F&I and Showroom publishes Tom Hudson’s article explaining who is really the creditor in an RIC transaction

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On January 29, F&I and Showroom magazine published Tom Hudson’s article, “Dealers Are From Mars, Finance Companies Are From Venus,” which outlines some of the misconceptions associated with a typical RIC transaction. According to Tom, many dealers do not consider themselves to be the “lender” in financing their buyers’ purchases. However, regulators consider the bank or finance company to be on the hook for the credit risk of the car buyer, but every other risk belongs to the dealer.

Tom Hudson is a founding partner of Hudson Cook, now Of Counsel to the firm, and has practiced consumer financial services law since 1973. He has focused his practice on matters relating to vehicle financing and leasing. The newest edition of Tom’s CARLAW® F&I Legal Desk Book (8th edition) – The Answer Book for Finance and Insurance Professionals, has just been released.

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