

F&I Insider

Quarterly Newsletter

April 2013

Inside this issue

Page	Story
1	Looking for a Lender
1	Dealer Spotlight
2	Submit. Enter. Win. Contest
3	What's your F&I Compliance IQ!

Congrats Priority One!

Priority One was named as one of Tampa Bay Times Top Workplaces 2013. Judging is based purely on the results of an employee survey which focuses on employee's opinions of their employers.

News Nugget



For any boat that needs coast guard documents, we highly recommend your dealership allow us to complete the paperwork for you and your customers so we can coordinate the timing of the loan documents and the funding documents at one time. This will help to make sure there are no funding problems related to the coast guard documents.

Looking for a Lender Means Presenting Your Best



Any time your dealership decides to acquire capital or work with a new lender, the lender will typically require two years of financials. You may wonder, "Why do lenders need my financials and why two years worth? They aren't loaning money to me. They're loaning it to my customers." Lenders trust you to complete the loan closing process on their behalf and two years of financials enable

lenders to determine the sales volume for a dealership, to see the dealership's growth from one year to the next and to project how much business the dealer will be sending. Financials will also show if a dealership is earning greater profit by increasing sales or whether a dealership has experienced a loss in business. And finally, financials indicate whether a dealership has equity in the business or has experience running this type of business.

Now that you know why lenders require financial statements, be sure your financials are presented in the best way possible. If you had a house to sell, would you tell a potential buyer to take a look before you have it looking its best or would you pull the weeds, mow the lawn and walk through the interior to make sure everything looked the way it's supposed to? The answer is clear - of course!

(continued on page 2)

Dealer Spotlight: H&H Marine

By: Laura Smith

What started out as a father and son venture buying and selling used boats and motors in a garage behind their home is now a 42 year old thriving boat dealership, and one of the largest in the state of Oklahoma. In 1971, Orby and his wife, Georgia Hartman, along with their son, Dave, and wife, Jaci, bought a small piece of property in northwest Oklahoma City. It has since grown into five properties and five acres, which houses H & H Marine Inc., a successful 16 employee dealership, carrying quality boat brands such as

Monterey, Skeeter, Yamaha, Hurricane, Sweetwater, AquaPatio, and SanPan.



Yamaha Outboards and personal watercraft also play a big part in their business.

(continued on page 4)

Dave and Jaci Hartman with grandsons, Max (left) and Oliver.

Employees Making Their Move



Our 2012 Above and Beyond winner, **Mary Towns**, has moved into the accounting department.

Mary has worked at Priority One since 2006, and her can-do attitude and commitment to serving our dealers will be a great asset to the accounting team.



Josalyn Canfield, who started last July in a part-time role for Priority One, has accepted a full-time position as a Specialty Agent with Veritas, our insurance partner. Well done Josalyn!

Goodbye Margaret Friauf



Margaret Friauf, our beloved staff accountant, passed away on Sunday, March 10th in her home after a tough battle with cancer. She will be missed by all and our sympathies go to her husband, family and friends.

DON'T FORGET!

submit. enter. win.

Dealer APPreciation Contest

Over \$10,000 in prizes!

- **submit.** For every **one** complete credit application that you submit to Priority One, your dealership will receive **one** entry into a monthly drawing for a fabulous prize. *The more applications you submit, the more chances you have to win.*
- **enter.** This contest period: January 2nd – December 31st, 2013
- **win.** Prizes will vary each month but include items that will make a nice addition to your dealership, employee lounges or at customer sales events (i.e. jukebox, gas grill, TV, old-fashion popcorn maker, etc.).

Congratulations to our 1st Quarter Winners!

Jan. Winner

Rocky Mountain Boat Center



Feb. Winner

Billy Sims Trailer Town



March Winner

Gateway RV Center



Looking for a Lender Means Presenting Your Best

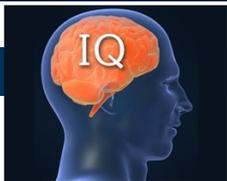
(continued from page 1)

A lender typically knows very little about your business other than what you show them from your financials. Have you made sure they are accurate and considered whether they are presenting your company appropriately? For example, let's say your bookkeeper prefers to cut checks for payables early and hold them until a later point when deposits are received. If cash is reasonably tight, but healthy, the checks that were cut too soon could give your company a negative cash balance on your balance sheet. Keep in mind this is line one of the first impression you make with a lender and it's saying you're broke.

Another example, assume you have

contributed \$500,000 to your company and your intentions are to leave the amount in the company permanently with no interest payments or repayment. If your accountant or bookkeeper records this as a liability, which they probably will unless you specify otherwise, you have painted a weaker picture of your company and not taken credit for the capital invested.

The point is to recognize that your financials are critical for lender approval and to review them for accuracy before they are presented to any outside entity. It can mean the difference between having a healthy lender portfolio to serve all of your customers or not.



What's your F&I Compliance IQ?

Test your knowledge on a few federal financial regulations with the brief quiz below. Answers are below, in small print. Good luck!

1. *According to the Equal Credit Opportunity Act, you may NOT ask your customer any of the following questions except one. Which one **MAY** you ask your customer?*

- A. To reveal their sex, race, national origin or religion.
- B. If they are widowed or divorced or their marital status if they are applying for a separate, unsecured account unless they live in "community property" states.
- C. About plans for having or raising children.
- D. If they have to pay alimony, child support or separate maintenance payments.
- E. You may not ask any of the above questions.

2. *Which of the following statements is **NOT** required in a compliant adverse-action notice?*

- A. Be sent within 30 days of the adverse action.
- B. Notify the customer that his or her credit application was not approved.
- C. Provide instructions on how to improve customer's credit.
- D. Contain the creditor's (or dealer's) name, address, contact name and phone number.
- E. Disclose the name, address and phone number for all credit bureau reports obtained.
- F. All of the statements are required on an adverse-action notice.

3. *OFAC (Office of Foreign Assets Control) can administer which penalty for a dealer that does not comply with the USA Patriot Act?*

- A. Criminal violation with a fine ranging from \$50,000 to \$10,000,000.
- B. Civil penalty of up to \$1,075,000 per violation.
- C. Up to 30 years imprisonment.
- D. All of the above.

4. *TRUE or FALSE. A customer wishes to purchase a boat or RV at a selling price of \$13,000. He presents you with a traveler's check in the amount of \$8,000 and pays the \$5,000 balance in cash. Is IRS Form 8300 required?*

5. *What are the five material disclosures that are required by the Truth in Lending Act?*

6. *Which of the following can be used for verification of identification when applying for a loan?*

- A. Paystubs
- B. Letters from relatives sent through the mail
- C. Insurance binders or insurance applications
- D. Title applications for registration and/or titling
- E. Bank statements
- F. All of the above
- G. None of the above

Compliance Checklist for your Dealership

- ✓ Does my dealership have a written Identity Theft Prevention Program, which is required by the FCRA Red Flags Rule? If so, are new employees trained and are refresher courses given to other staff?
- ✓ Does my dealership have a written Information Security Plan, describing the program to protect customer information as required by the Safeguards Rule? Remember, new employees need to be trained on it too.
- ✓ Does my dealership complete and submit an IRS Form 8300 to the IRS for any transaction involving a combination of cash or cash-equivalent instruments totaling \$10,000 or more? And are they submitted within 15 days after the date the cash was received?



Employee Spotlight: Mark Siler, Vice President of Technology



Mark was born in Indiana and has lived in five states throughout his lifetime. He graduated from University of South Florida in Management Information Systems and started his career as a programmer writing applications to perform advanced spectral analysis for a predictive maintenance company. He then moved on to head-up the software development and network operations of a national medical billing company. Mark joined the Priority One team in 2003 and will be celebrating his tenth anniversary next month. Mark initiated and led the design team behind the creation of our propriety dealer resource center (DRC).

When not at work, Mark enjoys spending time with his teenage daughter, playing racquetball and photography.

Interesting Tidbit

In addition to being an information techno guru, Mark was also a sailing instructor at University of South Florida and was also a karate instructor that performed on TV.

**Congratulations
Full Performance
Marine, Inc.**

This dealer won our "Like our Facebook" contest and received an iPad mini!

facebook

F&I Insider

Dealer Spotlight: H & H Marine (continued from page 1)

**Financing Available for
All Types of Commercial
Use Vehicles at
Priority One!**

In addition to motorcoaches and buses, financing is available for light-to-medium duty trucks, cargo vans, commercial trailers, mobile offices and rest-rooms, tactical units, etc. Call Jared Zimlin for more information at: **800-419-0952.**

Phil Pearson, General Manager of H & H Marine, surprised me with news that Oklahoma has lots of lakes (I researched and found out it has over 1,200 square miles of water) and that H & H Marine serves boaters from all over Oklahoma and surrounding states including boaters that spend two-to-three hours driving one way for a weekend get-a-way.

Dave Hartman, owner, confirms this by saying he enjoys taking his grandchildren, Oliver 9 yrs, and Max 5 yrs, to his lake house on Lake Eufaula, about 125 miles east of Oklahoma City for a fun time of skiing, tubing and fishing. Dave and Jaci's grown children, Justin and Shannon, lead their lives

outside the dealership. Justin earned his Masters of Science and Civil Engineering degree at the University of Oklahoma, and is a principal owner at Wallace Engineering firm in Tulsa, OK. Daughter Shannon works at the California Academy of Sciences in San Francisco and will receive her Masters of Library and Information Science in the Fall 2013 from San Jose State University. Both Justin and Shannon continue to like water activities and appreciate the opportunities that their parents business afforded them.

With caring employees and dealer principals like Dave and Jaci Hartman, H & H Marine Inc. looks forward to proudly serving the boaters of Oklahoma for many years to come.



742 Second Avenue South
Saint Petersburg, FL 33701
Phone: 800-747-6223
Fax: 800-341-6223
E-mail: newsletter@plfs.com

*Selling is your priority
Financing is ours.*
PriorityOne
Financial Services