



UNDERSTANDING YOUR SIMPLE INTEREST CONTRACT

On a simple interest contract, finance charges are calculated based on the unpaid principal balance of the contract. As each payment is made, the payment amount is applied first toward the finance charges that have accrued since the last payment was received. The remaining portion of the payment is applied in accordance with the terms of your contract.

EXTENSIONS, DEFERRALS AND LATE PAYMENTS

The timing of your payments will impact the finance charges you owe. The earlier you make your payments before the due date, the less finance charges you should owe. The later you make your payments after they are due, the greater the finance charges. This illustrates the importance of making payments on time. Similarly, using payment extensions defers that payment to the end of the contract extending the term. Since interest accrues daily, this increases the finance charge paid over the course of the contract.

FREQUENTLY ASKED QUESTIONS

IS THERE A PREPAYMENT PENALTY ON MY SIMPLE INTEREST CONTRACT?

No. You can make payments at any time and as often as you wish, including paying the contract balance in full. Please contact MFS customer service at 866-693-2332 for a payoff quote.

HOW CAN I REDUCE MY FINANCE CHARGES ONCE I HAVE SIGNED A CONTRACT?

Paying additional principal¹ on your scheduled monthly payment will reduce the principal balance faster and reduce the finance charge. Additionally, scheduling extra payments will reduce the principal balance faster and reduce the finance charge.

WILL I RECEIVE A REFUND OF FINANCE CHARGES IF I PAY OFF THE FINANCE CONTRACT EARLY?

No. However, if you pay off your finance contract early you may pay less finance charges than if you had made payments as originally scheduled. You will receive a refund when the amount you pay Mazda Financial Services exceeds the payoff amount (unpaid principal balance, plus accrued finance charges, plus late charges if applicable and any other fees assessed, if applicable).

CAN I PAY ONLINE OR SET UP AUTOMATIC PAYMENTS?

Yes. Setting up automatic online payments can help ensure that payments are received on time and avoid additional interest charges or late fees. Please refer to the Payment Information section of the online FAQs.

¹ If you want to make a payment that reduces your principal balance only and is not applied toward this or any other future payment(s), you may call us at 866-693-2332 or mail your payment to Mazda Financial Services, PO Box 330, Williamsville, NY 14231. (Include your account number and "Principal Only" in the memo section.)

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