



EFG and AFG Partner to Expand Balloon Financing with DrivingSense™

Hybrid financing product gives consumers the protection of a lease, lower fees and a title that is in their name

DALLAS, TX (February 25, 2014) – EFG Companies, the innovators behind the award-winning Hyundai Assurance program, announced today a strategic partnership with Auto Financial Group to increase market share for its DrivingSense™ program, a highly relevant, post-recession consumer finance product.

DrivingSense is a residual based, walk-away, balloon loan program that provides consumers a more friendly financing option with no down-payment and lower monthly payments. Currently, residual-based financing accounts for almost 30 percent of the new vehicle market. While consumers look to their financial institutions for the best rates on conventional loans, they frequently choose captives or other competitors for residual-based financing options. With DrivingSense, financial institutions are now positioned to recapture those consumers' loans by providing a credible residual-based financing option from a source they trust.

"Lenders and Dealerships are hungry for new financing programs that increase sales and loan volume by directly addressing the consumer needs" said Stephen Roennau, Vice President, EFG Companies' Transcend Group. "With that in mind, DrivingSense is primed to tip the market."

To understand DrivingSense, consider the difference between balloon financing and leasing. With balloon financing, consumers can make a very low down payment, or have no down payment at all. They get the vehicle's title in their name and agree to make small monthly payments over the term of the loan. The last payment, known as the balloon or residual, is one large payment at the end of the term that pays off the loan.

Consumers typically have three options prior to loan maturity and at loan maturity:

- trade in the vehicle, i.e. sell it and use the vehicles end-of-term value to pay off the loan;
- refinance the vehicle; or,
- pay the vehicle off and keep it.

DrivingSense provides the same protection to the consumer as a lease with the guaranteed future value, but the vehicle is titled in the consumer's name giving them the tax benefits of balloon financing. DrivingSense also has lower fees than traditional leasing and lower costs for excess mileage.

"We approached EFG not only because of their demonstrated success in implementing distinctive market-differentiation programs and customized training, but also because of their strong engagement model," said Richard Epley, CEO, Auto Financial Group. "EFG understands how to successfully position game-changing products and penetrate the market aggressively."

AFG is partnering with EFG to provide ongoing training for their lenders and their indirect dealership clients to increase their market-share in residual-based lending with DrivingSense. EFG is developing a behaviorally-based guided-discovery training curriculum for market implementation. The hands on training includes how to present the DrivingSense option to consumers and how to quote payments using AFG's user-friendly customized web-based CarBuilder calculator.

DrivingSense is available on both new and pre-owned vehicles up to 4 years old. With mileage terms of 12,000, 15,000 and 18,000 and finance terms of 24-72 months DrivingSense will make sense to any consumer!

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About EFG Companies

With over 36 years of experience serving as an industry innovator of consumer and vehicle protection programs, EFG Companies is a world-class financial service products administrator committed to the continuous development of innovative products and services with go-to-market strategies and execution support across a multitude of channels. www.efgcompanies.com

About Auto Financial Group

Auto Financial Group, Inc. (AFG), a Houston-based company, provides an online residual-based vehicle financing product called DrivingSense™ to financial institutions across the United States. The DrivingSense™ low-payment vehicle financing provides the lease-like benefits of a balloon loan. The DrivingSense™ CarBuilder™ calculator, a customized secure website, gives AFG's clients and their consumers the ability to "build" vehicles and compare payment terms with conventional loans in one easy process. Borrowers receive the benefit of a low payment, flexible terms, actual ownership of the vehicle and several end-of-term options, including the lease-like option of being able to surrender the vehicle and walk away in lieu of paying the final loan payment. For more information about getting DrivingSense™ or to connect with a lender offering DrivingSense™, call 713-812-3333 or toll free at 877-354-4AFG, or visit www.autofinancialgroup.com.