



### 12 Steps to F&I Succes\$\$ - Step IX Verify Funding

The deal isn't complete until the funds are in the bank. While the process may vary among dealerships, F&I is really the best place to begin when we are discussing cash flow. The speed of the funding is critical for maximum cash flow.

Many dealerships have the accounting office staff prepare and process the loan packages. This action may actually cause the dealership to lose days in funding. When the clock strikes 5 p.m., the office personnel depart. If the contracts are not pulled apart they wait in a drawer until another day. Documents can get misplaced, or they may simply not be submitted with the funding documents. While this is not the case with every dealership, it is the case with many.

#### Get Required Documentation Early

A list of outstanding funds usually comes from the office manager on a weekly basis. The contracts-in-transit report should be printed from the F&I computer and verified by the office manager. The contracts-pending report lists every deal that has been worked by the sales manager that includes outstanding funds or an outstanding title for the trade.

When funding occurs, the F&I manager will close out the deal in the computer. The report will itemize the "who," "what" and "where" of the deal: Who bought the vehicle, what vehicle was purchased, what is owed, and where the deal is pending.

For those deals that have less than optimum credit scores, getting required documentation early on is the key to fast funding. In many cases the lender of nonprime paper won't fund the loan until the lender has spoken to the customer to verify the credit application and the vehicle. Accurate and complete information is therefore critical.

#### Use Technology To Speed Up Process

F&I staff should be directly responsible for preparing the loan package and tracking the method of delivery to the lender. And, using technology can make funding occur almost at the speed of light.

Using Dealer Track, Curomax (in Canada) or other auto finance portals, the F&I department can employ the Web to secure loan approvals and obtain the funding status of contracts. Chase and Wells Fargo now utilize e-contracts.

Many lenders will fund the loan after faxing the loan documents to the funding department. Lenders will generally allow 10 days for the actual loan documents to arrive in their offices.

#### Track Loan Documents Through Funding Process

In the nonprime market, many dealerships claim that lenders use any reason to increase their float on the dealership's funds. In reality, this problem occurs when the dealership's personnel do not phone the lender to verify receipt of all the loan documents and the additional documentation. Requiring F&I staff to track the loan documents through the funding process can eliminate lender float and increase the dealership's cash flow.

If you aren't using technology, you are behind the power curve and your cash position could be suffering because of it. Dealer Track and Curomax cost the dealership nothing, and the benefits are exponential. All you need is access to the Web to begin experiencing faster approvals and faster funding.

E-contracting is the future and the e-process will enhance business-to-business transactions. You'll be able to fund a contract within minutes of obtaining a customer's authorization and register a service agreement on the same day you deliver the vehicle. All this technology adds up to increased customer satisfaction, increased cash flow, and increased efficiency. A verifiable win-win for everyone.

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