

VSI FREQUENTLY ASKED QUESTIONS

What is Vendors Single Interest Insurance (VSI)?

VSI is insurance that covers only the Bank's risk, in the event of a default and repossession where the consumer's insurance on the collateral is not available, or loss due to covered damage to the Collateral securing the loan.

When must all FirstMerit Green contracts disclose VSI?

Contracts dated on or after 06/25/07 must contain the VSI disclosure. Contracts missing the VSI disclosure will be defected and returned.

Does VSI eliminate the automobile insurance required by State law on each vehicle?

No.

Does FirstMerit require VSI coverage and can the consumer obtain it from other sources?

Yes, FirstMerit requires VSI coverage, but the consumer is not required to purchase the VSI coverage through FirstMerit. The consumer may obtain VSI insurance on terms reasonably acceptable to FirstMerit from any insurance company that is reasonably acceptable to FirstMerit.

Does FirstMerit make any profit on the VSI fee charged?

No. The entire fee of \$171 is passed to the insurance administrator.

Are other banks offering VSI coverage?

Yes.

Can the VSI fee be waived with an increase in the contract rate?

No.

Does the customer need to sign any additional forms?

No.

How must the VSI fee be disclosed on the Promissory Note and Security contract?

The words, "**VSI for a term of 'X' months**" – where "X" is the term of the contract, and the \$171.00 amount may be disclosed in the ITEMIZATION OF AMOUNT FINANCED section on any one of the following lines: Line 4(e) or 4(i) or 4(j) or 4(k) or 4(l).
Disclosure Example: **4(e) VSI FOR A TERM OF 60 MONTHS \$171.00.**

Does adding the VSI fee cause any change to the APR disclosed on the note?

No, the VSI fee is not included in the APR calculation.

Please contact Motor Vehicle Acceptance at 1-800-896-1897 with any further questions.