



CADILLAC  
FINANCIAL

## SIMPLE INTEREST AND LATE CHARGES

### WHAT IS SIMPLE INTEREST?

Understanding simple interest is important to your financial well-being. Retail agreements are calculated using simple interest, an interest accrual method.

### HOW ARE PAYMENTS APPLIED?

As you make the required installment payments each month, the payments will be applied first to any interest that has accrued on the unpaid principal balance, then to the principal amount due for the month being paid, then any past-due principal and finally to other fees as applicable.

When the account is past due, more of the payments are applied to interest and less to principal.

It is important for you to understand that your payment pattern can affect the amount you owe at the end of the contract. If you consistently make your payments early, the final installment payment may be less than the amount reflected on the contract.

However, if your payments are consistently late, additional interest and late charges may result in a final installment payment greater than the amount reflected on the contract. To avoid a larger than expected final installment, we encourage you to make timely payments in accordance with the payment schedule reflected on your contract.

### NOTE FOR CUSTOMERS WITH A BALLOON OPTION CONTRACT:

If monthly payments are consistently made prior to the scheduled due date, less interest accrues on the unpaid principal. When the monthly installment is paid early, the principal balance reduces faster; therefore, the balloon payment may be less than the scheduled payment amount that is listed on your contract. However, the option sales price listed on your contract and addendum will not change based on your payment activity. If you choose to exercise the option to sell the vehicle back to us, and the option sale price exceeds the contract balance, we will refund you the difference.

If payments are consistently made after the scheduled due date, more interest can accrue, and the principal balance can reduce more slowly. When the monthly installment is paid late, the principal balance reduces slower; therefore, the balloon payment can be more than the scheduled payment amount that is listed on your contract. If you choose to exercise the option to sell the vehicle back to us, and the contract balance exceeds the option sale price, you will first need to pay the additional amount due.

If you choose to sell us your vehicle on the scheduled due date of the balloon payment, you will need to pay the contract balance that remains unpaid after we subtract the option sales price.

### HOW WILL MY ACCOUNT BE AFFECTED IF I PAY MY BILL LATE?

Your payment is considered late if it's not received by the payment due date. Late fees, if applicable, could be assessed to your account. For more information, message us in MyAccount or contact Cadillac Financial at 1-877-2CF-LUXE (1-877-223-5893).

### CONTACT US:

Cadillac Financial  
P.O. Box 183581  
Arlington, TX 76096-3581

### PHONE:

1-877-223-5893 /  
1-877-2CF-LUXE

Hours of Operation:  
Mon-Fri, 7 a.m.-6 p.m. CT  
Sat, 9 a.m.-1 p.m. CT