

## **Beware of Strangers**

by : *Gil Van Over*

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My brother, mom, pops and me got thrown out earlier tonight for fighting. Them damn cops. You know how they are. They pushed us around and told us to get out. Good thing for them that my ma held me back. I was ready to slap them cops silly because they dissed my ma. Then I snuck back in here, but the stupid bartenders won't sell me a beer. So, can you buy me a beer?"

After too many rounds of over-priced beers and just a few songs from last call for alcohol, a Unabomber-looking stranger in a hooded sweatshirt approached my son-in-law with this story and a plea: "Can you buy me a beer? I'll give you the money."

Little did hoodi-boy know that my son-in-law is a proud member of Dayton's finest! My mind kept replaying this scene the next day as I roamed the vast NADA convention floor. I just could not get past the idea that people are sometimes willing to share embarrassing moments or information with strangers.

I recalled riding the train into Chicago when I used to commute and listening to a lady on a cell phone three seats ahead of me telling a bill collector why she was late on a payment. I recalled the title clerk I had just met telling me she had filed for bankruptcy the week before. I am constantly bombarded by idiots bleep-bleeping their Nextel two-way conversation into my private space.

### **Strangers can share the strangest things.**

Strangers can be setting your employees up for potential litigation or regulatory inquiries. How would your salesperson know if the stranger is an undercover spy for the state attorney general? Or the administrative assistant for the lawyer who spends too much time on his yacht, "Sue Dealers"? Or Suzy Sunshine from the local station with a hidden camera in her purse?

Strangers are in our marketplace trying to catch your employees in a number of potentially embarrassing discussions. Here are some of the most common traps.

### **Is this your best rate?**

Ah...the ultimate lockjaw question. Whenever I ask this question at dealer presentations, the stuttering starts. Even experienced sales managers struggle with this question.

"Well, based on your, uh, you know, like based on, um, well, on your situation, this is, like, the best rate we, um, have to offer."

You think the customer believes him?

### **Worse yet, the only word the customer (stranger) remembers is "best."**

Try this word track on for size, "It's a fair and competitive rate." Then shut up.

If the customer asks if you are making money on the rate, be honest. Of course you are, in return for arranging the financing.

### **I can't get you financed.**

"I just signed the bankruptcy papers at my lawyer's. I lost my job last week and I ain't got no money for

no down payment. But I sure dooooooo love that new red dually half-ton.”

### **What will my payments be?**

Be honest now. How many of your sales associates would broom this customer, telling him to get a co-signer or that they can't get financed?

The moment your salesperson does so, she made a credit decision. As a creditor in this process, your dealership is now obligated to send an adverse action notice.

Make sure your salespeople get credit apps on everybody that asks about financing. Submit the credit app to a prime and a sub-prime lender and let them make the credit decision.

### **Can I take a copy of this contract home to my spouse?**

Half of the finance managers I test with this mystery shopper question fails. A recent FTC Staff Commentary revised Regulation Z to require that a copy of the Truth In Lending disclosures be given to the customer in a form he or she can keep prior to consummating the transaction.

This does not mean that you can dictate when the disclosures are given back. If the consumer wants to leave with the disclosure, she can.

Have your finance manager use the following track to prove later that he gave the consumer a copy she could keep prior to consummating the transaction.

Hand the consumer the Retail Installment Sales Contract.

Ask the consumer to verify his name and address.

Ask him to verify the make and model vehicle he is purchasing.

“When you are ready, we will go over the numbers and the rest of the contract.”

Then shut up.

Within five seconds, the consumer will hand the RISC back. Your manager has successfully given the consumer the Truth In Lending disclosure in a form he could keep.

Hope this helps to deflect some of the mystery shopper traps that can face your dealership.

By the way, my compassionate son-in-law ended up buying hoodie-boy a beer.

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