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Create a compliance test

by Gil Van Over

Applicants for both Sales and F&I Manager positions will claim during the interview process that they believe in compliance...because they think it is what you want to hear. If you want to determine the applicant's compliance quotient, give her a test. You can create a simple test to administer during the interview process that will tell you how compliant the applicant really is.

First Step

The first step is to figure out which potentially deceptive practices, best practices, state or federal laws you want to test the applicant on. At a minimum, you should consider:

- Payment Packing
- Power Booking
- FACT Act
- Truth in Lending Act
- Used Car Rule
- Red Flag Rule
- OFAC
- Menu execution

Second Step

Create examples of documents that a plaintiff's attorney or the Attorney General could use as a smoking gun. Use generic names such as Ellen Example and Tommy Test. Examples could include four squares, Retail Installment Sales Contracts, Menus, Used Car Buyer's Guides and bookout sheets.

Some of the examples will have to come from deal files, such as credit bureau reports that provide a fraud alert, address discrepancy or an OFAC hit. Be sure to redact all personal, non-public information.

Third Step

Have your attorney and/or Human Resources expert review the test and provide the appropriate disclosures before you start administering it.

Fourth Step

Determine what is required to achieve a passing grade. It might not be reasonable to expect that your preferred applicant is going to catch every compliance issue you throw at him. Conversely, it might not be reasonable to expect to hire an applicant that cannot catch any compliance issue by looking at examples.

Final Step

Scan your examples into a PDF file so that the test can be printed for each applicant instead of making copies of copies of copies.

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