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# F&IQTEST™

A 10-QUESTION QUICK QUIZ

BASED ON THE



PROGRAM

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**Lawsuits and TV exposés may be prompted by poor customer service or a lack of product knowledge. Any action taken against the dealer, however, is always based on specific violations of the state and federal laws that govern the F&I process.**

**Test your mastery of the rules by taking this 10-Question Quick Quiz drawn from the regulations addressed in the NADA-recommended AFIP Certification Program.**

The questions below are based on federal regulations that apply to F&I.

- 1. An installment sale agreement, at the time it is consummated in the dealership, is between:**
  - a. the customer and the lending institution that has agreed to the terms of the transaction.
  - b. the customer and the selling dealer.
  
- 2. An extended warranty describes the aftermarket product purchased by a customer to reimburse him or her for the cost of mechanical failures that occur after the factory warranty expires and within the coverage period limitations set forth in the contract.**
  - a. True
  - b. False
  
- 3. If after purchasing GAP coverage, the customer does not have property insurance (comprehensive and collision coverage) in force at the time of loss, then:**
  - a. the terms of the GAP coverage have been violated, and no money will be paid.
  - b. the money paid to the dealer for the GAP coverage will be refunded to the customer.
  - c. depending on the provisions of the coverage, the NADA Used Car Guide retail value or other authoritative source will be used to determine the GAP.
  
- 4. According to the provisions of the Red Flags Rule, if a red flag discrepancy has not been fully cleared by the customer and affirmed by management, the vehicle can be Spot Delivered, but the sale cannot be officially consummated.**
  - a. True
  - b. False
  
- 5. After being quoted a 12% APR, if the customer asks whether that is the best rate available, the F&I practitioner should:**
  - a. state that it is the best rate available based on the customer's credit score.
  - b. state that it is the best rate the dealership currently has available.
  - c. attempt to avoid answering the question.
  - d. a or b, depending on the situation.
  - e. none of the above.
  
- 6. According to the Consumer Lease Act (Regulation M), a lessee may extend an existing lease on a month-to-month basis so long as the maximum term is six months or less.**
  - a. True
  - b. False

7. **The F&I practitioner completed the installment sale agreement and disclosed it to the customer. The customer refuses to sign the contract but wants to take a copy with him. The F&I manager should:**
- give the customer a copy of the contract.
  - politely decline the request, stating that the customer is only entitled to a copy of a contract containing the terms of the transaction *if it is signed by the customer*. In some cases, you may state that the request is in violation of dealer policy.
8. **A customer wishes to pay for a used car with four cashier's checks drawn on four different banks in the amounts of \$7,500, \$6,800, \$3,000, and \$8,300. Since none of the checks exceed \$10,000, the F&I person need not complete IRS / FinCEN Form 8300.**
- True
  - False
9. **If an F&I practitioner leaves a number of deal jackets unattended in an unlocked office, it would be a violation of:**
- the Consumer Information Protection Act.
  - the Truth in Lending Act - Regulation Z.
  - the Safeguards Rule.
  - a and b.
  - a and c.
10. **A customer buying a new car is paying \$5,000 cash down and owes \$7,500 more on the trade-in than was allowed. In this case, the postings on the installment sale agreement can be:**
- a downpayment of zero and an additional amount financed of \$2,500.
  - a downpayment of \$5,000 and an additional amount financed of \$7,500.
  - an increase in the selling price of the vehicle and the trade allowance in the amounts of \$7,500 for each
  - a and b.
  - all of the above.

**Thank you for taking AFIP's F&IQ Test. The answers to these questions are printed on the next page for your convenience. If you have any questions about the correct answers, please contact AFIP at [info@afip.com](mailto:info@afip.com) or 817.428.2434. You can order the AFIP Certification Course online at [www.afip.com](http://www.afip.com) or through one of the field reps or agents employed by AFIP Industry Members that already service your store.**

## Scoring Key

1 - b 2 - b 3 - c 4 - b 5 - e 6 - a 7 - a 8 - b 9 - c 10 - d

### Let's see if you're acting in compliance with the law.

#### Number Incorrect

<b>0</b>	Congratulations, you're either AFIP Certified, very lucky, or well versed on the regulations.
<b>1</b>	Good job, very few people score at or above 90%.
<b>2</b>	If this were the AFIP exam, you would have passed.
<b>3 through 9</b>	You would have failed the AFIP Certification exam, and likely violate the applicable regulations in the course of your duties.
<b>10</b>	<b>Look out the window, the TV trucks should be pulling up in front of the store any minute!</b>

**The AFIP Certification Program provides the information you need to act in accordance with state and federal regulations.**

*Distributed by*



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