

# NEGATIVE EQUITY CALCULATOR

## What is negative equity?

It is common practice for lenders to provide financing for vehicle purchases that includes negative equity. It occurs when a customer's trade-in is worth less than the amount outstanding on the loan.

The **MVDA** requires contracts accurately reflect the true nature of the transaction including identifying negative equity.

Enter the applicable amounts to calculate negative equity:

Vehicle Price:

(Including all fees and options)

Trade-in Allowance:

HST Owing:

Amount owing on Trade-in:

**To be financed:**

Negative Equity:

(Included in financed amount)

This calculator is made available to help dealers explain negative equity to customers.

**Remember OMVIC is here to help.**

Dealers who may have questions about how to reflect negative equity on contracts should contact their local inspector or call OMVIC's Complaints and Inquiries Department at **1-800-943-6002 X 3942**.

*"Fairness and professionalism are good for the consumer, the industry and your business"*