



New year brings new regulations for dealers to watch

Amy Wilson covers auto dealer issues for *Automotive News*
January 3, 2011 - 10:15 am ET

Dealers are subject to a host of new regulatory requirements beginning today.

After more than two years of delay, the Federal Trade Commission finally begins to enforce the red-flags rules designed to prevent identity theft. Dealers also must start following the risk-based pricing rule, meant to help consumers with below-average credit scores shop for the best available credit terms. And, under the new model privacy notice, dealerships have the option to disclose their information-sharing practices to finance and lease customers in return for certain safe-harbor protections.

Paul Metrey, chief regulatory counsel for financial services, privacy and tax for the National Automobile Dealers Association, thinks most dealers should be ready for the changes. NADA, state and metro dealer associations and dealer suppliers have sponsored a number of workshops and webinars to teach dealers about the new requirements. Metrey spent a good part of the fall on the road meeting with dealers about the changes.

"The word has been put out," Metrey said.

The next thing dealers should expect is scrutiny to make sure they're complying with the changes.

"Compliance sweeps are always a possibility," Metrey said. "In terms of the timing and how thorough it would be, only the FTC knows how they will proceed with that. But it behooves dealers to be prepared for that at any time."

You can reach **Amy Wilson** at awilson@crain.com.

Read more: <http://www.autonews.com/article/20110103/BLOG14/110109991/1203#ixzz1Bh7Q1yHh>
