

# DEBT CANCELLATION AGREEMENT

AGREEMENT NUMBER  
FORM NO. V 1 2 9 2 0 1 7 SEQ: 000001

<b>BUYER(S) NAME AND ADDRESS</b>		<b>SELLER NAME AND ADDRESS</b>		<b>LIENHOLDER NAME AND ADDRESS</b>	
				CIG FINANCIAL, LLC 6 EXECUTIVE CIRCLE, SUITE 100 IRVINE, CA 92614 (800)525-3300	
<b>VEHICLE INFORMATION</b>					
YEAR	MAKE	MODEL	VIN		
<b>FINANCE AGREEMENT INFORMATION</b>					
CONTRACT DATE	CONTRACT TERM (MONTHS)	AMOUNT FINANCED	DEBT CANCELLATION COST	DEBT CANCELLATION TERM (MONTHS)	
		\$	\$		

THE PURCHASE OF THIS DEBT CANCELLATION AGREEMENT IS OPTIONAL. THE BUYER'S DECISION TO PURCHASE OR DECLINE THIS AGREEMENT WILL NOT AFFECT THE EXTENSION OF CREDIT AND WILL NOT BE A FACTOR IN THE CREDIT APPROVAL PROCESS. THE SELLER/LIENHOLDER MAY RETAIN A PORTION OF THE COST OF THIS DEBT CANCELLATION AGREEMENT. BENEFITS PROVIDED BY THIS AGREEMENT MAY DECREASE OVER THE TERM OF THE FINANCE AGREEMENT. THE BUYER MAY OBTAIN A DEBT CANCELLATION AGREEMENT FROM AN ALTERNATIVE SOURCE (FOR EXAMPLE, FROM HIS/HER PRIMARY INSURANCE PROVIDER) AND/OR MAY CONTACT AN INSURANCE AGENT TO DETERMINE IF COMPARABLE COVERAGE MAY BE OBTAINED ELSEWHERE AND FOR A LESSER COST.

THIS DEBT CANCELLATION AGREEMENT MAY BE CANCELLED, AND A REFUND ISSUED, AT ANY TIME PRIOR TO A TOTAL LOSS, SUBJECT TO THE TERMS AND CONDITIONS ON PAGE TWO. IF NO TOTAL LOSS HAS OCCURRED AND IF CANCELLED WITHIN THE FIRST THIRTY DAYS FROM THE EFFECTIVE DATE, A FULL REFUND WILL BE ISSUED. ANY REFUND OWED MAY BE PAID TO THE ASSIGNEE/LIENHOLDER TO REDUCE THE OVERALL AMOUNT OWED ON THE FINANCE AGREEMENT, RATHER THAN APPLYING THE REFUND STRICTLY TO THE COST OF THIS AGREEMENT. THE BUYER SHOULD CAREFULLY READ THIS DEBT CANCELLATION AGREEMENT IN ITS ENTIRETY FOR A FULL EXPLANATION OF THE BENEFITS PROVIDED, AS WELL AS THE REQUIREMENTS, TERMS, CONDITIONS AND EXCLUSIONS RELATED TO THE EXTENSION OF BENEFITS.

THIS DEBT CANCELLATION AGREEMENT IS NOT INSURANCE. IT DOES NOT PROVIDE COVERAGE FOR BODILY INJURY, PROPERTY DAMAGE, LIABILITY AND/OR COLLISION, AND IT WILL NOT SATISFY THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY LAW OR ANY OTHER LAW REQUIRING MOTOR VEHICLE INSURANCE COVERAGE. THE BUYER IS REQUIRED TO MAINTAIN COMPREHENSIVE AND COLLISION DAMAGE COVERAGE ON THE VEHICLE WHILE THE FINANCE AGREEMENT IS IN EFFECT.

BY MY SIGNATURE BELOW I REQUEST THE BENEFITS PROVIDED BY THIS DEBT CANCELLATION AGREEMENT, AND ACKNOWLEDGE THAT ALL OF THE INFORMATION PROVIDED ABOVE IS, TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT. I FURTHER ACKNOWLEDGE THAT I HAVE READ THIS DEBT CANCELLATION AGREEMENT IN ITS ENTIRETY. I UNDERSTAND AND ACCEPT ALL PROVISIONS, TERMS AND CONDITIONS CONTAINED HEREIN. I ACKNOWLEDGE THAT I HAVE RECEIVED AN EXECUTED COPY OF THIS TWO-PAGE DEBT CANCELLATION AGREEMENT. EXCEPT AS OTHERWISE SET FORTH HEREIN, NO AMENDMENT TO ANY OF THE TERMS OF THIS DEBT CANCELLATION AGREEMENT SHALL BE EFFECTIVE UNLESS APPROVED IN WRITING AS PROVIDED BY THE FINANCE AGREEMENT.

Buyer Signature \_\_\_\_\_ Date \_\_\_\_\_

Seller Signature \_\_\_\_\_ Date \_\_\_\_\_ Cobuyer Signature \_\_\_\_\_ Date \_\_\_\_\_

## COVERAGE AGREEMENT

This Debt Cancellation Agreement amends and is incorporated into the Finance Agreement described above and will follow the Finance Agreement if assigned with no subrogation rights against the Buyer. You (Buyer) are responsible for maintaining Primary Insurance on the Covered Vehicle. You (Buyer) are responsible to the Assignee/Lienholder for the amount of any liability resulting from a Total Loss to the Covered Vehicle. Assignee/Lienholder agrees to cancel or waive certain amounts You (Buyer) owe under the Finance Agreement in the case of a total loss or theft of the Covered Vehicle, subject to the terms and conditions of this Debt Cancellation Agreement, so long as it is in effect. **This Debt Cancellation Agreement may not cancel or waive the entire amount owing at the time of loss.** The amount of indebtedness cancelled or waived shall be the difference between the Outstanding Balance and the Primary Insurance Settlement amount, subject to the terms, conditions, limitations and exclusions of this Debt Cancellation Agreement. Any Primary Insurance deductible amount in excess of \$500 (unless otherwise limited by state law), and any other amounts not covered under this Debt Cancellation Agreement shall remain the responsibility of the Buyer. This Debt Cancellation Agreement will terminate, and the You (Buyer) will receive a refund based upon the earliest of any of the following: (1) prepayment in full of the Finance Agreement; (2) a demand by the Assignee/Lienholder for payment in full or acceleration; (3) Your request to cancel this Debt Cancellation Agreement; or (4) the denial of any Benefit claim based upon a Total Exclusion. Please see the Terms and Conditions on the back for the definitions of capitalized terms.

**ADMINISTRATOR: CIG Financial, LLC | 6 Executive Circle, Suite 100, Irvine, CA 92614 | (877)244-4442**

## TERMS and CONDITIONS

**1. DEFINITIONS.** **Actual Cash Value** means the retail value of the Covered Vehicle immediately prior to the damage or theft incurred on the Date of Loss as determined by Your Primary Insurance Provider or a third party insurance provider, if applicable. **Administrator** means CIG Financial, LLC. **Agreement** means this Debt Cancellation Agreement. **Assignee** means the financial institution that accepts assignment of the Finance Agreement. **Benefit** means that portion of the Outstanding Balance cancelled or waived by the Assignee and/or Lienholder pursuant to the terms of this Agreement. **Buyer** means the purchaser of the Covered Vehicle as stated on page one of this Agreement and in the Finance Agreement of which it is a part. **Commercial Use** means use of the Covered Vehicle for any commercial or business purpose, including, but not limited to: (i) a vehicle registered to a business, or covered under a commercial primary insurance policy; (ii) a vehicle used for livery, delivery services or rental; or (iii) a vehicle physically displaying a business name. **Covered Vehicle** means the passenger vehicle, van or light truck described on page one of this Agreement and in the Finance Agreement of which this Agreement is a part, including all optional and standard equipment. **Date of Loss** means the date on which the actual physical loss, damage or theft occurred to the Covered Vehicle. In the event that such date cannot be determined, the Date of Loss shall be the earlier of the date established by the Primary Insurance Provider or a third party insurance provider, if applicable, or the date on which the loss was reported to the police. **Debt Cancellation Agreement** means this Agreement. **Deferred Payment** means any scheduled payment described by the Finance Agreement that: (1) has been postponed, skipped, or waived by the Assignee/Lienholder, and (2) has not been paid as of the Date of Loss. **Delinquent Payment** means any scheduled payment required by the Finance Agreement that: (1) remains unpaid more than 15 days after the due date, and (2) has not been paid as of the Date of Loss. **Effective Date** means the contract date as noted on page one of this Agreement (the date the Covered Vehicle and this Agreement were purchased). **Finance Agreement** means the retail installment contract or other agreement between the Buyer and Seller entered into on the original date of sale of the Covered Vehicle, as applicable. **Lienholder** means the Assignee of the Finance Agreement. **Maturity Date** means the date that the final installment payment is scheduled to be paid according to the Finance Agreement. **Outstanding Balance** means the amount required to pay the balance of the Finance Agreement as of the Date of Loss. This amount shall not include any unearned finance charges, finance charges that accrue after the date of the loss, late charges, delinquent payments, deferred payments, impound fees, returned check fees, or any proceeds which may be recovered by cancelling any insurance coverage, service contracts and/or warranties or other cancellable items. **Primary Insurance** means comprehensive and collision insurance coverage as required by the Finance Agreement. **Primary Insurance Provider** means the Buyer's primary physical damage insurance provider or a third party insurance provider, if applicable. **Primary Insurance Settlement** means amount paid by the Buyer's Primary Insurance Provider or a third party insurance provider, if applicable. **Settlement Date** means the date the Primary Insurance Provider or a third party insurance provider, if applicable, issued the settlement check as a result of the Total Loss of the Covered Vehicle. **Territory** means the United States, its territories or possessions; and Canada; and Mexico. **Total Loss** means a total or constructive total loss of the Covered Vehicle as defined by the Buyer's Primary Insurance Provider or a third party insurance provider, if applicable. **You, Your** means the Buyer listed on page one of this Agreement and in the Finance Agreement of which it is a part.

**2. BENEFITS.** In the event of a Total Loss of the Covered Vehicle, this Agreement will cancel or waive a portion of the Outstanding Balance of the amount You owe under the terms of the Finance Agreement. The Benefit amount will be the difference between the Outstanding Balance and the Primary Insurance Settlement, less any partial exclusion amounts not covered by this Agreement.

**3. HOW TO OBTAIN BENEFITS.** You may apply for Benefits under this Debt Cancellation Agreement by contacting the Administrator by: email at [customerservice@cigfinancial.com](mailto:customerservice@cigfinancial.com); telephone at (877)244-4442; fax to (949)705-6209; or via U.S. mail at PO BOX 19795, Irvine, CA 92623. In the event of a Total Loss, You must provide to the Administrator, within ninety (90) days of the Date of Loss or the Settlement Date (whichever is later), the following documentation before any Benefit under this Agreement can be processed. You are not required to provide any additional documentation not listed in this Agreement.

A. A complete copy of the Primary Insurance Settlement Statement substantiating the date of and the cause of the Total Loss of the Vehicle, the gross settlement amount, any deductible amount, and the net settlement amount.

B. A copy of the Total Loss Evaluation Report from the Primary Insurance Provider substantiating the basis of how the Actual Cash Value was determined (must include all options on the Covered Vehicle and mileage on the Date of Loss, if available).

C. A copy of any Police Report (if applicable).

D. You agree that on reasonable advance notice to You, the Assignee, Lienholder, or Administrator may inspect the Covered Vehicle as a condition of receiving Benefits from this Agreement. There is no fee for inspection of the Covered Vehicle.

**4. TOTAL EXCLUSIONS. No Benefit to be Paid.** This Agreement does not apply to loss of or damage to the Covered Vehicle:

A. If no Primary Insurance is in effect as of the Date of Loss;

B. Resulting from wear and tear, mechanical or electrical breakdown or failure;

C. Resulting from Your use of the Covered Vehicle in the course of any illegal activity;

D. Caused by any willful, wanton or recklessly negligent act by You or another person operating the Covered Vehicle under Your authority or permission, including driving under the influence or driving while intoxicated;

E. Resulting from the seizure or confiscation of the Covered Vehicle by a law enforcement agency;

F. Resulting from Your use of the Covered Vehicle for livery, hire, rental, taxi, or delivery services;

G. Resulting from Your use of the Covered Vehicle for Commercial purposes;

H. Due to acts of war, invasion, civil war, insurrection, rebellion, or revolution;

I. If the loss occurs outside the Territory;

J. If the Covered Vehicle is not deemed a Total Loss. No Benefit is provided under this Agreement if the Covered Vehicle is deemed a partial loss.

**5. PARTIAL EXCLUSIONS. Amounts Not Covered.** These amounts are not included in the Outstanding Balance and will be deducted from any Benefit amount otherwise covered by this Agreement:

A. Delinquent Payments;

B. Deferred Payments;

C. Insurance deductibles greater than \$500;

D. Primary insurance settlement deductions for retained salvage, salvage value, prior damage, or excess towing and storage;

E. Amounts added to the Outstanding Balance after purchase of the Covered Vehicle, which may include but are not limited to, late charges, impound fees, or returned check fees.

**6. REFUNDS.**

A. You may request a full refund of the Agreement cost, if Your written request is received within thirty (30) days of the Effective Date of this Agreement. If the Finance Agreement is not paid in full, the refund will be paid to the Assignee/Lienholder and applied to the unpaid amount due under the Finance Agreement.

B. You may request a partial refund of the Agreement after thirty (30) days from the Effective Date of this Agreement. Partial refunds will be calculated according to the pro rata method. If the Finance Agreement is not paid in full, the refund will be paid to the Assignee/Lienholder and applied to the unpaid amount due under the Finance Agreement.

C. If the retail installment contract is prepaid in full within thirty (30) days of the Effective Date of this Agreement, You will receive a refund for the full Agreement cost. You do not need to request a refund upon prepayment in full; the Assignee will automatically issue Your refund twenty-five (25) days after prepayment in full.

D. If the retail installment contract is prepaid in full after thirty (30) days from the Effective Date of this Agreement, You will receive a partial refund of the Agreement cost. Refunds will be calculated according to the pro rata method. You do not need to request a refund upon prepayment in full; the Assignee will automatically issue Your refund for the unearned portion twenty-five (25) days after prepayment in full.

E. In the event of a Total Loss of the Covered Vehicle that results in the full satisfaction of the balance of the Finance Agreement by the Primary Insurance Settlement, You will receive a full or partial refund of the Agreement cost, depending on the Date of Loss. If the Date of Loss occurs within thirty (30) days of the Effective Date, You will receive a refund for the full Agreement cost. If the Date of Loss occurs after thirty (30) days from the Effective Date of this Agreement, You will receive a partial refund of the Agreement cost. Refunds will be calculated according to the pro rata method. You do not need to request a refund upon full satisfaction of the balance of the Finance Agreement by the Primary Insurance Settlement; the Assignee will automatically issue Your refund twenty-five (25) days after receipt of the Primary Insurance Settlement and full satisfaction of the balance of the Finance Agreement.

F. How to request a termination of this Agreement and a refund: Mail or deliver Your written request to the Assignee or Administrator at: CIG Financial, LLC, PO BOX 19795, Irvine, CA 92623, or by email to [customerservice@cigfinancial.com](mailto:customerservice@cigfinancial.com). You do not need to request a refund upon prepayment in full; the Assignee will automatically issue Your refund twenty-five (25) days after prepayment in full.

G. How a partial refund is calculated: A partial refund is calculated by taking the number of days elapsed from the Effective Date to the termination date (which shall be the date Your written request is received by the Assignee or Administrator, or the date of prepayment in full, or the date of repossession of the Covered Vehicle and acceleration of the Finance Agreement, as applicable), divided by the total number of days in the Finance Agreement term (Effective Date to Maturity Date). The resulting factor shall be applied to the full Agreement cost as the earned portion, and the remainder, or unearned portion, will be Your refund amount.

**7. TERMINATION.**

A. This Agreement terminates upon the earliest of any of the following: (1) the originally scheduled Maturity Date of the Finance Agreement; (2) Your voluntary cancellation of the Agreement at any time; (3) prepayment in full of the Finance Agreement; (4) repossession of the Covered Vehicle by the Assignee/Lienholder and acceleration of the Finance Agreement; (5) payment of a Benefit under the terms and conditions of this Agreement. You will receive a refund for termination by (2), (3), and (4) above.

B. If Benefits are denied due to a Total Exclusion, this Agreement will terminate and You will receive a full refund of the Agreement cost.

C. A terminated Agreement cannot be reinstated after termination.

**8. ADDITIONAL DISCLOSURES.**

A. **Transfer of Equity.** You may transfer your rights and Benefits under this Agreement to another party upon obtaining the written permission of the Assignee of the Finance Agreement.

B. **Transfer to a Subsequent Assignee.** If the initial Assignee transfers the Finance Agreement to any Subsequent Assignee, the terms, conditions and Benefits of this Agreement will not be affected.

C. **Transfer to Another Vehicle.** This Agreement cannot be transferred to another vehicle, unless the Assignee has agreed in writing to a substitution of the Covered Vehicle.

D. **Obligations.** You are responsible for making all payments owed under the terms of the Finance Agreement, up until the Primary Insurance Settlement is paid. In the event a Benefit is owed under this Agreement, the Administrator will issue a refund to You for any excess payments that would have been waived according to the terms of this Agreement.