

The background of the slide is a blurred photograph showing two people in business attire shaking hands over a laptop, symbolizing a deal or agreement. The image is overlaid with a semi-transparent dark rectangle containing the title and subtitle.

F&I COMPLIANCE SERIES

Part II: Deal Documentation Compliance



**THANK YOU
FOR YOUR
2021
SPONSORSHIP**

DIAMOND



PLATINUM





Gary H. Prudian

Partner

Manning, Leaver, Bruder & Berberich, LLP



Anthony Bento

Director of Legal and Regulatory Affairs
California New Car Dealers Association



Brent W. Smith

Partner

Manning, Leaver, Bruder & Berberich, LLP

PRESENTERS



Disclaimer

This presentation is not meant to provide you with legal advice. Please consult your attorney for legal advice.



F&I Compliance Training Series: From Deal Negotiation to Post-Contract

Part I: Compliance When Negotiating (January 2021)

Part II: Deal Documentation Compliance (Today)

Part III: Warranty, CPO and Vehicle History (March 2021)

Part IV: Post-Contract (April 2021)

Today's Agenda

1. Overview
2. RISC
3. Downpayment Issues
4. Leases
5. Trade-Ins
6. F&I Products
7. Single Document Rule





OVERVIEW



Overview

F&I Compliance: Daunting Task

Multitude of applicable federal and state laws

CALIFORNIA

Consumers Legal Remedies Act

Unfair Competition Law

Automobile Sales Finance Act

Vehicle Leasing Act

Vehicle Code & Regulations



Overview

F&I Compliance: Daunting Task

(Continued)

FEDERAL

Reg. Z

Reg. M

Fair Credit Reporting Act

Equal Credit Opportunities Act

Fair Credit and Accurate Credit Transactions Act

Gramm Leach Bliley Act

Red Flags Rule

Safeguards Rule

OFAC Statutes

Federal Trade Commission Act

Truth in Lending Act

Consumer Leasing Act





Overview (Continued)

Resulting Process

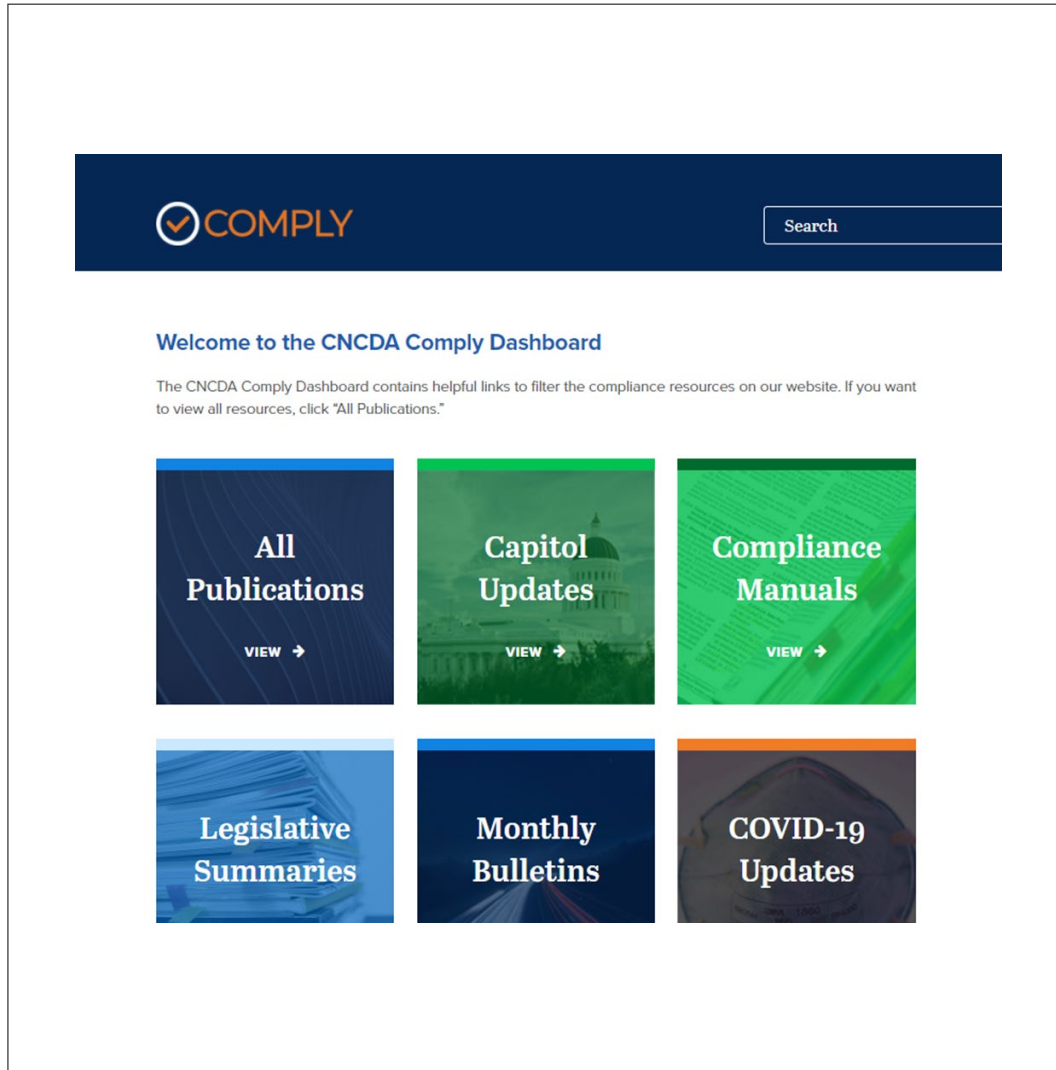
- 553 Contract
 - Over 2 Feet Long
- F&I Manual
 - 200+ Pages
- Numerous Forms
- Time-Consuming Process
- Mistakes Easy to Make



Overview (Continued)

Resources Available

- NADA Compliance Guides
- Legal Counsel
- CNCDA Legal Hotline
- CNCDA F&I Compliance Manual which is available on our website (www.cncda.org) under the “CNCDA Comply” tab.
- Reynolds & Reynolds Forms



Compliance Goals

- Avoid lawsuits
 - Rescission / attorney fees
- Avoid enforcement actions
 - Penalties / fines
 - License revocation
- Avoid dealership being forced to hold deals
 - Bad business



How to Attain Goals

- CONSISTENT THEMES
 - Treat Customers Honestly
 - Treat Customers Fairly
 - Give Required Disclosures
 - Give Customers Copies of Documents





How to Attain Goals (Continued)

- CONSISTENT PROCESS
 - Have Good Communication Among Dealership Personnel
 - Use Good Forms and Know Their Content
 - Periodically Review Forms / Consult Legal Counsel
 - Review Customer Complaints Immediately and Thoroughly
 - Be Resourceful to Resolve

A man and a woman are seated at a table in a car dealership, signing a document. The man is on the left, wearing a blue shirt, and the woman is on the right, wearing a red shirt. They are both smiling and looking at the document. A third person, partially visible on the left, is also looking at the document. The background shows a white car.

Retail Installment Sale Contract (RISC)

RETAIL INSTALLMENT SALE CONTRACT – SIMPLE FINANCE CHARGE (WITH ARBITRATION PROVISION)

Dealer Number _____ Contract Number _____ R.O.S. Number _____ Stock Number _____

Buyer Name and Address (Including County and Zip Code)	Co-Buyer Name and Address (Including County and Zip Code)	Seller-Creditor (Name and Address)
---	--	------------------------------------

You, the Buyer (and Co-Buyer, if any), may buy the vehicle below for cash or on credit. By signing this contract, you choose to buy the vehicle on credit under the agreements on the front and back of this contract. You agree to pay the Seller - Creditor (sometimes "we" or "us" in this contract) the Amount Financed and Finance Charge in U.S. funds according to the payment schedule below. We will figure your finance charge on a daily basis. The Truth-In-Lending Disclosures below are part of this contract.

New Used	Year	Make and Model	Odometer	Vehicle Identification Number	Primary Use For Which Purchased Personal, family or household unless otherwise indicated below. <input type="checkbox"/> business or commercial
-------------	------	-------------------	----------	-------------------------------	--

FEDERAL TRUTH-IN-LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	Amount Financed The amount of credit provided to you or on your behalf.	Total of Payments The amount you will have paid after you have made all payments as scheduled.	Total Sale Price The total cost of your purchase on credit, including your down payment of \$ _____ is \$ _____ (e)
_____%	\$ _____ (e)	\$ _____ (e)	\$ _____ (e)	\$ _____ (e)

(e) means an estimate

YOUR PAYMENT SCHEDULE WILL BE:

Number of Payments:	Amount of Payments:	When Payments Are Due:
One Payment of		
One Payment of		
One Payment of		
		Monthly beginning
One final payment		

Late Charge. If payment is not received in full within 10 days after it is due, you will pay a late charge of 5% of the part of the payment that is late.

Prepayment. If you pay early, you may be charged a minimum finance charge.

Security Interest. You are giving a security interest in the vehicle being purchased.

Additional Information: See this contract for more information including information about nonpayment, default, any required repayment in full before the scheduled date, minimum finance charges, and security interest.

ITEMIZATION OF THE AMOUNT FINANCED (Seller may keep part of the amounts paid to others.)

1. **Total Cash Price**

A. Cash Price of Motor Vehicle and Accessories \$ _____ (A)

1. Cash Price Vehicle \$ _____

2. Cash Price Accessories \$ _____

3. Other (describe) \$ _____

STATEMENT OF INSURANCE

NOTICE. No person is required as a condition of financing the purchase of a motor vehicle to purchase or negotiate any insurance through a particular insurance company, agent or broker. You are not required to buy any other insurance to obtain credit. Your decision to buy or not buy other insurance will not be a factor in the credit approval process.

Vehicle Insurance

	Term	Premium
\$ _____ Ded. Comp., Fire & Theft	____ Mos.	\$ _____
\$ _____ Ded. Collision	____ Mos.	\$ _____
Bodily Injury \$ _____ Limits	____ Mos.	\$ _____
Property Damage \$ _____ Limits	____ Mos.	\$ _____
Medical _____	____ Mos.	\$ _____
	____ Mos.	\$ _____

Total Vehicle Insurance Premiums \$ _____

UNLESS A CHARGE IS INCLUDED IN THIS AGREEMENT FOR PUBLIC LIABILITY OR PROPERTY DAMAGE INSURANCE, PAYMENT FOR SUCH COVERAGE IS NOT PROVIDED BY THIS AGREEMENT.

You may buy the physical damage insurance this contract requires (see back) from anyone you choose who is acceptable to us. You are not required to buy any other insurance to obtain credit.

Buyer X _____

Co-Buyer X _____

Seller X _____

OPTIONAL DEBT CANCELLATION AGREEMENT. A debt cancellation agreement is not required to obtain credit and will not be provided unless you sign below and agree to pay the extra charge. If you choose to buy debt cancellation, the charge is shown in item 1K of the Itemization of Amount Financed. See your debt cancellation agreement for details on the terms and conditions it provides. It is a part of this contract.

Term _____ Mos. _____ Debt Cancellation Agreement

I want to buy a debt cancellation agreement.

Buyer Signs X _____

RISC

- Key Document – contractual agreement with required disclosures
- No blanks; signed/initialed by customer
- Show contract to customer and allow him or her to possess contract before signing
- Give customer signed copy
- 7-year record retention requirement

Vehicle Description and Primary Use

- DEMOS/LOANERS are always used vehicles
- MAKE SURE PROPER MODEL & TRIM PACKAGE ON CONTRACT
- Primary use – Personal or Commercial
- Verify odometer reading on contract rewrites

New Used	Year	Make and Model	Odometer	Vehicle Identification Number	Primary Use For Which Purchased Personal, family or household unless otherwise indicated below. <input type="checkbox"/> business or commercial

Vehicle Price - RISC

- Section 1.A1 Cash Price of vehicle as equipped
- Section 1.A2 Cash price of accessories requested by customer

1. Total Cash Price

A. Cash Price of Motor Vehicle and Accessories

1. Cash Price Vehicle

\$

2. Cash Price Accessories

\$

3. Other (Nontaxable)

Describe _____

\$

Describe _____

\$

\$ _____ (A)

Blank Box



Can be used to add additional terms to RISC to avoid violating Single Document Rule



However, lender approval required



Do not leave blank if unused

THE BUYER HEREBY AGREES TO ACCEPT THE VEHICLE AND WAIVES THE RIGHT TO RETURN THE VEHICLE FOR A FULL REFUND OF THE PURCHASE PRICE.

FOR ADVICE ON FULL COVERAGE THAT WILL PROTECT YOU IN THE EVENT OF LOSS OR DAMAGE TO YOUR VEHICLE, YOU SHOULD CONTACT YOUR INSURANCE AGENT. THE BUYER SHALL SIGN TO ACKNOWLEDGE THAT HE/SHE UNDERSTANDS THESE PUBLIC LIABILITY TERMS AND CONDITIONS.

S/S X _____ X _____

Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement.

If you have a complaint concerning this sale, you should try to resolve it with the seller.

A background image showing a business handshake over a desk. On the desk, there is a laptop, a pair of glasses, a clipboard with a pen, and some documents. The text 'DOWNPAYMENT ISSUES' is overlaid in the center in a large, white, serif font.

DOWNPAYMENT ISSUES



Downpayment Issues

- Rebates - Manufacturer/captive finance company/utilities/ government
- RISC/553
 - 6E – Manufacture/Finance Company Rebates
 - 6F – Other-Clean Vehicle
- Credit Card Payments
 - Lender Issues
 - Dispute Remedies

6. Total Downpayment	
A. Total Agreed Value of Property Being Traded-In (see Trade-In Vehicle(s)):	\$ _____ (A)
Vehicle 1 \$ _____ Vehicle 2 \$ _____	
B. Total Less Prior Credit or Lease Balance (e)	\$ _____ (B)
Vehicle 1 \$ _____ Vehicle 2 \$ _____	
C. Total Net Trade-In (A-B) (indicate if negative number)	\$ _____ (C)
Vehicle 1 \$ _____ Vehicle 2 \$ _____	
D. Deferred Downpayment Payable to Seller	\$ _____ (D)
E. Manufacturer's Rebate	\$ _____ (E)
F. Other _____	\$ _____ (F)
G. Cash, Cash Equivalent, Check, Credit Card, or Debit Card	\$ _____ (G)
Total Downpayment (C through G)	\$ _____ (6)
(If negative, enter zero on line 6 and enter the amount less than zero as a positive number on line 1J above)	
7. Amount Financed (5 less 6)	\$ _____ (7)

YOUR PAYMENT SCHEDULE WILL BE:		
Number of Payments:	Amount of Payments:	When Payments Are Due:
One Payment of		
One Payment of		
One Payment of		
		Monthly beginning
One final payment		

D. Deferred Downpayment Payable to Seller	\$		(D)
E. Manufacturer's Rebate	\$		(E)
F. Other _____	\$		(F)
G. Cash, Cash Equivalent, Check, Credit Card, or Debit Card	\$		(G)
Total Downpayment (C through G)	\$		(6)
(If negative, enter zero on line 6 and enter the amount less than zero as a positive number on line 1J above)			
7. Amount Financed (5 less 6)	\$		(7)

How To Handle Deferred Downpayments

- Must Be Collected No Later Than Due Date of Second Regular Monthly Payment
- Do Not Use Hold Check Agreements
- Must Be Disclosed In RISC
 - Itemization Section
 - Payment Schedule Section
 - Total of Payments Box
- No Authority for Them in Leases

LEASES



Leases

- Key document – contractual agreement and required disclosures
- Follow same process as RISC
- No blanks
- Show to customer
- Give signed copy to customer
- Personal vs. Business designation
 - Record retention

2. DESCRIPTION OF VEHICLE

New/Used	Model Year	Make	Model	Body Style	Color	VIN	Odometer

Primary Use: • Personal, family or household. • Commercial, business or agricultural.

FEDERAL CONSUMER LEASING ACT SEGREGATED DISCLOSURES

Amount Due at Lease Signing or Delivery (Itemized below)	Monthly Payments	Other Charges (not part of your Monthly Payment)	Total Payments (The amount you will have paid by the end of the Lease)
\$_____.	<p>Your first Monthly Payment of \$_____ is due on _____, followed by _____ payments of \$_____ due on the _____ of each month.</p> <p>The total of your Monthly Payments is \$_____.</p>	<p>Disposition fee (if you do not purchase the Vehicle)</p> <p>\$ <u>NA</u></p> <p>\$ <u>NA</u></p>	\$_____.

Itemization of Gross Capitalized Cost

You will pay for the following items over the Lease Term, as part of your Monthly Payment:

a. Agreed-Upon Value of the Vehicle as equipped at time of signing the Lease	\$	_____
b. Agreed-upon value of each accessory and item of optional equipment the lesser (Dealer) agrees to add to the vehicle after lease signing:		
i. _____	+	_____
ii. _____	+	_____
iii. _____	+	_____
iv. _____	+	_____
c. Taxes	+	_____
d. Initial Title, License and Registration Fees	+	_____
e. Service Contract (Optional)	+	_____
f. Credit Life Insurance Premium (Optional)	+	_____
g. Credit Disability Insurance Premium (Optional)	+	_____
h. Debt Cancellation Agreement (GAP) (Optional)	+	_____
i. Outstanding Prior Credit or Lease Balance	+	_____
j. Document Processing Charge (Not a Governmental Fee)	+	_____
k. Electronic Vehicle Registration or Transfer Charge (Not a Governmental Fee)	+	_____
l. Acquisition Fee	+	_____
Other Goods or Services (Describe)		
m. _____	+	_____
n. _____	+	_____
o. Gross Capitalized Cost	=	_____

Leases Gross Capitalized Cost Itemization



Agreed-Upon Value
is the vehicle price



Advertised price
issue



Leases

Blank Box

- 8 point font
- Signature/initials recommended
- Get lender approval
 - 10-day right to rescind
 - Lease Return Rights

For Trade-in, Turn-in, and other individualized agreements

By: _____
Lessee

By: _____
Lessor

Lessee agrees that if this lease cannot be assigned by Dealer to a financial institution on terms acceptable to Dealer and Dealer gives Lessee notice within 10 days, this lease will be rescinded. Lessee must then return the vehicle to the dealer in good condition and Dealer will then return to Lessee all consideration paid.

Lessee is turning in the following lease vehicle: _____. Dealer will return the vehicle to _____ in its current condition and its current mileage of _____. [Dealer will also pay \$_____ due under the lease on behalf of Lessee. All other sums due under the lease will be paid by Lessee.].



Leases Amount Due at Lease Signing or Delivery

- Itemization required by Federal Law
- Capitalized cost reduction is the “downpayment”
- No way to properly document a “deferred downpayment”

Itemization of Amount Due at Lease Signing or Delivery

Amount Due at Lease Signing or Delivery:

Capitalized Cost Reduction	\$ _____
First Monthly Payment	\$ _____
Refundable Security Deposit	\$ _____
Title, Registration and License Fees	\$ _____
Tax on Capitalized Cost Reduction	\$ _____
Document Processing Charge (Not a Governmental Fee)	\$ _____
Electronic Vehicle Registration or Transfer Charge (Not a Governmental Fee)	\$ _____
California Tire Fee	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total	\$ _____

How the Amount Due at Lease Signing or Delivery will be Paid:

Net Trade-in Allowance	\$ _____
Rebates and Noncash Credits	\$ _____
Amount to be Paid in Cash	\$ _____

Total \$ _____



A white pickup truck is shown from the side, parked. A large roll of US dollar bills, secured with green straps, is tied to the back of the truck bed. The word "TRADE-INS" is overlaid in large white serif font across the middle of the image.

TRADE-INS



MANNING LEAVER

ATTORNEYS AT LAW

Trade-In Vehicle(s)	
1. <u>Vehicle 1</u>	
Year _____	Make _____
Model _____	Odometer _____
VIN _____	
a. Agreed Value of Property	\$ _____
b. Buyer/Co-Buyer Retained Trade Equity	\$ _____
c. Agreed Value of Property Being Traded-In (a-b)	\$ _____
d. Prior Credit or Lease Balance	\$ _____
e. Net Trade-In (c-d) (must be ≥ 0 for buyer/co-buyer to retain equity)	\$ _____
2. <u>Vehicle 2</u>	
Year _____	Make _____
Model _____	Odometer _____
VIN _____	
a. Agreed Value of Property	\$ _____
b. Buyer/Co-Buyer Retained Trade Equity	\$ _____
c. Agreed Value of Property Being Traded-In (a-b)	\$ _____
d. Prior Credit or Lease Balance	\$ _____
e. Net Trade-In (c-d) (must be ≥ 0 for buyer/co-buyer to retain equity)	\$ _____
Total Agreed Value of Property Being Traded-In (1c+2c)	\$ _____ *
Total Prior Credit or Lease Balance (1d+2d)	\$ _____ *
Total Net Trade-In (1e+2e)	\$ _____ *
(*See item 6A-6C in the Itemization of Amount Financed)	

Trade-ins

- Disclose Properly – Designated section RISC/Leases
- Confirm pay-off – Trade-in payoff agreement
- Wait to pay-off – Required within 21 days
- Avoid over allowance
- Lease Returns
 - Make clear what is happening
- Retained equity situation
 - Delay payment

Description of Trade-in Vehicle

Year	Make	Model	Agreed Upon Value	\$ _____
VIN			Amount Owed on Trade-in	\$ _____
			Net Trade-in Allowance	\$ _____



Negative Equity

Exists Only After Application of Downpayment
Amounts

Know How to Disclose

- Prior credit or lease balance line on RISC or
- Similar line on lease form (itemization of gross capitalization cost section)
- Don't bury in the cash price or agreed value of vehicle
- Red Flag
 - Pay-Off Matches Vehicle Value

J. Prior Credit or Lease Balance (e) paid by Seller to
Vehicle 1 _____ Vehicle 2 _____ \$ _____ (J)

Arbitration Clause

- Important to Understand – Customer Review
- 553 Version – 553-CA-ARB
- Must ensure customer signs on front
 - Class Action Waiver - Key
- Lease Forms - Version

Agreement to Arbitrate: By signing below, you agree that, pursuant to the Arbitration Provision on the reverse side of this contract, you or we may elect to resolve any dispute by neutral, binding arbitration and not by a court action. See the Arbitration Provision for additional information concerning the agreement to arbitrate.

Buyer Signs X _____

Co-Buyer Signs X _____

Dealership Right to Cancel

- AVAILABLE ONLY IF PROVISION IN CONTRACT
- RETAIL SALES: Provision on back of RISC – only applies if customer signs section on front - key
- LEASES: Not included in all forms
 - If not, type into blank box and have customer initial
- If too many contracts cancelled, can lead to Yo-Yo financing allegations

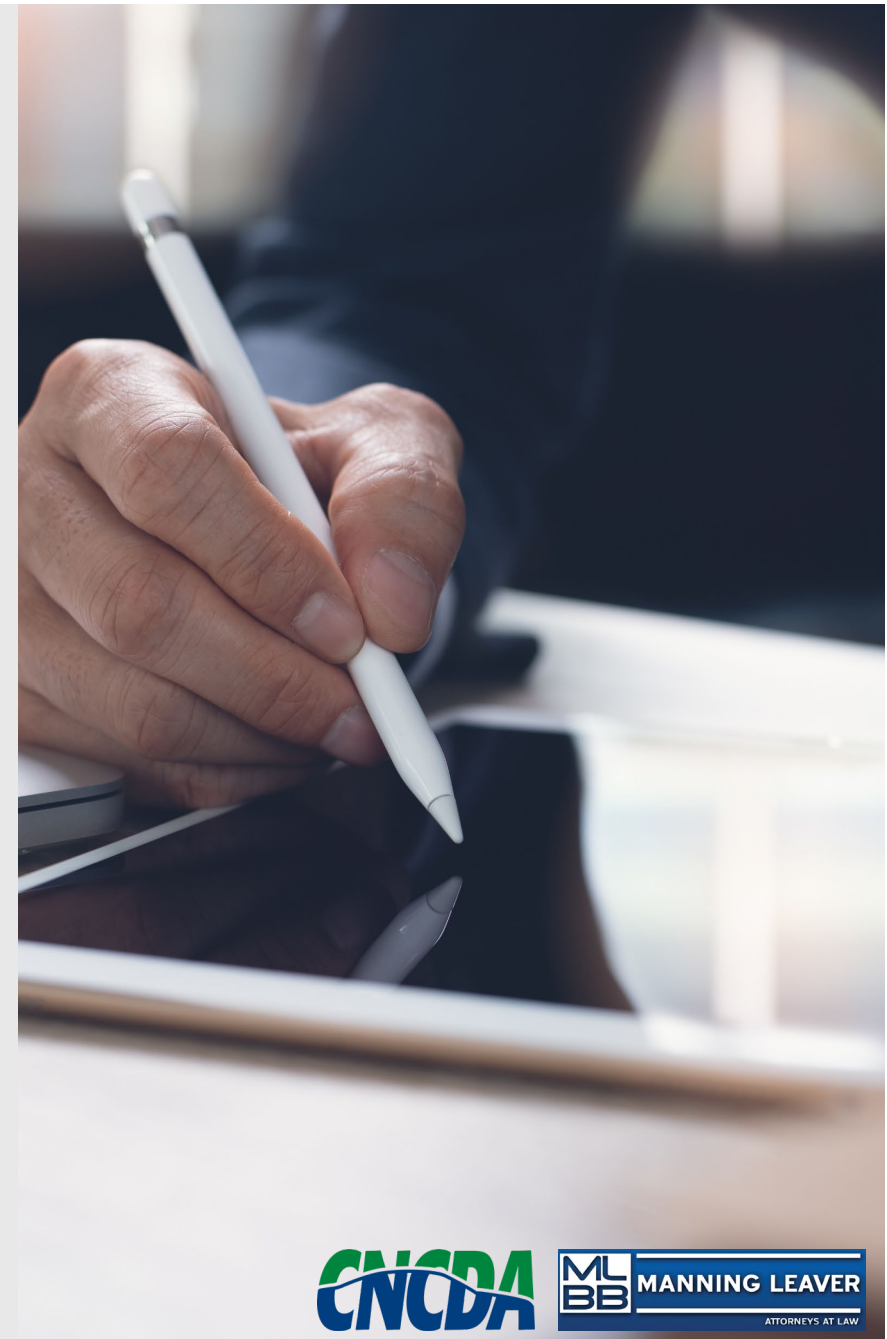
SELLER'S RIGHT TO CANCEL If Buyer and Co-Buyer sign here, the provisions of the Seller's Right to Cancel section on the back giving the Seller the right to cancel if Seller is unable to assign this contract to a financial institution will apply.

Buyer X _____

Co-Buyer X _____

E-Contracting

- Follow normal process for both RISC/Lease
- Not clearly authorized by California law; allowed under federal law
 - CNCDA introducing legislation this year to resolve this issue and clearly allow electronic contracting under California law.
- Customer – Meaningful chance to review
- Should be able to see screen
- Provide copy before signing



F&I PRODUCTS

Optional F&I Products

- Theft Deterrent Devices
- Surface Protection Products
- EV Charging Station
- Debt Cancellation Agreement
- Used Vehicle Contract Cancellation Option Agreement

Optional F&I Products (Continued)

Disclose Properly in Forms

- Section 1 in 553
 - "Paid to" issue
- Match Pre-Contract Disclosure Form (Only for Sales)
- Lease – Optional Products and Services Section – Disclose each product
 - Clear Disclosure Key
- NADA option product program
 - Overlaps with pre-contract disclosure requirement
 - Consult legal counsel

B. Document Processing Charge (not a governmental fee)	\$		(B)
C. Emissions Testing Charge (not a governmental fee)	\$		(C)
D. (Optional) Theft Deterrent Device(s)			
1. (paid to) _____	\$		(D1)
2. (paid to) _____	\$		(D2)
3. (paid to) _____	\$		(D3)
E. (Optional) Surface Protection Product(s)			
1. (paid to) _____	\$		(E1)
2. (paid to) _____	\$		(E2)



SINGLE DOCUMENT RULE

Different for Retail vs. Leases





Retail Single Document Rule

- The contract must contain all of the agreements of the buyer and seller with respect to the total cost and the terms of the payment for the vehicle





Leases Single Document Rule

- The lease agreement must contain *all of the agreements of the lessor and lessee with respect to the obligations of each party.*



EXAMPLES OF SINGLE DOCUMENT RULE VIOLATIONS

- Hold Check Agreements
- Pay Off Adjustment Forms
- Trade-In History Disclosure Forms
- Export Agreements
- Incorporate By Reference Solution
- Get Lender Approval

DUE BILL

Service Hours

Service Phone Number

Sales Manager

Identification of Parties					
Buyer/Lessee Name(s) ("you")					Phone
Address	Street	City	State	Zip	Contract Date
Dealership ("dealer")				Salesperson	
Identification of Vehicle ("Vehicle")					
Year	Make	Model	VIN	Stock Number	
Section A: Acknowledgment of Work					
You acknowledge that the work described in this Section A, if any, is the only work that you are entitled to have performed at no additional charge. If you request any additional work, dealer will provide you with an estimate of charges for your approval prior to performing the additional work.					
A.1.					
A.2.					
A.3.					
A.4.					
A.5.					
Section B: Acknowledgment of Accessories					
You acknowledge that the charges for the accessories described in this Section B, if any, were disclosed to you and included in the retail installment sale or lease contract you entered into for the purchase or lease of the Vehicle with your consent. These accessories are the only accessories that you are entitled to have installed at no additional charge. If you request additional accessories, dealer will provide you with an estimate of charges for your approval prior to installation of such accessories.					
B.1.					
B.2.					
B.3.					
B.4.					
B.5.					

PLEASE NOTE THAT LOANER CARS WILL NOT BE AVAILABLE WHILE THE WORK/INSTALLATION IS BEING PERFORMED
PLEASE CONTACT OUR SERVICE DEPARTMENT AS SOON AS POSSIBLE TO SCHEDULE AN APPOINTMENT

Date _____ Buyer's Signature _____ Co-buyer's Signature _____
 Date _____ Dealer Representative's Signature _____

Due Bills

- Should be used as a “to-do” list
- Not to be used for making disclosures regarding warranties, vehicle history, etc.
- Time limitations can violate the single document rule



Documents Not Subject To The SDR

- Express warranties, service contracts, insurance policies, debt cancellation agreement, theft deterrent devices (e.g. Lojack, etc.), other third party documents describing properly disclosed aftermarket goods or services

Ph 412

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become a part of your credit record.

This notice is not the contract that makes you liable for the debt.

Se le está pidiendo que garantice esta deuda. Piénselo con cuidado antes de ponerse de acuerdo. Si la persona que ha pedido este préstamo no paga la deuda, usted tendrá que pagarla. Está seguro de que usted podrá pagar si sea obligado a pagarla y de que usted desea aceptar la responsabilidad.

Si la persona que ha pedido el préstamo no paga la deuda, es posible que usted tenga que pagar la suma total de la deuda, mas los cargos por tardarse en el pago o el costo de cobranza, lo cual aumenta el total de esta suma.

El acreedor (financiero) puede cobrarle a usted sin, primeramente, tratar de cobrarle al deudor. Los mismos métodos de cobranza que pueden usarse contra el deudor, podrán usarse contra usted, tales como presentar una demanda en corte, quitar parte de su sueldo, etc. Si alguna vez no se cumpla con la obligación de pagar esta deuda, se puede incluir esa información en la historia de crédito de usted.

Este aviso no es el contrato mismo en que se le echa a usted la responsabilidad de la deuda.

Contract Number _____		Número de Contrato _____	
BUYER	DATE	COMPRADOR	FECHA
CO-BUYER	DATE	CO-COMPRADOR	FECHA
COSIGNER ACKNOWLEDGES RECEIPT OF A COPY OF THIS NOTICE.		EL FIADOR ACUSA RECIBO DE UNA COPIA DE ESTE AVISO.	
X COSIGNER SIGNATURE	DATE	X FIRMA DEL FIADOR	FECHA
X COSIGNER SIGNATURE	DATE	X FIRMA DEL FIADOR	FECHA

LOW FORM NO. LAWCA-177 rev. 6/82 © 1982 The Security Deposit Company TOLSON, INC. 1400 L Street, N.W., Washington, D.C. 20004-1400

Page 4/12

You are being asked to guarantee this lease. Think carefully before you do. If the lessee doesn't pay, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount owed on the lease if the lessee does not pay. You may also have to pay late fees or other collection costs, which increase this amount.

The lessor can collect on the lease from you without first trying to collect from the lessee. The lessor can use the same collection methods against you that can be used against the lessee, such as suing you, garnishing your wages, etc. If this lease is ever in default, that fact may become part of *your* credit record.

This notice is not the contract that makes you liable for the lease obligation.

Se le está pidiendo que garantice este arrendamiento. Píenselo con cuidado antes de ponerse de acuerdo. Si el arrendatario no paga, usted tendrá que pagar. Este seguro de que usted podrá pagar si sea obligado a pagar y de que usted desea aceptar la responsabilidad.

Si el arrendatario no paga, es posible que usted tenga que pagar la suma total debida en el contrato de arrendamiento, más los cargos por tardarse en el pago o el costo de cobranza, los cuales aumentan el total de esta suma.

La compañía arrendadora puede cobrarle a usted por la suma debida en el arrendamiento, sin, primeramente, tratar de cobrarle al arrendatario. Los mismos métodos de cobranza que pueden usarse contra el arrendatario, podrán usarse contra usted, tales como presentar una demanda en corte, quitar parte de su sueldo, etc. Si alguna vez no se cumpla con la obligación del arrendamiento, se puede incluir esa información en la historia de crédito de usted.

Este aviso no es el contrato mismo en que se le echa a usted la responsabilidad del arrendamiento.

Contract/Lease Number		Contrato/Número del arrendamiento	
LESSEE	DATE	ARRENDATARIO	FECHA
LESSEE	DATE	ARRENDATARIO	FECHA
COSIGNER ACKNOWLEDGES RECEIPT OF A COPY OF THIS NOTICE.		EL FIADOR ACUSA RECIBO DE UNA COPIA DE ESTE AVISO.	
X		X	
COSIGNER SIGNATURE	DATE	FIRMA DEL FIADOR	FECHA
X		X	
COSIGNER SIGNATURE	DATE	FIRMA DEL FIADOR	FECHA

LAW FORM NO. LAWSA-177L (8/14) IS 80317 The Renter(s) and Rent(s) are Covered TO OREGON SERVICES INC. 1-800-645-6699. BY SINGING OR INITIALS, HE / SHE AGREES TO ACCEPT AN ASSIGNMENT OF PURCHASE OF THIS RENTAL UNIT FROM THE LANDLORD(S).

- Required for both retail contracts & leases BEFORE contract/lease signed
- Foreign language issues
- Consequences – neither dealer nor lender can sue co-buyer or co-lessee if notice not signed.

Autobroker Fee Disclosure

- Must be disclosed on 553 Sale Contract

AUTO BROKER FEE DISCLOSURE

If this contract reflects the retail sale of a new motor vehicle, the sale is not subject to a fee received by an autobroker from us unless the following box is checked:

☐ Name of autobroker receiving fee, if applicable: _____



Other Documents

- Translated Contract Acknowledgment
- Credit Application
- Credit Score Disclosure
- CPO Checklist (if applicable)
- Buyers Guide (if applicable)
- Dealer Warranty (if applicable)
- Used Vehicle Contract Cancellation Option (if applicable)
- F&I Products – Debt Cancellation Agreement, Service Contract Forms

A close-up photograph of a person's hand holding a black pen, signing a document on a wooden desk. The document is on a blue folder. The background is blurred, showing a laptop and office furniture.

Best Practices

- Contract or lease should be the last document signed by customer
- Customers should be provided with copies of any documents signed

QUESTIONS?

Brent W. Smith

Partner

Manning, Leaver, Bruder & Berberich, LLP

www.manningleaver.com

323-937-4730

BSmith@manningleaver.com

Anthony Bento

Director of Legal and Regulatory Affairs

California New Car Dealers Association

www.cncda.org

916-441-2599

abento@cncda.org

Gary H. Prudian

Partner

Manning, Leaver, Bruder & Berberich, LLP

www.manningleaver.com

323-937-4730

GPrudian@manningleaver.com

