

BMW Financial Services

January 4, 2010

Reference 2008 BMW M3 / E041734
Subject **Lease transfer (assumption) documents**

Thank you for contacting BMW Financial Services regarding the lease transfer/assumption process. The following documents explain the assumption process, the assumption timeframe, and answer general questions regarding a lease assumption.

This document refers to Transferor and Transferee numerous times. To eliminate any confusion, Transferor refers to the original signer of the lease and Transferee refers to the individual who is assuming the lease.

Throughout the assumption process, the following conditions must be maintained:

- The vehicle must remain in the Transferor's possession until both parties receive a confirmation letter from us stating that the lease assumption has been completed.
- The account must be current to begin the assumption process and must remain current at all times for the transfer to be completed. This will include all charges billed to your account in addition to your monthly payment such as personal property tax, late fees, parking tickets, administrative fees, and any other charges that are not paid.

Generally, the assumption process will take approximately four weeks to complete.

We are committed to providing you the highest level of service. If you have any questions, please contact us at (800) 578-5000, Monday through Friday, 9:00 a.m. to 9:00 p.m. ET, or by mail at either address listed on this letter.

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Yours sincerely,
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The lease transfer/assumption process is completed in three (3) different stages. The following information details what occurs in each of the lease transfer stages and provides a timeline for the Transferor and Transferee.

Stage 1 - Credit Review Process

The Transferor contacts BMW Financial Services to provide their email address, the name of the Transferee, and the Transferee's email address. At that time, BMW Financial Services will mark the account "assumable" and bill the assumption processing fees.

The \$500.00 assumption processing fee*, plus any applicable taxes, must be paid prior to submission of the credit application.

The Transferee may submit a credit application to BMW Financial Services online by using the link that was emailed to the Transferor once the \$500.00 processing fee plus tax has been paid.

BMW Financial Services will inform the applicant of a credit decision within 48 hours. This information can ONLY be given to the Transferee. Please understand we are bound by privacy laws and cannot discuss any aspect of the credit decision with the Transferor.

If the lease transfer is cancelled before completion, or if the Transferee is not credit approved, \$400.00 of the processing fee, plus any applicable taxes, is refundable. BMW Financial Services will retain \$100.00 as a processing fee.

* The assumption processing fee and applicable taxes are subject to change at any time.

Stage 2 - Completion/Verification of Assumption Documents

After credit approval of the Transferee, BMW Financial Services will create the required lease transfer documents within 1 to 2 business days. The lease transfer documents will be emailed to both parties. Each party will receive their own document package for completion.

Please print and complete the document package as instructed. Return documents with original signatures to BMW Financial Services. At this time, the Transferee must add the vehicle to their insurance policy.

Both parties must complete the Stage 2 documents within 3 to 5 business days.

Upon receipt of the completed documents from both parties, BMW Financial Services will verify that all documents have been filled out correctly and the insurance coverage is correct. If the documents were not completed correctly, BMW Financial Services will contact the Transferor or Transferee within 3 to 5 business days to advise of the error.

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Stage 3 - Release of Liability/Registration Documents

After the review process has verified that all documents were completed correctly, BMW Financial Services will complete the final assumption documents in 3 to 5 business days.

Once the assumption is complete, the final documents will be mailed to the Transferee and a confirmation letter will be mailed to the Transferor. The Transferee's documents will include the necessary information that will allow them to register the vehicle at their local Department of Motor Vehicles. Upon receiving the confirmation letter, the Transferor is required to release the vehicle to the Transferee and cancel their registration and license plates.

Following completion of the transfer process, the Transferor is fully released from financial liability of the account.

Please note: BMW Financial Services will not act as a mediator regarding arrangements made between the Transferor and the Transferee. **This process cannot be expedited or stalled for any reason once we have received the required documents. Should the process exceed 60 days, it will automatically be cancelled and a new credit application and application fee will be required to initiate the process again.**

Overview of the Lease Transfer/Assumption Timeline

It takes approximately four weeks for BMW Financial Services to complete a lease transfer. This timeline can increase or decrease depending upon how quickly we receive documents from both parties. If the account becomes past due or if the documents are missing any information, the process will be delayed. Listed below is the timeline for the lease transfer.

Credit decision for application submitted by Transferee.	1 to 2 business days
Preparation of Stage 2 documents by BMW Financial Services .	1 to 2 business days
Stage 2 documents emailed to Transferee and Transferor.	1 business day
Completion of Stage 2 documents by Transferor and Transferee.	3 to 5 business days
Completed Stage 2 documents mailed to BMW Financial Services .	2 business days
Review of Stage 2 documents by BMW Financial Services .	3 to 5 business days
Completion of Stage 3 documents by BMW Financial Services .	3 to 5 business days
Completed Stage 3 documents mailed to Transferor and confirmation letter mailed/emailed to Transferee.	2 business days

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Frequently Asked Lease Assumption Questions:

Who is responsible for potential end of lease charges?

The person or entity who assumes the lease, the Transferee, is responsible for any termination charges at the end of the lease. The Transferee is assuming the remainder of an existing lease and is responsible for all the terms of the original Lease Agreement, including the obligation to pay any end of lease charges such as disposition fees, excess mileage fees, and excess wear and tear assessments (regardless of when during the lease term the excess wear and tear occurred). All potential end of lease charges are outlined in the original Lease Agreement.

What happens to the security deposit when the lease is transferred?

Not all leases have a security deposit. If there is a security deposit, as with potential end of lease charges, it will transfer to the Transferee.

Are there any other fees or taxes involved in lease transfers?

As with any change of "ownership," there may be vehicle licensing or registration fees required by the state. Policies vary by state. Some states may require the payment of taxes in addition to the use tax normally associated with leases. States known to BMW Financial Services that impose a sales tax include: **IL, MD, NJ, NY, OH, and TX**. If either party is unsure about their state's policies, please check with the agency that handles taxes (Tax Authority) for their state.

Can the lease transfer documents be faxed back instead of sending the originals?

No, we require original documents with original signatures for our records. Either party is welcome to make copies for their personal records.

What documents will the Transferee receive in the Stage 3 paperwork?

The Transferee will receive everything they need to register the vehicle in their name. The documents will include the necessary Power of Attorney documents and forms required by the Department of Motor Vehicles and the original title for the vehicle.

What should be done with the Transferor's license plates?

Each state has their own policies on what should be done with the license plates. To ensure that the plates are handled correctly, we advise you to contact the Department of Motor Vehicles.

Can the lease transfer process be expedited?

No, BMW Financial Services processes lease transfers on a first come, first serve basis. The best way to expedite the lease transfer is to submit the necessary information and return the documents to BMW Financial Services as quickly as possible.