

F&I Insider

Quarterly Newsletter

July 2012

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F&I Tip



The potential for increased profits goes beyond the F&I department; it reaches onto the sales floor.

Your sales staff can make or break the level of success achieved by your F&I professional: both in terms of profit as well as by ensuring that every customer opportunity results in a delivered unit. Typically over 70% of customers finance their purchase *somewhere*. Having a sales staff that can properly turn over every customer to your F&I manager will help protect the sale while increasing your dealerships profits.

Protect Your Dealership



Our ultimate goal as your finance department is to protect your sale, deliver the unit and maximize the finance and insurance profits. In addition, we want to minimize any liability which may exist during the normal course of handling finance deals in your dealership. Every lender you currently do business with has a "Dealer Lender Agreement" which

required you, the dealer, to agree to specific guidelines before your dealership was approved to offer indirect financing. While each agreement can vary by lender, they are very similar in what they require of dealers. If a dealer is found to be in violation of the their agreement, the lender can terminate the dealer relationship or worse, can demand repayment of the loan contract in question. The requirements are important to understand, but simple for a dealer to fulfill. Let's look at some of the more important requirements and how they might affect you in your day-to-day business.

Dealers are required to perfect the lien

This requirement is not difficult for most of your deals, but please be careful on out-of-state deals. Because your dealership cannot process the title work for out-of-state sales, your dealership has additional risk on these transactions. Your lenders strongly recommend to never release the MSO (or the title on used units) to your customer directly, and never allow the customer handle the titling.

Unfortunately, completing the MSO with the proper lien information and sending the customer on their merry way is not enough these days. If you give the MSO to the customer, he or she may not do anything with it which ultimately means the lien was never perfected. Some customers who delay the titling process don't know any better, are too busy or do not have the money to pay the sales tax and fees required by their state.

We have heard many different excuses from customers over the years as to why they have not registered their unit. Nevertheless, you do not want the lender to come knocking on your door wanting their lien perfected on an old deal. So, what's a dealer to do on out-of state deals? Just ask us -- Priority One can help. We partner with companies who specialize in titling marine and RV transactions in over 40 states. Just let us know when working a deal that you would like Priority One to handle the title work and we would be happy to coordinate the title work needed at closing.

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Congratulations Nicole Armstrong!

Nicole and her husband, Jake, welcome Brooklyn Holly to their family. Brooklyn was born May 17th, weighing in at 6 lbs, 5 oz. She joins her big sister, Aspen, age three.



Stop Terrorists and Money Launderers!

Dealers are required by law to check the OFAC list.

The OFAC list is now available free to all Priority One dealers. Just click on the OFAC tab on the DRC for access to the list.



Congratulations Kris Dobrowski!



Kris has been promoted from a business administrator to a specialty finance business manager. His experience, great customer service skills and enthusiasm will be well appreciated by your dealership.

Way to go, Kris!



Congratulations to our Monthly Dealer Winners!

April winner:
Custom Camper, Inc.
Prize:
Popcorn Maker



May winner:
Gateway RV Center
Prize:
Gas grill



June winner:
Boat & Motor Superstores
Prize:
Variety Club of the Month

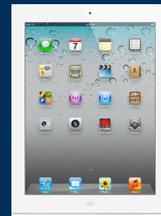


Next quarter you could win:

July: Foosball Table

August: iPad

Sept.:
Cuisinart Coffee Maker



Protect Your Dealership (continued from page 1)

Dealers are required to witness the loan contract being executed

All of your lenders require genuine signatures from the customer, so it's important to ensure the contract was signed by the customer. How do you ensure that? Well...it's pretty easy. Just make sure the customer signs the loan contract at your dealership in front of a dealership employee. We know customers ask to sign their contracts off-site for various reasons, but most customers will understand their contract needs to be witnessed by

the dealership. Some lenders even go so far to require the dealer to not only witness the signing of the loan contract, but the signing must take place at the dealership as well. If necessary, and the lender agrees to allow the contract to be signed off-site, the requirement to witness the signatures is still in place.

If down the road the customer says they didn't sign the loan contract, the burden will be on you to prove that they did. If the contract was signed off-site and not witnessed by a dealership employee, then the lender

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Protect Your Dealership (continued from page 2)

could find your dealership in violation of your dealer agreement. This could result in the lender requiring your dealership to re-purchase the contract. Explain to your customer how signing the loan documents on-site at time of delivery protects them from fraud and identity theft and that it's a lender requirement. This way all parties are protected including the lender, the customer and your dealership.

Dealers are required to have customers' genuine signatures on loan documents

It is critical that your dealership has verified your customer's identity. A loan transaction completed with a stolen identity could result in your dealership having to re-purchase the loan from your lender. Is verifying identity difficult or time consuming? Not at all, but make sure your employees are following the right steps. Do you require a copy of the customer's driver's license or picture ID? If so, that's good. But, what should you do from there? We recommend taking the extra step and verify the address on the picture ID matches the address on the customer's credit application. If the customer's address does not match their driver's license, your dealership should ask the customer for verification of their current address. Although most customers whose addresses don't match have easy explanations such as having recently moved, identity fraud is big business now and it's important to do your due diligence.

Most customers will not mind producing additional proof of their identity and current residence by providing copies of their mortgage,



rental agreement, utility bill (power or cable) or insurance bill. The documents should match the name on their driver's license and address on their credit application. In addition, be sure to check the OFAC list (available on the DRC for your convenience) to make sure your customer is not listed as a Specially Designated National.

Furthermore, your dealership should also have a Red Flag program in place to prevent identity theft. Priority One has one in place, and we can help you develop one too. Once you are satisfied that the customer has provided the proper identification and witnessed the contract being signed, you've taken the proper steps to guarantee to the lender that genuine signatures have been obtained. Once you have proper documentation of a customer's identity, make sure to keep copies on file if ever needed for the future.

You've invested a lot in building and maintaining a profitable business. Incorporate these simple steps in your daily operations to protect your dealership and minimize your risk of liability.

Please call Lorraine Mariotti, Vice President of Lending, at 800-747-6223, if you have any questions or want to learn more on how to protect your dealership.

Upcoming Events



Priority One will be exhibiting at several trade shows this fall. If you're there, please stop by and say "hello."

FRVTA State Convention

Sept. 6-9, 2012

Location: Hyatt Coconut Point, Bonita Springs, FL

NATDA Trade Show

Sept. 7-8, 2012

Location: America's Center Convention Complex, St. Louis, MO
Booth #814

Forest River Product Expo.

Sept. 18-20, 2012

Location: Elkhart, IN

RVDA International Convention & Expo

Oct. 1-5, 2012

Location: Rio Hotel & Casino, Las Vegas, NV
Booth #207

MDCE

Nov. 11-14, 2012

Location: Orange County Convention Center, Orlando, FL

RVIA Trade Show

Nov. 27-29, 2012

Location: Kentucky Expo. Center, Louisville, KY

Not all booth numbers have been assigned yet.



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Hook 'Em Up Forest River Consumer Credit Card Contest

Dealer winners so far:

Week 1: Riley's RV World
Week 2: Bumgarner Camping Ctr
Week 3: JPR Service
Week 4: The Great Outdoors RV
All these hardworking dealers won \$100 Best Buy gift cards.

Remember, you can win too! For every one complete Forest River Credit Card customer application

you submit, your dealership will receive one entry into a weekly drawing for a \$100 Best Buy gift card. Drawings also take place at the end of each month and the last day of the contest for other great prizes. Contest ends Sept. 30, 2012.

For additional information, call Greg Hauenstein, program representative, at

800-419-1041
Ext. 263



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