

Partner Robert Gage discusses remote auto finance transactions

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On March 17, Hudson Cook Partner Robert ("Bob") Gage presented a session on digital auto finance transactions at the virtual Auto Finance Innovation Summit. Bob's discussion on the distinction between transactions completed electronically and transactions completed remotely is noted in the April issue of *Auto Finance News*.

Bob discussed the important difference between a customer signing documents electronically while physically sitting in the dealership, vs. completing the transaction completely remotely. "And as soon as you start taking the transaction into this kind of remote territory — where maybe your customer isn't even leaving their living room to look at the car, evaluate the car, sign all the paperwork, and then ultimately even take possession of the car — that's now raising a number of legal issues that the industry hasn't had to think about as much," Bob said. He cautioned that the increase in the volume of remote transactions over the past year warrants a good, hard look at the auto finance industry's processes and how the industry thinks about regulatory compliance at the state as well as the federal level.

The federal Truth in Lending Act requires that disclosures be provided to consumers in a form that they can retain prior to consummation of the loan or lease. "E-sign has what we call a 'reasonable demonstration requirement,'" Bob explained. "So, as a consumer when I'm consenting to receive disclosures electronically, I have to consent in a way that reasonably demonstrates that what is sent to me I'm actually going to be able to review and retain. This comes more to a head when it's remote than when it's in person because, as I said, in person, it's really easy to do this, you just print off a piece of paper. That's an area that I think we are talking to clients about more as they're moving into a more remote electronic environment."

Bob is a partner in Hudson Cook's Michigan office and co-chair of the firm's Business Funding practice group. Bob's practice focuses on consumer financial services matters, with a concentration on personal property financing and leasing in the automobile finance business. He regularly advises clients on matters relating to licensing, disclosure, servicing, e-commerce, privacy and compliance management. He also assists licensed lenders and finance companies respond to regulatory examinations. Bob also represents clients involved in commercial lending, including small and medium size (SMB) financing and alternative business financing.

Click here to read the article in *Auto Finance News* on pages 10-13. For more insights on conducting remote sales, [request a replay](#) of Hudson Cook's Compliance Coffee Break, "Conduction Remote Sales and Electronic Signatures - Hazards, Pitfalls and Traps," presented by Bob and Partner [Eric Johnson](#).

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