



**F&I**

Gil Van Over

## Pay Attention to your B.S.-ometer

Imagine playing golf in pitch dark. The acrylic golf ball has a glow stick running through the middle. This hard plastic ball flies substantially less than the normal Titleist. On the good side, as long as your shot isn't in the woods or the lake, you can easily find your ball.

Now imagine playing in the dark with a hard plastic ball in the chill of an early October evening better suited for high school football.

The tee boxes and flagsticks have glow sticks spiraled around them. The moon provides what glimmers of light that can be used, you pray for clear skies.

Add recently aerated greens to these limiters. A patchwork of holes left behind after the plugs were pulled out. Good luck getting a true roll of the putt that you aren't sure which way it will break.

We played night golf this past weekend. Nine holes in the dark after a cocktail hour and dinner. Playing a four-person scramble, we were ecstatic that we shot even par.

Imagine our shock when another team turned in a score of seven under par. In other words, seven birdies in nine holes with all the limiters in place.

Everybody's B.S.-ometers started blaring. Even the golf pro incredulously proclaimed while handing out the prize money, "My team couldn't shoot seven under in the daylight!"

### Everybody has a B.S.-ometer

Everybody has one. It is that gut feeling that you are being fed a line, but the person feeding it doesn't realize everyone else knows the B.S. is flowing.

My B.S.-ometer goes off sometimes when chatting with dealership managers who feed a line in defense of their actions. Here are some examples.

### I don't need to get everybody's ID

One manager, with a straight face, insisted that he only needed to have the ID of one party to the contract, even if two people

signed the contract.

Never mind that he ran a credit report on a person without confirming her identity. Red Flags, USA Patriot Act, Dealer-Lender Agreement and good business judgment requirements get in the way of making this a believable argument.

### The lender won't allow...

Third party lenders aren't necessarily shining knights, but they sometimes get erroneously blamed for some of the dealer's compliance shortcomings.

For example, although you won't find a statutory requirement to offer every customer every product every time, it certainly

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has become an adapted best practice. Many dealers have adapted it as policy.

Yet when a sub-prime customer is only "offered" the two products he ends up purchasing, the excuse commonly comes back as, "The lender won't allow us to sell any other products." Blaring B.S.-ometer!

While the lender may condition an offering to finance a certain amount, including a couple of F&I products, it cannot prevent you from selling those products for cash or

for obtaining a larger down payment to still meet a line three call. If it is the dealership's policy to offer all products all the time, there must be consistency in executing the policy.

### The factory makes me...

Factories get a fair share of the blame in this B.S.-ometer game. The most common situation involves the proper dating of a retail installment sales contract on a recontracted transaction.

Sometimes when an F&I manager recontracts a deal, she will date the second contract the same date as the first contract, even if it is signed on a subsequent date. At least one judge has ruled that this is a potential violation of the Truth-in-Lending Act.

Typically, the F&I manager will claim that the factory will charge the dealership back on an incentive if she doesn't backdate the contract.

The B.S.-ometer goes off when either the transaction in question is a used vehicle, and therefore not eligible for a factory incentive, or when the two dates involved both fall within the incentive program period.

Use your B.S.-ometer to your advantage. When it blares in your head, step back and reconsider the action you are about to take.

Continued good luck and good selling. 

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