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Three months and counting

by Gil Van Over

Two weeks ago my column focused on 10 days until the Red Flags Rule enforcement was upon us.

Last week I discussed the steps necessary to meet the impending deadline in three days.

Then the Feds struck again. They delayed the Rule's enforcement for another three months after a previous six month delay. Does this mean the next delay will only be 45 days?

It does not matter whether you were fully ready to implement your program last Friday or not. There are two great reasons for you to implement as soon as possible.

It is already the law

The Red Flags Rule is now the law. The enforcement date is simply the date the FTC will use in the event of future inquiries.

However, many of the attorneys I work with are certain that if an identity theft does take place within your dealership, and you do not have a solid Red Flags program in place, the victim's attorney will likely skewer you for not having a program in place as required by the law.

The only way to mitigate any potential claims, they tell me, is to have your program in place.

It makes good business sense

If you listen to the numbers, over 25 percent of Americans have been affected by identity theft. Everyone in the country seems to understand the issue and the risk. Many people are terrified by the idea of having their identity stolen.

You can and should use the fact that you have a solid Safeguards and Red Flags program in place as a tool during the sales process.

Walk your customer around and explain the steps you've taken to safeguard his information. Show her the "Secure Document Area" signs. Share your privacy notice.

Some dealers who have taken this approach report not only more satisfied customers but higher referral levels. New customers tell these dealers that they know someone who just purchased a vehicle from the dealer and were impressed with the level of care with safeguards and red flags.

I know you technically have another three months, but can you really wait?

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