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## **Lenders and factories demanding compliance**

*by Gil Van Over*

I have recently seen two documents that expand a dealer's requirement with both a lender and a factory.

Both documents put into black and white what a dealer must do during its normal course of business or else be in violation with a dealer agreement.

First, the factory.

This Service Management Bulletin requires that due to privacy concerns, customer information is no longer required to be entered in the warranty and maintenance records during the retail car delivery process. Further, used vehicle records must remove the previous owner's information before sending the vehicle to auction or reselling the vehicle. Finally, the SMB requires the dealer to properly dispose of the information.

The Safeguards and Disposal Rules at work, extended into the service department.

For those dealers who did not extend Safeguards training to the Service Department, you may want to rethink that decision.

Second, the lender.

This document was a revised dealer agreement from an independent lender. Some of the new reps and warrants a dealer is signing off on include:

- The retail installment sales contract was completely filled-in when signed by the buyer and the buyer received a copy of the contract
- Dealer has complied with Truth in Lending, Regulation Z, Equal Credit Opportunity Act, Regulation B, the Fair Credit Reporting Act, all FTC rules, all state laws and any other regulations that may apply
- Dealer did not represent to customer that he or she was not obtaining the lowest or best rate and
- The entire transaction took place at the dealer's place of business.

If you haven't reviewed the dealer agreement you signed in blood, now may be a good time and then ensure that your processes do not violate the agreement.

Gil Van Over is the President and founder of gvo3 & Associates, a nationally recognized

F&I, Sales and Red Flag Rule compliance consulting and training firm ([www.gvo3.com](http://www.gvo3.com)).

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