someone achieve their dream of truck ownership and they've been turned down everywhere else, then I can only advise them to give it one more shot with us. We do an excellent job, we're honest to a fault, and we walk the walk when others just talk the talk.

If there is any question that your readers might have that I haven't answered here then please let me know and I'll do my best to answer it.

Question: Thanks Doug!

Answer: Thanks again for having me Cindy!