

GAP Questions & Answers

1. When a loan is secured by a vehicle with a reconstructed or salvaged title, is this loan eligible for GAP?
 - a. No
2. Can GAP be placed on single payment loans, or loans with quarterly, semi-annual, or annual payments?
 - a. No, only loans with monthly, semi-monthly, or bi-weekly payments are eligible for GAP.
3. Does GAP cover loan add-ons such as Extended Warranty and Credit Life?
 - a. Yes, these add-ons are protected by GAP.
4. When financing a boat, motor, and trailer under one loan agreement; are separate GAP enrollments required on each piece of collateral?
 - a. In this situation, only one GAP enrollment is required.
5. If a loan exceeds the GAP Loan-to-Value limit (i.e.;125% or 150%), is this loan eligible for GAP?
 - a. Yes, however, the claim will be settled based upon the GAP LTV limit that applied at time of loan origination. The excess amount will not be protected.
6. If the loan term exceeds the GAP term limit (i.e.: 72 months, 84 months...), is this loan eligible for GAP?
 - a. No, this loan would not be eligible for GAP.
7. If the borrower is pledging collateral, such as an automobile or truck, to secure a loan (non-purchase financing), can GAP be placed on this loan?
 - a. Yes
8. If the loan amount exceeds the GAP coverage limit (i.e.; \$100,000), can GAP be sold on this loan?
 - a. NO
9. Can GAP be placed on an existing loan?
 - a. Yes; these guidelines apply:
The lender must verify the vehicle is not damaged; and
Complete the waiver form using the current date, not original loan date.

10. When should GAP not be recommended to a borrower?
 - a. As a general rule, GAP should not be recommended to a borrower who is financing less than 80% of the collateral value.

11. On a refinance, can GAP be transferred from the old loan to the new loan?
 - a. No, a new GAP Enrollment must be issued on the new loan.

12. Can GAP be sold on a loan secured by multiple collateral?
 - a. GAP is not recommended on multiple collateral loans as typically there is very little benefit to the borrower. However, there can be exceptions. If you believe you have a multiple collateral loan where the borrower could benefit from GAP, call Wickline Insurance to discuss.