



F&I

Gil Van Over

New and 'Improved' Privacy Notice

Regulatory agencies complicate privacy notice standards

When I began following this development, I was reminded of a bad joke, modified to be (as much as I despise it) politically correct.

"How many consultants does it take to change a light bulb?" Ten, one to hold the light bulb and nine to rotate the ladder.

I know it's weak, but appropriate.

Here's the newest joke imposed on the car business by the Federales.

"What happens when eight federal regulatory agencies get together to make

"So the Federales take a three-paragraph form and turn it into a two-page affair."

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it easier to understand how financial institutions collect and share information about consumers?" They screw it up!

After living eight years with a privacy notice with few minor modifications, the eight Federales decide that they need to make the form easier for consumers. The Financial Services Regulatory Relief Act of 2006 amended the Gramm Leach Bliley Act of 1999 to require the eight agencies to propose a succinct and comprehensible model form that allows consumers to easily compare the privacy practices of different financial institutions.

Do these people really think that consumers who rarely compare important factors such as annual percentage rate will actually not take delivery of a vehicle from a dealer who does not provide a succinct and comprehensible model form to compare privacy practices?

So the Federales take a three-paragraph form and turn it into a two-page affair.

This is the same government that had the audacity to put a paragraph about the Paperwork Reduction Act at the end of a 23-page treatise called the application to apply to the federal government to get your Cash for Clunkers monies.

Well, as comedian Ron White likes to say, "Here's the real deal, Scooter."

By December 31, 2010, dealers and other companies that qualify as financial institutions must change their privacy notice to the new format in order to have the safe harbor protection that the new form provides.

The major forms providers I spoke with expect to have forms available for your purchase and use during the first quarter.

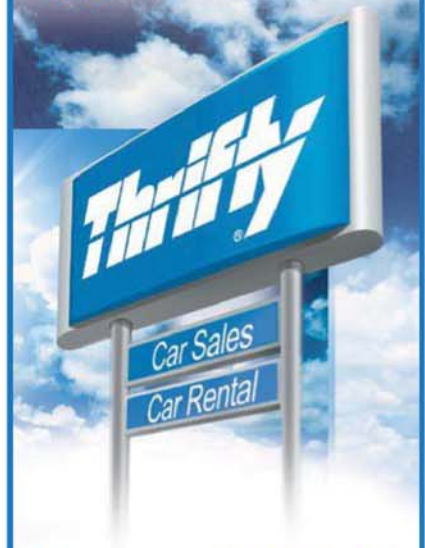
Quite frankly, much ado about nothing and another example of how the people who do not have a clue about the real world find ways to make our lives more difficult.

My advice is to get the new form, get it programmed to print correctly for each transaction, use the same word tracks you use today when giving the customer a copy of your privacy policy and sell the car. 🗝️

Gil Van Over is the president and founder of gvo3 & Associates, a national consulting firm that specializes in F&I, sales, Red Flags and Safeguards compliance and training.

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