

# MOTOR VEHICLE DEALERSHIP COMPLIANCE WALK-THRU OUTLINE

## INTRODUCTION

Please complete the following Dealership Overview so that you will better understand the nature of your customer's business and can better assist them during your audit consultation. Once you have completed the Overview section, please obtain a response to each Audit question and record the response by checking the appropriate box- "Yes", "No" or "N/A" (Not Applicable/Unsure). At the conclusion of the Audit, please note any questions you may have or specific areas which need to be followed up on in the future.

## GENERAL OPERATIONS

	YES	NO	N/A
<b>LICENSING</b>			
1) Is your Dealership license current and properly displayed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) Are all of your salespeople properly licensed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) Are the salespersons' licenses available for inspection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) Do you have procedures to ensure that licenses are renewed timely?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) Do all employees who operate (at any time) Dealership or customer vehicles possess a valid driver's license?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6) Do you have all required vendor permits and are they properly posted?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7) If you employ security personnel, are they properly licensed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>FACILITIES</b>			
8) Are your business hours properly posted?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9) Are showroom and employee work areas arranged in an orderly fashion?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10) Are your facilities equipped for handicap customers (i.e. Do you have ramps, reserved parking spaces, wheelchair accessible restrooms?)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11) Are employee work areas maintained in a professional manner (i.e. no off-color jokes or inappropriate calendars posted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12) If you have smoke alarms, are they tested at regular intervals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13) Are your fire extinguishers tested at regular intervals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14) When you service or arrange services for a customer vehicle, do you			
a) Lock the vehicles when they are not being serviced?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Park the vehicles in a secure location?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Restrict access to customer vehicles and keys?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**YES NO N/A**

**BUSINESS OPERATIONS**

- 15) Does the Dealership have a "Policies and Procedures Manual?" If so:
  - a) Is it distributed to all new employees?  YES  NO  N/A
  - b) Is the Manual updated regularly?  YES  NO  N/A
  - c) Are employees required to sign a document acknowledging that they have received and read the original Manual and updated versions?  YES  NO  N/A
- 16) Do you have a written contract with each person and entity with whom you do business (i.e. repossession companies; after market product suppliers; repair facilities; and independent contractors like security guards)?  YES  NO  N/A
- 17) Are all of your contracts with third parties reviewed by legal counsel prior to signing them?  YES  NO  N/A
- 18) Do you retain copies of all contracts you enter into?  YES  NO  N/A
- 19) Do you have procedures in place to ensure that all of the records you are required to retain by government agencies are kept for the appropriate period of time?  YES  NO  N/A
- 20) Are the computers used in the operation of the Dealership connected to a main frame?
  - a) Is there a system in place for backing up the computer(s)?  YES  NO  N/A
  - b) Are computers backed up on a daily basis?  YES  NO  N/A
  - c) Are back up disks stored in a safe location (i.e. in a fire proof area or an offsite location)?  YES  NO  N/A
- 21) Does your Dealership liability insurance policy provide coverage for:
  - a) Defense costs, including attorneys' fees?  YES  NO  N/A
  - b) Federal and State odometer claims?  YES  NO  N/A
  - c) Damage to vehicles being test driven by or loaned to a customer?  YES  NO  N/A
  - d) Damage to or the theft of a customer's vehicle on your lot?  YES  NO  N/A
  - e) Personal injury claims of someone injured on your lot?  YES  NO  N/A
  - f) Truth in Lending and Truth in Leasing Claims?  YES  NO  N/A
- 22) Are there procedures in place to put the Dealership's insurance company on notice immediately when a claim is brought to the attention of Dealership personnel?  YES  NO  N/A

**HUMAN RESOURCES**

	<b>YES</b>	<b>NO</b>	<b>N/A</b>
23) Do you require potential employees to complete an employment application?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24) Do you contact references provided by applicants?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25) Do you conduct background investigations or obtain credit reports on applicants?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26) Do you take steps to ensure that employees are eligible to work in the United States and complete the required paperwork?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27) Do you require any of your employees to submit to drug tests?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28) Are the terms of employment reduced to writing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29) If you employ independent contractors, do you have a written agreement setting forth each party's obligations and duties?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30) Do you have written policies regarding the payment of bonuses?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31) Do you maintain an employment file for each employee? If so,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a) Do you conduct regular performance reviews and retain copies of written reviews in each file?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) If you take disciplinary action, do you retain a written statement setting forth the problem and action taken and have it signed by a dealership representative as well as the employee being disciplined?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32) Do you require all new employees to attend training and/or educational seminars related to their duties at the Dealership?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33) Do you periodically hold training seminars for employees as procedural and legal issues arise?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34) Do you offer health care coverage for your employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
35) Do you have an employee handbook? If so,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a) Does it include an internet and e-mail policy statement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Does it contain policies and procedures to handle claims of discrimination and/or sexual harassment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Have you included policies for holiday parties and other work functions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Is the handbook updated regularly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Do you require employees to sign a document acknowledging that they have received and read the original handbook and updated versions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**MARKETING AND ADVERTISING**

36) Is your Dealership name registered with the appropriate state authority?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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	YES	NO	N/A
37) If you have a trademark or service mark, is it registered with the appropriate state authority and/or with the Federal Patent and Trademark Office?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
38) Are procedures in place to ensure that your Marks are renewed timely?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
39) Please indicate which of the following marketing/advertising methods your Dealership uses:			
i) Newspaper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii) Radio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii) Television	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv) Internet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
v) Billboards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vi) Magazines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vii) Direct Mail Offers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
viii) Balloons, signs, etc. on the Dealership's premises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ix) Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40) Are the persons who create your Dealership's advertisements familiar with the Truth in Lending and Truth in Leasing Acts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
41) Are they also familiar with your state laws and rules as they pertain to advertising?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
42) Do all of your advertisements clearly disclose any material limitations or exclusions when the offer is made and the time period during which offers are valid?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
43) Do you advertise guaranteed financing for customers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
44) If you advertise the ability to "help repair credit" or "re-establish credit", are you familiar with the Credit Repair Services Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
45) Do you review all advertisement copy before it is run?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
46) Do you retain copies of all advertisements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
47) If your telephone system provides information to customers on hold, has the content been reviewed for compliance with applicable advertising laws?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
48) Do you advertise on the Internet? If so,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a) Do you have your own website?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Have you registered applicable domain names?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Do you advertise on other websites (i.e. banners, etc)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- |  | YES                      | NO                       | N/A                      |
|--|--------------------------|--------------------------|--------------------------|
| d) Do you apply the same procedures to your online advertisements as you do to your other advertisements?    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Are the advertisements/offers updated regularly?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f) When vehicles are sold, are the advertisements deleted within 24 hours?                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Do you have the ability to maintain/update your own website?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| h) Are modifications to the online advertisements made at your Dealership?                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| i) Do you print copies of any screens that contain advertisements/offers and retain copies for your records? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**SALES**

- |   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| 49) Do you utilize a deal jacket that has information to help you establish a bona fide error defense?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 50) Has your Retail Buyers Order been reviewed for legal compliance?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 51) Does Retail Buyers Order include language integrating the Buyers Guide into the form?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 52) Do you use a Wholesale Buyers Order for wholesale transactions?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 53) Do you have a separate purchase agreement to use when purchasing vehicles directly from a customer or another dealership?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 54) Do you have a comprehensive test drive agreement (i.e. limits the number of miles the customer may drive; informs the customer of items for which he may be liable; and instructs the customer when to return the vehicle)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 55) If you offer a limited warranty in connection with the sale of a motor vehicle, are you aware that you need a separate limited warranty document?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 56) When you appraise a trade-in vehicle, do you obtain information about the history of the vehicle?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 57) Do you have procedures in place to verify the history of used vehicles?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 58) Is your trade-in appraisal form designed so that the information obtained from the previous owner is available when the vehicle is offered for sale?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 59) Do you utilize a form in which the customer confirms and acknowledges the terms of the transaction?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 60) Do you utilize a "We Owe/Due Bill" that clearly indicates that nothing is owed to the customer or, if you have promised something, what is owed?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 61) Does your "We Owe/Due Bill" include language whereby the customer   |                          |                          |                          |

	YES	NO	N/A
acknowledges that he has had the opportunity to inspect the vehicle and found that it was free from any reasonably discoverable defects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
62) Do you have titles to vehicles in your possession prior to offering the vehicles for sale?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
63) Do you have procedures in place to ensure the titles are transferred within the statutory period and/or the period required by your dealer/lender agreements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
64) Have all of your motor vehicle sales related forms been reviewed by legal counsel within the past year to ensure legal compliance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
65) If you are made aware that an airbag has deployed on a vehicle in your inventory, do you ensure that it has been properly repaired before offering the vehicle for sale?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
66) If you do business with non-English speaking customers, do you have paperwork and procedures in place to ensure that the customers understand the transaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
67) Is an FTC Buyers Guide posted on each used motor vehicle prior to it being offered for sale?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
68) Does the format of the Buyers Guide comply with the FTC Used Car Rule?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
69) Have you taken steps to ensure that the Buyers Guide is properly completed (i.e. using the language "balance of factory warranty exists" is not appropriate to disclose that the manufacturer's warranty has not expired)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**FINANCE AND INSURANCE**

70) Please indicate which of the following types of financing you utilize:			
a) Traditional Financing (finance contract between the lender and the customer)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Sub-prime Financing (finance contract between your Dealership and the customer which is subsequently assigned to a lender)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Buy Here-Pay Here Financing (finance contract between your Dealership and the customer)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
71) Do you have a copy of the dealer agreement for each lender with whom your Dealership does business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
72) Have these dealer agreements been reviewed by legal counsel prior to doing business with each lender?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	YES	NO	N/A
73) If a review of the dealer agreements has identified provisions that may be problematic, have you been successful in negotiating revisions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
74) Do you have a Related Finance Company?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
75) If you have a Related Finance Company, do you have a dealer agreement between your Dealership and the Related Finance Company? If so,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a) Has this agreement been reviewed by legal counsel and a tax consultant?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
76) Do you “spot deliver” vehicles (i.e. deliver vehicles to the customer subject to final financing being obtained or approved)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
77) If you engage in more than one type of financing (i.e. Traditional/ Sub-prime/ Buy Here—Pay Here), do you have more than one type of spot delivery agreement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
78) Do you use a generic credit application?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
79) Do you disclose the name of each lender to whom a credit application is submitted?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
80) Does anyone at your Dealership assist the customer with the completion of the credit application? If so,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a) Does the customer review and sign the application thereby acknowledging and agreeing that all information contained therein is true and accurate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
81) Do you take steps to verify the information contained in the credit application?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
82) Do you retain copies of credit applications for a period of 3 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
83) Do you request that the lender notify you in writing of its decision to either approve or deny financing? If so,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a) Are copies of the lender’s decisions retained in your files?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
84) Do you pull credit reports for customers at the Dealership? If so,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a) Do you limit who has access to pull and/or review the credit reports?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Do you have written policies and procedures regarding when and how to obtain credit reports?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Is the customer’s written permission obtained prior to pulling a credit report?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Do you have the ability to pull credit reports online?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
85) If you require a co-signer, do you utilize a form containing the proper disclosure language?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
86) Do you use Retail Installment Contracts provided by lenders? If so,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a) Are these Contracts reviewed by legal counsel to ensure compliance with			

	YES	NO	N/A
applicable federal and state laws?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Are you familiar with the representations and warranties contained in the Assignment portion of these Contracts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Do you know if the representations and warranties contained in the Contract will apply with respect to your relationship with the lender?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Are you asked to check a box indicating whether the Contract is assigned with recourse, without recourse, or subject to terms contained in a separate agreement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Are you aware that there may be circumstances under a Contract or dealer agreement labeled "non-recourse" when you may be required to repurchase a Contract(s)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
87) If you engage in Buy Here-Pay Here sales, do you have Retail Installment Contracts designed for that purpose? If so,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a) Has this Contract been reviewed by legal counsel?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
88) Are the finance charges and payments terms in your Retail Installment Contracts calculated by a computer program? If so,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a) Have you verified that the computer calculations are accurate and in compliance with applicable law?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
89) Do you provide the customer with a copy of the completed Retail Installment Contract prior to obtaining the customer's signature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
90) Do you provide the customer with a copy of the completed Retail Installment Contract after obtaining the customer's signature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
91) With respect to down payments paid by the customer:			
a) Are all of the down payments paid in cash?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Do you accept "deferred down payments" or "pick up payments?" If so,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) Have you taken steps to ensure that your dealer agreements do not prohibit the acceptance of deferred down payments or pick up payments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii) Do you disclose the amount of the deferred down payment to the customer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii) Is the amount of the deferred down payment paid before the second regularly scheduled payment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
92) Do you provide the customer with a receipt when you accept a deposit, down	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



	YES	NO	N/A
payment or any other type of payment?			
93) When you accept a deposit, does the receipt state:			
a) How long the customer's option to purchase the vehicle is binding?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Whether or not the deposit is refundable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Any conditions that will limit the customer's ability to obtain a refund?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
94) Do you have procedures to verify the payoff amount of a trade vehicle?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
95) Do you have a written agreement that explains the obligations of the Dealership and customer if the amount of the estimated payoff is different from the actual payoff amount?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
96) Do you engage in transactions that include the financing of negative equity? If so,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a) Is the amount of the negative equity disclosed to the customer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Is the customer required to sign a document wherein he/she acknowledges that there is negative equity and that he/she knows that the price of the vehicle will be increased as a result?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Have you taken steps to ensure that your dealer agreements do not prohibit the financing of negative equity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
97) Does your Dealership engage in collection activities? If so,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a) Have your employees been properly trained to engage in such activities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) If an outside person or entity collects debts on behalf of the Dealership, do you have a written agreement setting forth the obligations of the parties?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
98) If your Dealership engages in repossession activities, are your employees trained as to the proper repossession methods and notices?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
99) If you utilize a person or entity not affiliated with the Dealership to repossess vehicles, do you have a written agreement setting forth the obligations of the parties?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
100) Please indicate which of the following products you sell:			
a) Service Contracts offered by a third party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Service Contracts offered on behalf of the Dealership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Credit Life and Disability Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Guaranteed Asset Protection ("GAP") Waiver Agreements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
101) Have you taken steps to ensure that these products are offered in accordance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	YES	NO	N/A
with applicable laws?			
102)Do you have contracts with all third party suppliers and/or administrators? If so,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a) Have you had these contracts reviewed by legal counsel?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Do you know whether your Dealership or a the third party is the “obligor” for each of these products (i.e. the party obligated to perform the services)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Are you aware of the differences between a “dealer obligor” and “administrator obligor” program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
103)Do you have advertisements, brochures, applications, agreements, cancellation forms, policies and procedure manuals and other documents provided to you by the third party suppliers and/or administrations for distribution to your customers reviewed for legal compliance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
104)Do you retain copies of the above listed documents for your records?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
105)Are your employees trained on how to sell service contracts, GAP waiver agreements, insurance products and any other “after market” products sold at your Dealership? If so,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a) Is training provided by the company supplying the products and related documents?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Is training provided by an independent third party?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Are training materials reviewed by your legal counsel to ensure compliance with applicable laws?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
106)Are you aware that your Dealership may be held liable for statements and representations contained in or made about the suppliers/administrators products and related documents?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SERVICE**

**FACILITIES**

107)Do you repair vehicles at your Dealership?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
108)If you sublet or refer repairs to third parties, do you have written agreements with the repair facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
109)Have service personnel been trained on safety-related issues?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
110)If your technicians are required to be licensed, do you maintain copies of the licenses and have procedures to ensure that they are current?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	YES	NO	N/A
111)If you are required to give oral or written estimates, do you have the proper signage in the service area informing customers of that right?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
112)Do you have signage posted advising customers of an estimate choice in the area where the customer drops off the vehicle?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
113)Are additional charges that may be incurred by the customer (i.e. restocking charges and charges for miscellaneous materials, etc.) properly disclosed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
114)Have you taken steps to ensure that the signage posted in the service area is consistent with the information provided to customers in your paperwork (i.e. warranties offered and disclaimed)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
115)Do you have first aid kits, eye wash stations, and other safety equipment in your service department?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
116)Is safety equipment properly placed so that it is easily accessible to your employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
117)Do you have signs explaining the proper use of safety equipment (i.e. the wearing of goggles near a grinder)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
118)Do you have signage that restricts the access of customers to certain areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
119)Do you have procedures in place to ensure that areas to which customers have access are kept in a safe fashion?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
120)Do you have policies in place for the disposal of hazardous waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
121)Are Dealership personnel properly trained to handle hazardous waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
122)Do you use haulers certified by the Environmental Protection Agency and obtain confirmation that your waste has been properly disposed of?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
123)Do you have a Hazardous Materials Communication Manual?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
124)Do you require each customer to sign a written estimate choice form prior to beginning repairs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
125)Do you obtain proper authorization before performing any services/repairs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
126)Does your written repair order contain all information required by applicable state law?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
127)Does your written repair order include all disclosures required by applicable law?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
128)Do you obtain permission from the customer prior to road-testing a vehicle?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
129)Is your warranty policy regarding parts and labor clearly communicated to the customer in the repair order?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	<b>YES</b>	<b>NO</b>	<b>N/A</b>
130)Is the language contained in the repair order regarding warranties consistent with any posted signage?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
131)Do you have a policy for the return of replaced parts to the customer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
132)If your policy offers the right to receive returned parts, do you have procedures in place to ensure that the parts are returned in the proper manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
133)If you perform a repair when you are not obligated to do so, at no charge or a reduced charge to a customer (a "goodwill" repair), do you utilize a form indicating that the performance of the goodwill repair does not create any additional Dealership obligation or warranty in connection with the repair or service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
134)In the event a deposit is required prior to commencing a repair, do you provide a written receipt that states any conditions that will limit the customer's ability to obtain a refund?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
135)Do you maintain copies of all service records?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please list any questions you may have or areas of concern you would like to discuss with a Consultant.

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