

# The Ultimate Auto Finance Playbook

Expert Guide to Reserve Caps, Flats, and Negotiation Mastery

## 1. The Truth About Dealer Reserve Caps

Lenders place limits on how much a dealership can mark up an interest rate. These are the current industry-standard caps:

Loan Term	Max Markup Cap	Est. Dealer Profit (\$40k Loan)
60 Months	2.50%	~\$2,650
72 Months	2.00%	~\$2,500
84 Months	1.50%	~\$2,150

## 2. High-Yield Bank Flats (The 5% Kickback)

**Market Alert:** Some aggressive lenders pay "Flats" as high as 5% of the total loan amount. On a \$50k loan, that is an instant \$2,500 commission for the dealer, even without a rate markup.

## 3. Pro Negotiation Tactics

### The "Finance First" Mirage

Negotiate the car's sales price while letting the dealer believe they will make a massive profit on an 84-month high-interest loan. Once the sales price is locked, pivot to your lower-rate outside financing.

## The OSF Shield

Always walk in with Outside Finance (OSF) pre-approval. Only reveal it at the very end to force the dealer to beat the rate or lose the finance business entirely.