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Times for a forms review

by Gil Van Over

One of the cases I worked on as an expert witness involved a General Manager who was extremely proud of the various forms he had created to prove that the dealership was not involved in any kind of fraud.

He had a form for customers to sign to assert that they were the purchaser of the vehicle titled "Not a Straw Purchase".

He had a form for customers to sign to assert that all of the options on the vehicle were actually on the vehicle.

Etc., etc., etc.

There was a slight problem with the execution of the forms. The only time the forms were signed is when there was a straw purchase or power booking.

If only the dealer principal had the forms reviewed by a competent attorney.

Managing Forms Creep

It is oh so tempting to create a new form when a new situation arises and you think, "If only I had the customer sign a form agreeing to (insert the situation)."

Usually, however, there are three problems when creating a new form:

- The new form is created to react to the new situation and is not properly introduced into the sales or F&I process so that it is executed in every transaction.
- The language in the new form may conflict with language in other forms being executed.
- The language in the new form may not comply with state or federal laws.

Actions to Take

You should consider two courses of actions on an ongoing basis:

First, before introducing any form into your process, have your attorney review the form for compliance with state and federal laws.

Second, gather up all of the forms used in the sales and F&I processes on an annual basis and have your attorney look at them for consistency and compliance with state and federal laws.

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