
The Apple Instant Consumer Loan

Program Overview

Apple and MBNA Introduce Instant Financing for Customers

CUPERTINO, California—August 9, 2000—Apple® and MBNA today introduced instant financing that allows qualified customers to make monthly payments on Apple products, including the entirely new line of desktops recently debuted at Macworld New York.

Through the program—which enables monthly payments as low as \$19.99 for the new \$799 Indigo iMac™—customers can apply for financing and receive immediate notification at the point of purchase. The program is available now through Apple’s online Apple Store™(www.apple.com) in the United States, and is currently being rolled out to Apple authorized resellers.

“Apple is all about making the best technology more accessible to consumers,” said Fred Anderson, Apple’s CFO. “We are proud to work with MBNA, a recognized pioneer in providing immediate web-based loan decisions, to give more people a chance to experience our revolutionary products.”

Loans up to \$25,000 are available to qualified customers with a choice of four payment terms: 24, 36, 48 and 60 months. Customers will be able to reaccess their account without reapplying for a loan, enabling future purchases of Apple products with ease.

“Apple represents innovation and quality,” said Gregg Bacchieri, senior vice chairman of MBNA. “We look forward to providing Apple customers with the innovative and high quality services they expect from MBNA.”

Apple’s new product line includes the revolutionary new Power Mac™ G4 Cube, an all-new iMac family in stunning new colors (Indigo, Ruby, Sage, Graphite and Snow), dual-processor Power Mac G4s, a new family of displays, and the new optical Apple Pro Mouse and Apple Pro Keyboard, which come standard with all Apple desktops.

MBNA Corporation, a bank holding company and parent of MBNA America Bank, N.A., a national bank, has \$76.3 billion in managed loans. MBNA, the largest independent credit card lender in the world, also provides retail deposit, consumer loan and insurance products. MBNA.com (www.MBNA.com) provides credit card, consumer loan, retail deposit and shopping services.

Apple ignited the personal computer revolution in the 1970s with the Apple II and reinvented the personal computer in the 1980s with the Macintosh. Apple is committed to bringing the best personal computing experience to students, educators, creative professionals and consumers around the world through its innovative hardware, software and Internet offerings.

It's a New Program

Apple has worked closely with MBNA over the last six months to develop the most innovative consumer loan program available. The new Apple Instant Consumer Loan was carefully designed to meet your needs and those of your Customers. The following briefly outlines the benefits of this new program and walks you through the process.

Benefits to Your Business

High Approval Rates

No Merchant or Transaction Fees

Paperless Application and Settlement Process

Fast Credit Decisions

24 x 7 Application Processing

Benefits to your Customers

Simple Application

Low Monthly Payments

No Prepayment Penalties

No origination, application or annual fees

Flexible repayment terms

Simple System Requirements

Graphical workstations (PC, Mac, UNIX) with a web browser (Netscape Navigator or Internet Explorer 4.0 or higher).

A compatible printer

Process Flow

Store personnel logs onto the Apple Reseller application site

The Customer applies for the Apple Instant Loan online via the store's computer station

If approved, the Customer is shown their APR, credit line, term, and corresponding approximate monthly payment. Customer must accept offer.

Upon acceptance of offer, the full terms and conditions of the loan are displayed and printed for the Customer. Upon printing, the Customer's loan account number is displayed.

... Process Flow

The salesperson follows the Customer verification procedures

The sale is entered into the store's sales system

The store will electronically authorize each transaction similar to a credit card purchase

The store will submit a settlement in either batch or single submission format

What to do?

Complete the Enrollment Form found in the AFS section of the Apple Channel Site under “How to Enroll”

Sign the Apple Financing Agreement located in the same section

Forward the documents according to the instructions in the Enrollment Form

Further details are located in the accompanying FAQ document. If you have questions regarding this program, please contact your Apple Sales Representative
