

## Apple Instant Loans for Resellers Frequently Asked Questions

### **GENERAL PROGRAM:**

***Q. How does my Customer benefit from the Apple Instant Loan program?***

R. The Apple Instant Loan has many benefits and advantages for your Customer:

- Low monthly payments
- No pre-payment penalty
- No origination, application, or annual fees
- No down payment required

***Q. How does my business benefit from the Apple Instant Loan program?***

R. The Apple Instant Loan has many benefits and advantages for your business also:

- No merchant or transaction fees
- Paperless application process
- Electronic settlement
- Credit decision within a few minutes
- High approval rates

***Q. Who is administering the Apple Instant Loan program?***

R. 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, loan, and insurance products.

***Q. What is the interest rate, and will it ever change?***

R. The rates are as low as 14.99% up to 26.99%. They vary based on the individual Customer's credit history. We find this to be the most effective way to make the maximum number of loans possible. This is a fixed rate loan program.

***Q. What is the term of the loan?***

R. The Customer can choose a term of 24, 36, 48 or 60 months for the Apple Instant Loan or choose an open line of credit with the Apple Instant Loan for Education. This allows the Customer to select a payment that best fits his or her budget. There is no pre-payment penalty.

***Q. How much can my Customer borrow?***

R. Loan amounts for qualifying Customers are based on creditworthiness; credit lines will be from \$1,500 to \$25,000 with a minimum initial purchase amount of \$750.

***Q. Who is eligible for the Apple Instant Loan?***

R. The applicant must be:

- At least 18 years of age
- A U.S. citizen or permanent resident with a U.S. mailing address

***Q. Who is eligible for the Apple Instant Loan for Education?***

R. The applicant must be:

- At least 18 years of age
- A U.S. citizen or permanent resident with a U.S. mailing address
- A student or faculty member

***Q. Will my Customer need a co-applicant?***

R. An MBNA credit analyst will solicit a co-applicant for the application if the analyst feels it is necessary.

***Q. Can my Customer re-access the Apple Instant Loan account?***

R. Yes. The loan allows the Customer to make multiple purchases up to the credit limit. When the Customer makes additional purchases or cash advances, (1) the Apple Instant Loan will be re-calculated, and the payment will be based upon the original term or (2) the Apple Instant Loan for Education will continue to base the monthly payments on a percentage of the balance. See also, Monthly Minimum Payment.

There are no add-on certificates necessary in order for the Customer to re-access the loan. The Customers may simply bring the MBNA account number and a photo ID to an authorized reseller to complete a purchase.

***Q. Is there an advantage if my Customer pays with an Apple Instant Loan versus a credit card?***

R. Yes. Your store does not pay credit card merchant fees when your Customers utilize the Apple Instant Loan program. This means you will save money each time your Customers use the Apple Instant Loan to make a purchase.

Your Customer benefits because the Apple Instant Loan, with fixed monthly payments, often lowers the total interest paid. The Apple Instant Loan for Education has interest-only payments converting to regular minimum monthly payments after 24 months. Customers may also keep current credit cards available for future needs.

***Q. What are the minimum monthly payments?***

R. The payments will vary based on the type of loan and the repayment term the Customer selects.

For the Apple Instant Loan, the Customer will be able to select the term (number of months) to pay off the loan, allowing the flexibility to fit the loan to a budget.

For the Apple Instant Loan for Education, the payments for the first 24 months is interest-only before converting to payments based on a percentage of the balance.

***Q. Can businesses use the MBNA financing program to purchase equipment?***

R. Yes. The loan will be based on the applicant's personal credit history and not the financial history of the business.

***Q. When can I process a loan application?***

R. Online approval of loan applications is available 24 hours a day, 7 days a week.

***Q. How long will the application process take?***

R. It may take only seconds for automated decisions, up to 15 minutes for referrals and within 24 hours if extensive verification is needed. Resellers can check the status of any application online at any time.

***Q. Who do I contact if either my Customer or I have a question about the program?***

R. Key contact numbers will be provided once you have submitted the signed **Apple Financing Reseller Agreement** and **Enrollment Form**. In the meantime, if you have questions regarding the program you should contact your Apple Sales Representative.

***Q. Can my store participate in the Apple Instant Loan program if we do not have Internet access?***

R. In order to take full advantage of the flexibility and speed of the Apple Instant Loan program, Internet access is mandatory. If a reseller location does not have online capabilities, it will not be able to participate in this program.

## **LOAN DOCUMENTS AND SYSTEM SECURITY**

***Q. What steps does my store need to complete to be able to offer this program?***

R. The **Apple Financing Reseller Agreement** and **Enrollment Form** can be found on the channel site under “programs”. Resellers must sign the **Apple Financing Reseller Agreement** and complete the **Enrollment Form**. Once these documents have been forwarded to the address on the **Enrollment Form**, a reseller login and password will be provided within approximately one week. You will also receive an education package and a key contact list at that time.

***Q. What steps does my store need to complete to be able to offer this program?***

R. The Apple Instant Loan program is an Internet-based program. You must have access to the following equipment and software in order to participate in the program:

- Computer station with Internet access
- Printer
- Compatible Internet browser (e.g., Netscape Navigator 4.0 or Microsoft Internet Explorer 4.0)

***Q. Does Windows 95/98/NT affect the operation of this program?***

R. No. Successful operation of this program is not dependent on the operating system. Web browser access to the Internet is the key requirement.

***Q. How are loan documents created, delivered, and printed?***

R. The Web application will create and communicate the MBNA required Terms and Conditions for acceptance and printing. Once printed, the Terms and Conditions must be provided to the Customer.

***Q. How is my Customer's personal and financial information protected?***

R. Assuming information on the loan application is entered using either Microsoft Internet Explorer or Netscape Navigator/Communicator, that information is "encrypted" before it is sent over the Internet. The same is true of the information that is sent back to your store. Encryption is a process of encoding information so it can only be opened and understood by the intended recipients, in this case the loan web site and your computer.

In addition, you may want to assure your Customer that Apple's loan provider is one of the most respected loan servicing companies in the country, with the usual and customary controls in place to protect loan applicants' confidentiality. The loan provider's employees and processes have been bonded to protect against dishonesty.

***Q. What should I do with the printed loan documents (MBNA Terms and Conditions)?***

R. Program guidelines including steps to take to complete a sale, including totaling the sale, submitting transactions, and verifying the Customer's identification will be forwarded upon receipt of a signed **Apple Financing Reseller Agreement** and **Enrollment Form**.

***Q. How do I verify my Customer's credit limit?***

R. Your Customer's approved credit limit will be provided on approval notification screen at the time of application. In addition, you should process an authorization request on all transactions prior to billing.

## **THE PURCHASING PROCESS**

***Q. How does the initial purchase transaction work?***

R. Once your Customer's loan documents (MBNA Terms and Conditions) have been printed, you should assist your Customer as usual in completing the sales transaction. After you have authorized the purchase amount you will submit the settlement transaction through the MBNA settlement process (batch or individual record submission).

***Q. Are split invoices allowed?***

R. Yes. Your Customer can pay for part of the total purchase with cash, credit card, or store charge and put the balance on the Apple Instant Loan, provided the initial purchase amount is a minimum of \$750.

***Q. How do I handle a "back order" or Build-To-Order (BTO) purchase?***

R. If this is the first purchase, your Customer should apply for the loan at the time of the order. When your Customer's order is ready for delivery, you should authorize the purchase amount and submit the settlement transaction for billing using the normal process.

***Q. How does the subsequent purchase work?***

R. When your Customer is purchasing subsequent equipment you should verify the Consumer information, authorize the purchase amount, and submit the settlement transaction for billing using the normal process.

**RETURNS, EXCHANGES, AND DOAs**

***Q. Is Apple involved in a return transaction?***

R. No. Returns are subject to the reseller's policy. The transaction is between the reseller and the Customer.

***Q. How do I handle the return of merchandise purchased through the loan program?***

R. You are responsible for refunding the amount financed to the MBNA. Typically, the amount financed should be the price of the product plus applicable taxes.

You will utilize the MBNA settlement process for submitting the refunds to the Customer loan account.

***Q. Why can't I give the refund to the Customer?***

R. You should process a refund in a manner similar to that of a credit card; the lender should be refunded the amount, not the Customer.

***Q. If my Customer returns merchandise purchased through the loan program, can I charge a restocking or other fee?***

R. No. You must repay the loan company the entire loan amount financed for the product returned. The loan company will not finance restocking or other fees. If you elect to charge a restocking or other fee, you are responsible for collecting the fee by cash, check, or credit card from your Customer at the time of the return.

***Q. How can my Customer return and upgrade equipment after the initial sale?***

R. The Customer can return and upgrade equipment based on your store policy. You should process a refund through the MBNA settlement process. The new transaction should be authorized and billed through the MBNA settlement process.

***Q. How do I process a return on a product that now has a price lower than the original purchase price?***

R. If the return is the result of Customer dissatisfaction stemming from a recent pricing action, you can offer your Customer a cash credit for the difference in price to avoid the return. You can either give your Customer a cash credit, which will maintain the original loan amount, or you can process a credit to the loan account through the existing settlement process, thereby reducing the Customer's loan balance. If your Customer prefers to return the product, process the return as described in the previous question, "How do I handle the return of merchandise purchased through the loan program?"

***Q. How do I handle a DOA product exchange?***

R. If your Customer returns a true DOA product, you may exchange a "like for like product" with no impact to the loan and no need to complete additional paperwork or notify the loan company. If your Customer wants to return a DOA product and subsequently upgrade, refer to the previous Question, "How can my Customer return and upgrade equipment after the initial sale?"

## **PAYMENTS FROM APPLE INSTANT LOAN PROGRAM TO RESELLERS**

***Q. How will payments from the loan company be identified so I can process them when they are received?***

R. The daily settlement process will aggregate all of the transactions for a particular day. The transactions will be applied to the Customer's account and the aggregate amount of the daily transactions will be deposited into your bank. You will receive a daily reconciliation report that will detail the total activity for the previous day's deposit. This report will be password accessed through an Internet URL provided by MBNA.

***Q. How long does it take to get paid after I send the settlement transactions to the loan company?***

R. Funding will occur within 48 hours of receiving and processing the daily settlement file.