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# F&IQTEST

A 10-QUESTION QUICK QUIZ

BASED ON THE

**AFIP** Certified  
F & I Professional

PROGRAM

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**Lawsuits and TV exposés may be prompted by poor customer service or a lack of product knowledge. Actions against dealers, however, are very frequently 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 AFIP Certification Program.**

The questions below are based on 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.
  - 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. With certain exceptions, 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 confirmed 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 Leasing Act, a lessor may extend an existing lease without new disclosures 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. **As mandated by the Risk-Based Pricing Rule, the NADA-model consumer credit score disclosure form must be disclosed:**
- at the F&I practitioner's option at any point during the documentation process, so long as it gets disclosed.
  - The timing of the disclosure is not addressed in the Rule.
  - as soon as practicable, but prior to disclosing the installment sale agreement.
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 or b.
  - all of the above.

**Let's see if you're acting in compliance with the law.  
Check your answers using the key on the back.**

**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 – 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. See reverse for details.**

## KNOWING THE RULES WILL DRAMATICALLY DECREASE:

- THE NUMBER AND DOLLAR AMOUNT OF CHARGE-BACKS
- THE NUMBER OF CUSTOMER HASSLES AND COMPLAINTS
- THE ODDS OF GETTING FIRED
- THE ODDS OF THE DEALERSHIP BEING THE SUBJECT OF A TV EXPOSÉ
- THE ODDS OF THE DEALERSHIP BEING NAMED IN A CLASS-ACTION LAWSUIT
- THE ODDS OF THE DEALERSHIP BEING FINED BY A STATE OR FEDERAL REGULATORY AGENCY

## KNOW THE RULES WITH TOOLS FROM AFIP.

THE AFIP CERTIFICATION PROGRAM MAKES SURE YOU KNOW HOW TO APPLY STATE AND FEDERAL REGULATIONS AND ENFORCES A PROFESSIONAL CODE OF ETHICS. SELF-STUDY MATERIALS AND LOCAL TESTING MEANS NO TIME AWAY FROM THE STORE.

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\* PLUS **S&H** AND APPLICABLE TAXES

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



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