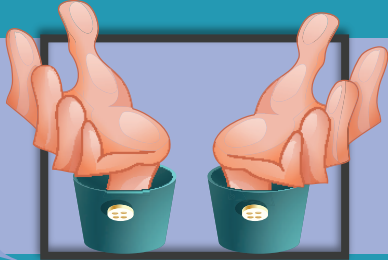


F&I COMPLIANCE

WHAT IS A CONTRACT?
An agreement that includes a promise or set of promises that the law enforces or protects.

3 ESSENTIAL ELEMENTS OF A CONTRACT

1. AN OFFER



2. ACCEPTANCE



3. SOMETHING OF VALUE IS EXCHANGED BY EACH PARTY



IF A PARTY IS FORCED INTO A CONTRACT, THE CONTRACT IS NOT BINDING.

OTHER FACTORS THAT AFFECT THE VALIDITY OF A CONTRACT:

The UCC and Statute of Frauds state that contracts involving the sale of goods for a price of \$500 or more must be in writing.



Contracts are only enforceable against parties who have the legal capacity to enter into a contract.

LEGAL

ILLEGAL

LEGAL CAPACITY

THE PARTY AGAINST WHOM THE CONTRACT IS TO BE ENFORCED MUST BE:

Of legal age under the laws of the particular jurisdiction

U.S. citizens

Not under the influence of drugs

Of sound mind

UCC – UNIFORM COMMERCIAL CODE

Laws drafted by members of the National Conference of Commissioners to encourage uniformity among state laws.

Always rely on the law adopted by the state in which you work.



For more information on compliance in the F&I office, contact EFG at 800-527-1984.