

SALES AND F&I COMPLIANCE CHECKLIST

The FTC, state regulators, and plaintiffs' attorneys have never been more active to penalize dealers. A dealer must have in place a regular process for reviewing compliance with legal requirements and best practices.

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- There is a manager with the obligation to oversee compliance with sales and F&I law and best practices and authority to enforce company policy
 - We comply with the FTC Used Car Rule by having a completed buyers guide on all used vehicles for sale, new vehicle demonstrators, and new vehicles driven more than moving or road testing before delivery to a consumer (use as a rule of thumb 100 or more miles on the odometer)
 - We comply with federal and state advertising requirements (use an advertising compliance checklist)
 - We advertise vehicles at prices and terms for which we intend to sell them
 - Store personnel engaged in advertising and advertising agency personnel are trained in the applicable laws
 - We comply with federal and state restrictions on telemarketing using phone calls, and emails
 - We do not permit solicitations by fax
 - We have a policy on use of social media by sales and F&I personnel that requires all communications to be through the dealer's communication system
 - We comply with the Privacy Rule by delivering to the customer a privacy notice under required circumstances
 - It is a best practice to run a credit report on a customer only if specifically authorized in writing, and we follow a policy of accessing a credit report only if we have the consumer's authorization by signature or by approval through our secure web portal
 - We comply with the Red Flags Rule on each consumer for which it is required
 - We comply with the Risk Based Pricing Rule on each consumer for which it is required
 - Our F&I personnel are trained in complying with the Truth in Lending Act/Consumer Leasing Act, and they comply in each transaction when required
 - We have a Fair Credit Policy in which each transaction starts with the same spread over buy rate, and we deviate downward only for specified, non-discriminatory reasons
 - We regularly check deals to be sure personnel are complying with our Fair Credit Policy
 - All products added to a vehicle are fully explained and provide value
 - Unless a product is added to a vehicle and its price included in the asking price of the vehicle by additional dealer markup sticker and in advertising, its purchase is voluntary (voluntary protection product or VPP)
 - We have a policy of uniform pricing of VPPs from which F&I personnel may deviate downward only for specified, non-discriminatory reasons
 - We regularly check deals to be sure personnel are complying with our VPP Policy
 - The only fees that we add to deals are those specifically permitted by state law
 - All deal document forms are reviewed regularly by legal counsel for legal and best practices compliance
 - We use a deal completion checklist to be sure that all necessary documents are completed in each transaction
 - We regularly review compliance using a cash reporting checklist
 - We review deals after completion to check completion of necessary forms
 - We have a policy of compliance with Cash Reporting Requirements, and we comply in each applicable deal
 - Only reviews from actual customers who are relatives of owners or employees are used in advertising
 - The likeness of a customer is used only with a release
 - We comply with the FTC Safeguards Rule to protect NPPI of consumers and customers
 - We have a complaint handling policy that requires a manager to oversee opening and closing of the complaint
 - We have a document retention policy in compliance with federal and state laws