

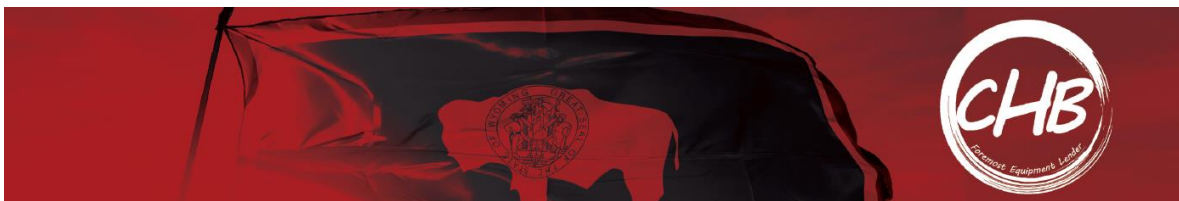


# Broker Guide

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## PRODUCT GUIDELINES PROCESS & POLICIES

Version 1.0 | Effective January - 2022





***Foremost Equipment Lender***

Dear Broker Associate,

CHB is grateful for your interest and desire to work with us. We are here to help you finance more deals - to help you build your broker business. You are the most critical link in the process of helping businesses and individuals get the equipment financing they need to start, run, and grow their business. Whether you are a seasoned professional broker or this is your first time in the field, CHB treats its brokers with the utmost respect and dignity. We work hard to ensure every transaction is handled as smooth as possible.

**What to expect from CHB:**

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Communication is the Key...and CHB's staff is prepared to do what is needed to make sure that key is used. When you call us, you will talk to a live Wyoming person who is empowered to help you find the correct answer to your unique situation. No phone trees or long hold times!

When you email CHB, that email will be read by a professional who will respond quickly with the relevant information you requested.

You have access to correspond with anyone of the upper management team. They will take your calls and emails to talk 'with' you in order to understand and answer your questions/concerns.

CHB previews deals in a timely manner. If you have questions about a deal, we will take the time (before, during, and after the credit review process has been initiated) to discuss the specifics of the request. We will give you the necessary feedback to ensure the deals you send fit within our 'Credit Box'; this saves you time, energy and effort.

- Your clients are your clients - we do not/will not solicit **Direct Business** from any dealers, individual, or businesses for financing...including CHB borrowers
- One Business Day decisions for most new financing requests
- Notification of dual submissions; we work with the Broker who sends the deal first
- Send and receive transaction feedback; plus, we'll preview/discuss new deals
- Funding deals is the priority; our staff focuses its attention toward that objective
- Life-of-Loan servicing - All funded deals remain at CHB (we don't sell portfolios)
- Communications from us along every step of transaction processing

We look forward to a positive and mutually beneficial broker-lender partnership. Please take a moment to review these Guidelines; they contain the information you'll need to work productively with CHB...and fund deals.

As questions, concerns, comments will come up - please call 307.322.2545 and ask for the business development director.

Warmest Regards,

Business Development Director // Broker Relations - C.H. Brown Co., LLC



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**Foremost Equipment Lender**

**CONTACTS at CHB**

For the most efficient use of our services - please reach out to one of the designated email addresses below for each aspect of a transaction. As additional questions arise, please contact: Kit West [kwest@chbef.com](mailto:kwest@chbef.com) – Business Development Director and Broker Relations

**CREDIT** - [credit@chbef.com](mailto:credit@chbef.com) Submitting Deals, Additional Information Requests, & Credit Box Inquiries

**DOCUMENTATION & FUNDING** - [funding@chbef.com](mailto:funding@chbef.com) Required Documents, Re-Docs, Funding Notifications, Commission Payments, & Pre Funding Checklists

**TITLES & UCCs** - [titles@chbef.com](mailto:titles@chbef.com) Title Inquiries, State Requirements, Title Procurement, UCCs, Title Copy

**CLIENT SERVICES** - [clientservices@chbef.com](mailto:clientservices@chbef.com) Questions regarding the loan after it has been funded

**MAILING LIEN HOLDER ADDRESS** - C.H. Brown Co., LLC - 20 West Frontage Rd. - Wheatland, WY 82201

**New Deals / Production / Titles / Funding**

|          |                                  |              |  |
|----------|----------------------------------|--------------|--|
| Janie    | Office Manager                   | 307-322-1983 | <a href="mailto:jmartines@chbef.com">jmartines@chbef.com</a>   |
| Travis   | Credit Inbox                     | 307-939-6414 | <a href="mailto:tbaez@chbef.com">tbaez@chbef.com</a>           |
| Cynthia  | Credit Inbox / Bilingual Contact | 307-939-6418 | <a href="mailto:cholomon@chbef.com">cholomon@chbef.com</a>     |
| Victoria | Funding                          | 307-322-1678 | <a href="mailto:vhernandez@chbef.com">vhernandez@chbef.com</a> |
| Leslie   | Documents & Contracts            | 307-939-6420 | <a href="mailto:lcrossland@chbef.com">lcrossland@chbef.com</a> |
| Trisha   | Title/UCC                        | 307-939-6415 | <a href="mailto:tcall@chbef.com">tcall@chbef.com</a>           |
| Josh     | Title/UCC                        | 307-939-6423 | <a href="mailto:jlock@chbef.com">jlock@chbef.com</a>           |
| Joel     | Insurance                        | 307-939-6412 | <a href="mailto:jmcdanial@chbef.com">jmcdanial@chbef.com</a>   |
|          | GPS                              | 307-322-3069 |  |

**Credit / Underwriting**

|         |                    |              |  |
|---------|--------------------|--------------|--|
| Mark B. | SVP Lending        | 307-939-6410 | <a href="mailto:mbirkle@chbef.com">mbirkle@chbef.com</a>               |
| Jade    | Lender/Underwriter | 307-939-6409 | <a href="mailto:jcundall@chbef.com">jcundall@chbef.com</a>             |
| Wyatt   | Lender/Underwriter | 307-322-6413 | <a href="mailto:wdunlap@chbef.com">wdunlap@chbef.com</a>               |
| Joey    | Lender/Underwriter | 307-939-6419 | <a href="mailto:jpye@chbef.com">jpye@chbef.com</a>                     |
| Carly   | Lender/Underwriter | 307-322-6421 | <a href="mailto:clittle@chbef.com">clittle@chbef.com</a>               |
| Mark K. | Lender/Underwriter | 307-322-5848 | <a href="mailto:mknickerbocker@chbef.com">mknickerbocker@chbef.com</a> |

**Client Services (CS) / Account Servicing / Past Dues / Repossessions / Legal**

|        |                                  |              |  |
|--------|----------------------------------|--------------|--|
| Jan    | Client Services Manager          | 307-939-6416 | <a href="mailto:jschmitzer@chbef.com">jschmitzer@chbef.com</a> |
|        | Client Services                  | 307-322-6416 |  |
| Krista | Client Services                  | 307-939-6422 | <a href="mailto:kbetts@chbef.com">kbetts@chbef.com</a>         |
| Kathy  | Equipment Specialist/Repo Assets | 307-322-1607 | <a href="mailto:kprice@chbef.com">kprice@chbef.com</a>         |
| Janet  | Client Services                  | 307-322-8159 | <a href="mailto:jschneider@chbef.com">jschneider@chbef.com</a> |

**COO & Business Development / Broker Relations**

|     |                               |              |  |
|-----|-------------------------------|--------------|--|
| Kit | Business Development Director | 307-241-7005 | <a href="mailto:kwest@chbef.com">kwest@chbef.com</a>   |
| Ed  | COO                           | 307-939-6417 | <a href="mailto:emeyer@chbef.com">emeyer@chbef.com</a> |



## General Program Credit Guidelines

*Published guidelines represent the minimum requirements for each program and are subject to CHB lender discretion. We use PayNet and Experian FICO 2 Credit Bureau Reports for All Baseline Scores. All Business must be conducted in the USA except...Louisiana.*

**\*\*Louisiana – Deals from this State will not be considered.**

**625 – Minimum FICO 2 credit score (Sweet Spot CBR scores are 660 – 720)**

- ✓ 12 Months Clean with no Child Support Delinquencies
- ✓ 12 Months Clean with no Slow/Late Pays 30/60/90+ days on Installment Loans
- ✓ >25% Available on Revolving Credit
- ✓ Bankruptcy – Closed over 3 Years Ago
- ✓ All Personal Guarantors / Applicants must meet all basic requirements (PGs cannot “prop up” other PGs)
- ✓ 660 to 720 CBR is an Ideal Score - with no lates on Installment Loans
- ✓ For Applicants with a <700 Credit Score – Current History of 2 (two) Term/Installments is Required
- ✓ Education and Affirm Loans will NOT be considered as credit for Installment Accounts for scores <700 CBR
- ✓ All Accounts with Past Due Balances may be considered as sufficient Reason for Denial
- ✓ Fraud Alert on CBR must have a corresponding phone number to verify and process
- ✓ Past Dues with Balances are OK on Utility, Phone, and Medical Obligations only
- ✓ Re-submitting deals and Adding Additional Guarantors to “Prop-Up” applicants are not Acceptable

PayNet Master Business Score data is used in underwriting

**Bank Statements (Required for most Deals except Trailer-only Deals <\$75,000)**

- ✓ 3 Months of Complete Business Bank Statements (All Pages)
- ✓ NSF's (Insufficient Funds) and Overdrafts are Cause for Denial / Use of Overdraft Protection is Allowed
- ✓ Start-Ups – 3 Months of Personal Bank Statements
- ✓ Merchant Cash Advances (MCA) on Bank Statements – Grounds for Denial

**Private Party Sales/Seller (PPS) Deals**

- ✓ For Titled Equipment Only – Title must never be in the possession of the Buyer
- ✓ CHB or an Independent Third Party must have Control of Title / Prior to or At Funding
  - Buyer, Seller, and 3d party Inspector must all be present for the exchange of funds and the equipment/title
- ✓ Minimum Finance amount is generally \$25,000
- ✓ The State Issued Title must be in Seller's/Owner's Name / No Reassignment or Skip Title
- ✓ The Buyer and Seller must be an “Arm's Length Transaction” (Not Related)

**Business Ownership / Personal Guarantors**

- ✓ All >20% Owners Must Apply under the Business Name
- ✓ All >20% Owners Must be a Personal Guarantor (PG) on the Deal
- ✓ Only 1 (one) of the Owners Needs to be Real Estate Owner (For OTR Trucking Deals Only)
- ✓ All Personal Guarantors must have a CBR FICO 2 Greater than 625 (PGs cannot “prop up” other PGs)
- ✓ If there is a Question on Business Ownership – IRS Schedule K and/or Articles of Incorporation are needed

**TIB (Time in Business Requirements)**

- ✓ No requirements, but applicant must exhibit competence in the business/industry
  - Dispatch, Mechanic, Family – Examples of Industry Experience
- ✓ All Applicants are required to be Responsible for operating the Business day-to-day / No Absentee Investors
- ✓ Applicants with >3 years of TIB are not required to possess a CDL

**Start-Ups**

- ✓ Must be Driving their First Truck or Operating the Equipment / No - Investor Start-ups
- ✓ Real Estate Ownership is Required for Truck Power Units only
- ✓ \$100,000 Net Worth is Required / CHB will Finance up to 50% of the Net Worth or \$75,000 / or 80% LTV – Less of the 2

**Payment Dates**

- ✓ 5th or 20th of the month for payments; Generally, first payment is due 49 – 64 days after Loan is activated / funded

**Government Loans**

- ✓ SBA (Small Business Administration) & PPP (Paycheck Protection Program) may be Excluded from the Balance sheet due to US Federal Government Loan Forgiveness
- ✓ EIDL (Economic Injury Disaster Loans) will be Included

**DOT infractions on the SAFER Report above the national average are Grounds for Denial**

**Permanent Resident / Green Card Holders (non-expired) – Non-USA citizens**

- ✓ Must Own Real Estate
- ✓ Must have a “Non-Conditional” 10 year Permanent Resident Card (2-year Conditional Cards are not accepted)

**Additional Collateral to Reduce Down Payment (Titled/VIN only) at 50% of CHB determined comparable value**

- ✓ Third Party Inspection is required

**Military Veterans – Receive a 10% reduction in their Interest Rate (i.e. 15% rate x 10% discount = 1.5% Reduction in Rate)**

**ACH Payments Required for all Deals**

**Signed Credit Application with Credit Release Endorsement – All Credit Applications must have a Digital or Wet Signature to Process**





## Program Credit Guidelines – Titled Collateral

*Published Guidelines represent the minimum requirements for each program and are subject to CHB lender discretion.*

## Types of Titled Collateral & Mileage Limits

| 650,000 |         |         |         |         |         |         |         |
|---------|---------|---------|---------|---------|---------|---------|---------|
| CLASS 1 | CLASS 2 | CLASS 3 | CLASS 4 | CLASS 5 | CLASS 6 | CLASS 7 | CLASS 8 |
|         |         |         |         |         |         |         |         |
|         |         |         |         |         |         |         |         |
|         |         |         |         |         |         |         |         |
|         |         |         |         |         |         |         |         |
|         |         |         |         |         |         |         |         |
|         |         |         |         |         |         |         |         |
|         |         |         |         |         |         |         |         |

*This is a partial list of titled equipment we will fund. Call 307.241.7005 for more clarification.*

- ✓ Business Purpose Loans Only
- ✓ See Mileage Requirements
- ✓ US Title Only
- ✓ No Branded Titles
- ✓ Gliders will Be Valued as a Normal Truck
- ✓ Repossessed Power Units will not be Financed
- ✓ Repo'd Trailers will be Financed if Title is in Vendor's Name
- ✓ Borrower Should NEVER have Possession of Title
- ✓ Trucks must be fully intact and of original manufacturer's specs.
- ✓ Truck emissions must not be "Deleted" or "Modified"

### Titles

- ✓ All Liens must be Released with original lien release or title stamped by lienholder
- ✓ No Skipped Title – all Owners must Pay Sales Tax
- ✓ Borrower should NEVER have Possession of Title
- ✓ Reassignments by Certified/Licensed Dealerships Only
- ✓ Must be Clear of All Brands Including but not Limited to: Salvage / Rebuilt / Cumulative Damage
- ✓ Must be completed Correctly with no Scribbles, White Out, or other alterations that would make the title Voided/Mutilated

### Gliders

- ✓ May be subject to Federal, State, and Local Laws and Regulation
- ✓ For Comparison Pricing / Determining Value / LTV – Gliders will be comped as a Factory Truck with Normal Configuration

### Titled Equipment

- ✓ Power Units – USA Titled Trucks Only, No Trucks titled out of the USA
- ✓ Trailers – Must have a USA State Title

### GPS will be installed on all Equipment

- ✓ GPS will come from and be installed by a third party vendor technician

### Consignment Agreement

- ✓ Will be treated the same as a Private Party Sale deal for titled Equipment Only
- ✓ The signed Consignment Agreement must be included
- ✓ Title must be in Sellers name

### New Trucks and Trailers

- ✓ From Franchised Vendor/Dealerships Only
- ✓ Vendor/Dealership must be licensed to do Business in the USA

### Additional Collateral to Reduce Down Payment (Titled/VIN only) at 50% of CHB determined comparable value

- ✓ Third Party Inspection is required

### Rebuild/Overhaul/Maintenance Documentation Requirements on titled equipment over listed mileage limits (see Infographic above)

- ✓ CHB will look at titled equipment that exceed mileage limits under the following conditions:
  - Well written & verifiable/Itemized documentation that fully describes any completed repairs and maintenance
  - Verifiable to the equipment's VIN
  - Describe and itemize what parts have been replaced
  - Describe and itemize what labor was done to replace the parts
  - Describe and itemize what machine work was done to the block, crank, and heads

### Sale/Finance Transactions

- ✓ Finance of equipment after a 'Cash Sale' has taken place
- ✓ Must be within 30 days of initial transaction
- ✓ Titled equipment only
- ✓ Third party inspection required



**Foremost Equipment Lender**

**Program Credit Guidelines – Yellow Iron / Non-Titled Collateral**

*Published guidelines represent the minimum requirements for each program and are subject to CHB lender discretion.*



**CONSTRUCTION EQUIPMENT**

- ✓ Business Purpose Loans Only
- ✓ Dealer Only / No Private Party
- ✓ US Only
- ✓ Real Estate ownership NOT Required
- ✓ Dealership must Own the Equipment
- ✓ Equipment must be in good running condition
- ✓ Pictures of equipment are required on Dealer website
- ✓ Directional Drills are a 'No Go'

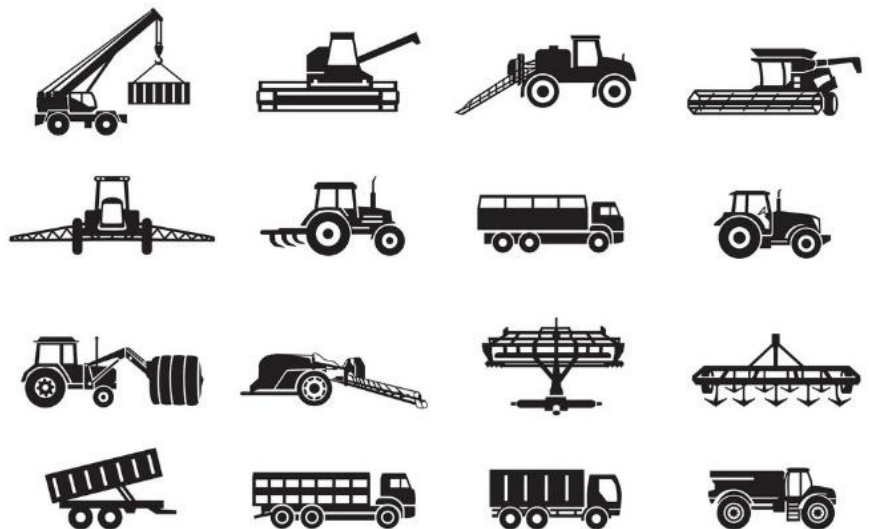
*This is a partial list of equipment that we will fund. Call 307.241.7005 for more clarification.*

**Additional steps for non-titled or Serial Number (S/N) Equipment**

- ✓ Seller/Vendor must have a Dealer License with a website showing similar equipment for sale
- ✓ Dealer must be the owner of the equipment being sold (i.e. no consignments)
- ✓ Real Estate ownership not required for yellow iron
- ✓ Up to \$300,000 Loan Maximum
- ✓ \$15,000 minimum Loan Amount
- ✓ Applicant Owners must be involved in the Day-to-Day operations of their business
- ✓ Hours Maximum – at the discretion of CHB

**AGRICULTURE EQUIPMENT**

- ✓ Business Purpose Loans Only
- ✓ Dealer Only / No Private Party
- ✓ US Only
- ✓ Real Estate ownership NOT Required
- ✓ Dealership must Own the Equipment
- ✓ Equipment must be in good running condition
- ✓ Pictures of equipment are required on Dealer website
- ✓ Quarterly / Monthly Payments (No annual payment options)



*This is a partial list of equipment that we will fund. Call 307.241.7005 for more clarification.*



## Approval List (not limited to what is listed / call with inquiries)

*Published guidelines represent the minimum requirements for each program and are subject to CHB lender discretion. Please contact the Business Development Director for Clarification or additional Directions. All Equipment will be given serious consideration, but here are some guidelines.*

| Approved Equipment List   | Approved Transactions List   | Approved Industries List   |
|---|--|--|
| <ul style="list-style-type: none"> <li>Concrete Equipment <ul style="list-style-type: none"> <li>Concrete Mixer/Drum Truck</li> <li>Concrete Pump - Truck or Trailer</li> </ul> </li> <li>Cranes <ul style="list-style-type: none"> <li>All Terrain Wheeled</li> <li>Boom Truck</li> <li>Knuckle boom</li> </ul> </li> <li>Drill Rigs <ul style="list-style-type: none"> <li>Water Well Drill Rig</li> </ul> </li> <li>Earthmoving Equipment <ul style="list-style-type: none"> <li>Backhoe</li> <li>Bulldozer</li> <li>Excavator</li> <li>Motor Grader</li> <li>Motor Scraper</li> <li>Wheel Loader</li> <li>Skid Steer</li> <li>Track Loader</li> </ul> </li> <li>Vocational Trucks <ul style="list-style-type: none"> <li>Crane Truck</li> <li>Bucket</li> <li>Service (Includes UCC on all attachments – From Dealer only)</li> </ul> </li> <li>Towing <ul style="list-style-type: none"> <li>Rollback</li> <li>Single Axle</li> <li>Multiple Axle / Heavy</li> </ul> </li> <li>Trucks <ul style="list-style-type: none"> <li>Class 1 – Class 8</li> <li>Expeditor – Class 7 &amp; 8</li> <li>Loan in Business Name Only</li> <li>Roll Off Trucks w/Containers</li> <li>Yarder / Yard Truck</li> <li>Dump</li> </ul> </li> <li>Van Trucks <ul style="list-style-type: none"> <li>Last Mile Delivery</li> </ul> </li> <li>Vacuum Trucks</li> <li>Trailers <ul style="list-style-type: none"> <li>Dry Van</li> <li>Refrigerated</li> <li>Tank</li> <li>Flatbed</li> <li>Drop Deck</li> <li>Dry Bulk</li> <li>Food Grade</li> <li>Live Bottom AG</li> <li>Livestock</li> <li>Low Boy / Gooseneck</li> <li>LPG</li> <li>Petroleum</li> <li>Vacuum</li> <li>Dump</li> <li>Container</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>Equipment Finance Agreements</li> <li>New Equipment from a Franchised Dealership</li> <li>Non-Titled Equipment from a License Dealership</li> <li>Private Party Deals for Titled Equipment Only</li> <li>Lease Buyouts on Leases that have Reached Maturity</li> <li>Cash Out Financing for Purchases in the Last 30 Days Arranged in Advance</li> <li>Consignments for Titled Equipment</li> <li>Auction Purchases – Trailers Only. Seller must accept CHB payment on behalf of buyer (check auction house rules)</li> <li>Titled Equipment must have USA title.</li> <li>Additional Collateral can be used Reduce Down Payment (Titled/Vin Only) at 50% of comparable determined value. Third Part Inspection is required</li> <li>USA Citizens</li> <li>Permanent Residents with a 10 year unconditional PR/Green Card</li> <li>Quarterly and Monthly Payment Options</li> </ul> | <ul style="list-style-type: none"> <li>Construction</li> <li>Agriculture</li> <li>Arboriculture</li> <li>Transportation</li> <li>Landscape</li> <li>Industrial</li> <li>Paving</li> <li>Earth Moving</li> <li>Concrete</li> <li>Towing</li> <li>Trucking <ul style="list-style-type: none"> <li>OTR</li> <li>Day Cab</li> <li>Local Haul</li> </ul> </li> <li>Delivery <ul style="list-style-type: none"> <li>Last Mile Delivery</li> <li>Intermediary</li> <li>Long Haul</li> <li>Package</li> <li>Expeditor</li> </ul> </li> </ul> |
|   | <h3>Approved Business Entities</h3> <ul style="list-style-type: none"> <li>Sole Proprietorship</li> <li>General Partnership</li> <li>Limited Partnership (LP)</li> <li>Limited Liability Company (LLC)</li> <li>C-Corporation</li> <li>S-Corporation</li> <li>All Owners w/20% or more ownership - must sign and be Personal Guarantors (PGs)</li> </ul>   |  |

***This is a partial list of equipment that we will fund. Call 307.241.7005 for more clarification.***





**Foremost Equipment Lender**

## Restricted/No Go List (not limited to what is listed / call with inquiries)

*Published guidelines represent the minimum requirements for each program and are subject to CHB lender discretion.*

| Restricted Equipment   | Restricted Transactions   | Restricted Industries  |
|--|---|--|
| <ul style="list-style-type: none"> <li>• Directional Drill/Boring Machine</li> <li>• Food Trucks</li> <li>• Food Trailers</li> <li>• Trailers Built For Vehicle Hauling Only</li> <li>• Trucks Built for Vehicle Hauling Only</li> <li>• Equipment with "Salvage" Title</li> <li>• Equipment with "Rebuilt" Title</li> <li>• Equipment with a "Cumulative Damage" Title</li> <li>• Any Truck with MaxxForce, Navistar, International Engine</li> <li>• Repossessed Power Units</li> <li>• Equipment Built For Logging Only</li> <li>• 2008 – 2010 Class 7 and 8 Trucks</li> <li>• Class 8 OTR Trucks Over 650,000 miles without a Well Documented Complete Rebuild/Overhaul (Top and Bottom of Motor)</li> <li>• See Mileage restrictions on page 6</li> </ul> | <ul style="list-style-type: none"> <li>• Non-Titled Private Party</li> <li>• Working Capital</li> <li>• Transactions Outside the US</li> <li>• Transactions in Louisiana</li> <li>• Refinancing</li> <li>• Leases</li> <li>• New Equipment from a Non-Franchised Dealer</li> <li>• Start-ups that do NOT Own Real Estate (OTR only)</li> <li>• Personal Assets</li> <li>• Merchant Cash Advances</li> <li>• No Skipped Titles</li> <li>• Consumer Loans</li> <li>• Credit Applications without a Signature, either Digital or Wet</li> <li>• Foreign Entities</li> <li>• Political Entities</li> <li>• Consignment Sales for non-Titled Equipment</li> <li>• SAFER Report - Reporting excessive DOT infractions.</li> <li>• Re-submitting an application with the addition of a Guarantor to "Prop-Up" the deal, is not allowed.</li> <li>• Permanent Residents who only has a 2 year conditional PR/Green Card</li> <li>• Sale – Leasebacks</li> <li>• Cash Out Financing</li> <li>• Annual Payment Options</li> </ul> | <ul style="list-style-type: none"> <li>• Marijuana/Cannabis/CBD</li> <li>• Vehicle Transportation</li> <li>• Amusement/Theme Parks</li> <li>• Computers &amp; automated data processing</li> <li>• Adult Entertainment</li> <li>• Logging / Forestry</li> <li>• Pharmaceuticals</li> <li>• Non-Profits without a legitimate business need for the equipment</li> <li>• Political Entities</li> </ul> |



## **Best Practices**

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### **Brokers**

- ✓ Know Your Client's Business
  - What they do
  - Who they are
  - What their Credit Looks like
  - Make a Business case for the submission
  - How is their business registered – Individual/Sole Prop, LLC, Corporation
- ✓ When submitting a new credit request, in the email's Subject line please enter –
  - New Deal: (Business Name)
- ✓ Submit complete Packages for processing and underwriting (at least the following to get started)
  - 3 Months of Business Bank Statements
  - Start-Ups – 3 months of Personal Bank Statements
  - SIGNED credit application w/Credit Release Endorsement
  - Invoice and/or Spec of the Collateral
- ✓ Acquire a soft pull CBR to get an idea of your client's credit worthiness
  - This is critical to ensure your client is sent to the right Funding Source
- ✓ Pre-Sale (Ball Park) your customer on Monthly Payment – Worst case scenario
- ✓ Build your Relations with the Vendors/Dealerships
  - This helps so that the Vendors/Dealers won't Shot Gun deals and waste your time
- ✓ Review Items prior to sending to CHB
  - If it does not make sense to you – then it won't to us
- ✓ Prepare your Clients for CHB's Equipment Finance Agreement (EFA) process
  - CHB will do a business phone interview during the underwriting process (See page 13)
  - CHB will fund the Vendor/Dealership/Seller directly
  - Down Payments from your client will typically go to the Vendor/Dealership directly
    - Private Party Deals – Down Payment will go to CHB
  - CHB offers EFA loans only; this financing instrument is not a Lease, but a Simple Interest Loan
  - CHB does not use a scoring model for credit decisions. We use a credit committee model. This means we can Approve many clients that do NOT qualify anywhere else. It also means we require more information than most. Please - Prepare your client for a lender that is hands-on and wants to know the details.
- ✓ Tell the Story – give us the story why the equipment is needed and how it will benefit the buyer

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### **Lender (CHB)**

- ✓ CHB's Underwriters want to know your Broker Business
  - What you do
  - Who you are
  - Where you're located
  - To build and improve our Professional Business Relationship with you
- ✓ Lenders never solicit Business from Dealerships
- ✓ Lenders never solicit Business from Borrowers
- ✓ Lenders pick-up the Phone and talk with you
- ✓ They understand you are in business to make a difference and a profit
- ✓ Work to help you achieve your business and professional goals
- ✓ Answer inquiries in a timely and professional manner
- ✓ Spend time at industry and partnership events to know and understand you and your business
- ✓ Invite you to our offices for face-to-face visits
  - Get to know each other and our respective teams
  - Put a face to a name with whom you'll be working together
- ✓ Maintain an Open Line of Communication – To all levels of Management



## Foremost Equipment Lender

### Deal Submissions/Application Checklist

*Published guidelines represent the minimum requirements for each program and are subject to CHB lender discretion.*

- To Preview a Transaction – Please contact the Business Development Director
- Minimum Transaction Size \$15,000 - \$300,000 Maximum
- Email Subject Line: **New Deal: Business Name**
- Submit All Required Files to: [credit@chbef.com](mailto:credit@chbef.com)
- To Process, the following items are needed (prefer PDFs):

**To ensure a quick turn-around on the credit decision, please supply all the completed information with your packet. All Credit Applications must have a Wet or Digital Signature.**

### \$15,000 to \$149,999

For Finance Requests From \$15,000 to \$149,999

- **Signed** Credit Application with Credit Release Endorsement
- Equipment Invoice with all Costs Broke Down
- PG for anyone with more than 20% ownership
- 3 Months Most Recent Business Bank Statements
- Equipment / Purchase Justification
- Spec Sheet of Equipment
- Permission to conduct the Phone Interview

### \$150,000 to \$300,000

For Finance Requests over \$150,000

- **Signed** Credit Application with Credit Release Endorsement
- Equipment Invoice with all Costs Broke Down
- PG for anyone with more than 20% ownership
- 2 Years Financial Statements (Audited / Reviewed)
- 2 Years of Business Tax Returns
- Current Year Interim Financial Statements
- 3 Months Most Recent Business Bank Statements
- Equipment / Purchase Justification
- Spec Sheet of Equipment
- Permission to conduct the Phone Interview

### Start Ups to \$75,000

Less than 18 Months - Time In Business

- **Signed** Credit Application with Credit Release Endorsement
- Equipment Invoice – Maximum Financed Amount is \$75,000
- 3 Months of Complete Bank Statements
- Spec Sheet of Equipment
- Permission to conduct the Phone Interview

### Private Party Sale

Must be Titled Equipment with Funding of \$25,000 or More

- **Signed** Credit Application with Credit Release Endorsement
- Copy of Title in Sellers Name (Titled Collateral Only)
- Official Bank Payoff Letter on bank Letterhead
- Bill of Sale With all Contact Information For Seller
- Pictures of Collateral
- Mileage of Collateral
- Permission to conduct the Phone Interview
- Buyer Must Visually Inspect the Collateral In-Person

### Proof of Time in Business

Pick One to help demonstrate TIB

- Secretary of State
- Articles of Incorporation
- Business Report (PayNet)
- Tax Returns

### Invoice/Spec Sheet

Required With All Submissions

- Vendor Invoice
- Specs of Equipment
- Mileage
- Hours
- Serial Number Listed
- VIN matches All Documents (Including Rebuilds)
- Photos/Condition Report for Used Equipment

### Proof of Business Ownership

Pick One to Prove Ownership

- Tax Returns (Schedule C, K-1)
- Articles of Incorporation
- Secretary of State / SOS or Articles of Incorporation
- Must show the Owner on the document

### Proof of Real Estate Owner

Pick One to Prove Real Estate / Home Ownership

- Tax Assessor/Tax Bill
- Deed of Trust
- Mortgage Statement
- Proof of Home In Spouses Name
- Credit Bureau Report

### Disclosures

- Private Party Sale
- If applicant was submitted to another funding source



## Insurance Requirements

All Equipment must have Insurance Coverage in Effect prior to Funding

## Insurance Requirements

|                           |  |
|---------------------------|--|
| How We Should Be Named    | C.H. Brown Co., LLC<br>20 West Frontage Rd.<br>Wheatland, WY 82201.  |
| Our Interest              | <ul style="list-style-type: none"> <li>Property Insurance: Lender's Loss Payee/Lienholder</li> </ul>   |
| Coverage Requirements     | <ul style="list-style-type: none"> <li>Property Insurance: The insured value of the Equipment we are financing needs to be equivalent to at least its invoice price. Any Additional Collateral can be covered at its current insured value. <ul style="list-style-type: none"> <li>Include Special Form for Coverage for Theft</li> <li>Include Comprehensive and Collision Insurance for any Titled Collateral</li> </ul> </li> <li>Liability Insurance: Minimum \$1,000,000 per Occurrence</li> <li>Maximum Deductible: \$1,000</li> </ul>   |
| Policy Coverage Period    | <ul style="list-style-type: none"> <li>If you are a first-time purchaser of Insurance Expressly for the Equipment, We require a minimum six-month term starting from our last funding Date.</li> <li>If you have Purchased Insurance before, we recommend you always sign-up for at least a 12-month term.</li> <li>If the applicant will lease-on and operate under another entity's own authority, a 30-day term insurance policy will suffice. In these instances, a Letter of Intent from the Leased-on company is required.</li> </ul>  |
| Notice Requirement        | <p>We need a minimum thirty (30) days written notice by your insurance carrier prior to any modifications, cancellations, or expiration of any insurance policy.</p> <ul style="list-style-type: none"> <li>The Borrower's business name</li> <li>The location address of the equipment</li> <li>Equipment description Including Vin or Serial Number</li> <li>Equipment Value</li> <li>Policy Number</li> <li>Effective and Expiration dates of coverage</li> <li>Coverages afforded under the policy</li> <li>Applicable deductible amounts. Deductible not to exceed \$1,000.00.</li> <li>Contract number if possible</li> <li>Designation of Secured Party as Loss Payee</li> <li>Indication that the Policy cannot be Cancelled Until After Thirty (30) Days' Prior Written Notice to Loss Payee</li> </ul> |
| General Insurance List    |  |
| Liability                 | <p>Liability coverage is required as part of the EFA / contract. Proof of liability insurance is required upon request by CHB/the Secured Party. CHB must be listed as an Additional Insured under the policy.</p>   |
| Physical Damage Insurance | <p>Physical damage insurance is required on all of the assets we finance. Insurance is to be provided for fire, theft, extended coverage, vandalism, all risk physical damage and malicious mischief for the full value of the equipment. Binders will not be accepted for Physical/Property Insurance. Secured Party or its successors or assigns is to be named as Lender's Loss Payable, as its interest may appear. The deductible may be no more than \$1,000.00.</p>   |



**Foremost Equipment Lender**

**The Applicant Interview Process**

*Published guidelines represent the minimum requirements for each program and are subject to CHB lender discretion. Please contact the Business Development Director for Clarification or additional Directions 307.241.7005*

Interview – CHB does a personal business interview with the applicant during the underwriting process. We conduct this interview over the phone for all deals except Trailer-Only deals under \$35,000 and all other deals under \$25,000.

- ✓ We ask about the applicant's industry experience as it relates to the credit request and equipment.
- ✓ We gather information regarding the applicant's financial ability to repay the obligation.
- ✓ We verify updates/listed account data on the applicant's CBR and business PayNet reports.
- ✓ The Interview process helps to detect fraudulent deals.
- ✓ The Interview process helps us acquire a better understanding of the applicant (i.e. their story).

In the Interview we do NOT –

- ✓ Solicit business from Your Client
- ✓ Sell your Client on any products
- ✓ Circumvent the Broker-Funder Process

**Pre-Funding Documents Requirement**

- ✓ Acceptable E-Signatures (DocuSign)
- ✓ Copy of Title(s) Front and Back (for titled equipment)
- ✓ Color Photo(s) of Equipment
- ✓ If leasing onto another company: A Letter of Intent from the leasing company is required
- ✓ Copy of All Guarantor(s) Driver License and Permanent Resident Card (if applicable)
- ✓ Signed Invoice Showing: C.H. Brown Co., LLC 20 West Frontage Rd. Wheatland, WY 82201 as **Lienholder**
  - Down payment on Invoice in amount as indicated on the Terms Sheet
- ✓ Vendor Contact Information for GPS installation (Please complete the items on the Terms Sheet)
- ✓ Title Responsibility Acknowledgement (TRA) Form

**Funding Documentation Requirement**

- ✓ Wire Instructions for Dealer / Seller
- ✓ All Loan Documents, Properly signed, Including Credit Application and Insurance Company Information (COI)
- ✓ Insurance Binder Listing C.H. Brown Co., LLC as the Loss Payee (Certificate Holder is NOT Acceptable) See Insurance Requirements
- ✓ Equipment Specification Sheet with Color Picture(s) of the Equipment
- ✓ Photo Copy of the Valid Driver License(s), Permanent Resident Card(10 year unconditional), and/or Naturalization docs for all PG(s) persons Signing
- ✓ If there is no Serial Number on Equipment – Prior authorization is needed and the borrower(s) agree to attach the enclosed tag.
- ✓ Voided Check for Automatic Payment withdrawal via Automated Clearing House (ACH) in the name of borrower
- ✓ TRA Form signed by the buyer and seller
- ✓ Motor Carrier (MC) Form completed by the applicant (if applicable)
- ✓ Reassignment of Title (i.e. how the title will look when the re-assignment is made)
- ✓ All POAs signed and returned to CHB with a confirmable tracking number
  - Scanned Copies sent along with documentation
- ✓ Broker Commission Invoice
- ✓ Welcome/Confirmation Call
- ✓ Bill of Sale/Invoice – Buyer's name and address Must match what is on the Loan Contract
- ✓ Invoice must show – Make, Model, Year, VIN/SN, w/CHB's funding price and CHB as Lienholder





## **Title Requirements**

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- ✓ Must be Clear of All Brands including but not Limited to:
  - Salvage
  - Rebuilt
  - Cumulative Damage
  - Repo
- ✓ Borrower must NEVER have Possession of Title
- ✓ Must be completed Correctly with no Scribbles, White Out, or other alterations that would make the title Voided/Mutilated
- ✓ Reassignments by Certified Dealership Only
- ✓ No Skipped Title – all Owners must Pay Sales Tax
- ✓ All Liens must be Released with either a release stamp or LR documents
- ✓ If buyer and selling dealership are in 2 different states – CHB will process the Title
- ✓ If buyer and seller are in the same state – the dealership will be responsible for processing the Title.
- ✓ For Private Party Deals – CHB will process the title.
- ✓ Reassignment name and address must match the loan contract

## **GPS Requirements**

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- ✓ A GPS is required for all mobile equipment that is financed (titled or yellow iron)
- ✓ A 3<sup>rd</sup> party GPS installer is used
- ✓ Equipment must have GPS before it is funded
- ✓ Please check with your lender for additional details
- ✓ 3<sup>rd</sup> party installer will coordinate installation with the vendor/seller of the equipment

## **POAs (Powers of Attorney)**

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POA – Until POAs can be accomplished virtually, we require evidence the wet signed original documents are in transit/on their way to our office at:

**C.H. Brown Co., LLC**  
**20 West Frontage Rd.**  
**Wheatland, WY 82201.**

A copy of the signed documents along with the verification that the documents are en route via tracking number will allow the deal to be funded.

## **Lien Holder Information**

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For all Invoices, the following must be used as the Lien Holder for the equipment

**C.H. Brown Co., LLC**  
**20 West Frontage Rd.**  
**Wheatland, WY 82201.**

The invoice must show the exact numbers as the term sheet, in regards to the down payment and total amount due.



## **CHB – Trusted by Brokers**

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CHB is looking forward to working with you and your business. We are excited to see your broker business grow and wish you the very best of luck in your endeavors. CHB will be here, with every available resource, to maintain and grow a long and rewarding relationship.

At any point –

Please feel free to share any Ideas // Inputs that you may have.

We look forward to following up with you.

Wishing you all the BEST,

*The CHB Team*

P.S. Ask us about the **Broker Bonus Program**

