

20 Compliance Tips

Best Practices for Compliance at Every stage of the deal



As more car shoppers start out online and dealerships offer more remote purchase options, compliance can be increasingly challenging. Follow these best practices to keep track of compliance actions throughout each deal:

1 Be Alert to Fraud
Educate your staff on fraud and ID theft and the tools you have to detect them.

2 Credit Reporting Consent
Before pulling credit, have a permissible purpose and get written consent.

3 Know Your Customer
Integrate Red Flags checkpoints into your sales process for ID verification.

4 Remote Signing ID Verification
Out-of-wallet questions can help establish proof of presence for remote customers.

5 The Buck Stops Here
Resolve complaints quickly and consistently to avoid reputational risk.

6 Stay Prepared for Audits
Securely store records in a central location for easy access if needed.

7 Ensure eSignatures Comply
As per ESIGN Act and UETA verify authenticity, get proper disclosures and customer consent.

8 Data Privacy
Follow what your dealership's privacy notice states – it's a contract with your customers.

9 Fraud Prevention
Look for inconsistencies in credit report history to spot synthetic ID fraud.

10 Know When to Send Notices
The law requires you to send timely Adverse Action Notices.

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11

When You Know the Credit Score

Give credit applicants their CSD notice as soon as you have their credit score.

16

Avoid Aftermarket Surprises

Tell your customers what each F&I product costs and how it benefits them.

12

Ensure the Sale is Legal

Run every customer against the OFAC SDN list for USA Patriot Act compliance.

17

Have a Consistent Markup Rate

Follow ECOA and Fair Lending Rules for all sales, including aftermarket.

13

Do the LTV Math

Customers must benefit from GAP insurance.

18

Accurate Advertising and Disclosures

Ensure all marketing includes clear and truthful disclosures of terms and fees.

14

Credit Consistency

Make sure lending policies are consistent for every customer.

19

Lender Coverage

Make an effort to finance a deal with multiple finance sources.

15

Itemize Aftermarket Products

Include each aftermarket product in the Itemization of Amount Financed.

20

Spot Agreements

Consult an attorney and know your state's laws on spot deliveries.

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