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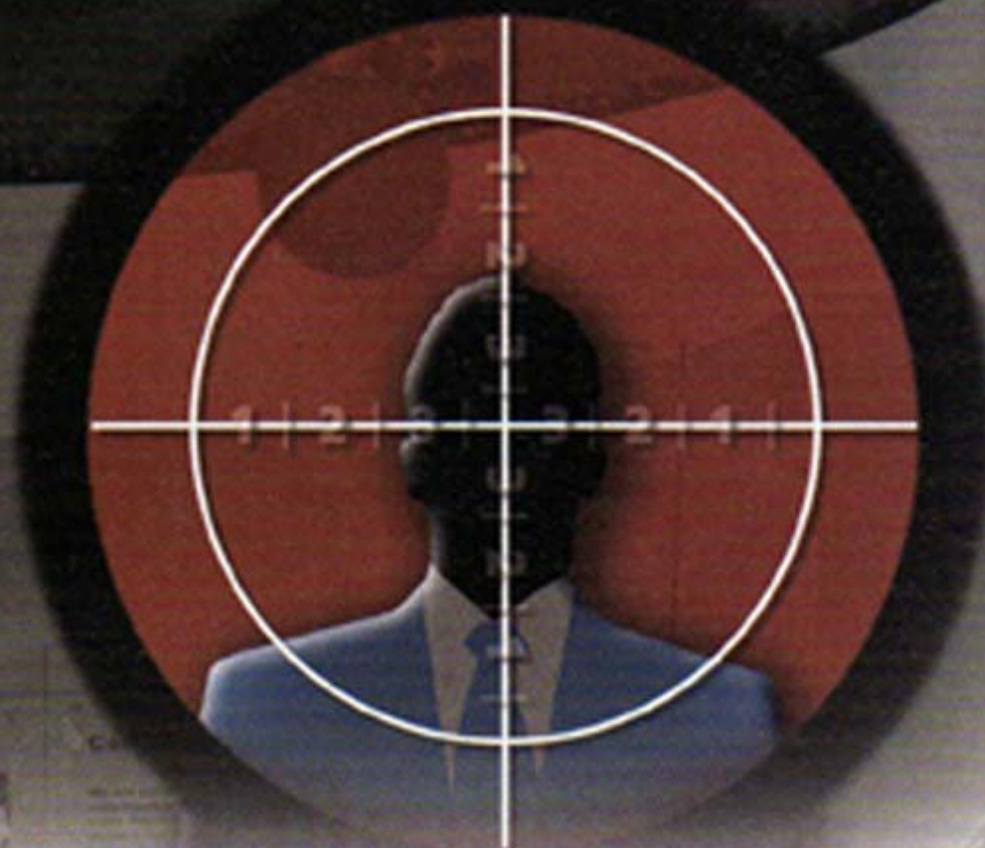
F&I

MANAGEMENT & TECHNOLOGY

REGULATORS RAISE
RED FLAG RULE

LEGAL ANALYSTS DISCUSS DEALER IMPACT

ONE-PRICE
APPROACH GAINING MOMENTUM
FIND OUT WHY

6 TACTICS
FIND OUT HOW DEALERS FIT INTO THE EQUATION

3 COMPLIANCE TECHNOLOGIES TO CONSIDER

By J.R. Wilson, PatriotDealer

The new Red Flag Rules will result in a variety of compliance offerings from various providers. Here's a look at three types of technology solutions you will need to consider:

1. All process and minimal technology

Example: Use basic fraud checking on the bureau, physically inspect the driver's license for tampering and match the driver's license photo and description to the individual. This approach will require the manual process on 100 percent of the deals.

2. Some technology but mostly process

Example: Use a statistical-based "risk score." Then, take different measures depending on the returned score (i.e., if score is XXX, do step 1 to evaluate; if score is YYY, do steps 1 & 2 to evaluate; if score is XYZ, do steps 1-3 to evaluate). This approach will require manual process verification on 25-30 percent of the deals.

3. Heavy in technology with minimal process

Example: Use a technology solution that checks the Red Flags and conducts true identity verification. This approach will require manual process verification on 2-5 percent of the deals.