FastPay
DEALER PAYMENT SYSTEM

STOP GIVING AWAY YOUR DEALS.

A Practical Guide for Independent Dealers to Finance More Cars, Keep More Profit, and Build a Stronger Business



A PRACTICAL GUIDE FOR INDEPENDENT DEALERS

STOP GIVING AWAY YOUR DEALS

How Independent Car Dealers Can Make More Money by Financing the Deals They're Already Losing

"You don't have to turn your dealership into a Buy Here Pay Here lot. You just have to stop overlooking the deals worth financing yourself."

A Note to the Reader

This book is written for people who already know how to buy and sell cars. You know what an aging unit looks like. You know the feeling of staring at an approval that leaves nothing on the table. And you know that a deal isn't a deal until the money actually arrives.

The examples in these pages are deliberately simple. Interest calculations assume payments are made when scheduled; they're illustrations, not quotes, promises of returns, or a suggested rate for any particular state. Your dealership must use lawful contracts, disclosures, pricing, and recovery procedures for its jurisdiction. The practical point isn't to turn this book into a legal course. It's to help you recognize opportunities worth evaluating.

One distinction matters throughout: **cash collected, gross earnings, and actual net profit are not the same thing.** We'll keep them separate. Costs of capital, overhead, taxes, defaults, lender requirements, consumer protections, and recovery losses do not vanish just because a finance company is owned by the dealer.

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INTRODUCTION

The Advice That Took Me Fifteen Years to Understand

When I first got into the car business, a dealer who had been around for decades walked up to me at the auction and asked a question.

“Want a business tip?”

Of course I did. I was relatively new to the business. He'd been buying and selling cars for longer than I'd been doing just about anything. If a guy with that much experience was willing to offer advice, I was willing to listen.

“Start doing Buy Here Pay Here,” he told me.

I remember thinking he was crazy.

Back then, when I pictured a Buy Here Pay Here dealership, I pictured one of the big operators with a lot full of financed inventory, a stack of receivables, an office full of employees, and more money tied up in loans than I could imagine. We were focused on the ordinary rhythm of the car business: buy inventory, get it ready, advertise it, sell it, and use the proceeds to buy more.

I didn't think we had the kind of capital it took to become the bank.

The dealer didn't leave it there. He explained his numbers. He told me about the payments, the profits, and the value of keeping the financing instead of handing it away. I heard what he was saying. I respected his experience. But his advice never quite clicked.

So I did what a lot of independent dealers do. I went back to buying and selling cars, and I continued using outside finance companies whenever customers needed them.

Fifteen years passed.

By then we were doing multiple deals a month with subprime lenders, including Westlake and Credit Acceptance. Those companies served a real need. They could approve customers who weren't getting approved through traditional banks. But as I looked harder at our deal sheets, the lender fees were getting my attention.

On some deals, the customer had a strong down payment. We weren't asking a lender to put up the entire selling price. We might need financing for only the last couple thousand dollars. And yet I could be staring at a $2,000 acquisition fee to finance that remaining $2,000.

One day I looked at a deal and thought: **If I'm paying somebody $2,000 to finance the last $2,000, why don't I just finance it myself?**

I'm not saying a lender gets that fee for doing nothing. The lender takes risk, has capital invested, services accounts, and absorbs losses. But I was looking at the transaction from my side of the desk. We'd bought the vehicle, transported it, reconditioned it, advertised it, and found the customer. After all that, a fee could consume the entire margin.

Suddenly I remembered the dealer at the auction.

Maybe he hadn't been telling me to build a giant Buy Here Pay Here operation on day one. Maybe he was telling me to look at the money already available in the transactions I knew how to make.

We tried a couple of deals.

Then the payments started coming in.

And when we saw what happened to our cash as those accounts performed, I finally understood what he'd been trying to teach me fifteen years earlier. We weren't limited to making money when a vehicle rolled off the lot. We had an opportunity to earn additional revenue by financing carefully chosen balances ourselves.

That didn't mean every customer deserved an approval. It didn't mean every car should be financed, and it certainly didn't mean the money was guaranteed. It meant I'd been treating outside financing as the only answer for deals that might have deserved a different look.

This book is what I wish somebody had handed me after that auction conversation. Not a thousand-page banking manual. Not a promise that you'll never lose money. A dealer-to-dealer explanation of how to start small, get your money back quickly, manage accounts professionally, and stop surrendering your margin on deals you're already making.

If you've got an aging car on your lot right now, or an approval with an acquisition fee that makes your stomach turn, start there. You may be closer to your first sensible in-house deal than you think.

PART I — SEE THE OPPORTUNITY

CHAPTER 1

The $4,000 Car You Were About to Give Away



Every independent dealer knows the car I'm talking about. It's been there ninety days. Maybe a hundred and twenty. You've got a little too much invested in it, it isn't getting any younger, and you're tired of moving it around the lot.

For our running example, let's say you have **$4,000 all-in** in the vehicle. That includes what you paid and the direct work required to get it sale-ready. You've been asking $6,000, but the clock is ticking.

You can send it to the auction. You can hold out for a cash buyer. You can take the next subprime approval that comes your way. Or, in the right situation, you can finance a portion of the sale yourself.

Here's the part that gets overlooked: the car might sit another thirty or sixty days waiting for a cash customer who never appears. That additional time doesn't improve the investment. Your money remains tied up, the car takes up valuable space, and there's always a chance another reconditioning item appears.

Don't compare self-financing only to the imaginary customer who walks in tomorrow and pays full asking price in cash. Compare it to the choices actually available to you.

Path One: Auction

The car brings $4,000. You recover your investment and move on. For simplicity, we'll treat that as a break-even sale, although fees and transport can turn it into a loss.

Gross earnings: $0.

Path Two: A Discounted Cash Deal

A buyer offers $5,000 today. You have $4,000 in the car. There's no receivable to collect, no default exposure, and your $5,000 is available for the next purchase.

Gross earnings: $1,000.

If someone is willing to pay $6,000 in cash, you have a $2,000 gross opportunity. That's a good outcome. This book is not an argument against cash sales.

Path Three: Outside Financing

A customer agrees to $6,000. They bring $3,000 down. An outside lender approves the remaining $3,000 but charges an illustrative $2,000 dealer acquisition fee. You collect $3,000 from the customer and $1,000 net from the lender.

Cash received: $4,000. Gross earnings: $0.

Fees vary by program and transaction. We're illustrating a kind of deal independent dealers sometimes encounter, not claiming that any named lender always charges this amount.

Path Four: Your Own Financing

Now imagine keeping that same $3,000 balance. The customer brings $3,000 down and signs an eleven-month contract at an **illustrative** 29% annual interest rate. On a standard monthly amortization, the payment is approximately $313.84. Total scheduled interest is about $452.29.

Item	Amount
Vehicle selling price	$6,000.00
Your all-in vehicle investment	$4,000.00
Customer down payment	$3,000.00
Amount financed	$3,000.00
Illustrative contract rate	29% annually
Payment / term	$313.84 / 11 months
Total scheduled payments after down payment	$3,452.29
Total potential customer collections	$6,452.29
Potential gross earnings before other costs	**$2,452.29**

The rate and exact contract treatment must fit your jurisdiction. The table assumes every payment arrives as scheduled and excludes taxes, overhead, collection costs, losses, and cost of money. This is gross earning potential, not a guaranteed profit.

At delivery, you've already received $3,000 of your $4,000 investment. Four on-time payments of about $314 return another $1,255. You've then recovered your original cash

outlay, even though you still have an open contract and must continue servicing it.

Notice what changed. It wasn't the vehicle. It wasn't the customer's willingness to put money down. It was the decision about who would hold the receivable.

Put the Four Choices Side by Side

Choice	Initial cash	Potential total collections	Potential gross earnings
Auction at $4,000	$4,000	$4,000	$0
Discounted $5,000 cash sale	$5,000	$5,000	$1,000
$6,000 outside-financed sale, $2,000 fee	$4,000	$4,000	$0
$6,000 self-financed sale, paid in full	$3,000	$6,452	$2,452

The financing row has more potential earnings, but less money today and substantially more work and risk than a completed cash transaction. That's the trade. Learn to evaluate it rather than treating all four choices as equal.

The Real Lesson

I'm not telling you to finance every old car. Some aging units should go straight to auction. Some customers are too risky. Some deals don't produce enough margin to justify the headache. But the car that's been sitting ninety days deserves a calculation before you send it away.

A car that isn't moving isn't automatically a bad investment. Sometimes it's a deal that needs a different exit strategy.

CHAPTER 2

The Finance Fee You Stopped Questioning



When you're running a dealership, outside finance companies can become part of the furniture. You submit an application, review the approval, explain the terms to the customer, and keep moving. If the deal makes some money, you take it. If it breaks even, maybe you take it just to move the unit.

But a lender approval isn't the same thing as a profitable dealer transaction.

I started looking at the numbers differently when I stopped asking only, “Can I get this customer approved?” and started asking, “What is this approval actually paying my business?”

The question sounds obvious. Yet the lender fee is often buried emotionally under the relief of finally getting a deal bought. By the time the approval arrives, we've already spent

time with the customer and convinced ourselves we should finish the sale.

Look at our $6,000 car again. The customer has $3,000. The remaining balance is small relative to the selling price. But if a $2,000 fee comes out of the deal, the amount you really collect is only $4,000. You sold a $6,000 vehicle and made no gross margin on your $4,000 investment.

This doesn't make the outside lender the villain. A lender may buy credit risks you don't want, pay you immediately, handle collections, and take the default exposure. Those services can absolutely be worth the fee. The question is whether they're worth it **on this deal**.

The Fee Is a Decision, Not a Reflex

For every high-fee approval, compare three things: the check you'll receive now, the cash you'd recover at auction or in a cash sale, and the reasonable value of keeping the loan yourself after expenses and expected losses.

That last part is critical. A $3,000 receivable is not $3,000 in your bank account. It becomes money only when customers pay. A complete decision also considers the time it takes to collect it and what happens if they don't.

One dealership might reasonably pass on a customer because its capital is tight. Another might hold the same contract because it has cash reserves, a reliable servicing process, and strong underwriting. Both decisions can be right.

Turn an Approval into a Comparison

Before accepting an expensive approval, write four figures on the deal jacket: total customer down payment, net lender

proceeds, your all-in cost, and gross profit after the fee. Then price a cautious in-house alternative with realistic expected collections and costs.

If the answer doesn't work, don't force it. But don't automatically give up $2,000 because you've always done it that way either.

Here's a habit worth building: **every time an acquisition fee erases most of the margin, stop and run the numbers before signing away the deal.**

CHAPTER 3

You Don't Have to Become a Buy Here Pay Here Lot



One of the biggest reasons I ignored that dealer's advice for fifteen years was the picture in my head. I thought the choice was either to remain a conventional retail dealership or to transform into a full-scale finance company with a car lot attached.

That's a false choice.

You can continue using outside lenders for the customers they serve well. You can continue selling cash cars. You can keep doing exactly what your dealership is already good at and selectively finance a few transactions that make more sense to hold.

In fact, starting small offers a major advantage: you can learn how your customers actually perform before committing a large amount of capital.

Think of It as Another Sales Lane

Picture four lanes at your dealership. A cash customer belongs in the cash lane. A conventional-bank customer belongs with the bank. A customer whose loan can be sold profitably belongs with an outside lender. And a carefully chosen customer with a meaningful down payment and a manageable balance might be a candidate for an in-house account.

Nothing about that approach requires changing the sign out front or redesigning your entire inventory strategy.

I would rather see a dealer make five well-structured loans and understand every one of them than book fifty contracts without knowing how they're performing.

Pick the Opportunities You Already Understand

Start with cars whose condition, value, and direct cost you know. Start with balances that won't stretch your liquidity. Start with customers whose documented income and obligations support the proposed payment. And start only after you have a repeatable way to handle payments, records, late accounts, and professional recoveries.

Avoid the temptation to approve somebody simply because every outside lender said no. Sometimes the lender is telling you something important. In-house financing should be an informed alternative, not a place where every rejected application goes to hide.

The beauty of this strategy is that it can be measured. You can know after ten deals how much down-payment cash you collected, how much remained at risk, how many payments came in, and how much servicing work the accounts required.

That is where a simple servicing system earns its keep. We built Fast Pay for dealers who want to start with a few well-chosen accounts, not a whole new department. It helps organize the payment side of those deals, send customer reminders, and give buyers convenient ways to pay. Five accounts are enough to establish a routine you can keep using as you grow.

Then you can decide whether to do ten more.

PART II — STRUCTURE THE DEAL

CHAPTER 4

Get Your Money Back First



If there's one idea I want you to remember, it's this: **the down payment is the first line of defense for your cash.**

When I first heard about Buy Here Pay Here, I imagined paying $6,000 for a car, collecting $500 down, and waiting years to get my investment back. No wonder it sounded impossible. That isn't the only way to structure a transaction.

Go back to the vehicle in Chapter 1. You own it for $4,000, sell it for $6,000, and collect $3,000 down. The dealership still has exposure. You still have a loan to service. But your unrecovered original investment is $1,000, not $4,000.

That's a very different starting point from advancing nearly the whole value of the vehicle and hoping a long payment plan works out.

Think in Cash, Not Just Gross Profit

Dealers love front-end gross. So do I. But a paper profit isn't what purchases the next vehicle at auction. Available cash does.

Before funding a loan, ask: How much actual money leaves my account? How much comes back at delivery? How much remains unrecovered? What will my business do if the next three payments don't arrive?

That last question is especially useful. If one customer falling behind would prevent you from paying your rent or buying inventory, the deal may be too large for your present capital base.

The Down-Payment Test

Here's how different down payments change the cash still tied up in a $4,000 vehicle, before deal fees and other expenses.

Customer down payment	Original investment not yet recovered
$500	$3,500
$1,000	$3,000
$2,000	$2,000
$3,000	$1,000

This is not a universal minimum-down rule. Some buyers will have the income for a payment but not the cash for a huge deposit; some vehicles and credit profiles justify a different structure. The point is to understand the exposure you're choosing.

And remember that down-payment cash belongs to the transaction only after applicable taxes, fees, refunds, and

obligations are accounted for. Don't treat every dollar in the register as free money.

Don't Spend Tomorrow's Collections Today

Here's where a new finance program can get itself in trouble. The owner sees ten receivables and adds up what every customer will pay over the next two years. That looks like a lot of money. It is also money the business hasn't collected yet.

Keep a reserve for late accounts, unexpected repairs, towing and repossession bills, legal notices, and ordinary operating expenses. If you have a separate finance company, keep a clear record of what cash belongs to that company and what was paid to the dealership for the assignment or sale of each contract.

There is no substitute for liquidity. High projected returns won't help you if you can't afford to wait for them.

A Simple Rule for the Desk

When you're considering a self-financed deal, use this order: confirm the customer's realistic ability to pay; verify the car's cost and condition; determine how much cash returns at delivery; calculate the payment and term; then decide whether the remaining exposure belongs in your portfolio.

If those numbers work, you've got something worth considering. If they don't, saying no is part of running a good finance business.

CHAPTER 5

The $300 Rule—and Why the Term Matters



At our operation, we've liked a straightforward target: we don't want to stretch small balances out over years just to create a payment that feels painless. A payment around $300 a month has often been a useful starting point for thinking about term length.

Don't confuse that with an underwriting law. It isn't one. A $300 payment is too much for some customers and easily affordable for others. The actual payment must fit the customer's verified budget. And if your buyer can comfortably pay more, shortening the term may be better for both sides.

The important idea is that a short note can be easier to understand, quicker to pay off, and less exposed to the inevitable surprises that come with aging used cars.

The Same Balance, Different Terms

Suppose the customer needs to finance $3,000. With our illustrative 29% annual contract rate, eleven months produces a payment of about $313.84. Spreading that same balance over twenty-four months drops the payment significantly, but keeps you exposed far longer and increases total scheduled interest.

Amount financed	Term	Approximate payment	Approximate scheduled interest
$3,000	11 months	$313.84	$452.29
$3,000	24 months	$166.20	$988.75

These are examples of standard monthly amortization, not endorsements of a particular rate or loan length. Longer terms may be right for particular customers and markets. Lower payments can make a legitimate difference in affordability.

But look at the exposure. On an eleven-month contract, you expect the loan to end before a full year passes. On a twenty-four-month contract, you're waiting twice as long, and the vehicle continues aging the whole time.

Let the Payment Drive the Term—Within Reason

Instead of deciding every loan should be thirty-six months, start with the verified affordable payment range and calculate how quickly the balance can realistically be retired. If the math requires a term that doesn't make sense for that age or condition of vehicle, rethink the deal.

The payment isn't supposed to punish the buyer or squeeze every last dollar out of a paycheck. A customer who cannot sustain the payment isn't a good deal just because the down payment looked attractive.

Sometimes the best decision is a different car, a larger down payment voluntarily chosen by the buyer, a different financing program, or no deal at all.

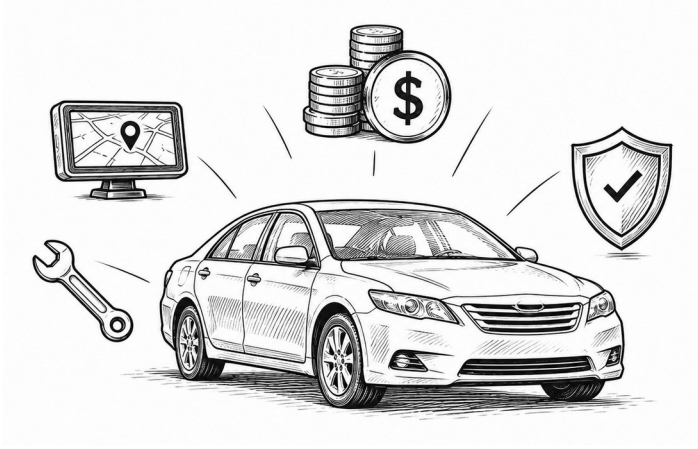
Small Balances Are a Feature

It's easy to focus on selling prices, but our original transaction illustrates something useful: a $6,000 sale can leave only $3,000 to finance. That's a very different level of exposure than trying to lend the entire price of a $15,000 vehicle to someone whose finances are already stretched.

The discipline is to avoid making a modest, promising receivable into a long, uncertain one just because a smaller monthly payment looks easier to sell.

CHAPTER 6

More Than One Way to Make Money on a Car



Once I started looking at the financing side, I also began seeing the rest of the transaction differently. The sale of the vehicle isn't always the only product or service a customer may need.

This doesn't mean piling on junk fees. A product needs real value, an actual price, and a customer who understands what they're buying. The right additional product can improve the ownership experience while creating legitimate gross margin. The wrong one creates complaints, cancellations, and problems you'll be dealing with long after delivery.

GPS: Protect the Car and Grow the Receivable

We use Advantage GPS because it helps protect the cars we're financing. It can also create another profit opportunity on a deal we're already making.

Our hardware cost has been about $89 per unit. Depending on the deal, we've charged customers $600–$700 for the device and associated services. At a $650 customer price, the hardware-only spread looks like this:

GPS illustration	Amount
Customer price	$650
Hardware purchase	$89
Spread before other costs	$561

Now look at what happens when the customer finances that $650 charge. A $3,000 vehicle balance becomes a $3,650 receivable, even though we've put out only about $89 for the device, plus installation and service costs. If the account pays as agreed, we collect the GPS selling price over time and may earn interest on that additional financed amount. That's a meaningful increase in potential revenue without putting hundreds more dollars into the car itself.

The $561 spread is potential gross margin, not cash collected or guaranteed net profit. Service costs, cancellations, and defaults still matter. Charge and disclose GPS correctly, particularly when it's required for financing. For me, its appeal is simple: a GPS can protect the investment and give the dealership another way to earn on the same transaction.

Service Contracts: Sell a Benefit, Not a Buzzword

A customer buying an older used vehicle may benefit from a suitable service contract. The coverage, deductible,

exclusions, claims process, and cancellation rights matter more than the label on the brochure.

For illustration, suppose a customer voluntarily chooses a third-party service contract for $600 and the dealership's cost is $350. That's $250 of potential gross margin before cancellations and administration. If the plan isn't useful for the vehicle or duplicates other coverage, don't force it into the transaction.

GAP: Another Profit Center—When the Numbers Make Sense

GAP is one of the more interesting products in Buy Here Pay Here because the dealer holding the note may be able to offer a GAP waiver directly, rather than purchasing a traditional insurance policy from an outside provider. A GAP waiver is an agreement to cancel a covered shortfall if a vehicle is totaled or stolen. When the dealer can legally retain the fee and administer that obligation, it can be a very high-margin product.

Here's why I pay attention to it. We usually take a meaningful down payment, keep the amount financed relatively small, and require customers to carry appropriate physical-damage insurance. If a vehicle is totaled, the insurer generally settles based on the vehicle's actual cash value, subject to the policy's terms and deductible. Often, on one of our better-structured deals, that settlement is enough to cover the remaining loan balance. In that situation, there may be no GAP amount to waive.

Picture a $6,000 car with $3,000 down and $3,000 financed. If it's totaled while the unpaid balance is $2,700 and the applicable insurance settlement is $4,000, there's no loan shortfall for GAP to cover. But if the settlement is only $2,200,

the shortfall could be $500, subject to the waiver's actual terms. That is the risk the dealer takes in exchange for the fee.

This is why GAP can be such an attractive revenue stream for a dealer who understands the portfolio. It is not automatically 100% net profit, though. A real claim may require waiving money the customer owes; cancellations, refunds, administration, and legal compliance have costs. The rules for dealer-issued GAP waivers, disclosures, and financial backing vary by state, and GAP must be offered voluntarily. A big down payment can also make the protection less useful for a particular buyer. Evaluate that honestly rather than treating every sale as a guaranteed add-on.

My takeaway is simple: don't overlook GAP or automatically give away the economics of a product you may be able to administer yourself. Understand the risk, make sure the customer has a reason to want the protection, and structure it correctly. Done right, GAP can add meaningful profit to a carefully run Buy Here Pay Here operation.

Don't Confuse Revenue with Margin

If you sell a $600 product that costs $350, you haven't made $600. You've made $250 in initial gross margin before other costs. If you finance that product, you may also earn interest, but you now have a larger receivable at risk. When the customer doesn't pay or cancels the product, your projected earnings change.

Later, we'll build the entire transaction from the ground up so nothing gets counted twice.

CHAPTER 7

Why We Built a Separate Finance Company



After we began financing a few deals ourselves, it became easier to see why a separate finance company could be useful. In Florida, we created a distinct finance operation, and in our experience it was both manageable to set up and very successful for the way we wanted to run the business.

I'm not going to turn this chapter into a corporate-law class. Independent dealers already work in a regulated industry, and the exact structure is something each operator needs to set up correctly in the states where they do business. What matters here is why the separation can make practical sense.

Two Different Jobs

The dealership's job is to source, recondition, market, and sell vehicles. The finance company's job is to own or service receivables, accept payments, maintain accurate balances, and make account decisions. Those are related jobs, but they aren't identical.

Keeping them organized as separate operations can make the business easier to understand. When a customer calls about a payment, there's a clear servicing contact. When a

vehicle needs a legitimate customer-pay repair, that transaction can be evaluated separately from what the dealership promised in the original sale. When an account defaults, the finance side has a defined process instead of the owner improvising from the showroom floor.

A Cleaner Customer Experience

Imagine a customer wants to ask about the status of a payment. The finance company's number and payment portal should answer that question. Imagine a customer brings back a vehicle for service. The dealership can review the repair, explain what's covered and what's customer-pay, and write a proper estimate. Neither event needs to become an argument with the salesperson who sold the car.

That separation can help preserve relationships, particularly when collections turn uncomfortable. But let's be precise: a separate company does not guarantee an angry customer will never return to the dealership, and it doesn't make sales promises, warranties, or legal responsibilities disappear.

Treat the Separation as Real

If you use separate companies, operate them like separate companies. Keep their books, contracts, bank accounts, responsibilities, and customer communications clear. Know whether the finance company is actually purchasing contracts, originating loans, or simply servicing them. Document transfers and cash flows correctly.

A second company name on the paperwork is not a substitute for a genuine operating structure.

Build the Process Before You Scale It

We found the separate finance company useful because it made the division of responsibilities more natural. The sales

side could keep selling cars. The finance side could build a repeatable payment and recovery process. And we could evaluate the results as a portfolio, not just as a collection of individual deals.

Fast Pay fits naturally on the finance side of that divide. The dealership can focus on buying and selling cars while the finance operation uses a payment dashboard, text, phone-call, and email reminders, and mobile payment options to help manage receivables. Software does not create a separate finance company or make its obligations disappear; it helps the people running that company stay organized.

Your structure might look different. That's fine. The broader lesson is the same: **selling cars and managing credit are two different disciplines. Give each one the attention it deserves.**

PART III — MANAGE THE ACCOUNT

CHAPTER 8

Collections Without Building a Collections Department



Another reason I resisted Buy Here Pay Here for so long was the thought of collections. When I imagined financing customers, I pictured a desk covered in past-due accounts and a phone that never stopped ringing.

That may be the version of the business some dealers have experienced. It isn't the only way to run it.

Modern payment software can do a lot of the routine work that used to consume an employee's day: show account balances, generate reminders, present electronic payment options, document communications, and bring the accounts that need attention to the top of the list.

Software doesn't collect money by magic. A customer still needs the ability and intention to pay. Somebody must

review exceptions and make judgment calls. But automation can keep you from doing every routine task by hand.

Start with a System the Customer Understands

A customer should leave with a clear understanding of who holds the account, when payments are due, how to pay, where to get a current balance, and what happens if they have a problem.

Don't rely on the salesperson saying, “Just call us every month.” Give the customer convenient, documented payment methods and an understandable schedule. If an automatic payment arrangement is offered, obtain the right authorization and make sure the customer understands it.

A customer who doesn't know how to make a payment is an avoidable problem.

Use a Simple Account Rhythm

Our ideal workflow is straightforward. Before a due date, the system can send an appropriate reminder. On the due date, it can present a way to pay. After the date, a missed payment goes into a review queue, with communications recorded so the next employee knows what already happened.

Then a person makes the important decisions. Did the customer pay through another channel? Is the balance accurate? Was an arrangement approved? Is there an actual default, or is the system looking at outdated information?

The goal isn't to bury customers under messages. The goal is to make the ordinary accounts easy to manage so your team has time for the exceptions.

Where Fast Pay Fits

This is the exact problem we built Fast Pay to address. We wanted a straightforward way to see accounts and payment activity in one dashboard, send reminders by text, phone call, or email, and make it easy for a customer to pay from a phone. Instead of spending the morning calling every account, the team can concentrate on the ones that actually need attention.

Fast Pay is free for dealers to use, which matters when you are starting with a handful of in-house contracts rather than hundreds. It will not turn a bad loan into a good one, and somebody still has to make decisions. But it can remove much of the routine payment communication and organization that made Buy Here Pay Here look so labor-intensive to me years ago.

Collections Are a Customer-Service Process, Too

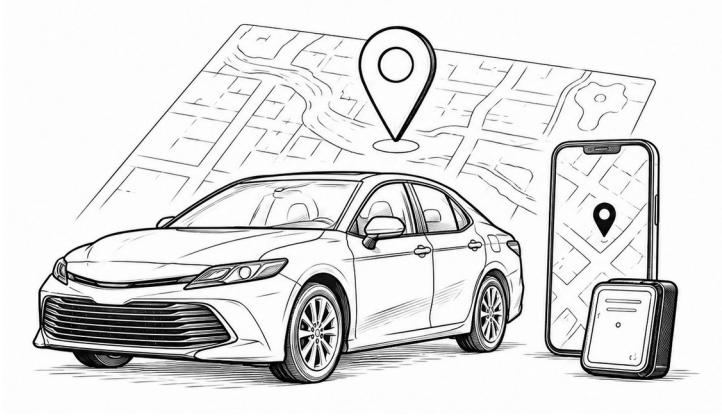
A missed payment is important, but the first response shouldn't always be a confrontation. A good process confirms the facts, makes it easy to resolve small issues, and documents what happens. It also knows when a customer truly cannot afford the contract and when the account needs a more serious decision.

A portfolio with clean records is easier to service, easier to audit, easier to hand off to another employee, and easier to evaluate honestly.

You shouldn't have to spend the morning guessing who owes you money. Your system should tell you which accounts need attention and what has already been done.

CHAPTER 9

GPS: Know Where Your Investment Is



One of the first questions a dealer asks when I bring up in-house financing is, “What happens when the customer disappears with my car?”

It's a reasonable concern. If you lend money against a vehicle, you want a practical way to locate that collateral when a recovery is legally appropriate.

This is where GPS technology changes the conversation.

We've used Advantage GPS. I don't receive a kickback for mentioning them here. It's simply the product we've used and found dependable in our operation.

Our hardware cost has been approximately $89 per unit. We have sometimes charged $600–$700 for the device and related services. That makes GPS interesting for two reasons: it helps us find collateral when there's a problem, and it can

add margin to a financed deal without much additional cash invested.

GPS Makes Recovery More Manageable

A GPS isn't a guarantee. Devices can lose power, be removed, or stop reporting. But a recent location is a lot more useful than sending a recovery company out to search for a car blindly.

For a small finance operation, that difference can save time and make a difficult account easier to handle.

And you don't have to turn yourself into a full-time repo agent to get the benefit.

From Payment Trouble to Recovery

When an account needs to go to recovery, we can use the Advantage GPS platform to locate the vehicle and coordinate with the recovery professional. That beats driving around town looking for the car yourself.

We'll cover the recovery process in the next chapter. The important point is that GPS gives us another tool to protect the money we've already invested.

The Same Device Can Add Profit to the Loan

Here's the other side of the equation. Suppose the GPS and associated services sell for $650 and the hardware costs $89. That's a $561 hardware-only spread before installation, subscriptions, and other expenses. If the customer finances the $650 charge, a $3,000 vehicle balance becomes a $3,650 account. We've increased the face amount of the receivable by $650 while spending relatively little additional cash. If the customer pays in full, the selling-price margin—and

potentially interest on the larger balance—can add to the deal's earnings.

Of course, a bigger receivable isn't the same as cash in the bank. You still have to collect the payments, pay the device's ongoing costs, and price and disclose the charge correctly, especially if GPS is required for financing. But the math is why GPS can be more than a recovery expense: it can be another real profit center.

Use the Information for the Right Reasons

GPS is there to protect financed collateral, not to track a customer's daily routine. Use the location tools for legitimate, agreed-upon purposes and keep access limited to the people who need it.

Done right, GPS serves two purposes at once: it helps make recovery manageable, and it adds a potential source of gross profit without tying up much more money in the vehicle. For a dealer holding the note, that's a valuable combination.

CHAPTER 10

Repossession Doesn't Have to Run Your Life



I've heard the same fear from dealers for years: “If I have to repossess a car, I'm going to be the one chasing it around town—and then the customer is going to show up angry at my dealership.”

There's a much better way to approach it.

When we have an account that has been properly reviewed and a repossession is authorized, our process can be surprisingly hands-off on the physical side. I don't have to call every tow truck I know or send a salesperson to look for the vehicle.

Our Practical Workflow

First, the finance operation confirms the account status. That means the records need to be current and someone must verify that the conditions for recovery have actually been met. You don't want a customer losing their transportation

because a payment was misapplied or an arrangement was overlooked.

Second, we open the GPS platform and use its recovery functions to help identify the vehicle's location. In our experience with Advantage GPS, we can coordinate assignments and communicate with recovery professionals through the platform.

Third, a qualified recovery company handles the actual fieldwork. That's what they're trained and equipped to do. Rather than dealership employees confronting a customer, the recovery company handles the pickup according to applicable rules.

Fourth, the recovery yard deals with the vehicle. Depending on the provider and arrangement, that can include storage, documenting condition, securing any keys recovered with the vehicle, inventorying personal belongings, and arranging for the customer to retrieve those belongings. We have found that these services can eliminate a great deal of the day-to-day burden on the dealership.

Finally, once the account and required notices or other rights are handled, the vehicle can be returned, sold, or otherwise disposed of as permitted. If the dealership wants to purchase or receive it for lawful resale, that may be an option. It isn't automatic the moment a tow truck drops the car at a yard.

The Recovery Agent Isn't Your Employee

This is a meaningful benefit of using professionals. Repossession agents know their work, have dedicated equipment, and often have established storage and property-handling procedures. You should have a written

understanding of their charges and services rather than assuming every provider offers the same package.

A key might come back with the vehicle. Or it might not. A car might be delivered to your lot quickly. Or storage, notice, and disposition procedures may take time. The point is to establish a repeatable process, not to promise that every recovery will be perfect.

Why the Separate Finance Company Helps

When the finance company owns and manages the receivable, collections and recovery communications can run through that company rather than through the dealership sales desk. That offers a useful layer of operational separation.

It does not prevent a customer from complaining to the dealership, and it doesn't eliminate responsibilities associated with the original sale. But it keeps the roles clearer: the dealership sells and services cars; the finance operation handles the account; the recovery company handles the fieldwork.

That's far better than having the person who sold the car improvise a repossession plan between customers.

A Brief Word on the Rules

As licensed dealers, you already know that your contracts, notices, customer property, and recovery procedures must comply with the rules that apply to you. Different states have different requirements, and a finance company is responsible for making sure a recovery is lawful. Treat that as an ordinary part of running the business—not a reason to be scared away from it.

What I Want You to Remember

You can own finance receivables without personally becoming a repossession agent. GPS helps locate collateral. Recovery companies perform the physical work. Good account records tell you when a recovery is appropriate. That combination can make an uncomfortable part of this business much more manageable.

CHAPTER 11

Repairs: Another Opportunity, Not Another Freebie



If you've sold used cars long enough, you know this conversation: a customer comes back with a mechanical problem and expects the dealership to make it right.

Sometimes the dealership absolutely should make it right. There's a warranty, a written promise, a defect the dealership is responsible for, or simply a reasonable customer-service decision. Nothing about having a finance company changes those obligations.

But not every breakdown is a dealership obligation. Cars need maintenance. Parts fail. Customers sometimes need work after the applicable coverage has ended. A properly equipped dealership can offer customer-pay repairs instead of assuming every visit has to become a goodwill expense.

And for a customer who can't cover the repair immediately, financing may be a useful additional service.

An Alternator Example

Suppose a customer needs an alternator replaced. The dealership's **direct** parts and labor cost is $400. Its genuine, disclosed retail charge for the complete job—including labor, shop overhead, and the normal repair markup—is $1,200.

The customer approves the estimate. The repair isn't a warranty or other dealership-covered obligation. The $1,200 price is what the shop actually charges for that kind of work, not a $400 job arbitrarily renamed as a $1,200 financing transaction.

The initial repair gross margin is $800 before indirect shop expenses.

There is another way to handle the financing without turning one manageable car payment into two bills. When the customer qualifies and agrees, my preference is a properly documented repair-financing addendum that adds the legitimate repair charge to the financed balance and extends the payoff date while leaving the regular payment about where it was.

Repair illustration	Amount
Genuine customer-pay repair price	$1,200.00
Direct shop cost	$400.00
Initial repair gross margin before other costs	$800.00
Monthly payment before and after addendum	$323.44
Illustrative timing of repair addendum	After payment 6
Payoff month, before / after	16 / 22
Additional scheduled collections vs. original plan	$1,637.28
Additional interest in extended plan	$437.28

Repair illustration	Amount
Potential repair-related gross earnings	$1,237.28

A customer already making a $323.44 payment may not be able to handle a second $116 bill every month. Instead, the customer can get a needed repair and continue making the payment they budgeted for. The dealership earns its normal repair margin and, on an interest-bearing extension paid as agreed, can earn additional finance income while keeping the customer relationship active.

Take the larger financed deal we will use in Chapter 12: $4,250 financed at an illustrative 29% annual rate for sixteen months, with payments of about $323.44. Suppose the customer authorizes a genuine $1,200 repair immediately after making the sixth payment. If the charge is added to the outstanding balance under an appropriate written agreement, with the same rate and no added fees, the $323.44 monthly payment can remain unchanged. The final payoff moves from month sixteen to month twenty-two.

Compared with the original schedule, that arrangement creates about $1,637 in additional scheduled collections: $1,200 for the repair and about $437 of additional interest. Subtract the $400 direct shop cost, and the repair creates approximately $1,237 of potential gross earnings before other expenses. The additional months are profitable only if the customer actually pays; they also keep your money at risk longer.

Extend the Term, Not the Monthly Payment

There is a tradeoff worth explaining to the buyer: the payment can stay comfortable, but the account lasts longer and costs more overall. An addendum also is not permission

to write new charges onto a signed loan without consent. Use the amendment or new credit agreement your contract and state require, with accurate pricing, interest, revised payoff terms, and any required disclosures.

Keep the process straightforward. Write a real repair order, show the cash price, offer financing only when appropriate, document the customer's choice, and update the account balance and maturity date. Fast Pay can help track the extended account, send payment reminders, and keep the customer's payment options consistent. Make sure your records show exactly how the repair and the revised balance were handled.

Some customers will pay cash. Some will have outside financing. Some should be referred to another shop or need to defer a nonurgent repair. Financing isn't suitable for every customer or every problem.

The Customer Relationship Can Continue

Here's the opportunity I want dealers to see. A customer relationship doesn't necessarily end the day the vehicle leaves the lot. You can provide service, help customers manage legitimate expenses, and potentially earn revenue from work your operation is actually equipped to perform.

The right approach keeps the customer on the road and the account performing. The wrong approach turns a repair into another unaffordable debt. Keep the service real, the price real, and the customer's ability to pay at the center of the decision.

PART IV — PUT IT TO WORK

CHAPTER 12

One Car, Multiple Opportunities: The Complete Math



Now we get to the page I wanted to see when that dealer first stopped me at the auction.

We've been talking about one aging car with $4,000 invested. We know the auction may return only our money. We know a discounted cash sale might make $1,000. We know a large acquisition fee can consume an otherwise good deal.

Let's take that same vehicle through the life of a self-financed transaction and see where the dollars could come from.

First, the basic deal. Then an optional product scenario. Finally, a later customer-pay repair added to the account through a properly documented, agreed financing change. Each step is a separate assumption. We are not pretending every customer will buy every product or need a repair.

Stage One: Sell and Finance the Vehicle

The vehicle sells for $6,000. The customer brings $3,000 down. We finance the remaining $3,000 over eleven months at an illustrative annual contract rate of 29%.

The scheduled monthly payment is approximately $313.84. If every payment is received, the interest adds about $452.29. Total cash collected is approximately $6,452.29. After subtracting the $4,000 vehicle investment, the potential gross earnings are **$2,452.29** before other costs.

That's the baseline. No GPS sale, no service contract, and no customer-paid repair required.

Stage Two: Consider Two Additional Products

Now suppose a different customer, buying the same car at the same price, also buys a $600 service contract that costs us $350. Suppose there's also a properly priced, financeable $650 GPS device-and-service package, with $89 in hardware cost and other GPS costs accounted for separately.

The two retail prices add $1,250 to the transaction. Their combined direct cost is $439. Before other costs, their product gross margin is $811.

Assume both products can properly be included in the amount financed under the actual contract. A required GPS program may be treated differently, so the dealership must price and disclose it appropriately. The table illustrates the business math, not a contract to copy.

For a clean illustration, assume those product prices are added to the amount financed. The amount financed becomes $4,250: the original $3,000 vehicle balance plus $1,250 of products. Using a hypothetical 29% annual contract

interest rate and sixteen monthly payments yields a payment of approximately $323.44.

Sale with financed products: illustration only	Amount
Vehicle selling price	$6,000.00
GPS and service-contract selling prices	$1,250.00
Total sale and product charges	$7,250.00
Down payment	$3,000.00
Balance financed	$4,250.00
Illustrative monthly payment / term	$323.44 / 16 months
Scheduled interest	$925.01
Total potential customer collections	$8,175.01
Vehicle cost	$4,000.00
GPS hardware and service-contract direct cost	$439.00
Potential gross earnings before other costs	**$3,736.01**

Notice that we **recalculated the whole loan**. We didn't take the $2,452 gross from the first scenario and simply bolt another $925 of interest on top. The first loan no longer exists in this version; it has been replaced by the larger, longer loan.

Also notice that the product cost is subtracted. You don't get to call $1,250 of product sales $1,250 of profit.

Stage Three: A Later Customer-Pay Repair

Suppose the customer needs a genuine $1,200 customer-pay repair just after making the sixth payment on the sixteen-month vehicle-and-products loan. The shop's direct cost is $400. Instead of adding another payment each month, the customer agrees to a properly documented financing change that adds the $1,200 to the outstanding balance, keeps the illustrative 29% annual rate, and leaves the regular $323.44

payment unchanged. With no additional fees, the balance is paid off in month twenty-two rather than month sixteen.

Compared with the original sixteen-month schedule, this extended account produces about $1,637.28 in additional scheduled collections: the $1,200 repair price plus approximately $437.28 of additional interest. After subtracting the $400 direct shop cost, the repair-related potential gross earnings are about $1,237.28 before overhead, losses, and the cost of keeping the receivable outstanding longer. That is incremental earnings compared with the original schedule, not a second copy of the old loan.

A customer who does not want an extended term can pay cash or consider another financing option. The revised agreement must be real, voluntary, accurately documented, and affordable, with the full cost and later payoff date made clear. The numbers assume monthly amortization, the repair charge added after payment six, the same stated rate, and every remaining payment arriving as scheduled.

The Complete Conditional Illustration

Scenario	Potential total cash collected	Direct costs	Potential gross earnings
Auction sale	$4,000.00	$4,000.00	$0.00
Discounted cash sale	$5,000.00	$4,000.00	$1,000.00
Outside lender, illustrative $2,000 fee	$4,000.00	$4,000.00	$0.00
Self-financed vehicle only; paid in full	$6,452.29	$4,000.00	$2,452.29
Financed vehicle + two products; paid in full	$8,175.01	$4,439.00	$3,736.01
Previous row + later financed repair extension; paid in full	$9,812.29	$4,839.00	$4,973.29

That is the big number. The same aging $4,000 vehicle could become part of a customer relationship producing roughly $9,812 in total collections and $4,973 in gross earnings across the sale, eligible additional products, and a later financed repair—if all of the assumptions hold.

Read the word could carefully. The last line assumes both products are purchased and properly financed, the customer later approves a genuine repair and a lawful written extension, every payment is received, and nothing is cancelled. The customer's regular payment stays the same in the repair illustration, but the term runs longer. The totals exclude indirect shop expenses, GPS subscriptions, servicing and collection costs, defaults, capital costs, taxes, and other real expenses.

The Lesson Isn't to Find $4,700 in Every Car

That would be the wrong takeaway. The lesson is that a retail vehicle, a finance receivable, a useful optional product, and a later repair are economically distinct opportunities. When dealers see the whole customer relationship, they can make better decisions about each one.

Some transactions will be vehicle-only. Some will be cash deals. Some customers won't need repairs. And a customer who defaults can erase projected earnings quickly.

But if the only number you ever consider is the check the auction will cut you tomorrow, you'll never evaluate the other possibilities.

The goal is not to maximize the amount you can charge a customer. It's to make more of the legitimate opportunities your dealership is already creating.

CHAPTER 13

Know Your Numbers, Know Your Risk



There's one thing more dangerous than being afraid of Buy Here Pay Here: being so excited by the projected income that you forget you're making loans.

When I saw our early payments coming in, it was easy to imagine the portfolio growing every month. That's a motivating sight. But an account balance on a screen is not the same thing as money in the bank, and a scheduled payment is not a collected payment.

A good financing operation measures what happens after delivery.

Four Numbers You Should Know

Cash invested: How much actual cash do you have at risk after the down payment and immediate expenses? If you finance extras, account for their costs too.

Cash collected: How much has actually cleared and become available? Don't count promises, scheduled payments, or pending transactions as collected money.

Delinquency: How much of your portfolio is late, by how many days, and what is the trend? One account being a week late is different from a rising percentage of accounts being months behind.

Net recovery after default: When a vehicle is recovered, what cash is ultimately available after lawful disposition and all related expenses? Include towing, storage, reconditioning, write-offs, and any amounts due back to the customer. Don't simply assume the car becomes free inventory.

The Difference Between Gross and Net

Our Chapter 1 example produces $2,452.29 of potential gross earnings on a fully performing loan. Now imagine it also requires staff time, financing capital, payment processing, collections, software, title work, insurance tracking, and ordinary overhead. Those costs reduce the result.

If the customer stops paying, the picture changes again. You may spend money on recovery, wait for the vehicle to be available for lawful disposition, and recover less than expected. You can also face a loss from damage or diminished vehicle value.

The right question is not, “What's the maximum I could make on this note?” It's, “What return can I reasonably expect **across a group of notes** after every account—including the bad ones—is counted?”

Keep a Reserve

Set aside cash that belongs to the risk side of the business. The exact reserve depends on your portfolio and circumstances, but there should be a deliberate answer to how you will pay recovery expenses and cover missed collections without starving the dealership of inventory money.

If you're financing five cars to start, make sure you could weather a poor result on one of them. Don't build a plan that survives only if all five customers perform perfectly.

Underwrite the Customer, Not the Down Payment Alone

A strong down payment is useful. It isn't proof that a customer can make eleven or sixteen payments. Review income, job stability, recurring obligations, insurance, housing, and the complete budget using a consistent, lawful process.

A customer who puts $3,000 down and cannot handle a $314 payment is not a good deal for either side.

The easiest account to collect is the one that was affordable from the beginning.

Review Results Monthly

Once a month, print a simple portfolio report. How many accounts are current? How much scheduled cash was due? How much actually arrived? Which loans paid off? How many are thirty or more days past due? What did repossessions and recoveries cost? How much gross came from the sales side, and how much from interest and approved products?

I like being able to look at payment activity without chasing down a pile of folders. Fast Pay's dashboard helps show which accounts may need attention, so that review becomes a routine instead of a project. I still compare what the software shows with cleared payments, accounting records, and actual servicing costs. A dashboard is a tool for seeing the business, not a substitute for knowing the numbers.

If the numbers are improving, you have evidence to scale carefully. If they're getting worse, stop adding risk until you understand why.

A portfolio isn't profitable because it looks good on paper. It's profitable when cash comes back, costs are controlled, and losses stay inside a plan you can afford.

CHAPTER 14

Your First Ten Deals



If I could go back and talk to myself after that auction conversation, I wouldn't tell myself to finance fifty cars. I'd tell myself to build a small, disciplined test—and learn from every contract.

Ten deals is enough to reveal whether your process works without pretending you've already built a national finance operation.

Before Deal One

Decide who will hold and service the accounts. Confirm your documents, pricing, licensing or registration needs, disclosures, payment process, GPS policy, and recovery partners for your location. You don't need to memorize every rule; you need a competent, repeatable process that follows them.

Set a cash budget for how much capital you're willing to have tied up at one time. Decide what types of vehicles fit the program and what payment and term ranges you can realistically support. Choose a system that keeps every contract and transaction organized.

Most important, decide what a deal must look like before you'll approve it. Making rules after the customer is sitting in front of you is too late.

Deals One Through Three: Learn the Process

Start with familiar vehicles and uncomplicated transactions. Walk through the contract calculations, document checks, payment setup, and accounting entries slowly. Make sure the customer knows where and how to pay. Verify that the finance company and dealership books match what actually happened.

This is also a good time to put Fast Pay into the actual workflow. Set up the account, confirm the reminders, and show the customer how the mobile payment process works before they leave with the car. Dealer use is free, so you can put the system to work on your first few contracts without taking on a large software subscription simply to test the idea.

You should be able to explain the cash invested, down payment, scheduled payment, and amount still at risk without opening five different spreadsheets.

Deals Four Through Six: Measure Performance

By now, the first accounts should be generating data. Are payments arriving as expected? Are reminders going out correctly? Are balances accurate? Are customers calling the

dealership with questions that should go to the finance operation? Fix the workflow while the portfolio is still small.

This is also when you should compare results against the deals you passed on to auction or outside lenders. Were your expected margins realistic? How much owner time have you spent on the accounts? Has the finance operation affected your ability to purchase new inventory?

Deals Seven Through Ten: Make It Repeatable

Now you should be looking for consistency. Can an employee explain the process? Are exceptions documented? Do you have a reserve? Do you know which accounts are past due without personally checking every calendar entry? Is the customer experience professional?

If the first ten deals have performed well, don't immediately multiply your volume by ten. Review the numbers, update your approval standards, and decide how much more exposure you actually want.

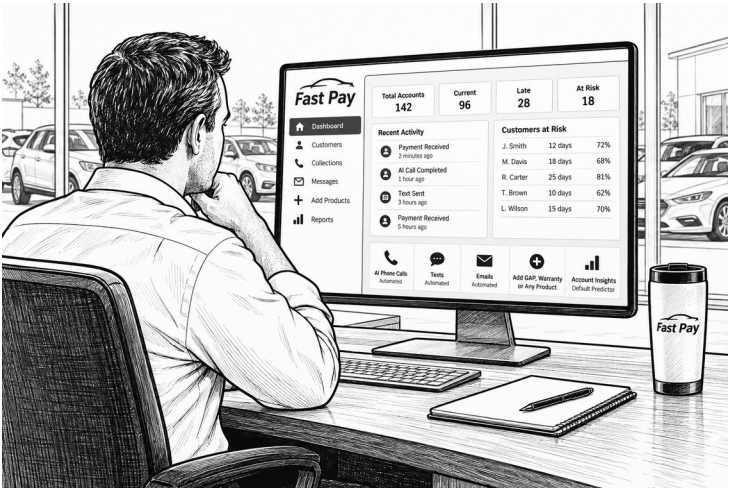
The Ten-Deal Review

At the end of the test, ask yourself five questions. Did we preserve or improve gross margin compared with the alternatives? Did we maintain enough liquidity? Did customers make the payments we realistically expected? Did servicing consume more time than projected? And do we know what we'd change before doing ten more?

If you can answer those honestly, you've already accomplished something more valuable than simply booking a stack of contracts: you've built a process you can improve.

CHAPTER 15

Fast Pay: Put Your Finance Accounts on Autopilot



A lot of independent dealers see the numbers in this book and immediately think of everything that could go wrong. Who is going to track the payments? Who will remind the customers? Who is going to call when an account is late? And how do I know whether the portfolio is making money without hiring somebody to watch it? Those questions are exactly why we built Fast Pay.

The point of financing your own deals isn't to create another full-time job. It's to keep more of the money you're already earning while letting a system handle the repetitive work. Fast Pay is designed to make a small Buy Here Pay Here portfolio feel manageable from the first account—and to continue working as that portfolio grows.

Enter the Deal. Let the System Go to Work.

The process starts by putting the deal into Fast Pay. Set up the customer's payment schedule and payment options, and the account becomes part of one centralized dashboard. Customers can make payments on their phones, and payments can be processed for deposit to your linked bank account. You don't have to create a separate collections department or spend your mornings checking who owes what.

Automated reminders can go out by text and email, with customizable messages that sound like your dealership. Fast Pay can also use AI-powered phone calls to follow up on accounts where those features are enabled and the applicable contact rules permit them. Instead of somebody in your office making the same calls all day, the system handles the routine follow-up and records account activity.

Know the Health of Your Accounts at a Glance

Open the dashboard and you can see your overall account picture: the accounts that are current, the customers who are late, how many days a payment is overdue, and the activity that has taken place. Customer-level information, including recent login and payment behavior, helps you decide which accounts need a real conversation and which ones are moving along as expected.

Fast Pay's default predictor takes that a step further. It uses payment behavior and patterns learned from other Fast Pay accounts to estimate a customer's likelihood of default. The percentage is a risk indicator, not a crystal ball and not a replacement for your judgment. But when you have ten, fifty, or hundreds of accounts, knowing where to look first can save an enormous amount of time.

Keep the Revenue Opportunities Connected

The earlier chapters show how a loan can create opportunities beyond the original sale: interest, a properly priced GPS product, GAP waivers or service contracts where offered, and repairs financed later under a written addendum. Fast Pay lets you manage qualifying add-on products and changes to an existing account in one place. Whether you're adding a warranty at delivery or documenting a separately financed repair afterward, the goal is to keep the agreed payment schedule, balance, and account history organized—not scattered across paperwork and spreadsheets.

That matters to profitability. You can evaluate what each account is scheduled to produce, see which customers are paying, and make informed decisions about where to invest more capital. Naturally, any add-on, modification, interest charge, or electronic collection activity still has to be authorized by the customer and permitted by the contracts and law that apply to the deal.

Run the Portfolio Without Building Another Department

For most dealers, the appeal is how hands-off the ordinary day becomes. Enter the deal, set up the payment arrangements, and let Fast Pay send reminders, accept payments, log activity, and keep the accounts visible. Payments flow through the platform toward the bank account you have connected, subject to the normal processing and settlement process. You can focus on buying and selling cars rather than spending hours chasing installments.

You still make the decisions that belong to the dealer: which customer to approve, whether to restructure a loan, what to

do about an account that is seriously behind, and when to step in personally. The difference is that the system brings those exceptions to your attention instead of making you manage every account by hand.

You don't have to overhaul your dealership to try Buy Here Pay Here financing. You don't have to hire collectors before you finance your first car. You don't even have to change how you buy vehicles. Start with a deal that makes sense, enter it into Fast Pay, and watch the account—along with the rest of your portfolio—from one place.

We built Fast Pay to make that approach practical for independent dealers. It's free for dealers to use, and it's designed to help turn a good financing decision into a repeatable, largely automated process. The money still comes from making sensible deals and customers making payments. Fast Pay makes it easier to keep the business running while you get back to running your lot.

CONCLUSION

The Money Was Already Sitting on Your Lot

I sometimes think back to that conversation at the auction. The older dealer offered me a business tip that probably took him years to learn. I listened politely, decided I couldn't do it, and went back to business as usual.

He wasn't wrong. I just wasn't ready to understand what he meant.

For fifteen years, I thought Buy Here Pay Here required the money and infrastructure of a giant operation. Then I looked at what our dealership was paying in lender acquisition fees and realized that, on some deals, I could take a reasonable, measured risk myself instead of giving away the entire margin.

We tried it on a few cars. We watched the payments come in. We learned why separating the finance operation made sense for us. We found tools that made collections and recovery less intimidating. And we started looking differently at the older vehicles and hard-to-finance customers we'd previously been quick to turn away.

That's all I'm asking you to do.

Don't stop using lenders that make you money. Don't turn down a strong cash buyer just to collect interest. Don't finance somebody who cannot afford the payment. And don't pretend a scheduled receivable is as good as cash in the bank.

But the next time you've got an aging $4,000 vehicle and an outside lender wants a fee that wipes out your gross, run the numbers one more time.

You may discover that the better opportunity isn't another car, another lender, or another month of advertising.

It may be the deal that's sitting right in front of you.

Run the numbers on one aging unit. If you decide the deal belongs in your own finance portfolio, give yourself a simple way to manage it from the first payment. We built Fast Pay to help independent dealers keep accounts organized, send text, phone-call, and email reminders, and offer mobile payment options. It is free for dealers to use. To get started, visit FastPayDMS.com and sign up.

Stop giving away your deals. Start knowing what they're worth.

APPENDIX A

The One-Page Deal Worksheet

Use this worksheet before holding a retail installment contract or comparing an in-house loan with an outside approval. Record the real numbers, not the ones you hope will happen.

Deal input	Your number
Stock number / vehicle	_____
Total vehicle investment, including recon	$_____
Asking / agreed vehicle selling price	$_____
Cash offer or expected net auction proceeds	$_____
Customer down payment	$_____
Outside-lender net proceeds after all fees	$_____
Balance proposed for in-house financing	$_____
Contract rate and disclosed APR	_____
Payment amount and number of payments	_____
Total scheduled payments after delivery	$_____
Initial investment not recovered at delivery	$_____
GPS hardware, service, and installation costs	$_____
Other product selling prices and costs	$_____
Estimated servicing and funding costs	$_____

Deal input	Your number
Loss/recovery reserve allocation	$_____
Expected collections after credit losses	$_____
Expected net contribution, not just gross	$_____

Decision prompts: Is the payment affordable? Does the car's likely life fit the proposed term? What cash returns immediately? What happens if the first three payments are missed? Is there a better cash or lender alternative? Are all products genuinely useful and appropriately documented? Who handles servicing and recovery?

If you can't complete those lines, you probably don't know the deal as well as you think you do.

APPENDIX B

A Simple Portfolio Scorecard

Review this information every month. You don't need a complicated financial model to start seeing patterns.

Monthly measure	Current month
Number of active accounts	_____
Opening principal receivable balance	$_____
New balances added	$_____
Principal collected	$_____
Interest and other permitted charges actually collected	$_____
Ending principal receivable balance	$_____
Scheduled cash due this month	$_____
Cash actually received	$_____
Accounts 1–29 days late	_____
Accounts 30+ days late	_____
Accounts paid off	_____
Repossessions assigned / completed	_____ / _____
Recovery, storage, and disposition costs	$_____
Net charge-offs / losses	$_____
Available collection and recovery reserve	$_____

The report should separate the dealership's retail gross from the finance operation's interest income and credit costs. That makes it easier to see whether the original strategy is producing what you expected.

Sources for Practical Reference

This is a dealer-to-dealer business book, not a legal manual. For readers who want a starting point for current federal

guidance, the following public resources explain important boundaries in ordinary language:

- Consumer Financial Protection Bureau, “What Is a Truth-in-Lending Disclosure for an Auto Loan?” https://www.consumerfinance.gov/ask-cfpb/what-is-a-truth-in-lending-disclosure-for-an-auto-loan-en-787/
- Consumer Financial Protection Bureau, “What Happens If My Car Is Repossessed?” https://www.consumerfinance.gov/ask-cfpb/what-is-a-repossession-en-865/
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These resources do not replace state-specific advice and should not be treated as approval of any numerical example in the book.