

Time for a Compliance Risk Assessment

by : *Gil Van Over*

Outlook is a great organizing tool. I can schedule recurring tasks and not worry about it until the time comes. For example, I know that I need to replace the air filter in my furnace once a month. Boom... recurring task. I change the oil in my car quarterly. Boom... recurring task. And, of course, the annual physical. Boom... recurring task.

You can set up a compliance program using Outlook's recurring task feature. Review a few deals from each F&I manager once a month. Have your attorney, accountant or compliance consultant review deals quarterly. Finally, conduct an annual compliance risk assessment by answering these 20 questions.

1. Have your F&I forms been reviewed by an attorney in the past year?
2. Does everyone in your dealership use only those approved forms?
3. Has your contract programming been reviewed this year?
4. Does your DMS always print the product price on the product enrollment form?
5. Are you properly disclosing hold checks to lenders?
6. Do you retain all dead deals and credit applications for at least 60 months?
7. Do you use the current date when you recontract a deal?
8. Does your F&I manager sign the RISC at the same time as the customer?
9. Do you send your adverse action notice by certified mail?
10. Do you use a software-driven menu to present all products to all customers all of the time?
11. Are you clearing the OFAC list on every cash, credit and wholesale transaction?
12. Do you disclose negative equity on your retail installment sales contract or lease agreement?
13. Are your arbitration agreements, privacy notices, spot delivery agreements two-ply forms?
14. Do you have a written F&I policy manual? A safeguards procedure? A do not call procedure?
15. If you advertise "Se Habla Espanol," do you have Spanish translation used car buyers guides?
16. Does your used car manager sign the book out sheets sent to the lender on used deals?
17. Do you know how your salespeople answer the question, "Is this your best rate?"
18. Will your F&I manager allow a customer to take an unexecuted copy of the contract home?
19. Have you prohibited employees from using "signature on file" on any form?
20. Do you require a new menu when a deal is recontracted?

You should be able to answer yes to every question.

How did you fare?

20: You have it nailed! Congrats.

15-19: You appear to have a good compliance program in place and just have a few tweaks to work on.

10-14: You have a little work to do.

5-9: You need to appoint someone as your compliance officer and get up to speed.

0-4: Sell as fast as you can!

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