



FINANCE OFFICE

The Finance Office Game Plan

The last room of the visit is where the most money can change hands. Walk in with a plan.

A NOTE FROM OUR TEAM

You've agreed on a price, and you're tired. That's exactly when the finance office starts. Nothing in there is a trick if you understand it. This plan helps you compare the rate, judge each product on its merits, and say no without feeling awkward.

— The Auto Advocate Team

The finance office, often called F&I (finance and insurance), is where your deal becomes a contract. A business manager prepares the paperwork, arranges the loan, and presents optional protection products. It's also a profit center for the dealership. That's not a secret, and it's not wrong. It simply means you should arrive knowing your numbers and leave with only what you chose.

1 What Actually Happens in There

- 1 Your application goes to lenders.** The CFPB calls dealer-arranged financing "indirect" because the dealer sits between you and the lender.
- 2 A rate comes back, and the dealer may add to it.** The CFPB explains that dealers can charge more than the lender's "buy rate" as compensation for arranging the loan. That's why the rate is negotiable.
- 3 You see a product menu.** Service contracts, GAP, maintenance plans, and more, usually shown as packages with monthly payments.
- 4 You sign the contract.** Federal Truth in Lending disclosures show the APR, finance charge, amount financed, and total of payments. Review them line by line with No. 20.

2 Your Numbers Before You Sit Down

Agreed out-the-door price _____ Cash down _____
Trade allowance / payoff _____ Amount to finance _____
Pre-approved APR _____ Term (months) _____ Max payment _____

3 How the Menu Presentation Works

Most stores present products on a single menu with tiers, often labeled something like Platinum, Gold, and Basic. Each tier shows a monthly payment with several products bundled in. It's designed to make the decision feel like choosing a package rather than deciding on each product.

Unbundle it. Ask for the **price of each product on its own**, the term, and the cancellation terms. Then decide one at a time, using the Product Decision Worksheet in Section 5.

FROM THE INSIDE

Our team has spent years on the dealership side of the desk. A product quoted as "only \$18 more a month" on a 72-month loan is \$1,296, and that's before any interest on it. Always translate a payment back into a total: monthly increase × number of months. And remember the CFPB's point that add-on prices are negotiable. The first number on the menu is a starting point, not a final price.

4 Rate vs. Your Pre-Approval

The FTC says to negotiate the APR and payment terms just as you would the price. Compare the dealer's offer against your pre-approval at the **same term**. A lower payment on a longer loan is not a better rate. The FTC notes the longer the loan, the more expensive the deal overall.

COMPARE	MY PRE-APPROVAL	DEALER OFFER
Lender name		
APR		
Term (months)		
Amount financed	\$	\$
Monthly payment	\$	\$
Total of payments	\$	\$
Prepayment penalty? <i>(the CFPB says you can negotiate to remove one)</i>	Y / N	Y / N

Ask: "Which lender approved this, and is this the best rate they offered?" The CFPB notes you can ask whether there were other offers with lower rates or better terms.

5 Product Decision Worksheet

Every product here is **optional**. The CFPB says you are not required to purchase add-ons, and that adding them raises both your payment and the amount you borrow. Fill in one row per product you're offered.

PRODUCT	WANT IT?	PRICE	TERM / MILES	CANCELLATION & REFUND TERMS	WHO BACKS IT
Service contract <i>("extended warranty")</i>	Y / N	\$			
GAP	Y / N	\$			
Prepaid maintenance	Y / N	\$			
Tire & wheel	Y / N	\$			
Appearance / paint protection	Y / N	\$			
Key replacement	Y / N	\$			
Credit life / disability	Y / N	\$			
Other: _____	Y / N	\$			
Total of products I chose		\$			

TURN ANY PAYMENT BACK INTO A PRICE

Added per month _____ × months _____ = total cost _____

Compare that total to the product's stand-alone price. If they don't match, ask why before you agree.

WATCH OUT

"The bank requires it." If you hear that a product is required to get approved, ask to see the requirement in writing from the lender. The FTC says that if a dealer requires credit insurance for financing, it must be included in the APR. The FTC also says it's not okay for dealers to tuck add-ons into your deal. **Refunds matter, too:** the CFPB has found cases where unearned add-on charges weren't refunded properly after a loan ended early, so keep every product contract you sign.

6 Questions to Ask Before You Say Yes

Service contracts

From the FTC's checklist:

- Who is the seller, and who administers claims?
- Does coverage overlap the factory warranty?
- Is there a deductible per visit or per repair?
- Can I choose my repair shop? Is pre-approval required?
- Is it transferable if I sell the car? Any fee?
- Does it require following the maintenance schedule?

GAP and every other product

- What's the price of this product alone, not as a payment?
- Can I buy similar coverage elsewhere? The CFPB notes you can shop around, for example asking your own insurer about GAP.
- If I pay the loan off early or the car is totaled, how is the unused portion refunded, and to whom?
- Who backs it if the store closes?
- Can I cancel later? Within what window, and is there a fee?

7 How to Say No, Politely

You don't owe anyone an explanation. Short, friendly, and repeated works best.

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|--|---|
| ☐ "Thank you, I've thought about it, and I'll pass." | ☐ "My pre-approval is at ____%. Can you beat it at the same term?" |
| ☐ "I'd like the contract without any optional products, please." | ☐ "I'm comfortable with the risk. No, thank you." |
| ☐ "I don't make decisions on payments. What's the total price?" | ☐ "I appreciate the explanation. My answer is still no." |
| ☐ "Let me take the brochure home and decide later." <i>(ask whether it can be added after purchase)</i> | ☐ "If it's required, please show me where the lender says so." |

BRING A COACH INTO THE FINANCE OFFICE

We work for you, never the dealer.

This is the room where a second set of expert eyes matters most. With Lot Coach, we stay on the phone with you through the rate, the product menu, and the contract, evaluate every line in real time, and help you walk away if the deal isn't fair.

Lot Coach \$599

(405) 761-3390 • autoadvocacy.net
THE DEALERSHIP HAS EXPERTS. NOW YOU DO, TOO.

SOURCES

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This worksheet is an educational planning tool, not legal, tax, or financial advice. Verify all figures with your lender, insurer, and the dealership before you sign.