

June 6, 2006

When is a Contract a Contract?

by Gil Van Over

At some point in the defense of a lawsuit, dealers will usually ask, "When is a contact a contact?"

The answer, unfortunately, is when the judge says it is, and having a signed Retail Installment Sales Contract or Lease Agreement may not be enough.

There is precedence where a judge threw a case out of court because the customer signed three documents showing the price of the F&I product in question. The judge rightly pointed out that since the customer had signed three documents, the judge could not believe that the customer did not know he was purchasing the product for the price listed on the documents.



This is why I preach the three times mantra.

Make sure that your customer is signing at least three documents that show the price of the products or services.

Generally speaking, the customer can sign a menu, a Retail Installment Sales Contract and a product enrollment form. Each of these documents provide disclosure of the product and the price for the product. Many dealers obtain an extra layer of protection by disclosing the products purchased on a final Buyer's Order.

Take another look at your processes so that you won't be asking the rhetorical question about a contract being a contract. Some failure points can include:

- Product price rolled into line one on the Retail Installment Sales Contract or the Agreed Upon Price on the Lease Agreement
- No product pricing on the menu
- The product price not printing on the product enrollment form

Published by [Dealer Communications](#)

Copyright © 2006 Horizon Communications Inc.. All rights reserved.

Information in this newsletter is provided by both proprietary and public sources. Dealer Communications makes no claims as to the accuracy of information provided by third party providers.

Powered by [IMN](#)