





## FREQUENTLY ASKED QUESTIONS ABOUT GLOBAL DEBT NETWORK AND GDNAuto

### **What is Global Debt Network, Inc.?**

Global Debt Network, Inc. offers GDNAuto, the first nationwide online loan portfolio transaction platform where independent auto dealerships can list, price and sell the auto loans they've originated and financial institutions and investors can evaluate, bid on and purchase those loans.

### **How does GDNAuto improve the purchase and sale of auto loans?**

GDNAuto operates much like a secondary market by linking auto dealerships with investors who purchase loans and by bringing efficiencies to the auto loan sale and purchase process.

Dealers who use their own capital to finance consumer auto loans typically hold these loans until they have a large enough portfolio to interest an investor. That means smaller dealers may only sell loans three or four times a year when they would prefer to turn those loans into cash right away. It also means investors tend to focus their attention only on large dealerships with lots of loans to sell.

GDNAuto significantly reduces the time and resources needed for automobile dealers to market and sell their loans and for financial institutions and other investors to evaluate and purchase these loans. It levels the playing field for dealerships with fewer loans to trade and provides investors with additional sources of loans to purchase. GDNAuto even may improve access to credit for consumers by encouraging dealerships to originate loans they will more easily be able to sell.

### **How does GDNAuto work?**

Dealerships that join GDNAuto use an innovative Internet based control panel to list and price the loans they want to sell. Using the GDNAuto dashboard, dealers can entertain bids from investors and monitor the status of the entire process in real time. GDNAuto even enables dealers to manage the due diligence paperwork and facilitates closing and funding.

Investors who use the GDNAuto dashboard to pre select the kind of loans they are interested in buying based on a number of parameters – the term of the loan, APR,

amount financed, age of the vehicle, for example. Based on these pre set guidelines, GDNAuto identifies loan portfolios that match up. There's no more wasted time spent searching through spreadsheets looking for the loans they want. GDNAuto performs that task instantaneously.

Once investors decide which loans interest them, GDNAuto helps them manage the entire documentation process from scheduling overnight courier pick ups to scanning documents into the secure GDNAuto document vault and returning the originals to the dealer within 72 hours.

When due diligence is completed, the dashboard keeps track of each step of the contracting and closing process and provides a venue for communication. Proceeds from the proposed transaction are placed in an escrow account and released when title is received by the investor.

### **How does using GDNAuto benefit automobile dealerships?**

Cash flow is a very real issue for many auto dealerships, particularly with larger numbers of buyers pursuing dealer financing as banks tighten lending criteria in response to the sub prime mortgage situation. GDNAuto helps dealers improve their cash flow by providing a platform where they can sell the auto loans they've originated any time they need cash to operate their businesses. Currently, most dealers rely on one or two institutions to purchase their loans. GDNAuto also exposes dealer loan portfolios to a larger number of pre screened potential investors. Ultimately, dealerships that use GDNAuto achieve competitive prices for their loans, enabling them to secure greater cash flow to successfully run their businesses.

### **What about portfolio investors? How do they benefit from using GDNAuto?**

GDNAuto delivers investors instant access to loans offered for sale by automobile dealerships nationwide. With GDNAuto, investors of all types and sizes can quickly, easily and cost efficiently expand and diversify their auto loan investment portfolio without increasing acquisition costs. For example, an investor that wants to diversify by including more sub prime loans can set the GDNAuto dashboard to identify loans that fit that profile. Loans also can be sorted according to dozens of other criteria, such as size of the loan, age of the automobile, annual percentage rate – even the number of years a dealership has been in business.

In the past, it hasn't made sense from a cost efficiency standpoint for an investor to bother with a dealership that has only a handful of loans to sell because of the cost and hassle of sending a due diligence team to the dealership. With GDNAuto, it's easy for dealerships to sell loans and for investors to place bids with as many pre screened dealers as they want based on criteria both parties set. What's more, due diligence can be performed without ever setting foot in the dealership – a tremendous benefit for everyone involved.

### **How does GDNAuto ensure that customer information is safe?**

Protecting confidential customer information is of paramount concern. That's why every dealership, institution or investor is thoroughly pre screened and verified before they gain access to the GDNAuto platform utilizing Experian and other third party reporting sources.

Once dealers and investors are certified, GDNAuto provides a secure online environment in which to share information and transact business. Access is login and password protected, Graham Leach Bliley compliant, and transaction data are maintained within a secure document vault and stored on a secure dedicated server.

### **How much does it cost to join GDNAuto and buy/sell loans?**

Membership is free to any auto dealer, financial institution or other investor who successfully completes the pre screening process. Auto dealers pay a \$15 per loan transaction fee only when they complete a portfolio sale. Financial institutions pay 2.0 percent or less of the loan portfolio amount, depending upon on size of the portfolio, at the close of a purchase plus a \$700 fee for escrow services.

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#### **Media contact:**

Ken Greenberg

Edge Communications, Inc.

818.990.5001

[ken@edgecommunications.com](mailto:ken@edgecommunications.com)