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RULES AND REGULATIONS YOU'RE ON THE HOOK FOR...

(And Who is on the Hook for YOU?)

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Dealerships operate in an increasingly complex environment of federal, state, and local oversight. There are numerous laws and regulations that govern your workforce, from broader federal regulations to policies that apply to specific jobs. Educating your workforce about key compliance issues, and getting acknowledgment that employees have received and understood this information...it's not only important, it's legally necessary.

We've gathered the 21 most important laws, rules and regulations for your dealership. Use this checklist to identify who in your dealership is responsible for your protection!



THE 21 MOST IMPORTANT LAWS, RULES AND REGULATIONS FOR YOUR DEALERSHIP

1. Americans with Disabilities Act (ADA)
2. Gramm-Leach-Bliley Act
3. Disposal Rule
4. Magnuson – Moss Warranty Act
5. Used-Car Rule
6. Regulation M
7. Regulation Z
8. Occupational Safety and Health (OSHA)
9. Equal Credit Opportunity Act
10. Fair Credit Reporting Act
11. Adverse Action Notices
12. Wage & Hour Laws
13. Discrimination & Harassment Laws
14. Credit Practices Rule
15. Federal Advertising Laws/Truth-in-Advertising
16. Red Flags Rule
17. Telemarketing Sales Rule
18. Family and Medical Leave Act (FMLA)
19. Fuel Economy Advertising for New Automobiles
20. Form 8300 and Reporting Cash Payments of Over \$10,000
21. Office of Foreign Assets Control (OFAC)

Who is Responsible in Your Dealership:

(Note – if you've listed more than one person above, we should have a talk about automating your compliance – so you can sell and service more vehicles.)

1. AMERICANS WITH DISABILITIES ACT (ADA)

It's been around a while now, and most dealerships have the right accessibility features built into their showrooms. But are all of your barriers truly removed?

Check out these links for more information on the ADA:

<http://www.ada.gov/smbusgd.pdf>

https://www.ada.gov/enforce_current.htm

2. GRAMM-LEACH-BLILEY ACT

This Act comes into play when you're at the point of success; you've closed a sale and are offering financing to your customers!

The Act was set up to protect the privacy of consumer information, and sets the standards for privacy notices, opt-out notices, and how nonpublic personal information can be used or disclosed.

The more successful your dealership is, the more you'll have to know here.

Some useful information:

<https://www.ftc.gov/tips-advice/business-center/guidance/brief-financial-privacy-requirements-gramm-leach-bliley-act>

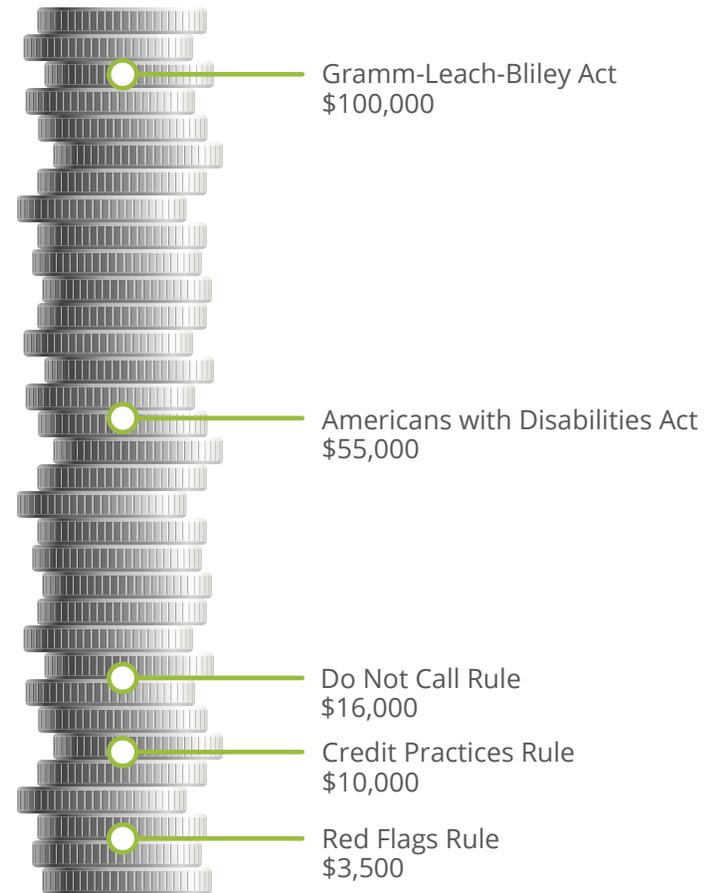
3. THE DISPOSAL RULE

It's not often the government asks businesses to "burn, pulverize, or shred" something, but in this case, your customers' sensitive information derived from consumer reports must be securely destroyed.

Check out other colorful information here:

<https://www.ftc.gov/tips-advice/business-center/guidance/disposing-consumer-report-information-rule-tells-how>

AUTO DEALER PER-VIOLATION PENALTIES



4. MAGNUSON - MOSS WARRANTY ACT

Again, this Act hits you right at the moment of success! It requires dealerships to provide clear warranty instructions, and be extremely clear about the integrity of your vehicles and about your commitment to correct problems when your vehicle fails in any way. Both for express and implied or "as is" warranties.

A little dryer than The Disposal Rule, the Warranty Act details are here: <https://www.ftc.gov/tips-advice/business-center/guidance/businesspersons-guide-federal-warranty-law>

5. USED-CAR RULE

Are your Buyer's Guides up to snuff? Do they have the proper additional disclosures? Are they language-specific to your sales process?

Grab more information here: <https://www.ftc.gov/enforcement/rules/rulemaking-regulatory-reform-proceedings/used-car-rule>



6. REGULATION M

Regulation M is set up as a part of the Truth in Lending Act, which covers exactly how your consumer leasing provisions are spelled out in your process. Are they clear? Easily understood? We've made plenty of progress, but are you keeping up?

Read Regulation M here: http://www.federalreserve.gov/boarddocs/caletters/2008/0805/08-05_attachment2.pdf

7. REGULATION Z

In addition to Regulation M, Regulation Z requires you to ensure that credit terms are disclosed so consumers can compare credit terms more easily and more knowledgeably. Plain language. Specific language. We're pretty sure you've got this covered, but if there's any question, you may be exposed.

Read more here: <https://www.federalreserve.gov/boarddocs/supmanual/cch/200601/til.pdf>

8. OCCUPATIONAL SAFETY AND HEALTH (OSHA)

There are quite a few OSHA regulations that impact employees across your dealership, particularly your service department and your body shop. These can involve things like wearing protective equipment and logging workplace injuries.

The rules are here: <https://www.osha.gov/law-regs.html>

9. EQUAL CREDIT OPPORTUNITY ACT

This regulation prohibits practices that discriminate, and was enacted to promote the availability of credit to all credit-worthy applicants without regard to race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to contract). Pretty sure your team is all over it.

If not, check out how the FTC describes consumers' rights when buying a car:

<https://www.consumer.ftc.gov/topics/buying-owning-car>

10. FAIR CREDIT REPORTING ACT

This Act covers privacy and security around the ways your dealership protects information from – and reports information back – to Consumer Reporting Agencies. The intricacies of the FCRA also cover how you handle employee background checks.

Protect your dealership and customers by exploring more here:

<https://www.ftc.gov/tips-advice/business-center/privacy-and-security/credit-reporting>

11. ADVERSE ACTION NOTICES

The Equal Credit Opportunity Act (ECOA) has restrictions around exactly how you report refusing credit or granting (and having people accept) credit in “a different amount or on other terms.” Within 30 days of any “Adverse Action,” you are required to notify your consumer, using very explicit terms, in writing.

Get more information here:

<https://www.fdic.gov/regulations/laws/rules/6500-260.html>

12. WAGE & HOUR LAWS

These cover minimum wage and overtime pay standards and exemptions. You'll need to keep an eye on state wage and hour regulations as well, as they can vary from state to state.

Get more information here:

Federal: <https://www.dol.gov/WHD/foremployers.htm#reglibrary>

State: <https://www.dol.gov/whd/state/state.htm>

13. DISCRIMINATION & HARASSMENT

Are you up speed on what constitutes a protected class? How about your employees? These are easy regulations to get tripped up on.

Make sure you know the rules:

<https://www.eeoc.gov/laws/types/>



14. CREDIT PRACTICES RULE

Do your contracts have unfair contract provisions? Do you know what's considered "unfair?" Do your co-signers clearly understand their liabilities? You're responsible for making sure they do. And are you absolutely clear when your dealership can and when you can't charge late fees? The Credit Practices Rule spells out your responsibilities – in detail as only the FTC can.

Learn more here:

<https://www.ftc.gov/tips-advice/business-center/guidance/complying-credit-practices-rule#WhattheRuleRequires>

15. FEDERAL ADVERTISING LAWS/TRUTH-IN-ADVERTISING

Advertising must be non-deceptive and truthful. And any mention of financing or terms must trigger certain disclosure statements. Advertisers must have evidence to back up any claim. The burden of proof for advertising claims is on the dealer. And advertising cannot be "unfair." Unfair advertising is described as that which would "...substantially injure customers, violate established public policy, be unethical or unscrupulous."

Protect your dealership from unscrupulous marketing mistakes here:

<https://www.ftc.gov/news-events/media-resources/truth-advertising>



16. RED FLAGS RULE

Your dealership must have an identity theft program in place, as a creditor. Your dealership must implement a written identity theft prevention program designed to detect the "red flags" of identity theft in your day-to-day operations, take steps to prevent the crime, and mitigate its damage.

Want to better understand how to comply? Learn more here:

<https://www.ftc.gov/tips-advice/business-center/guidance/fightingidentity-theft-red-flags-rule-how-guide-business>

17. TELEMARKETING SALES RULE

You may, or may not, have telemarketers at your dealership. If you do, this Rule "requires disclosures of specific information" and "prohibits misrepresentations." Protect yourself from vague understandings before you have anyone pick up the phone...

Read more here:

<https://www.ftc.gov/tips-advice/business-center/guidance/complying-telemarketing-sales-rule>

18. FAMILY AND MEDICAL LEAVE ACT (FMLA)

FMLA covers employees' right to take limited unpaid leave for personal and family medical emergencies. It also covers leave related to military service.

Learn the rules and details on what information you need to display in your dealership:

<https://www.dol.gov/whd/fmla/>

19. FUEL ECONOMY ADVERTISING FOR NEW AUTOMOBILES

Basically, you can't advertise a Fuel Economy ranking for a vehicle that isn't exactly the vehicle you're selling. Nor can you advertise a Highway MPG as a City MPG. Seems simple, but we all know someone affected by the most recent, very public EPA violation scandal.

Here is a reminder of the basics:

<https://www.gpo.gov/fdsys/pkg/CFR-2003-title16-vol1/xml/CFR-2003-title16-vol1-sec259-2.xml>

20. FORM 8300 AND REPORTING CASH PAYMENTS OF OVER \$10,000

In order to protect your dealership from accusations of "money laundering" by the IRS, anyone taking a cash payment of \$10,000 or more is required to file a Form 8300. Every time. And you must file Form 8300 by the 15th day after the cash payment occurs. Every time.

Protect yourselves from IRS scrutiny here:

<https://www.irs.gov/businesses/small-businesses-self-employed/form-8300-and-reporting-cash-payments-of-over-10000>

21. OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

And, in support of freezing terrorists' assets, you are required to check your customers' names against the Specially Designated Nationals List (SDN List). The SDN List is comprised of "individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country-specific."

Learn more here:

https://www.treasury.gov/resource-center/faqs/Sanctions/Pages/ques_index.aspx

The pressure to stay on top of all these regulations is enormous. We know, because we've been providing protection for auto dealers for fifteen years.

Our Complígo solution provides one place for all of your compliance activities – including training, polices, forms, assessments, checklists and certifications.

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