



It's Hard To Stop A Trane.®

April 15, 2020

COVID-19 and the Wells Fargo Financing Program

To: Trane Distributors and Dealers

As the world works to contain the spread of the coronavirus (COVID-19), our teams at Trane are adapting to this rapidly evolving situation. We have worked with Wells Fargo to implement the following updates to our financing program in an effort to best serve homeowners in need of new equipment who may also be experiencing temporary financial difficulties.

- **From now to May 31, 2020 we will offer new, special rate plans** for all dealers who use Wells Fargo financing. These plans, along with the long term plans, provide flexible options that can either lower monthly payment amounts or lower the total payment amount for homeowners to help alleviate their concerns of this added expense during uncertain times. See attached rate card for details.
- **For Trane Comfort Specialist dealers participating in the Spring rebate promotion and for homeowners who choose to finance** their new equipment purchase, and are concerned with a potential job income disruption, our recommendation is to provide the rebate to homeowners in cash rather than as a price discount as a way for those homeowners to use the money toward their first loan payments.
- **For homeowners experiencing a COVID-19 related hardship**, Wells Fargo customer service reps have the ability to offer late fee waivers, interest waivers, and payment deferrals up to 90 days. The impacted homeowners will need to contact Wells Fargo directly at 1-877-805-7744 or www.WellsFargo.com for assistance. This assistance applies to new and existing loan customers.

Talking points to address competitive offers:

- Deferred Payment programs: Are they good for the consumer?
 - Bank regulators citing the Credit Card Act of 2009, have barred National Banks including Wells Fargo from offering no payment promotions. The reason for this was to help prevent consumers from getting into debt that they could not ultimately repay. Obviously, we hope consumers make the choice that is best for them in the long run. Deferred Payment programs can be comforting to certain consumers as long as the associated interest rate after the deferral is affordable. The benefits of deferring payments can be quickly offset by a high interest rate / long term loan. Clearly, a 10 year loan at 10% interest is not for everyone due to its high cost over time.



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- What if a contractor wants to offer deferred payments or if a consumer requests them?
 - If a contractor is interested in offering a “No Payment” option in addition to one of these special Wells Fargo offers, they can “make the first 3 payments” for the consumer (in lieu of rebate). This would give the consumer BOTH the benefit of rebate dollars AND financing. If the contractor were to “make the first 3 payments” for the consumer; wouldn't that be the same as 3 months deferred payments? No, it's actually much better! When the contractor provides the consumer with cash that could make the first 3 months of payments, the balance of the loan will actually be declining. Conversely, with a 3 month Deferred payment program, the loan balance does not decline. The consumer will owe as much in 3 months as they did the day they bought the system. Additionally, Wells Fargo customer service reps have the ability during the crisis to defer payment terms for up to 3 months for consumers who face a hardship due to the crisis. Together with a payment refund by the contractor, this can result in 6 months with no “out of pocket” expense for the consumer.
- What programs provide the lowest cost of ownership to the consumer?
 - Loans with 0% APR (no interest cost) will generally provide the lowest cost of ownership, and also are the easiest loans for a consumer to understand. The 0% APR Equal Payment programs provided through Trane have set terms and payments so the consumer can easily decide if the sale fits their budget and can rest easy knowing they are not paying a high rate of interest. Wells also has long term low payment plan options with interest as well in the event the consumer is particularly focused on their monthly payment.

For an infographic of this information, visit <https://my.visme.co/projects/w4jm6enk-trane-finance-infographic>.

If there are any questions, please contact your Regional Manager, Account Manager or Territory Manager.

Thank you for all that you are doing to support homeowners in need of repair and replacement in these difficult circumstances.