



FIVE TIPS TOWARD **F&I COMPLIANCE** **PEACE OF MIND**



Simple rules that help protect
your deals – and the dealership.

COMPLIANCE

The mere thought of it is enough to give a dealer or manager a headache. Add to that the complexities of ensuring data and ID integrity, and it amounts to an ever-changing and confusing environment.

Enlisting the help of qualified legal counsel is, of course, a good idea. But there are also a number of simple, proactive steps dealers can take to help ensure compliance.

We've selected five of the most effective and realistic F&I Compliance tips:

- 1: Defend Against ID Theft by Verifying Customer ID
- 2: Know When to Send Adverse Action Notices
- 3: Properly Disclose Aftermarket Products
- 4: Monitor Dealership Activity to Help Ensure Compliance
- 5: Save and Store Your Pencils



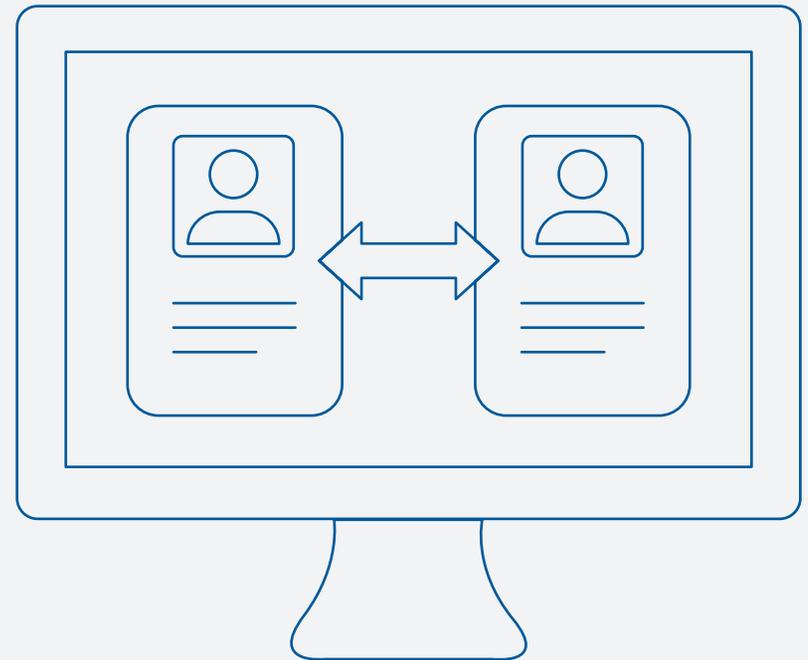
1

DEFEND AGAINST ID THEFT BY VERIFYING CUSTOMER ID

Automate the verification process for every deal—without causing delays.

As a dealer or manager, you face a significant challenge: keeping pace with the velocity of change, while also ensuring that customer data is secure and the dealership is protected from ID theft.

The first step is to make sure your identity theft prevention program includes integrated checkpoints during the deal, designed to further comply with Federal Red Flags and OFAC requirements. It's also important to cross-check customer identification against multiple databases.

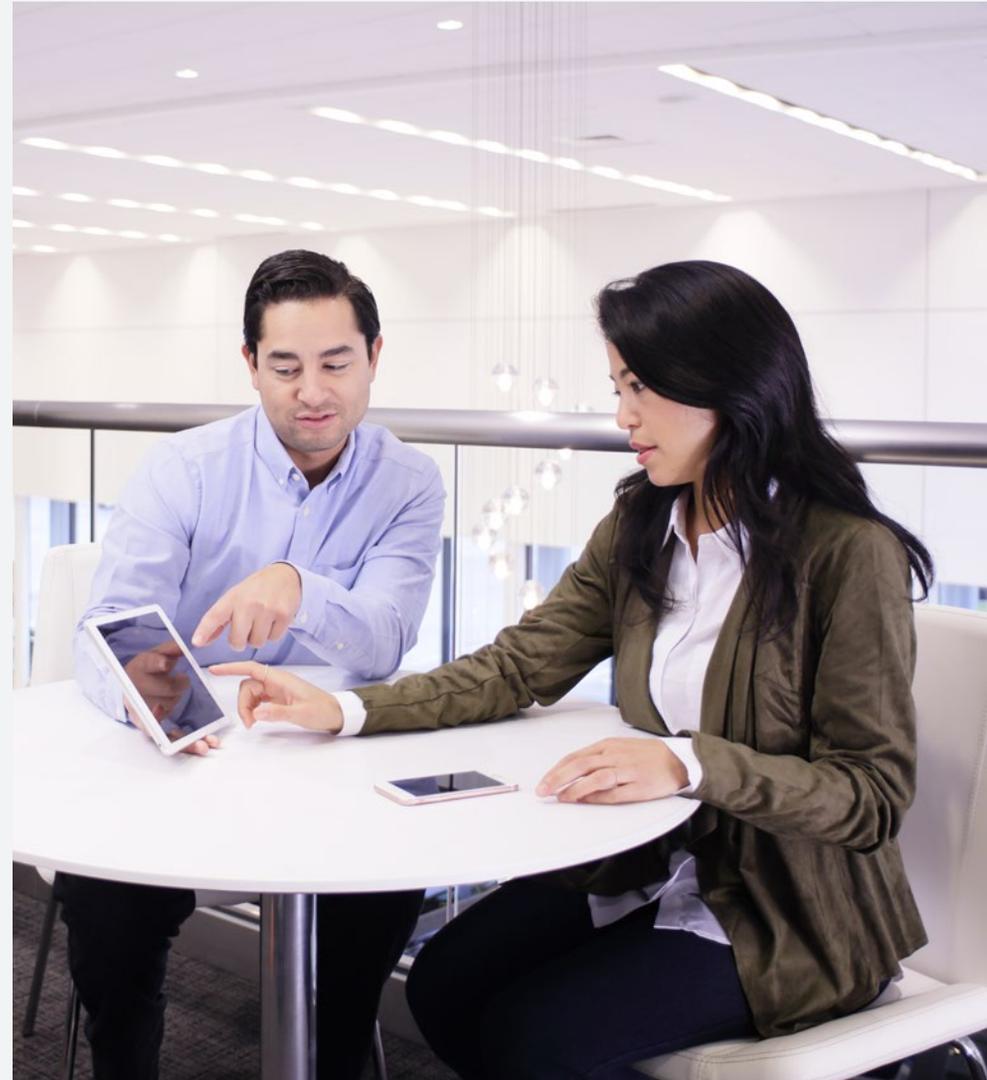


2

KNOW WHEN TO SEND ADVERSE ACTION NOTICES

An “adverse action” is a refusal to grant credit, or the termination of account terms in a manner unfavorable to the consumer.

When this happens—say as a result of unwinding a spot delivery contract—you may be required to give or send an Adverse Action Notice. You should also use Adverse Action Notices when you take a customer’s credit application but do not send it to a financial institution (typically because the customer is credit challenged), when every lender turns down the customer, or when you can’t arrange financing.





3

PROPERLY DISCLOSE AFTERMARKET PRODUCTS

Be sure to offer every product to every customer, every time, and use a menu for consistent selling.

With customers beginning to spend more time online researching specific aftermarket features, it's critical that your F&I consumer presentations include required checkpoints and disclosures. That includes properly disclosing your aftermarket products and taking every customer through the necessary steps, pausing for required signatures to indicate their acceptance or rejection of each product.

4

MONITOR DEALERSHIP ACTIVITY TO HELP ENSURE COMPLIANCE

One of the biggest threats to dealership compliance is inside the showroom.

Some studies claim that half of all data breaches are caused by employees. In order to make sure only employees with a legitimate business need have access to customer information, implement monitoring safeguards that help prevent information breaches and violations of important Federal regulations caused by employee error, oversight, or misconduct.





5

SAVE AND STORE YOUR PENCILS

Your desking solution should automatically save a record of pencils in every customer's deal jacket.

It's an effective way to show how the deal progressed, and helps guard against claims of misunderstanding. It's been an essential best practice ever since the Federal Trade Commission (FTC) and the Consumer Financial Protection Bureau (CFPB) emphasized the need for transparency in the consumer financing of automobile purchases and leases.

INNOVATION THROUGH INTEGRATION

Dealertrack is a leading provider of digital solutions to the automotive retail industry. Our integrated and intuitive approach to products and services makes your workflows more efficient, transparent, and profitable. From Digital Retailing tools that bridge the gap between the online and in-store experience to the largest lender network in North America, we help enable the transformation of auto retailing through a comprehensive solution set spanning DMS, Fixed Operations, Sales and F&I, and Registration and Titling.

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