

Compliance Standards Of Learning

Written by Emily Marlow Beck
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“No more pencils. No more books. No more teachers’ dirty looks!” You know how the old song goes and you’re probably glad that your school days are behind you. Don’t get too cheery though. Back where I grew up, we had these things called ‘Standards of Learning’ tests or SOLs. My memory is a little fuzzy on the details, but I remember that the SOLs tested us on the basic things that some bureaucrats in the state education department determined we should know for our age group. We spent an awful lot of time preparing for them. After all, if we failed, it was summer school city! (Not to mention, we’d be in big trouble!)

Sometimes I think we should adopt a similar approach when it comes to dealership compliance. There are some basic things that all dealers simply should know. You know—the basics. What are these things, you may ask? Well, you know what they say about opinions, but I do have a few thoughts about the things I would want all dealers to know. So sharpen your pencils and whip out your protractors (okay, so you might not need your protractor), it’s time to take some notes!

Yes, Mr. Dealer, you are a creditor!

If you’ve been reading Tom Hudson’s articles for any length of time, you know that dealers typically sell cars on credit and these transactions are called retail installment sales, with the dealer as the creditor. Not loans. Not lenders. ‘Nuff said.

Don’t get your legal advice from your marketing company.

Advertising is a hot issue in dealer compliance-ville, We have read lots of cases about dealers who get in trouble after they buy a marketing company’s ad program. I have never read cases about the marketing company stepping in to take the bullet when the regulators and plaintiffs’ lawyers come knocking at the dealership door, however.

When it comes to compliance, the devil is in the details.

When developing a compliance program, don’t ever underestimate the ability of a plaintiff’s lawyer to trip dealers and other creditors up on a technical violation of the law. Some examples? Think about adverse action, firm offers of credit, and, heaven forbid, even truncation cases. If you think the details don’t matter, think again.

Adopt consumer-friendly policies; think conflict avoidance!

Most lawsuits against dealers start with a customer who feels like he or she got a raw deal. Imagine how much dealers could save in legal fees if they just found a way to keep upset customers out of the comforting arms of the plaintiffs’ lawyer or attorney general! Remember, the first check you get a chance to write to settle a customer complaint will be the one with the fewest zeroes.

This ain’t your granddaddy’s dealership.

My, my, my, times have changed. The dealership practices that were commonplace just a decade ago could put a dealer out of business today and the thoughts of what tomorrow might bring are frightening! The dealers who are able to survive in this brave new world of dealer compliance will be the ones that find a way to evolve. As for the ones who don’t? You know what happened to the dinosaurs, right?

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