



## Announcing 1st Lease Payment Waiver on 18MY CX-5 up to \$350 – ALL 18MY CX-5 eligible for this incentive

Effective December 4, 2018 to January 2, 2019

### Mazda Lease 1st Payment Waiver Frequently Asked Questions

Here are answers to some of the most frequent questions about the Mazda Lease 1st Payment Waiver. For additional questions, contact your Mazda Capital Services (MCS) Relationship Manager.

1. ***How do I know when the Mazda Lease 1st Payment Waiver (first payment) is available for customers?***

Please check the latest “Lease Program Rules” information on MXConnect/Incentive Compensation Management (ICM) (dealers.mazdausa.com) to see if this offer is currently offered by Mazda North American Operations (MNAO). The Mazda Lease Program bulletin states: As a Mazda Lease 1<sup>st</sup> Payment Waiver, the first monthly payment is paid by MNAO and must be provided to the customer.

2. ***If a customer is eligible for the Mazda Lease 1st Payment Waiver first payment credit, am I required to provide the credit to the customer?***

Yes. This is a part of the consumer offer and needs to be given to every qualified customer. See page 3-5 examples of how to disclose the first payment credit on your lease agreement.

3. ***Does my Dealer Management System (DMS) need to be programmed to accommodate a Mazda Lease 1st Payment Waiver?***

If your DMS is not currently programmed to accommodate the rebate/non-cash credit of the first payment credit, you may need reprogramming. It’s important that every customer who qualifies for this incentive receives it, whenever it is offered.

4. ***Is there an acquisition fee included in the Mazda Lease 1st Payment Waiver?***

Yes. The MCS acquisition fee of \$595 must be included in the capitalized cost of the vehicle, if it is not collected at inception.

5. ***How much of the customer’s first monthly payment is being paid on their behalf as part of the Mazda Lease 1st Payment Waiver?***

MNAO will make the first payment due at inception — up to \$350 — to MCS on behalf of the customer.

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## Mazda Lease 1st Payment Waiver Frequently Asked Questions, Continued

**6. *What if the first payment due at inception is greater than \$350?***

MNAO will only make the first payment up to \$350 to MCS on behalf of the customer; \$350 is the maximum amount of any customer rebate or credit for this offer. Any remaining amount in excess of \$350 is the customer's responsibility and is due at signing.

**7. *What is included in the first payment that is being covered as part of the Mazda Lease 1st Payment Waiver? If there is a monthly sales/use tax on the base monthly payment, will that be paid by MNAO to MCS on behalf of the customer?***

The payment will include the base monthly payment plus any applicable monthly sales/use tax on that base monthly payment. For example, if the base monthly payment is \$200 and there is a monthly sales/use tax of \$17.99 for a total monthly payment of \$217.99, then the entire \$217.99 payment will be made on the customer's behalf. (See example on page 4.)

**8. *How is the payment made for the customer? Does the dealer have to collect the first payment from the customer?***

If the payment is less than or equal to \$350, the dealer should not collect it from the customer. MNAO will make the first payment up to \$350 to MCS on behalf of the customer. MCS will credit the first payment due to the customer's account at the time of contract funding. If the payment is greater than \$350, the dealer will have to collect the excess from the customer at signing.

**9. *Is this a rebate that is paid to the dealership?***

No. The first monthly payment is a non-cash credit to the customer and is not deducted from your proceeds as it would be for a standard lease. No rebate form is necessary.

**10. *Does the Mazda Lease 1st Payment Waiver include tax, license, and other fees?***

No. The only tax included in the offer would be on the first monthly payment if that payment is less than or equal to \$350 including tax. The tax, license, and other fees should be added to the capitalized cost if the customer does not want to pay them up front.

**11. *How can I avoid contract errors with the Mazda Lease 1st Payment Waiver?***

Contact your DMS provider to have your system updated with the correct programming. You may also contact your DRM with programming questions.

**12. *Can I use the Mazda Lease 1st Payment Waiver in conjunction with a One-Pay Lease option?***

No. One-Pay Lease Program leases are ineligible for the Mazda Lease 1st Payment Waiver.




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## Mazda Lease 1st Payment Waiver Offer Parameters, Lease Agreement Guidelines and Example

### Offer Parameters:

- Please check the latest “Lease Program Rules” information on MXConnect/Incentive Compensation Management (ICM) (dealers.mazdausa.com) to see if this offer is currently offered by MNAO.
- The Mazda Lease 1<sup>st</sup> Payment Waiver is only available on new subvented Mazda lease contracts when offered by MNAO.
- The Mazda Lease 1<sup>st</sup> Payment Waiver is available on lease terms up to 48 months.
- MNAO will make the first payment due at inception (up to \$350) to MCS on behalf of the customer. The remaining amount of the payment in excess of \$350 is the responsibility of the customer and is due at signing. This offer is subject to MCS’s credit approval and advance guidelines.
- An MCS acquisition fee of \$595 must be included in the capitalized cost of the vehicle, if not collected at inception.
- All One-Pay Lease Program leases are ineligible for the Mazda Lease 1<sup>st</sup> Payment Waiver.
- For complete lease structure details, see program listings on ICM.
- Please contact your DMS provider to reprogram your system, if you have not done so already.

### Lease Agreement<sup>1</sup> Guidelines & Example

#### **MCS’s Lease Agreement Guidelines:**

- All capitalized cost reductions, including lease cash (and/or other rebates), must be disclosed under **9(a)** as an amount due at signing, with a corresponding entry in Section **10**. Any lease cash (and/or other rebates) must be disclosed in **10(b)**.
- The first monthly payment (paid by MNAO) must be disclosed in section **9(b)** with a corresponding entry in **10(c)** up to \$350.

#### **EXAMPLE<sup>2</sup>:**

- In these examples, the lease cash (and/or other rebates) is being applied as a **capitalized cost reduction**, which must be disclosed in sections **9(a)** and **10(c)(1)**.
- The first monthly payment is disclosed in section **9(b)**. Since this example has \$500 lease cash, a rebate, it must be disclosed in 10(c)(1) and the first monthly payment credit (maximum \$350) disclosed in 10(c)(2).
- The Acquisition Fee in section **9(h)**, as well as the various other fees and taxes, shows “N/A.” When the Acquisition Fee and other required fees and taxes are not part of the total due at lease signing, they must be included in the capitalized cost and itemized in section **16**.



## Mazda Lease 1st Payment Waiver Offer Parameters, Lease Agreement Guidelines and Example

Example 1, the 1<sup>st</sup> monthly payment is less than \$350, as shown in section 10(c)(2).

Itemization of Amount Due at Lease Signing or Delivery		Itemization of Amount Due at Lease Signing or Delivery	
<b>9. Amount Due at Lease Signing or Delivery:</b>		<b>10. How the Amount Due at Lease Signing or Delivery will be paid:</b>	
(a) Capitalized Cost Reduction	\$ 500.00	(a) Net trade-in allowance	\$ N/A
(b) First Monthly Payment	- \$ 217.99	(b) Amount to be paid in cash	+ \$ 0.00
(c) Advance Single Payment	+ \$ N/A	(c) Rebates and noncash credits:	
(d) Refundable security deposit	+ \$ N/A	(1) Manufacturer Rebate(s)	+ \$ 500.00
(e) Initial title fees	+ \$ N/A	(2) <b>First Monthly Waiver Allowance</b>	+ \$ 217.99
(f) Initial registration fees	+ \$ N/A	(3)	+ \$
(g) Sales or use tax	+ \$ N/A	(4)	+ \$
(h) Acquisition Fee	+ \$ N/A		
(i) Dealer document processing fee	+ \$ N/A		
(j) Prior credit or lease balance	+ \$ N/A		
(k)	+ \$		
(l)	+ \$		
(m)	+ \$		
(n)	+ \$		
(o)	+ \$		
(p)	+ \$		
(q)	+ \$		
(r)	+ \$		
(s)	+ \$		
(t)	+ \$		
(u)	+ \$		
(v) Total	= \$ 717.99	(d) Total	= \$ 717.99

  

11. Your Lease payment is determined as show below.	
(a) Gross capitalized cost. The agreed upon value of the Vehicle (\$ 18,500) and any items you pay for over the Lease Term (such as taxes, fees, service contracts, insurance and any outstanding prior credit or lease balance) (See Section 16 below for an itemization of this amount)	\$ 19,057.49
(b) Capitalized cost reduction. The amount of any rebate, net trade-in allowance, noncash credit or cash you pay that reduces the gross capitalized cost	- \$ 500.00

**Example 2**

• In this example, the remaining payment in excess of \$350 is the responsibility of the customer and is due at signing, as shown in section 10(b).

Itemization of Amount Due at Lease Signing or Delivery		Itemization of Amount Due at Lease Signing or Delivery	
<b>9. Amount Due at Lease Signing or Delivery:</b>		<b>10. How the Amount Due at Lease Signing or Delivery will be paid:</b>	
(a) Capitalized Cost Reduction	\$ N/A	(a) Net trade-in allowance	\$
(b) First Monthly Payment	+ \$ 375.00	(b) Amount to be paid in cash	+ \$ 25.00
(c) Advance Single Payment	+ \$ N/A	(c) Rebates and noncash credits:	
(d) Refundable security deposit	+ \$ N/A	(1) Manufacturer Rebate(s)	+ \$
(e) Initial title fees	+ \$ N/A	(2) <b>First Monthly Waiver Allowance</b>	+ \$ 350.00
(f) Initial registration fees	+ \$ N/A	(3)	+ \$
(g) Sales or use tax	+ \$ N/A	(4)	+ \$
(h) Acquisition Fee	+ \$ N/A		
(i) Dealer document processing fee	+ \$ N/A		
(j) Prior credit or lease balance	+ \$ N/A		
(k)	+ \$		
(l)	+ \$		
(m)	+ \$		
(n)	+ \$		
(o)	+ \$		
(p)	+ \$		
(q)	+ \$		
(r)	+ \$		
(s)	+ \$		
(t)	+ \$		
(u)	+ \$		
(v) Total	= \$ 375.00	(d) Total	= \$ 375.00

  

11. Your Lease payment is determined as show below.	
(a) Gross capitalized cost. The agreed upon value of the Vehicle (\$ 18,500) and any items you pay for over the Lease Term (such as taxes, fees, service contracts, insurance and any outstanding prior credit or lease balance) (See Section 16 below for an itemization of this amount)	\$ 19,057.49
(b) Capitalized cost reduction. The amount of any rebate, net trade-in allowance, noncash credit or cash you pay that reduces the gross capitalized cost	- \$



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## Mazda Lease 1st Payment Waiver Offer Parameters, Lease Agreement Guidelines and Example

<sup>1</sup>Effective July 1, 2018, your state's new 12/17 lease agreement form will be the only lease agreement we'll accept. Some state-specific lease agreements may contain sections that are numbered differently from what is shared in this document, but such differences are minimal.

<sup>2</sup>This is for example purposes only and should not be used for any other purpose. This information is provided for your reference and is not to be considered legal advice by JPMorgan Chase Bank, N.A., or its affiliates. Please consult your own legal counsel relating to federal, state and local law compliance matters. The information contained in this document is subject to change at any time with no notice.

All applications subject to credit approval by JPMorgan Chase Bank, N.A. through Mazda Capital Services (MCS) and program may change at any time. Not all programs available in all states.

***If you have any questions,  
please contact your Relationship Manager or Credit Analyst.***