

Prepared for the ADAI by:

HARRISON & MOBERLY, LLP

William N. Ivers

wivers@h-mlaw.com

David I. Rubin

drubin@h-mlaw.com

HARRISON & MOBERLY, LLP

10 W. Market Street

Suite 700

Indianapolis, IN 46204

(317) 639-4511

(317) 639-9565

**IDENTITY THEFT
PREVENTION PROGRAM**

OF

[DEALER NAME]

Approved on:
[date]

APPROVAL AND ESTABLISHMENT OF ITPP

[Name of dealer] (the “Dealership”), in compliance with the purposes of state and federal law, states that it is Dealership’s mission to establish policies and procedures designed to detect, deter, and defend against the threat of identity theft. In furtherance of this mission, Dealership appoints a Compliance Officer to design, draft, implement, and monitor an Identity Theft Prevention Program (“ITPP”). The Compliance Officer shall present the ITPP to Dealership’s board of directors (or appropriate committee thereof) for approval. Following approval, all applicable employees of Dealership shall comply with the ITPP’s terms no later than November 1, 2008.

On [date], [name of dealer] (the “Dealership”) approved the following comprehensive Identity Theft Prevention Program (“ITPP”) to detect, prevent, and mitigate “identity theft” as defined by 16 C.F.R. § 603.2(a) in connection with the opening of all “covered accounts” as defined by 16 C.F.R. § 681.2(b)(3) identified by Dealership and in connection with existing covered accounts maintained by Dealership. This ITPP shall be implemented and maintained by Dealership as described herein, but Dealership and all employees of Dealership affected by this ITPP shall comply with its terms no later than November 1, 2008.

This Program is intended to comply with the requirements of the Identity Theft Rules contained in 16 C.F.R. § 681 issued by the Federal Trade Commission (the “FTC”) with respect to the duties of users of consumer reports regarding address discrepancies (the “Address Discrepancy Rule”) and duties regarding the detection, prevention, and mitigation of identity theft (the “Red Flags Rule”). In designing this ITPP, Dealership has considered the guidelines contained in Appendix A to 16 C.F.R. § 681 and has included the guidelines Dealership has determined to be appropriate.

No part of this ITPP or any related policies and procedures should be interpreted as contravening or superseding any other applicable legal and regulatory requirements. This ITPP is not intended to create any warranties, representations, or contractual obligations in favor of any person or group.

MANAGEMENT AND SUPERVISION OF ITPP

Dealership’s [board of directors, appropriate committee of board of directors, managers, or members] is properly authorized to approve this ITPP, and approved this ITPP on the date indicated above. Dealership’s [board of directors, appropriate committee of board of directors, managers, or members] has also created the following positions to implement and maintain this ITPP, and has appointed the persons named herein to hold those positions:

Compliance Officer – A member of Dealership's senior management who shall supervise the overall management of the ITPP, and has the authority and responsibility to: (1) oversee and manage the development, implementation, and administration of the ITPP; (2) assign specific responsibility for the ITPP’s implementation, including but not limited to appointing, supervising, and managing the activities of the Program

Coordinator and others having specific responsibility related to the ITPP; (3) review reports prepared by Dealership staff regarding compliance by the Dealership with the Red Flags Rule and this ITPP; (4) approve material changes to the ITPP as necessary to address changing identity theft risks, regulatory guidance, and Dealership experiences with identity theft; and (5) exercise management control as necessary to ensure that all relevant Dealership operations and employees comply with the ITPP and Red Flags Rule.

Program Coordinator(s) – Dealership employee(s) who shall manage and coordinate the implementation, maintenance, and updates of this ITPP with Dealership’s staff under the supervision and management of the Compliance Officer. The Program Coordinator, under the supervision of the Compliance Officer, shall ensure that all appropriate Dealership employees receive training to familiarize themselves with the ITPP and effectively implement the ITPP, including the following:

- Distributing copies of this ITPP or relevant provisions to all Dealership employees involved in the opening of covered accounts or requesting or using consumer reports, and providing each employee who receives a copy of this ITPP or relevant provisions with a written acknowledgment and agreement to abide by the Terms of this ITPP to be signed by that employee
- Training all new Dealership employees involved in the opening of covered accounts or requesting or using consumer reports
- Recurring training of all Dealership employees involved in the opening of covered accounts or requesting or using consumer reports on periodic basis (at least once per year) regarding any changes to this ITPP
- Answering questions from Dealership employees involved in the opening of covered accounts or requesting or using consumer reports about the Red Flags Rule or Address Discrepancy Rule, or referring such questions to the Compliance Officer

The Program Coordinator shall also prepare a report described in this ITPP to the Compliance Officer on compliance by Dealership with the Red Flags Rule and this ITPP on no less than an annual basis.

The Program Coordinator shall also create and maintain a log of all incidents involving identity theft Dealership experiences and methods of identity theft Dealership has identified that reflect changes in identity theft risks.

IDENTIFICATION OF COVERED ACCOUNTS

The Red Flags Rule requires Dealership to initially identify (and periodically update) any covered accounts it offers or maintains. 16 C.F.R. § 681.2(b)(3) defines a “covered account” as (1)

an account that Dealership offers or maintains primarily for personal, family, or household purposes that involves or is designed to permit multiple payments or transactions; and (2) any other account that Dealership offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of Dealership from identity theft, including financial, operational, compliance, reputation, or litigation risks. This includes accounts that are opened by Dealership and subsequently assigned to a third party. 16 C.F.R. § 603.2(a) defines “identity theft” as fraud attempted or committed using the identifying information of another individual or entity without authority.

Dealership has evaluated each account offered or maintained by Dealership in accordance with the terms of the Red Flags Rule to determine if it is a covered account. Those evaluations are attached to this ITPP as Exhibit A. 16 C.F.R. § 681.2(b)(1) defines an “account” as a continuing relationship established by an individual or entity with Dealership to obtain a product or service for personal, family, household or business purposes, and includes an extension of credit (such as the purchase of property or services involving a deferred payment) and deposit accounts.

With respect to non-consumer accounts, Dealership has conducted the “Risk Assessment” required by the Red Flags Rule to determine if there is a reasonably foreseeable risk to customers or to the safety and soundness of Dealership from identity theft, including financial, operational, compliance, reputation, or litigation risks, taking into consideration the following:

- The methods Dealership provides to open its accounts
- The methods Dealership provides to access its accounts
- Dealership’s previous experiences with identity theft

Based on its evaluation and risk assessment, Dealership has identified the following covered accounts it offers or maintains:

[Consumer vehicle retail installment sale contracts]

[Consumer vehicle leases]

[Business vehicle retail installment sale contracts]

[Business vehicle leases]

IDENTIFICATION OF RELEVANT RED FLAGS

The Red Flags Rule requires Dealership to initially identify (and periodically update) relevant Red Flags for the covered accounts it offers or maintains. 16 C.F.R. § 681.2(b)(9) defines a “Red Flag” as a pattern, practice, or specific activity that indicates the possible existence of identity theft.

To identify relevant Red Flags, Dealership has considered appropriate risk factors, categories of Red Flags, and other sources of Red Flags, including those contained in Appendix A to 16 C.F.R. § 681 and Supplement A to Appendix A. Potentially relevant Red Flags have been evaluated based on the categories and sources of Red Flags, Dealership's size and complexity, the nature and scope of Dealership's activities, Dealership's existing identity theft prevention policies, and the cost and availability of establishing methods to detect the Red Flag to determine if it would be reasonable and appropriate for the Dealership to include the Red Flag in this ITPP.

The risk factors considered by Dealership include the following:

- The types of covered accounts Dealership offers or maintains
- The methods Dealership provides to open its covered accounts
- The methods Dealership provides to access its covered accounts
- Dealership's previous experiences with identity theft

The sources of Red Flags considered by Dealership include the following:

- Incidents involving identity theft Dealership has experienced
- Methods of identity theft Dealership has identified that reflect changes in identity theft risks
- Applicable supervisory guidance from the FTC and other appropriate agencies, including but not limited to the guidance contained in Appendix A to 16 C.F.R. § 681

The categories of Red Flags considered by Dealership include the following:

- Alerts, notifications, or other warnings received from consumer reporting agencies or service providers, such as fraud detection services
- The presentation of suspicious documents
- The presentation of suspicious personal identifying information, such as a suspicious address change
- The unusual use of, or other suspicious activity related to, a covered account
- Notice from customers, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with covered accounts held by the Dealership

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags, which are attached to this ITPP as Exhibit B, Dealership has identified the following relevant Red Flags as appropriate for incorporation into this ITPP:

[A fraud or active duty alert is included with a consumer report]

[A consumer reporting agency provides a notice of credit freeze in response to a request for a consumer report]

[A consumer reporting agency provides a “Notice of Address Discrepancy,” as defined by 16 C.F.R. § 681.1(b)]

[A consumer report indicates a pattern of activity that is inconsistent with the history and usual pattern of activity of an applicant or customer, such as: (a) a recent and significant increase in the volume of inquiries; (b) an unusual number of recently established credit relationships; (c) a material change in the use of credit, especially with respect to recently established credit relationships; or (d) an account that was closed for cause or identified for abuse of account privileges by a financial institution or creditor]

[Documents provided for identification appear to have been altered or forged]

[The photograph or physical description on the identification is not consistent with the appearance of the applicant or customer presenting the identification]

[Other information on the identification is not consistent with information provided by the person opening a new covered account or customer presenting the identification]

[An application appears to have been altered or forged, or gives the appearance of having been destroyed and reassembled]

[The person opening the covered account or the customer fails to provide all required personal identifying information on an application or in response to notification that the application is incomplete]

[Personal identifying information provided by the customer is not consistent when compared against external information sources used by the Dealership]

[Personal identifying information provided by the customer is not consistent with other personal identifying information provided by the customer]

[Personal identifying information provided by the customer is associated with known or suspected fraudulent activity as indicated in alerts or warnings received by Dealership from a consumer reporting agency]

[Personal identifying information provided is of a type commonly associated with fraudulent activity as indicated in alerts or warnings received by the Dealership from a consumer reporting agency]

[Dealership is notified by a customer, a financial institution with which Dealership does business, victim of identity theft, a law enforcement authority, or any other person that an individual who may attempt to open an account with Dealership is engaged in identity theft]

[A customer seeks to execute a vehicle retail installment sale contract or lease and take delivery of the vehicle at a location other than the Dealership's facility without taking delivery in person]

[A co-buyer or co-lessee is included in the vehicle retail installment sale contract or lease but is not present at the Dealership to sign the contract or lease]

[Customer is reluctant or refuses to remove identification document from wallet, pocketbook, etc.]

[Customer is reluctant or refuses to allow identification document to be copied or its magnetic stripe swiped according to Dealership's standard procedures for doing so]

[Customer is reluctant or refuses to provide a thumbprint or be photographed according to Dealership's standard procedures for doing so]

[Customer provides local residence and work addresses, but presents an out-of-state driver's license or other government-issued identification]

[Customer claims to be a referral from a prior customer and Dealership now suspects the prior customer may have engaged in improper or fraudulent conduct]

[Customer seeks to purchase or lease multiple vehicles at one time for personal use]

[Customer makes statements suggesting the vehicle will be primarily used by others who are not parties to the contract or lease]

[Customer asks that vehicle retail installment sale contract, lease, or title paperwork reflect an address other than addresses shown on the identification documents or consumer report]

[Customer's trade-in vehicle is titled or registered in someone else's name]

[Customer's down payment check is written on someone else's account]

DETECTION OF RELEVANT RED FLAGS

The Red Flags Rule requires Dealership's ITTP to include reasonable policies and procedures to detect relevant Red Flags identified and incorporated into the ITTP. Such policies and procedures should address the detection of Red Flags in connection with the opening of covered accounts and maintenance of existing covered accounts, such as by: (a) obtaining identifying information about, and verifying the identity of, a person opening a covered account; and (b) authenticating customers, monitoring transactions, and verifying the validity of change of address requests for existing covered accounts.

Based on its review of the identified covered accounts, Risk Assessment, the identified Relevant Red Flags, and other relevant information, and considering the existing policies and procedures of Dealership regarding identity verification, Dealership will employ the following methods of identity verification for persons opening a covered account and detection of the relevant Red Flags incorporated into this ITTP (the specific method(s) of detection Dealership will utilize for each relevant Red Flag are listed in Exhibit B to this ITTP):

[Before opening the account, Dealership shall obtain, inspect, and photocopy the customer's (or business customer representative's) current driver's license or other government-issued photo identification and obtain documents evidencing the legal existence of any entity seeking to become a customer]

[Dealership shall review identification documents for signs of alteration or forgery, using available information on forgery detection, if any, supplied by the agency that issues the identification document]

[Dealership shall compare the photo and physical appearance information on the identification documents with the customer's (or representative's) in-person appearance]

[Before opening the account, Dealership shall obtain credit application signed by customer (or authorized representative) that includes, at a minimum, the customer's name, date of birth (or formation if customer is an entity), residential and business, if any, street address (or of principal place of business if customer is an entity), and Social Security or Taxpayer Identification Number]

[Dealership shall review the credit application for signs of alteration or forgery, review the information on the credit application for completeness, and review the address and other information on the credit application for consistency with information provided in the consumer report]

[Before opening the account with a non-business customer, obtain a consumer report and (a) check for a fraud or active duty alert, Notice of Address Discrepancy, and notice of credit freeze from the consumer reporting agency; (b) review the report for activity inconsistent with the history and usual pattern of activity of Dealership customers generally, review the address and other information on the credit application for consistency with information provided in the consumer report, and review any alerts or

notifications of unusual activity, conditions, or events issued by the consumer reporting agency or otherwise provided with the consumer report

[The Program Coordinator shall make all finance and sales personnel aware of notifications of potential identity theft attempts received by Dealership]

[If delivery is to occur at location other Dealership facility, customer (or business customer's authorized representative) must accept delivery in person, sign appropriate documentation evidencing delivery, and present current driver's license or other government-issued photo identification to Dealership representative]

[Dealership shall require any co-buyer or co-lessee is to sign vehicle retail installment sale contract or lease in person at Dealership facility or at other location only if witnessed by Dealership representative, and co-buyer or co-lessee must present current driver's license or other government-issued photo identification]

[Dealership shall verify that a representative of a business customer has authority to act on behalf of that business customer through a source other than the representatives themselves]

RESPONSES TO DETECTED RED FLAGS

The Red Flags Rule requires Dealership's ITTP to include reasonable policies and procedures to respond appropriately to any Red Flags detected by Dealership. Such policies and procedures should provide for appropriate responses to relevant Red Flags detected by Dealership that are commensurate with the degree of risk posed.

To determine appropriate responses, Dealership has considered aggravating factors that may heighten the risk of identity theft, such as a data security incident that results in unauthorized access to a customer's account records held by Dealership or a third party, or notice that a customer has provided information related to a covered account held by Dealership, if any, to someone fraudulently claiming to represent the Dealership or to a fraudulent website.

Appendix A to 16 C.F.R. § 681 provides that appropriate responses to a detected Red Flag may include the following:

- Monitoring a covered account for evidence of identity theft
- Contacting the customer (or business customer's representative)
- Changing any passwords, security codes, or other security devices that permit access to a covered account
- Reopening a covered account with a new account number

- Not opening a new covered account
- Closing an existing covered account
- Not attempting to collect on a covered account or not selling a covered account to a debt collector
- Notifying law enforcement
- Determining that no response is warranted under the particular circumstances

Based on its review of the identified covered accounts, Risk Assessment, the identified Relevant Red Flags, the considerations listed in this Section, Dealership's size and complexity, the nature and scope of Dealership's activities, and other relevant information, and considering the Dealership's experiences with identity theft, if any, Dealership will employ the following general and specific response procedures when relevant Red Flags are detected (the response(s) Dealership will utilize for each relevant Red Flag are listed in Exhibit B to this ITTP):

GENERAL RESPONSE PROCEDURES

Dealership recognizes that while a Red Flag is an indicator of possible identity theft, the detection of a Red Flag does not necessarily mean identity theft is involved. The following procedures are intended to resolve detected Red Flags, if possible, through investigation and verification by dealership employees:

[If a Dealership employee opening a covered account detects one or more Red Flags, the employee shall notify his or her manager and conduct a reasonable investigation concerning the Red Flag(s) detected, including contacting the customer (or business customer's representative) to confirm and obtain additional information from the customer, and confirming and obtaining additional information, as appropriate, through third-party sources]

[The Dealership employee opening a covered account and his or her manager shall determine whether the Red Flag(s) detected or other circumstances require a specific response(s) as set forth in this ITTP]

[The Dealership shall not open the covered account unless the manager determines that the investigation adequately assessed and addressed the risk of identity theft, all specific responses, if any, have been properly made, and there is no reasonable basis to believe that identity theft is involved]

[If the investigation does not resolve the Red Flag, the manager shall advise the Program Coordinator of all of the circumstances and will work with the Program Coordinator to respond appropriately]

[If Dealership learns before assigning a covered account to a third party that the account resulted from identity theft, Dealership will not assign that account and the Compliance Officer and Program Coordinator will be notified]

SPECIFIC RESPONSE PROCEDURES

The detection of certain Red Flags requires specific responses under applicable law, and the nature of Dealership's business as well as the business practices and procedures employed by Dealership suggest specific responses to particular Red Flags Dealership may encounter. When this ITPP's general and specific response procedures result in the conclusion that there is reasonable basis to believe identity theft is or may be involved, the appropriate manager shall inform the Program Coordinator and they will determine the appropriate response.

The following specific response procedures shall be utilized by Dealership when particular Red Flags are detected:

- A Fraud or active duty alert is included with a consumer report – Dealership shall not open a covered account unless Dealership (1) contacts the consumer using the telephone number or other means of contact stated in the alert, if any, and obtains authorization to proceed with opening the account; (2) obtains and verifies governmental photo identification; (3) takes all other appropriate reasonable steps to verify the consumer's identity and to confirm that the application to open the account was not the result of identity theft; (4) follows any other applicable requirements of this ITPP; and (5) prepares a written acknowledgment signed by the appropriate employee(s) of Dealership detailing how these procedures were completed.
- A consumer reporting agency provides a Notice of Address Discrepancy – Dealership shall follow the Notice of Address Discrepancy Procedures contained in this ITPP.
- A consumer reported agency provides a notice of credit freeze – Dealership shall not open a covered account unless the consumer causes the freeze to be lifted and a credit report is obtained, and Dealership shall verify the consumer's identity utilizing the policies and procedures contained in this ITPP and confirm that the application to open the account was not the result of identity theft.
- [· Documents provided for identification appear to have been altered or forged or the photograph or physical description on the identification is not consistent with the appearance of the applicant or customer presenting the identification – Dealership shall not open a covered account unless a reasonable and verified explanation is provided that explains the appearance of alteration or forgery and the customer (or business customer's representative) provides at least one additional non-forged/non-altered form of government-issued photo identification and/or at least one other non-forged/non-altered form of identification]

- [· A customer seeks to execute a vehicle retail installment sale contract or lease and take delivery of the vehicle at a location other than the Dealership's facility without taking delivery in person – Dealership shall not open a covered account unless customer (or business customer's authorized representative) accepts delivery in person, signs appropriate documentation evidencing delivery, and presents current driver's license or other government-issued photo identification to Dealership representative]

- [· A co-buyer or co-lessee is included in the vehicle retail installment sale contract or lease but is not present at the Dealership to sign the contract or lease – Dealership shall not open a covered account unless co-buyer or co-lessee signs vehicle retail installment sale contract or lease in person at Dealership facility or, if at other location, only if witnessed by Dealership representative, and co-buyer or co-lessee must present current driver's license or other government-issued photo identification]

NOTICE OF ADDRESS DISCREPANCY PROCEDURES

The Address Discrepancy Rule requires Dealership to develop and implement reasonable policies and procedures designed to enable Dealership to form a reasonable belief that a consumer report relates to the consumer about whom it has requested the report when Dealership receives a Notice of Address Discrepancy. 16 C.F.R. § 681.1(b) defines a "Notice of Address Discrepancy" as a notice to a user of a consumer report from consumer reporting agency pursuant to 15 U.S.C. § 1681c(h)(1) that informs the user of a substantial difference between the address for the consumer that the user provided to request the consumer report and the address(es) in the agency's file for the consumer.

To effectuate the purpose of the Address Discrepancy Rule, the Dealership shall not use any consumer report for which a Notice of Address Discrepancy is received for any purpose other than identity verification unless the Dealership can form a reasonable belief can be formed that the consumer report relates to the consumer about whom Dealership requested the report.

After reviewing the provisions of the Address Discrepancy Rule and considering Dealership's size and complexity, the nature and scope of Dealership's activities, and other relevant information, and considering the Dealership's experiences with identity theft, if any, Dealership shall utilize the following procedures to determine if it can form a reasonable belief can be that the consumer report relates to the consumer about whom Dealership requested the report when a Notice of Address Discrepancy is received:

Dealership shall follow all Red Flag detection methods and identity verification methods specified in this ITPP and compare the information obtained by following those methods with the information contained in the consumer report provided by the consumer reporting agency

If the information reviewed is sufficiently consistent to support a reasonable belief that the consumer report relates to the consumer about whom Dealership requested the report, the report may be used.

If the information reviewed is not sufficiently consistent to support a reasonable belief that the consumer report relates to the consumer about whom Dealership requested the report, the report may not be used and the covered account may not be opened. The appropriate manager shall inform the Program Coordinator and they will determine the appropriate response.

The Address Discrepancy Rule also requires Dealership to develop and implement reasonable policies and procedures for furnishing an address for the consumer that Dealership has reasonably confirmed is accurate to the consumer reporting agency that issued a Notice of Address Discrepancy to Dealership if Dealership: (1) can form a reasonable belief that the consumer report relates to the consumer about whom Dealership requested the report; (2) establishes a continuing relationship with the consumer; and (3) regularly and in the ordinary course of business furnishes information to the consumer reporting agency from which the Notice of Address Discrepancy was obtained.

After reviewing the guidance provided by the terms of the Address Discrepancy Rule (16 C.F.R. § 681.1(d)(2)), Dealership shall use one of the following methods to reasonably confirm a correct address for a consumer:

- Verifying the address with the consumer about whom Dealership has requested the report
- Reviewing Dealership's own records to verify the address of the consumer
- Verifying the address through third-party sources
- Other reasonable means approved by the Program Coordinator

Dealership shall furnish the consumer's address that Dealership has reasonably confirmed is accurate to the consumer reporting agency as part of the information it regularly furnishes for the reporting period in which Dealership establishes a relationship with the consumer.

OVERSIGHT OF SERVICE PROVIDERS

The Red Flags Rule requires Dealership to exercise appropriate and effective oversight of service provider arrangements. 16 C.F.R. § 681.2(b)(10) defines a "service provider" as an individual or entity that provides a service directly to Dealership. However, Appendix A to 16 C.F.R. § 681 indicates that the Red Flags Rule only applies to service provider arrangements when Dealership engages the service provider to perform activities in connection with covered accounts.

When Dealership engages a service provider to perform activities in connection with covered accounts, Dealership shall take steps to ensure that the activity of the service provider is conducted in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft.

After considering the types of covered accounts offered and maintained, if any, by Dealership, the activities undertaken by Dealership in connection with those accounts, the nature and extent of the services provided by its service providers, and other relevant information, Dealership has identified the following service providers which require oversight under the Red Flags Rule:

[Name of service provider, covered accounts affected, and description of service(s) provided]

For any service provider identified by Dealership as performing activities in connection with covered accounts, Dealership will require the service provider by contract to have policies and procedures to detect relevant Red Flags that may arise in the performance of the service provider's activities, report the Red Flags to Dealership, and take appropriate steps to prevent or mitigate identity theft.

REPORTS AND PERIODIC ITPP UPDATES

The Program Coordinator's report to the Compliance Officer shall address material matters related to the ITPP and evaluate all material issues with respect to the ITPP, including the following:

- The effectiveness of the policies and procedures of Dealership in addressing the risk of identity theft in connection with the opening of covered accounts and with respect to existing covered accounts
- Service provider arrangements
- Significant incidents involving identity theft and management's response
- A summary of entries in Dealership's log of identity theft incidents
- Recommendations for material changes to the Program

The Red Flags Rule requires Dealership to periodically update this ITPP to reflect changes in risks to customers or to the safety and soundness of Dealership from identity theft.

The Compliance Officer shall be responsible for periodically updating the ITPP on no less than an annual basis and approving any material changes based on the recommendations of the Program Coordinator, issuance of regulatory guidance, Dealership's experience with identity theft,

new methods of identity theft discovered by or reported to Dealership, and other relevant circumstances.

In conjunction with the periodic update of the ITPP, Dealership shall perform an updated Risk Assessment, an updated identification of covered accounts, and an updated identification of relevant Red Flags.

In performing the update and determining if changes to the ITPP are necessary, the Compliance Officer shall consider all relevant information, including the following:

- Dealership's experiences with identity theft
- Changes in methods of identity theft
- Changes in methods to detect, prevent, and mitigate identity theft
- Changes in the types of accounts that Dealership offers or maintains
- Changes in the business arrangements of Dealership, including mergers, acquisitions, alliances, joint ventures, and service provider arrangements
- The updated Risk Assessment, identification of covered accounts, and Identification of relevant Red Flags

COMPLIANCE OFFICER AND PROGRAM COORDINATOR(S)

The following Dealership employees have been appointed by the Dealership’s [board of directors, appropriate committee of board of directors, managers, or members] to the respective positions indicated below, as may be changed by Dealership’s [board of directors, appropriate committee of board of directors, managers, or members] from time to time:

COMPLIANCE OFFICER:

[name]

PROGRAM COORDINATOR(S):

[name]

[name]

APPROVAL OF IDENTITY THEFT PREVENTION PROGRAM

By signing below, the undersigned, constituting all of the members of Dealership’s [board of directors, appropriate committee of board of directors, managers, or members], acknowledge the approval of the Dealership’s Identity Theft Prevention Program and the appointment of the Program’s Compliance Officer and Program Coordinator(s).

[name]

[name]

[name]

[name]

[name]

EXHIBIT A

**ACCOUNT ANALYSIS, RISK ASSESSMENT, AND
IDENTIFICATION OF COVERED ACCOUNTS**

Description of account: _____

Type of customer account is offered to (Business or Consumer): _____

Dealership department(s) involved in the opening or maintenance of the account: _____

Does the account involve (or is the account designed to permit) multiple payments or transactions? Yes _____ No _____

IF THE ACCOUNT IS OFFERED TO CONSUMERS AND THE ANSWER TO THE FOREGOING QUESTION IS “YES,” THE ACCOUNT IS A COVERED ACCOUNT FOR PURPOSES OF THE RED FLAGS RULE.

IF THE ACCOUNT IS OFFERED TO BUSINESS CUSTOMERS AND/OR THE ANSWER TO THE FOREGOING QUESTION IS “NO,” THE ACCOUNT IS AN “OTHER ACCOUNT” FOR PURPOSES OF THE RED FLAGS RULE AND THE RISK ASSESSMENT BELOW MUST BE COMPLETED TO DETERMINE IF THE ACCOUNT IS A COVERED ACCOUNT.

RISK ASSESSMENT

Methods Dealership provides to open or access the account: _____

Dealership’s previous experiences with identity theft: _____

Based on the foregoing information and any other relevant information available to Dealership, does the account pose a reasonably foreseeable risk to customers or to the safety and soundness of Dealership from identity theft, including financial, operational, compliance, reputation, or litigation risks? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS “YES,” THE ACCOUNT IS A COVERED ACCOUNT FOR PURPOSES OF THE RED FLAGS RULE.

EXHIBIT B

**IDENTIFICATION OF RELEVANT RED FLAGS,
DETECTION METHODS FOR RELEVANT RED
FLAGS, AND RESPONSE PROCEDURES FOR
DETECTED RELEVANT RED FLAGS**

RED FLAG: A fraud or active duty alert is included with a consumer report. (FTC Example Red Flag 1)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP?

Yes _____ **No** _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: A consumer reporting agency provides a notice of credit freeze in response to a request for a consumer report. (FTC Example Red Flag 2)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP?

Yes _____ **No** _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: A consumer reporting agency provides a Notice of Address Discrepancy, as defined by 16 C.F.R. § 681.1(b). (FTC Example Red Flag 3)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP?

Yes _____

No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: A consumer report indicates a pattern of activity that is inconsistent with the history and usual pattern of activity of an applicant or customer, such as: (a) a recent and significant increase in the volume of inquiries; (b) an unusual number of recently established credit relationships; (c) a material change in the use of credit, especially with respect to recently established credit relationships; or (d) an account that was closed for cause or identified for abuse of account privileges by a financial institution or creditor. (FTC Example Red Flag 4)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP?

Yes _____ **No** _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: The photograph or physical description on the identification is not consistent with the appearance of the applicant or customer presenting the identification. (FTC Example Red Flag 6)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Other information on the identification is not consistent with information provided by the person opening a new covered account or customer presenting the identification. (FTC Example Red Flag 7)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP?

Yes _____ **No** _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Other information on the identification is not consistent with readily accessible information that is on file with Dealership, such as a signature card or a recent check. (FTC Example Red Flag 8)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: An application appears to have been altered or forged, or gives the appearance of having been destroyed and reassembled. (FTC Example Red Flag 9)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Personal identifying information provided is inconsistent when compared against external information sources used by Dealership. For example, the address on the credit application does not match any address in the consumer report. (FTC Example Red Flag 10 as modified by NADA Red Flags Rule Dealer Guide Example Red Flag D1)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP?

Yes _____ **No** _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Personal identifying information provided by the customer is not consistent with other personal identifying information provided by the customer. For example, the credit application reflects that the customer owns his home but the residence address reflects an apartment number. (FTC Example Red Flag 11 as modified by NADA Red Flags Rule Dealer Guide Example Red Flag D2)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP?

Yes _____ **No** _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Personal identifying information provided by the customer is associated with known or suspected fraudulent activity as indicated in alerts or warnings received by Dealership from a consumer reporting agency. (FTC Example Red Flag 12 as modified by NADA Red Flags Rule Dealer Guide Example Red Flag D3)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP?

Yes _____ **No** _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Personal identifying information provided is of a type commonly associated with fraudulent activity as indicated in alerts or warnings received by Dealership from a consumer reporting agency. For example: (a) the address on an application is fictitious, a mail drop, or a prison; or (b) the phone number is invalid, or is associated with a pager or answering service. (FTC Example Red Flag 13 as modified by NADA Red Flags Rule Dealer Guide Example Red Flag D4)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP?

Yes _____ **No** _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: The Social Security Number provided is the same as that submitted by other persons opening an account or other customers. (FTC Example Red Flag 14)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP?

Yes _____

No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: The address or telephone number provided is the same as or similar to the account number or telephone number submitted by an unusually large number of other persons opening accounts or other customers. (FTC Example Red Flag 15)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: The person opening the covered account or the customer fails to provide all required personal identifying information on an application or in response to notification that the application is incomplete. (FTC Example Red Flag 16)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Personal identifying information provided is not consistent with personal identifying information that is on file with Dealership. (FTC Example Red Flag 17)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: If Dealership uses challenge questions, the person opening the covered account or the customer cannot provide authenticating information beyond that which generally would be available from a wallet or consumer report. (FTC Example Red Flag 18)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Shortly following the notice of a change of address for a covered account, Dealership receives a request for a new, additional, or replacement card or a cell phone, or for the addition of authorized users on the account. (FTC Example Red Flag 19)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: A new revolving credit account is used in a manner commonly associated with known patterns of fraud. For example: (a) the majority of available credit is used for cash advances or merchandise that is easily convertible to cash (e.g., electronics equipment or jewelry); or (b) the customer fails to make the first payment or makes an initial payment but no subsequent payments. (FTC Example Red Flag 20)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP?

Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: A covered account is used in a manner that is not consistent with established patterns of activity on the account. There is, for example: (a) nonpayment when there is no history of late or missed payments; (b) a material increase in the use of available credit; (c) a material change in purchasing or spending patterns; (d) a material change in electronic fund transfer patterns in connection with a deposit account; or (e) a material change in telephone call patterns in connection with a cellular phone account. (FTC Example Red Flag 21)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP?

Yes _____ **No** _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: A covered account that has been inactive for a reasonably lengthy period of time is used (taking into consideration the type of account, the expected pattern of usage and other relevant factors). (FTC Example Red Flag 22)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Mail sent to the customer is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the customer's covered account. (FTC Example Red Flag 23)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Dealership is notified that the customer is not receiving paper account statements. (FTC Example Red Flag 24)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP?

Yes _____ **No** _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Dealership is notified of unauthorized charges or transactions in connection with a customer's covered account. (FTC Example Red Flag 25)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP?

Yes _____ **No** _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Dealership is notified by a customer, a financial institution with which Dealership does business, a victim of identity theft, a law enforcement authority, or any other person that that a potential identity thief may attempt to open an account with Dealership using someone else's personal identifying information. (FTC Example Red Flag 26 as modified by NADA Red Flags Rule Dealer Guide Example Red Flag D5)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP?

Yes _____ **No** _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: A customer seeks to execute a vehicle retail installment sale contract or lease and take delivery of the vehicle at a location other than the Dealership's facility without taking delivery in person. (Modified version of NADA Red Flags Rule Dealer Guide Example Red Flag D6)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: A co-buyer or co-lessee is included in the vehicle retail installment sale contract or lease but is not present at the Dealership to sign the contract or lease. (NADA Red Flags Rule Dealer Guide Example Red Flag D7)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Customer is reluctant or refuses to remove identification document from wallet, pocketbook, etc. (Additional auto dealer-specific Red Flag listed in NADA Red Flags Rule Dealer Guide)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Customer is reluctant or refuses to allow identification document to be copied or its magnetic stripe swiped according to Dealership's standard procedures for doing so. (Additional auto dealer-specific Red Flag listed in NADA Red Flags Rule Dealer Guide)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Customer is reluctant or refuses to provide a thumbprint or be photographed according to Dealership's standard procedures for doing so. (Additional auto dealer-specific Red Flag listed in NADA Red Flags Rule Dealer Guide)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

**RED FLAG: Customer provides local residence and work addresses, but presents an out-of-state driver's license or other government-issued identification.
(Additional auto dealer-specific Red Flag listed in NADA Red Flags Rule Dealer Guide)**

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Customer claims to be a referral from a prior customer and Dealership now suspects the prior customer may have engaged in improper or fraudulent conduct. (Additional auto dealer-specific Red Flag listed in NADA Red Flags Rule Dealer Guide)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Customer seeks to purchase or lease multiple vehicles at one time for personal use. (Additional auto dealer-specific Red Flag listed in NADA Red Flags Rule Dealer Guide)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Customer makes statements suggesting the vehicle will be primarily used by others who are not parties to the contract or lease. (Additional auto dealer-specific Red Flag listed in NADA Red Flags Rule Dealer Guide)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

RED FLAG: Customer asks that vehicle retail installment sale contract, lease, or title paperwork reflect an address other than addresses shown on the identification documents or consumer report. (Additional auto dealer-specific Red Flag listed in NADA Red Flags Rule Dealer Guide)

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP?

Yes _____ **No** _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

**RED FLAG: Customer's trade-in vehicle is titled or registered in someone else's name.
(Additional auto dealer-specific Red Flag listed in NADA Red Flags Rule Dealer Guide)**

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____

**RED FLAG: Customer's down payment check is written on someone else's account.
(Additional auto dealer-specific Red Flag listed in NADA Red Flags Rule Dealer Guide)**

Types of Dealership covered accounts affected By Red Flag: _____

Based on its evaluation and consideration of appropriate risk factors, categories of Red Flags, and other sources of Red Flags as more fully described in Dealership's ITPP, is this a relevant Red Flag that should be incorporated into Dealership's ITPP? Yes _____ No _____

IF THE ANSWER TO THE FOREGOING QUESTION IS "YES," THE DEALERSHIP MUST EMPLOY METHODS TO DETECT THE RELEVANT RED FLAG AND APPROPRIATE RESPONSE PROCEDURES WHEN THE RELEVANT RED FLAG IS DETECTED. THE FOLLOWING SECTION SHOULD BE COMPLETED FOR ALL RELEVANT RED FLAGS TO LIST DEALERSHIP'S DETECTION METHODS AND RESPONSE PROCEDURES.

Detection Method(s) to be employed: _____

Response Procedure(s) to be employed: _____
