

Car Leasing Tips

Leasing was originally intended for businesses that wanted to avoid the high cost of vehicle ownership and maintenance. As new car prices kept edging upwards more and more, leasing became a new way of "selling" cars. Now, you need to understand what it really means and what you get (and don't get) for your money in a lease.

Automobile leasing is not a simple matter. Cars depreciate in value over time. When you lease a car for two or three years, you are paying for the depreciation in monthly payments plus interest. At the end of the lease, the automobile can be either sold to you or someone else for its value at that point. There is no ownership, you simply pay for the use of the automobile. The manufacturer's warranty still covers the car for you whether you lease it or buy it.

The law requires disclosure by leasing companies of specific information and provides consumers with a description in writing of the lease's financial details. The purpose of the law (called "Regulation M") is to allow consumers to compare one lease with another for the same vehicle and to compare leasing a vehicle with buying it on credit. However, the disclosure requirements do not apply to lease transactions over \$25,000.

LEASING TERMS YOU NEED TO KNOW

LESSEE: The consumer.

LESSOR: The company that owns the automobile (usually the bank or finance company).

GROSS CAPITALIZED COST: The price of the car for leasing purposes. You want this number to be as low as possible.

CAPITALIZED COST REDUCTION: Amount of cash down payment, trade-in or rebate.

RESIDUAL VALUE: The automobile's value at the end of the lease. Sometimes called "lease-end value," this is often described as a percentage of the Manufacturers Suggested Retail Price (MSRP). The higher the residual value, the lower your monthly payment will likely be. The residual value may be a negotiable figure. To determine it, many dealers consult a publication called Automotive Leasing Guide but some banks use their own guide book. Ask to see it if you aren't sure that you are getting a fair deal.

RENT CHARGE: An amount paid by the lessee that usually includes principal, interest and profit.

MONEY FACTOR: This figure, also known as the lease rate, is the interest rate built into all leases. It is leasing's version of the rate of interest that is charged to people who buy on credit. Leasing companies do not usually disclose the money factor except to the Dealer.

ADVANTAGES OF LEASING

1. The monthly payment is always lower than when you buy the same car. Also, in many cases you don't even have to pay any down payment to get the car.
2. A short term lease lets you get a new car every couple of years and you can usually get a more expensive car than you could if you were buying it instead of leasing it.
3. Before the car gets worn out and needs repairs, your lease is up and you may have avoided repair bills.
4. There is no hassle with a trade-in at the end of the lease.

DISADVANTAGES OF LEASING

1. You may all those payments and at the end of the lease you have nothing to show for it because you don't own the car.
2. If the lease is longer than the car's warranty, you may have to pay for repairs at the same time you are making payments.
3. In the long run, leasing is more expensive.
4. It's costly to get out of a lease. Early termination of a lease will likely result in very substantial charges that you have to pay.

STEPS IN AUTOMOBILE LEASING

1. Get informed. Chose the car you are interested in first and research its reliability and price. Next start talking price. Make sure you know what your trade in is worth and then negotiate your trade in allowance to the highest number you can get.

A 2 year lease usually means larger payments. A longer lease should have smaller payments, but could end up costing you even more if you try to get out of the lease early.

2. Negotiate the gross capitalized cost.

Try to negotiate a gross capitalized cost somewhere between the window sticker price and the dealer's invoice cost (ask to see it). The lower the "cap cost," the better the deal usually is for you. If the salesperson claims that he/she is not allowed to negotiate the capitalized cost, they are not telling you the truth so just leave and go to another dealership.

On the lease form itself, when you see it, compare the number you negotiated with the capitalized cost the dealer wrote down, to make sure that nothing has been added.

3. Fill in the lease "disclosure" form.

Ask the salesperson to fill in the rest of the lease disclosure form, front and back, and give you the figures. Be sure that you check the box near the top or middle of the front page in order to get a step-by-step calculation of the monthly payment.

4. Review the lease form.

Review the lease and ask for explanations of any items you do not understand. Make sure that you get credit for your trade-in allowance. Look for the line on the form titled “capitalized cost reduction.” The total amount should include rebates, cash down payment and trade-in allowance. If you have paid a down payment or deposit, make sure you get credit for it, too.

5. Take the lease home and read it carefully.

Once the lease is written, don’t sign it on the spot. Instead, ask for a copy to take home and review more carefully. A quick signature at this point could cost you thousands.

6. Compare the numbers.

At home, compare the figures on the lease with your notes about what the salesperson said the car would cost you. Look for unexplained changes or charges you don’t understand. Check the math. Look carefully at the lease term, the gross capitalized cost, the capitalized cost reduction, the residual value and the monthly payment amount (the “rent charge”).

END-OF-LEASE COSTS AND OTHER CONSIDERATIONS

When you buy an automobile, the bargaining usually comes at the beginning of the process and in the finance office. Leasing is usually pretty simple at the beginning but can get very complicated at the end. When you turn the car in, problems can happen, if you don’t know what you are getting into. Read the fine print (every word of it) before you sign on the dotted line.

SOME OF THE MORE IMPORTANT THINGS TO LOOK FOR ARE:

EXTENDED WARRANTY (called service contracts). If you really must buy one, make sure that it is a “real” one from the vehicle’s manufacturer and not from some post office box company with an 800 number. Also, negotiate the price. Usually about half the cost of the extended warranty’s starting price is pure profit to the dealer.

GAP INSURANCE. Many people think Gap insurance is a rip off. If the lease car is totaled or stolen, your auto insurance may cover replacement but not the payments still required. Gap insurance covers the difference between the replacement value of the car and what is still owed on the lease. It is expensive for what you get, unless (of course) you really need it. Bargain over the price here, too, since about 30 to 50% of the asking price is more Dealer profit.

EXCESS WEAR AND TEAR. At the end of the lease, if the car has visible damage, you will probably be charged for repairs. To protect yourself, get a copy of the written guidelines or

checklist issued by leasing companies.

EXCESS MILEAGE. The yearly mileage limit on your lease should be higher than your normal driving habits. If it is not, find out the charge for the additional miles. Try to negotiate a more favourable rate for added miles at the outset.

DISPOSITION FEES. This end-of-lease charge covers costs associated with picking up and processing the returned car are for sale.

PURCHASE OPTION. This is your chance to buy the car at the end of the lease. The lease should tell you how the price will be figured (if the purchase price is pre-determined or you can negotiate it at the end of the lease).

EARLY TERMINATION AND DEFAULT . You may incur significant penalties if you break the lease. For example, you may be required to pay 100% of all the remaining payments. A detailed explanation of early termination fees is required by the disclosure form. Never believe a salesman who tells you that there is no penalty for ending your lease early. If you lease a car, you might as well plan on keeping it to the very end of the lease.

SOURCES OF ADDITIONAL INFORMATION

Consumer's Auto Leasing Guide, Remar Sutton, Credit Union National Association. A 30 - page booklet (costing \$8.50) explaining what a lease is and all important facets and terms of a lease. Include stock # 20669 in your request. Finance Department, CUNA & Affiliates , P.O Box 431, Madison, WI 537021-0431. 1995.

Dodging The Traps In a Car Lease. (April 1996). Kiplinger's Personal Finance Magazine , pp. 89-93.

Reality Checklist. Consumer Task Force for Automotive Issues, Inc., P.O. Box 7648, Atlanta, GA 30357-0648. 1994.

Lease your Car For Less, Richard L. Kaye, TeleTravel Network, P.O. Box 606, Northbrook, IL 60062-0606. \$6.95. 1995

Look Before You Lease, Michael Kranitz, Buy-Rite Publishing, Damonmill Square, Suite 5A4 Concord, MA 01742. Telephone: 508-371-0015. \$9.95. 1997

What You Should Know About Auto Leasing. (June 1995). Consumer's Research, pp. 27-29.

Software

Expert Lease and Expert Lease Pro Software. Chart Software, PO Box 145, Gilman, IL 60938. 800-418-8450. \$49.95 and \$99.95(Expert Lease Pro). System Requirements: IBM compatible PC with DOS 3.1 or higher. 640K memory, color monitor, hard disk with 4.0 MB free(Pro version). 1995.

10. *BINDER* This is a legal form to bind insurance coverage until a regular policy is issued.
11. *BIRD DOG* One who refers prospective customers to a particular dealership or salesman for a given fee or compensation.
12. *BOOK* Refers to Kelly Blue Book or N.A.D.A. Book. These books state the wholesale and retail value of any given auto or truck going back six years.
13. *BOUNCE* To bounce someone means to increase the sales price of the car, interest rate, monthly payments, etc.
14. *The BOX* A room, normally the Sales Business Manager's office, where a deal is finalized before delivery.
15. *BRICKS* This term is used to refer to one's house as security in taking out a second trust deed loan.
16. *BROWNIE* To sell a car to a customer as a result of going around and putting a piece of paper with a message like "call me regarding your car" on car windows on the street.
17. *BUMP* See *BOUNCE*.
18. *BURIED* This is a customer who is over obligated financially.
19. *BUY RATE* This is the interest rate that banks or financing institutions will charge on all contracts being financed.
20. *CAP* This has two meanings. First is the maximum interest rate that can be charged on an auto contract, which is ___% per annum. Second, to complete a deal or to *CAP* it out is to compute the profit, make sure all trade papers are enclosed, DMV forms properly filled out, etc.
21. *CAPITALIZED COST* This is the total figure of a lease vehicle before the depreciation or residual value is computed.
22. *CARRY BACK* This is the amount to be financed on any given contract.
23. *CHARGE BACK* This comes in the event of an early pay off. The bank

will debit or charge back the dealer's finance reserve, or finance income account, the amount of unearned income.

24. *CHERRY* A vehicle that is clean, immaculate, good looking, mechanically sound. Just plain good merchandise.
25. *CHERRY PICK* This is what a financing source will sometimes do when it approves or looks for only the excellent or above average customers.
26. *CHISLER* This has two interpretations. First, a regular buyer who constantly grinds the salesman to the best possible deal that he can get. Second, an individual who floats between dealerships doing nothing but wholesaling cars between dealers.
27. *CHUTE* See *BOX*.
28. *CLIMBER* One who is able to tackle tough jobs or tough customers. Use in phrase "No Hill for a Climber".
29. *CLOSE* To put the final touches on a possible automobile purchase. In other words to close or complete a deal.
30. *CLOSER* One who closes.
31. *COLD CANVAS* A form of prospecting where a salesman or dealership solicits any and all prospective buyers in any given area.
32. *COME ON* This is where the buyer is led to believe one thing and it turns out to be really something else.
33. *COMBINATION SALES FORCE* This is a sales force that sells both new and used cars vs. having a split force where some sell new only and some sell used only.
34. *CONDITION A DEAL* A deal is normally conditioned when, as it stands, it is not a deal but it can be a deal if certain conditions are met, such as additional down payment, co-signer, income verification, etc.
35. *CO-X* This is a co-signer or co-buyer.
36. *CREAM PUFF* See *CHERRY*.

37. *CURB* This is when a salesman would sell his own personal car, or a friend's car, at a dealership, possibly vs. selling one of dealership's cars.
38. *TO CURB A CAR* A salesman who takes a trade in without the dealer's knowledge from a customer and buys it personally and sells it at a higher price thus making money for himself and not the dealership. He generally hides it at a distant curb.
39. *DEALER PREP* This is a charge the dealer adds to the price of the car for preparing it for sale after receiving it from the factory.
40. *DEALER TRADE* This is when a dealer will exchange one of his cars with another dealer to meet a customer's likes or requirements in color, equipment or model.
41. *DEFERRED PAYMENTS* This is money to be used toward the down payment on a car. It is to be paid after delivery of the car and there is no interest computed on this amount.
42. *DEHORSE* This is when you take a customer out of his trade-in and deliver to him the purchased car whether financing is arranged for or not, in order to take the customer out of the marketplace and get him emotionally "invested" in the delivered car. The purchase may or may not have been completed prior to delivery (in other words, it may or may not be a "spot delivery" situation).
43. *DESKMAN/DESK* A man who both figures and determines what kind of deal the dealership will make to a customer.
44. *DETAIL* Usually applies to a used car where it is cleaned up and made to look as new as possible.
45. *DEUCE* This usually refers to a \$200.00 figure for whatever reason, down payment, trade-in value, etc.
46. *DIME* Refers to \$1,000.00 for either trade value, purchase price, cash down, etc.
47. *DIP* This is when the customer needs additional or all of his cash down advanced by a finance company.

48. *DISCOUNT* This is the difference between the suggested selling retail price and the actual purchase price of the automobile.
49. *DOUBLE DIP* To finance purchase between two or more loan companies.
50. *DOWN* Short form for down payment. Also used when a salesman is finished talking to a prospective buyer. He is considered to be down and the next salesman is considered to be up and in line to handle the next prospective buyer.
51. *DOWN STROKE* Means customer's down payment.
52. *DRIVER* This is a salesman or dealership employee's demonstrator.
53. *EDGY* This is a customer who may or may not be able to get his car financed.
54. *ETHER* Is a slang term used in association with its actual application. For example, putting someone "in the ether." This is usually done in a closing situation and the customer is not completely aware of what is happening.
55. *EYE BALLER* Is a flashy looking, bright colored, usually a sporty type automobile.
56. *FIDUCIARY* Held or founded in trust or confidence, holding in trust, depending on public confidence for value or currency.
57. *FLAKE* Is a customer who usually had bad credit, little or no money down. It is usually a waste of time trying to put a deal together for him.
58. *FLEET* This usually applied to a multi purchase at a substantial discount from the manufacturer's suggested retail price.
59. *FLIP* This is to convert a buyer from financing his automobile through his own bank or credit union to financing through the dealership.

60. *FLOORING* This is when the dealership's banker or the manufacturer finances the purchase of the automobile that he has in his inventory.
61. *FREE & CLEAR* A customer's trade-in which has no liens on it.
62. *FRESH POP
DOOR POP* This is a customer who has never been in the dealership before, has never been solicited to come to the dealership. He just walks in on his own.
63. *FRONT-LINE READY* A car that is mechanically and appearance-wise very presentable. It is therefore placed in the front line of the dealership's display lot.
64. *FRONT END* This is the customer's down payment whether he pays it himself or a down payment loan is arranged through a finance company.
65. *FULL BORE
DOOR POP* To sell a car for a sticker price with no discount. If involving a trade, not to over-allow on its actual value.
66. *G.A.* General Agent — this is an insurance agent who usually has several appointments with various insurance companies handling various lines of insurance.
67. *GLAZE* This is a finish that is normally put on a new car's paint after it has been cleaned up and made ready for sale.
68. *GOLD BALLS* One who has excellent credit and usually a considerable down payment.
69. *GRAPE* This is a very easy buyer. He is no problem to close and normally goes along with anything anyone tells him.
70. *GREEN PEA* This is a new salesman or sales business manager.
71. *GRINDER* This is a buyer who, no matter what the salesman offers, wants more for less.
72. *GROSS* The amount of profit that is realized on a deal prior to deducting sales and delivery expenses.

73. *GUTS* Interior of car.
74. *HANG* To place a finance deal with one of the various financing sources.
75. *HARD MONEY* This is actual cash down.
76. *HEN* Older type salesman who influences younger salesmen (adversely).
77. *HIGH BALL* A figure given to a prospective customer which is an inflated value of his trade-in in order to get the customer to return to the dealership to purchase his new car.
78. *HIGH PENNY* To adjust a customer's monthly payment. For example: from \$101.13 to \$101.93. It is safe to assume that if the customer will pay \$101.13 for a car payment, he will pay \$101.93 without giving it a second thought.
79. *HOG* Normally a large, four door, gas guzzling, hard to sell automobile.
80. *HOME RUN* When maximum profit has been made on a deal or when the sales business manager has sold the customer all the insurance he has available.
81. *HOUSE DEAL* A purchase that a member of the dealership's management has originated with no commission to be paid to the salesman.
82. *HOUSE FINANCING* This is a customer's purchase which is financed through the dealership.
83. *ICE* Air Conditioning.
84. *IF COME* This would be when several variables are involved such as customer coming up with enough money down, sufficient appraisal for his trade, etc.
85. *INVOICE* This is the billing price that a dealership pays for a new car from the factory.
86. *IRON* This is an old used car valued at nothing more than

the price of iron.

87. *KINK* A problem with a deal due to miswriting, misrepresentation, misquoting, or mishandling.
88. *KNOCK UP STICKER* The dealer's "supplemental" price sticker. Used for dealer add-on products like rust-proofing, fabric protection, ground effects, etc., which may or may not actually have been installed on the car.
89. *LA-HA* This is credit life, accident and health coverage which is included in an automobile contract or small loan.
90. *LAID AWAY* A customer who has paid the maximum price for as many items . . . accessories, financing and insurance . . . as can possibly be sold on an automobile.
91. *LAY DOWN* This is a customer who says yes to everything.
92. *LINER* A salesman whose responsibility is to settle a customer on one particular car, get a commitment of some type from the customer, regardless of how ridiculous it is, and then turn the customer over to his T.O. man, sales manager or mother.
93. *LOAN ROLL* Usually a used car delivered prior to approval.
94. *LOSS PAYEE* This normally is the legal owner of an automobile who is listed on an insurance policy. In the event of a loss, his balance would be paid first prior to the policy holder receiving any funds.
95. *LOW BALL* This is a sales figure or tentative price given to a customer who has acknowledged the fact that he is not going to purchase an automobile at this time and wants to shop this figure against other dealerships. This is normally an unrealistically low figure and one that the automobile can not actually be purchased for.
96. *MONRONEY* This is the name that is given to a new car's window sticker. It was Senator Monroney who introduced the bill to Congress requiring a posted selling price on all new cars.
97. *MATURITY* The various lengths of time that automobiles may be financed for . . . example, 48 months, 42 months, 36

months, 30 months, etc.

98. *MICKEY* Slang term used to describe a down payment loan that is arranged by the dealership. This is referred to as completing a deal in Mickey Mouse way.
99. *MINI-DEAL* This is a deal with very little profit in it. The dealership normally pays a minimum or flat commission to the salesman for a deal of this type.
100. *MODIFIED T.O.* Modified turn over. This is a sales system which is similar to the straight T.O. system with the exception that the salesman will handle all the aspects of the sale as long as he is able to close the deal himself. If for any reason he is unable to do this, he will then turn the customer over to his salesmanager before he is allowed to leave.
101. *MOOCH* One who knows little or nothing about purchasing, financing, or insuring a car and really doesn't care to learn.
102. *MOTHER* See *T.O. MAN.*
103. *MOUSE HOUSE* Slang term used for a finance company.
104. *MULLET* See *MOOCH.*
105. *NICKEL* Refers to \$500.00 for either trade value, purchase price, cash down, etc.
106. *NON-RECOURSE* A contract written by the dealership where there is no guarantee of the balance by the dealership in any way.
107. *NOTES* Refers to the monthly payments that would be required for the purchase of any given car.
108. *ONE-PAY* A contract for which the customer takes delivery of the car and agrees to pay the balance usually within 5 to 7 days.
109. *OUTSIDE FINANCING* This is when the dealer normally controls the financing of the automobile through a source where he does not participate in the finance reserve.

110. *PACK* There are two interpretations of this . . . First, it is used in figuring a salesman's commission, depending on the individual dealer they will deduct anywhere from \$75.00 to \$250.0 from the gross profit of the deal and pay the salesman his commission figured on this difference. Second would be when the salesman or sales business manager would quote a monthly payment to a customer and increase the actual amount by 5 or 10 dollars to leave room for Credit life, Accident and Health.
111. *PAPER* There are two applications of this term, the first being to report the sale of a vehicle and to place the paper report-of-sale on the car. The second application refers to the conditional sales contract on a car. The sales business manager is in charge of placing or hanging the paper.
112. *PAPER DELIVERY* This is when all the necessary papers are completed and signed by all parties concerned. The report of sale is placed on the vehicle and for all intents and purposes the vehicle is considered to be sold. However, the customer does not take physical delivery of the vehicle.
113. *PAYEE* One who makes payments on a conditional sales contract whether or not he has signed said contract.
114. *P.D.I.* Pre Delivery Inspection . . . Inspection performed by the dealership's service department to insure that a new vehicle is functioning properly prior to delivery.
115. *PENCIL* This has two applications. First, a sales manager will pencil a salesman's deal by crossing out the customer's offer and penciling in the figure that he wants to get for that car. The second application is used when a salesman or sales manager changes the selling price or trade-in allowance and covers it up with an increase in the customer's monthly payment because of the additional cost he expects to pay for Credit Life, Accident and Health.
116. *PICKIES* See *PICK-UP PAYMENT*.
117. *PICK-UP PAYMENT* The terminology "pick-up" originated from a time when the customer did not have all of his down payment but

was able to come up with the necessary amount, usually within thirty days at which time he was able to “pick-up” his car. This practice has been altered a little at the present time and the pick-up payment is now referred to as the deferred down payment and the customer may or may not take delivery of the car prior to this amount being paid.

- 118. *PINK* Refers to an automobile certificate of ownership, as its color is pink.
- 119. *PIPE SMOKER* A customer who smokes a pipe, gives no commitments whatsoever, usually grinds the salesman to his last thread and doesn't buy the car after all.
- 120. *PLAYER* This terms is used in reference to an individual who is interested in possibly buying a potential customer's trade-in, be it on a wholesale or retail basis.
- 121. *P NOTE* Stands for personal note or promise to pay.
- 122. *P.O.* Purchase order form used by almost all dealerships initially writing up the sale of a car.
- 123. *PRE-COMPUTED* Method used in figuring the finance charges on a loan or conditional sales contract. This is when the finance charge, computed for the term of the contract, then added to the amount (which is known as the total note) is then divided by the number of months in the contract to arrive at a customer's monthly payment.
- 124. *PRE-CHECK* To clear one's credit prior to delivering the car.
- 125. *PRO-RATE* To divide a finance charge or insurance premium on an equal monthly basis to determine the earned amount. For example: to find out how much insurance premium is earned on a twelve month policy where the premium is \$240.00 and the policy has run for three months you would divide \$240.00 by twelve to get a monthly rate and multiply this amount times the number of months that the policy has run. The earned amount in this case would be \$20 X 3 or \$60.00.
- 126. *PROSPECT* A person who is willing and able to buy a car within

the next seventy two hours.

127. *PURCHASE DRAFT* This is used similarly to a check to purchase a car, except that there are normally stipulations printed on the draft which must be met before the bank named on it will pay . . . such as guarantee of title must be enclosed or pink slip and current registration may be required.
128. *PUT TOGETHER* This has two applications: the first being when the Sales Business Manager or Sales Manager puts together the loose ends of a nonexistent deal and make it a deal. The second application is much the same as “laying someone away”. In other words the maximum gross profit to be made on that deal was accomplished.
129. *READER* A check, be it personal or business.
130. *RECOURSE* A contract in which the dealership guarantees repayment to the finance source in the event the customer should default. The terms of this recourse agreement can vary. However, the most common is called a ninety day repurchase. In the event of delinquency the finance source has eighty-nine days to get the vehicle back on the dealership’s lot and request payment in full of the net balance.
131. *RESERVE* The income a dealership realized on a contract in excess of the finance source’s discount rate. For example: If the bank is going to charge \$600.00 in finance charges on a given contract and the total finance charge to the customer on this contract is \$1,000.00, the dealership will realize \$400 in reserve.
132. *RESIDUAL* This is the termination value of an automobile that is being leased.
133. *RETAIL* The normal way the average individual purchases an automobile.
134. *ROLL* To deliver a customer’s car to him.
135. *ROLL BACK* To work a deal backwards. Instead of working with the purchase price and trying to determine a monthly payment, you would start with a known monthly

payment and try to determine a selling price.

136. *R.S.* The “report of sale” of a vehicle. In other words, licensing it in the new owner’s name.
137. *RUBBER* Tires.
138. *RULE OF 78* A mathematical formula used in figuring a rebate of unearned charges or premium, when these charges were pre-computed and pre-paid.
139. *SHOPPER* An individual who has admitted he will not buy a car until he has shopped other dealerships to be sure he is getting the best possible price.
140. *SHORT RATE* This term is used when referring to the computation of rebates on insurance policies prior to their expiration. The mathematical formula is the same as the Rule of 78.
141. *SHUTS* See *CLOSER*.
142. *SIX-PACK* Combination packet that Law Printing Company has made up so that all necessary papers needed for a customer to sign, in order to transfer ownership of his trade-in, are kept together. This packet includes the Notice of Sale or Transfer of Interest and Federal Odometer Disclosure (combined into one); the Bill of Sale; Authorization for pay-off; Pay-Off Adjustment; and Power of Attorney.
143. *SKATE* This is what one salesman does to another. For example: a customer will come to the dealership, go through the motions of checking out a car, not really deciding whether or not to buy. He then returns at a later date and asks for the salesman he initially talked to. The salesman who greets him the second time tells the customer that the salesman he wants is not there, for whatever reason, but tells him he can help him complete the purchase of his car, and does. He then forgets to tell the Sales Manager of the first salesman’s involvement in the deal, the second salesman takes it all.
144. *SKIRT* A female customer or employee.

145. *SLED* Reference quite often given to a customer's old trade-in which is usually "beat up" and worth little or nothing.
146. *SLIDE RULER* A buyer who is a specification nut. He does not deal in generalizations when prices are quoted. They must be exact and justified most of the time. This buyer will have a slide ruler or a pocket calculator with him to calculate his own sales tax and total sales price.
147. *SPEAR* A method used in getting a customer onto a dealer's lot. For example: Stopping a man on the street and telling him that you would give him some outrageous figures for his trade-in if he would just come down to the dealership today and take a look at what you have to offer.
148. *A SPLIT* Sales commissions arising from one sale divided between two salesman.
149. *SPOT DELIVERY* This is when all phases of the purchase and delivery are completed the same day. This may be with or without any kind of credit check.
150. *SOFT* Reference usually given to a used car as to its saleability. This car is referred to as being "soft". That indicates that there is little or no market for the car and, if sold, the pricing is generally below the wholesale Bluebook value.
151. *STICKS* Reference given to the borrower's furniture he puts up as collateral on a small loan.
152. *STRAIGHT-SELL* This method of selling is the oldest and probably the most widely used. The salesman and usually **only** the salesman handles the complete transaction — from selling the car to delivering it.
153. *STRAW PURCHASE* This is when a third party buys an automobile and finances it in his name for the actual driver because of age, bad credit, or lack of credit, etc.
154. *STROKER* An individual who gives the impression that he wants to buy a car, but really doesn't have the means to do so.

155. *STROKES* Reference given to the monthly payments on the conditional sales contract for the purchase of a car. For example: The strokes on that Monte Carlo are \$195 a month.
156. *STRONG* This word has two possible meanings. When used in reference to an automobile, it indicates that the car is a good seller and therefore, an above average profit can normally be made on it. The second application would refer to a sales individual, be it salesman, sales manager, or Sales Business Manager, in reflecting his ability to do his required job.
157. *STUD* See second application of “*STRONG*”.
158. “*SUM OF THE DIGITS*” Another term used for the “*RULE OF 78*” — a formula used in figuring rebates.
159. *SWITCH* To change a customer from buying one car to another for several reasons: availability, possible profit, etc.
160. *TAGS* The license plates required on the automobile.
161. *THIRD BASEMAN* An individual who accompanies a prospective buyer because the buyer feels he is better versed in haggling over the price of the car and/or knows more about the car mechanically, thereby decreasing the chances of getting stuck with a “lemon”.
162. *TIRE KICKER* This is normally an individual who doesn’t want to buy a car, but just wants to look. He walks in, touches the merchandise and doesn’t want to talk to anyone.
163. *T. AND L.* Stands for the tax and license required in the purchase of a given automobile.
164. *TISSUE* Refers to the retail price posted on the window of a new car.
165. *T.O. (TURNOVER)* The procedure used in selling where the salesman or liner turns a prospective buyer over to another salesman or sales manager to close the sale.
166. *T.O. MAN* This is the individual to whom a liner will turn a customer over.

167. *TOAD* Reference given to a customer's trade-in; a worn-out piece of machinery that is just "sitting there" like a toad.
168. *TOWER* In a "tower" store, this is where management sits and monitors the floor for sales activity, so called because it is usually elevated slightly above the showroom floor level. Sales and F&I numbers are usually monitored and/or manipulated from the tower's computer.
169. *TRIP* To trip a car means to deliver the automobile to the prospective buyer.
170. *U.G.* To unconditionally guarantee re-purchase of a conditional sales contract whenever that contract should become overdue.
171. *UNDER-ALLOWANCE* To give a customer less for his car than it is actually worth.
172. *UNWIND* To take back a car that is already delivered and void all papers that were used in reference to its delivery, as though the sale never happened at all.
173. *UP* System used in greeting prospective customers. The salesmen's names are listed and as the top man on the list greets a prospective buyer, his name is crossed off and the next salesman becomes the "up man".
174. *UP-RATE* To increase an individual's rate on his automobile insurance, either due to an error when initially rating the customer, or a difference in the customer's driving record from what was originally stated.
175. *UPSIDE DOWN* This condition exists with a buyer when he wants more on his trade-in than the car is worth.
176. *WALKING FIGURES* When the salesman knows for sure that the customer will not buy a car at this time because he wants to check out some other dealerships. The salesman will give him a ridiculously low figure to try to beat, know that, in the end, he will have to come back to him.
177. *WANBIT* Write up contract for delivery.

178. *WATER* This is the false equity shown on a deal that a customer is supposed to have in his trade-in. For example: Showing on the purchase order \$1500 in equity on a '69 Ford when he actually only has \$1,000.
179. *WHEELS* An Automobile.
180. *WHITE* The Department of Motor Vehicles Current Registration car for a customer's trade-in.
181. *WINDOW* Refers to the retail price posted on the window of new car as set forth by the Federal Government and for which the vehicle cannot be sold over.
182. *WHOLESALE* The method used in selling a customer's trade-in or purchasing used cars through an individual or at an auction.
183. *WOOD* See *STICKS*.
184. *WOULD YA, COULD YA* A practice used by salesmen in getting a commitment from a customer. In other words, "Would you buy this car if I could get it for the price you want to pay?"
185. *YO YO* See *SPOT DELIVERY*