

AUTOMATIC APPROVALS FOR F&I

Powerful Tools... If You Know How to Use Them



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Our society applauds any invention that saves us time or makes life a little easier, but some of those inventions should come with a big warning label: FOR EXPERIENCED USERS ONLY. For example, the GPS revolutionized boating, but it can't save your life if you fall overboard without a life preserver. Experienced boaters know they must have flotation devices on board before heading out. Automatic approvals for consumer boat loans are much like the GPS. They provide great help, but you shouldn't think of using them without solid knowledge and understanding of F&I.

Automatic approval means that a customer will qualify for "automatic" approval of his or her loan if the customer meets a stringent set of lending criteria. Different lenders have different names and different criteria for their automatic approvals, but they all accomplish essentially the same thing—fast access to boat loans which translates into quick sales for boat dealers. However, the automatic approval process can harm—as much as it can help—if it falls into untrained hands.

Without the proper knowledge, training, and experience you may think a customer qualifies for an automatic approval when he or she does not. The lender gives you a checklist for automatic approvals; however, there are numerous loopholes that are not included on the checklist that can disqualify a customer. Likewise, an untrained eye may think a customer does not qualify for an automatic approval, when in fact, he or she actually does. In this instance the dealer might submit the customer's application to a lender in the more traditional manner, and consequently, the customer misses an opportunity to obtain a more appealing loan package through the automatic approval process.

Trained and experienced F&I professionals know the nuances of credit profiles, lender criteria, and packaging a deal to best utilize the automatic approval process. If your dealership does not employ a professional in-house F&I manager, or you do not work with a reputable F&I outsource company, new technology can help you with automatic approvals.

Catalyst One technology enables a dealership to submit a customer's credit application (via fax or email) and receive an electronic response with a recommendation for submitting the application to a lender. If the customer qualifies for an automatic approval through a particular lender, the Catalyst One technology will tell you so. This technology contains the brain of the most trained and experienced F&I professionals in the industry. It is programmed with each lender's automatic approval criteria, enabling the system to review all checklists and qualify the customer for an automatic approval from the most appropriate lender. The system removes all common human errors associated with these checklists and takes into consideration all lender "loopholes" that untrained dealership employees are unaware of. The Catalyst One technology will handle the loan approval process for you. However, if you need help closing the loan, preparing the documentation, and completing the funding process; you should work with an F&I outsource company or hire a trained F&I professional.

When it comes to automatic approvals, don't make the same mistake as an inexperienced boater with a GPS. The device gives the boater an exaggerated sense of confidence, and the "automatic approval" process can do the same to boat dealers. Training and experience will always supply your best life preservers on the choppy waters of F&I.

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