

# TRADE-IN APPRAISAL

## Vehicle Valuation & Payoff Statement

Valley Auto Exchange - Phoenix, AZ  
Appraisal Date: December 4, 2024  
Appraisal #: TIA-2024-11248

### ⚠️ NEGATIVE EQUITY SITUATION ⚠️

This trade-in vehicle has an outstanding loan balance that exceeds its current market value

### ⚠️ DEMO/SAMPLE DATA ONLY ⚠️

This is simulated data for software testing purposes only

#### Trade-In Owner Information

Name:	David Martinez
Address:	2156 Desert View Circle, Phoenix, AZ 85042
Phone:	(602) 555-4729
Appraisal Date:	December 4, 2024

#### Trade-In Vehicle Identification

Year / Make / Model:	2015 Chevrolet Silverado 1500 LT Crew Cab
VIN:	1GCVKREC8FZ234567
Body Style:	4-Door Pickup Truck (Crew Cab)
Trim Level:	LT (Base Level)
Engine:	5.3L V8
Transmission:	6-Speed Automatic
Drivetrain:	2WD (Two-Wheel Drive)
Bed Length:	5.8 ft (Standard Bed)
Exterior Color:	Silver Ice Metallic
Interior Color:	Jet Black Cloth

#### Vehicle Condition & Mileage

ODOMETER READING

142,800 miles

AGE

9 years old

AVERAGE MILES/YEAR

15,867 mi/yr

OVERALL CONDITION

Fair

Detailed Condition Assessment

Exterior Condition:	Fair (6/10) - Paint fading, door dings, scratches
Interior Condition:	Fair (6/10) - Worn driver seat, dashboard cracks
Mechanical Condition:	Good (7/10) - Runs well, regular oil changes
Tire Condition:	Poor (3/10) - 30% tread remaining, replacement needed soon
Accident History:	None reported on CARFAX
Title Status:	Clean Title
Service History:	Partial records available, regular oil changes documented

Noted Issues & Deductions

Issue	Value Impact
High mileage (142,800 miles)	-\$2,000
Worn tires need replacement	-\$800
Paint fading and door dings	-\$600
Interior wear (seats, dashboard)	-\$500
Bed scratches and dents	-\$400
Minor rust on frame	-\$300
TOTAL DEDUCTIONS:	-\$4,600

Market Value Analysis

Base Trade-In Value (Average
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Condition):	\$11,000
Less: Condition & Mileage Deductions:	-\$4,600
Adjusted Trade-In Value:	\$6,400

**Market Comparison:** Similar 2015 Silverado 1500 LT trucks with comparable mileage in the Phoenix area are trading between \$5,800 - \$7,200. Our offer of \$6,400 is within this range.

TRADE-IN VALUE OFFERED

\$6,400

Fair Market Trade-In Value  
Based on actual condition and market data

Current Lien Information

Lienholder:	Santander Consumer USA
Account Number:	XXXX-XXXX-4729
Original Loan Amount:	\$22,000.00
Original Loan Date:	July 15, 2021
Original Loan Term:	72 months
Monthly Payment:	\$425.00
Months Paid:	41 of 72
Remaining Months:	31 months
Interest Rate:	15.99% APR
Payoff Date:	December 10, 2024 (10-day payoff)
CURRENT PAYOFF AMOUNT:	\$8,400.00

⚠️ PAYOFF VERIFICATION NOTICE

The payoff amount of \$8,400 was obtained directly from Santander Consumer USA on December 4, 2024. This is a 10-day payoff quote valid through December 14, 2024. Daily per diem interest of \$3.67 will be added after this date.

⚠️ NEGATIVE EQUITY CALCULATION ⚠️

Trade-In Value Offered: \$6,400

**NEGATIVE EQUITY:****-\$2,000**

This negative equity amount must be rolled into the new vehicle loan or paid in cash

**Impact on New Purchase**

New Vehicle Purchase Scenario	
New Vehicle Price (2019 F-150):	\$28,000.00
Taxes, Fees, etc.:	\$3,277.00
Total Purchase Amount:	\$31,277.00
Trade-In Credit:	\$6,400.00
Trade-In Payoff:	-\$8,400.00
Net Trade-In Impact:	<b>-\$2,000.00</b>
Down Payment (Cash):	\$500.00
<b>AMOUNT TO FINANCE:</b>	<b>\$30,777.00</b>

**Financing Impact:** The negative equity increases the loan amount by \$2,000 above the new vehicle's purchase price. This creates an immediate "underwater" position where the borrower owes more than the vehicle is worth from day one.

**Loan-to-Value (LTV) Analysis**

New Vehicle Market Value:	\$28,000.00
Requested Loan Amount:	\$30,000.00
<b>LOAN-TO-VALUE RATIO:</b>	<b>107.1%</b>
Maximum LTV Guideline:	110%
Over Vehicle Value By:	<b>\$2,000 (7.1%)</b>

**LTV Risk Assessment:**

An LTV of 107% is extremely high and near the maximum acceptable threshold of 110%. This means:

- Borrower is instantly \$2,000+ underwater
- No equity cushion for lender in case of default
- Vehicle depreciation will worsen the situation
- Repossession would result in significant loss
- Requires very strong credit to offset this risk

Combined with a 72-month term, this creates extended high-risk exposure for the lender.

Options for Customer

Option 1: Roll Negative Equity into New Loan (Selected)

- Add \$2,000 to loan amount
- Increases monthly payment by approximately \$40-50
- Results in 107% LTV
- Requires lender approval due to high LTV
- Borrower remains underwater throughout loan term

Option 2: Pay Negative Equity in Cash

- Bring \$2,000 cash to closing
- Reduces LTV to 100% (loan = vehicle value)
- Lowers monthly payment
- Improves loan approval chances
- Customer reports this is not possible

Option 3: Keep Current Vehicle

- Continue paying current loan (\$425/month)
- Pay down to positive equity position (18+ months)
- Trade in at later date when equity is positive
- Customer needs more reliable vehicle for work

TRADE-IN APPRAISAL SUMMARY

Trade-In Vehicle Value:	\$6,400
Loan Payoff Required:	\$8,400
Negative Equity:	-\$2,000

Appraisal Valid: 7 days (through December 11, 2024)  
Payoff Valid: 10 days (through December 14, 2024)  
Appraiser: James Rodriguez, Senior Appraiser