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November 20, 2008

By Electronic Mail

Donald S. Clark
Federal Trade Commission/Office of the Secretary
Room H-135 (annex H)
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

RE: Used Car Rule Regulatory Review, Matter No. P087604

Dear Mr. Clark:

On November 19, 2008, we sent to you a letter signed by 41 Attorneys General regarding a review of the FTC Used Motor Vehicle Trade Regulation Rule, 16 C.F.R. Part 455 ("Used Car Rule"). Oregon Attorney General Hardy Myers would like to join his colleagues on the letter. Attached is the revised letter that includes his signature. Thus, a total of 42 Attorneys General have signed onto the November 19th letter. Please feel free to contact me at (202) 326-6016 if you have any questions.

Sincerely,

Ellen Taverna
Consumer Protection Counsel

Attachment

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November 19, 2008

By Electronic Mail

Federal Trade Commission/Office of the Secretary
Room H-135 (annex H)
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

RE: Used Car Rule Regulatory Review, Matter No. P087604

I. Introduction

We are writing in response to the request for comments issued by the Federal Trade Commission ("FTC") in the *Federal Register* of July 21, 2008,¹ regarding the Used Motor Vehicle Trade Regulation Rule, 16 C.F.R. Part 455 ("Used Car Rule" or "Rule"). This comment is submitted on behalf of the Attorneys General of the following jurisdictions: Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Northern Mariana Islands, Ohio, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Washington, West Virginia, Wisconsin, and Wyoming (collectively, "Attorneys General"). We write as the primary law enforcement

¹ 73 Fed. Reg. 42285-42293 (2008).

officials in the United States who handle consumer complaints about used vehicle purchases and enforce laws designed to protect used motor vehicle purchasers.

Consumer fraud in used car sales has long been one of the most frequent complaints received by state Attorneys General. Our offices have a long history of enforcing state and federal consumer protection laws relating to used car sales, including joint Used Car Rule enforcement efforts with the FTC. In addition, the offices of state Attorneys General have advocated for many years for changes in federal laws to prevent fraud in used vehicle sales. This is an area we know well.

These comments also incorporate and fully support the comments of the International Association of Lemon Law Administrators (“IALLA”) – attachment A to these comments. These comments are the joint submission of the Attorneys General and IALLA.

The Used Car Rule has been in effect for nearly a quarter century. It was designed by the FTC with the stated intent to prevent oral misrepresentations and unfair omissions of material facts by used car dealers concerning warranty coverage.² The Rule provides valuable information that used car buyers need in helping them decide whether to make an offer to purchase from a dealer and how much to offer. Whether a vehicle comes with a warranty is vital information for car buyers and the notice required by the Rule to be posted on used vehicles, the Buyer’s Guide, effectively conveys that information.³ However, the Rule’s value is limited by the fact that it does not provide notice about the most material information consumers need to consider and, indeed, do consider in deciding whether to purchase – that is the vehicle’s history and prior use, including its prior title status, damage history, and whether it was repurchased by the vehicle manufacturer pursuant to a state Lemon Law.

² 53 Fed. Reg. 17660 (1988).

³ However, as noted in the attached IALLA comments, it should be amended to require inclusion of information about available state warranty law coverage.

Nothing diminishes the market value of a used vehicle more than detrimental history. That paramount information is included in the Buyer's Guide approved for use in Wisconsin, and we encourage the FTC to incorporate those portions of the Wisconsin model that relate to vehicle history and known prior use into the current national model as the version required across the nation. We also support inclusion of state statutory warranty and Lemon Law buyback information as urged in the attached IALLA comment.

In addition, vehicle history information is the subject of another federal effort, the National Motor Vehicle Title Information System ("NMVTIS"), a system intended to make both positive and negative vehicle history information available at a keystroke to American car buyers and law enforcement. The U.S. Department of Justice is expected soon to propose administrative regulations designed to fully implement NMVTIS. An improved Used Car Rule can supplement NMVTIS by adding this vital vehicle history information to the Buyer's Guide posted on the vehicle. An amended national Buyer's Guide including vehicle history information will do much more than the current more limited Buyer's Guide to prevent fraud and omissions of material fact about the most material fact one can know about a used vehicle – its damage, title, and Lemon Law history.

These comments explain why we advocate the above changes and also address other questions posed in the notice of rule review. We appreciate this opportunity to express our views on this matter of great public importance.

II. History of the Used Car Rule

The Used Car Rule was proposed in 1984, became effective in 1985 and, in essence, replaced an FTC rule that required car dealers to disclose certain known defects.⁴ The defect disclosure rule was vetoed by Congress in 1982, an action which subsequently was held by the

⁴ 49 Fed. Reg. 45,692 (1984).

Supreme Court to have been based on an unconstitutional federal provision.⁵ Following the Supreme Court action, the FTC re-examined the rule, deleted the defect disclosure requirement, and adopted the Used Car Rule in much the same form as it exists today. What remains is a Rule requiring used car dealers to post a notice (“Buyer’s Guide”) on a used vehicle offered for sale disclosing whether a warranty is being offered and its basic terms. The Rule also requires that the Buyer’s Guide disclosures be incorporated into the sales contract. The Rule further requires Spanish language versions when transactions are conducted in Spanish and that the Buyer’s Guide include certain consumer “tips,” including a warning that consumers not rely on oral promises not put in writing.

III. The Rule’s Effectiveness is Greatly Diminished by Not Addressing Vehicle History Information

The focus of the Rule is warranty information. But that is only one of a series of material facts that consumers should and do consider when deciding whether to purchase a used vehicle and how much to pay for it. Nothing can diminish a vehicle’s value more than prior damage.⁶ A vehicle which has incurred past substantial flood or collision damage, no matter how well-repaired, is worth substantially less than an identical vehicle without prior flood or collision damage.⁷ Market prices for used vehicles are affected by information. Consumers have made it clear they either do not wish to purchase vehicles they know incurred prior substantial collision or flood damage or, if they are willing to buy, will not pay close to pre-damage value. The

⁵ *United States Senate v. Federal Trade Commission and United States House of Representatives v. Federal Trade Commission*, 463 U.S. 1216 (1983).

⁶ Prior salvage history may mean the vehicle has little or no value. Prior salvage history may result in a vehicle being uninsurable, in voiding the manufacturer warranty, and may result in the vehicle being unsafe to drive if collision damage was poorly repaired. *Automobile Fraud*, National Consumer Law Center, p. 354, 3rd Ed., (2007).

⁷ The following appeared on August 29, 2008, in the Q&A section of the website of the Kelly Blue Book vehicle valuation service, www.kbb.com: “My car is in good condition, but has a ‘salvage’ title. How does that affect the value? A salvaged, reconstructed or otherwise ‘clouded’ title has a permanent negative effect on the value of a vehicle. The industry rule of thumb is to deduct 20% to 40% of the Blue Book value, but salvage title vehicles really should be privately appraised on a case-by-case basis in order to determine their market value.”

popularity among consumers of vehicle history information services such as CARFAX and AutoCheck is a testament to the effect damage information has in the marketplace.

The market devalues these vehicles because consumers do not trust them to be mechanically and structurally sound or safe. The auto manufacturers show their distrust of them by voiding manufacturer warranties for vehicles with prior major collision or flood damage.⁸

States have responded to this concern by adopting laws requiring disclosures by vehicle sellers of information relating to prior collision or flood damage, including of title histories reflecting prior salvage or flood status and, in some cases, dollar amounts of damage.⁹ Congress recognized the import of this information in enacting a provision in the Anti-Car Theft Act of 1992 requiring the Secretary of Transportation to establish the National Motor Vehicle Title Information Service, a data base that would provide public access to critical information about the reliability and safety of used motor vehicles.¹⁰ Transportation failed to implement NMVTIS by the 1996 due date and Congress transferred responsibility for NMVTIS to the Justice Department in the Anti-Car Theft Improvements Act of 1996.¹¹ Those two laws form the basis of NMVTIS, discussed below in further detail.

⁸ Ford 2008 Taurus Model Owner Manuals provide as follows: “The New Vehicle Limited Warranty does not cover: . . . vehicles that have ever been labeled or branded as dismantled, fire, flood, junk, rebuilt, reconstructed, or salvaged; this will void the New Vehicle Limited Warranty.”

Chrysler includes the following in the warranty information it has posted online for the Chrysler 2007 300 model: “A vehicle has no warranty coverage of any kind if: ● the vehicle is declared to be a total loss by an insurance company; ● the vehicle is rebuilt after being declared to be a total loss by an insurance company; or ● the vehicle is issued a certificate of title indicating that it is designated as ‘salvage,’ ‘junk,’ ‘rebuilt,’ ‘scrap,’ or some similar word. DaimlerChrysler will deny warranty coverage without notice if it learns that a vehicle is ineligible for coverage for any of these reasons.”

⁹ Examples include: Colo. Rev. Stat. § 6-1-708; Haw. Rev. Stat. § 481J-4; Iowa Code § 321.69; Me. Rev. Stat. Ann. Tit. 10, § 1475(2-A); Mass. Gen. Laws ch. 90, § 7N1/4(8); N.C. Gen. Stat. § 20-71.4; and S.D. Codified Laws §§ 32-3-51.5 to 32-3-51.9, 32-3-51.18.

¹⁰ Pub. L. 102-519, §§ 202-04 106 Stat. 3390-93 (1992).

¹¹ Pub. L. 104-152, § 2-3, 110 Stat. 1384 (1996).

In addition, various states have adopted laws requiring buyers receive pre-purchase notice if a used vehicle was once repurchased by its manufacturer under a state Lemon Law.¹²

Consumers are wary about purchasing such vehicles and, therefore, the market values of the vehicles are well below those of identical vehicles which had not undergone manufacturer repurchase.

Another material fact affecting a vehicle's value includes odometer mileage. Congress recognized this in 1972 by enacting a law requiring vehicle sellers to disclose odometer readings upon sale, including whether the reading is actual mileage, exceeds the mechanical limitations of the odometer (e.g., over 99,999 miles) or is not the actual mileage of the vehicle.¹³

In 2008, the expected mileage per gallon of used vehicles has become more material than ever and vehicle sales have clearly reflected that, with SUV sales tanking and higher mileage vehicles increasing significantly. Reliability, popularity of vehicle design and features, and resale value also play substantial roles in determining a used vehicle's market value.

But, it is the material facts *least available* to consumers that should be the focus of the FTC's effort to ensure that deceptive and unfair practices are not present in used vehicle sales. Vehicle design and features are a given. Dealers will use them as positive selling points. Consumers can judge with their own eyes, test-driving experience, and readings whether they like a particular year, make and model. Information about expected mileage per gallon for particular vehicles by year, make and model is also readily available to consumers through the EPA estimates and through information published in *Consumer Reports* and similar publications analyzing used vehicles. Odometer mileage disclosures are required by federal law for vehicles

¹² Examples include: Ala. Code § 8-20A-3, 8-20A-4, 8-20A-5; Alaska Stat. § 45.45.335; Ark. Code Ann. § 4-90-412; Colo. Rev. Stat. §§ 6-1-708(1)(b), 6-1-105(1)(x); Iowa Code §§ 321G.11, 321G.12; N.M. Stat. § 57-16A-7; N.C.G.S. § 351.3(d); and, Tex. Occ. Code Ann. § 2301.610 (Vernon).

¹³ The "Federal Odometer Act" was recodified in 1994 and is now found at 49 U.S.C. §§ 32701-32711.

less than ten model years old. That leaves consumers to identify the vehicle history and warranty information on their own.

The Buyer's Guide effectively communicates most of the information about available warranties to prospective buyers. However, the Wisconsin Buyer's Guide, approved by the FTC, does so much more than the nationally-approved Buyer's Guide by mandating disclosure of the most material information – the vehicle's history and prior use. The FTC should amend the Rule to require this information be included in the national Buyer's Guide.

IV. The Wisconsin Buyer's Guide Offers a Great National Model

The FTC approved Wisconsin's use of a differing Buyer's Guide in 1986, granting an exemption for Wisconsin under section 455.6 of the Rule, based on a finding that Wisconsin law "affords an overall level of protection to consumers that is as great as, or greater than, that afforded by the Used Car Rule."¹⁴ The Wisconsin version, Attachment B, is based on a long-standing state regulation requiring vehicle inspections by used car dealers, and disclosure of any defects found in the inspection.¹⁵ Similar inspection requirements that were implicitly imposed in the precursor to the Used Car Rule resulted in industry opposition to that rule and the subsequent Congressional effort to veto that defect disclosure rule. We are not advocating reincarnating that long-ago debate. If an individual state has enacted, or does enact, legislation requiring vehicle condition reports similar to that included in the Wisconsin Buyer's Guide, the FTC has demonstrated that it will grant an exemption to permit use of that version in lieu of the national version.

However, there simply is no excuse for the national Buyer's Guide to fail to include vehicle history and title brand information. That information is readily available to dealers

¹⁴ 51 Fed. Reg. 20936-01 (1986).

¹⁵ Wis. Admin. Code Trans. § 139.04.

through private data sources and through title records accompanying vehicles they purchase at auction or take in trade. Additionally, that prior history is a determinant of whether the warranty the selling dealer claims is available truly is available. Auto manufacturers do not honor warranties for used vehicles that have been previously titled as salvage, flood or rebuilt. The Used Car Rule, at present, is all about warranty coverage. The Wisconsin Buyer's Guide requires the dealer to disclose if the manufacturer's warranty remains and, if not, whether that is due to prior salvage or other vehicle history. If Wisconsin dealers are required and can determine facts sufficient to make that disclosure, so too should dealers in the rest of the nation.

The Wisconsin version requires that the dealer disclose what brands the buyer's title will contain. We believe the national version should build on that, but should not be tied to what brands a new title will carry, making it dependent on state law. Instead, we urge that the FTC require the Buyer's Guide to disclose all of the following: 1) Past title history indicating prior salvage, damage or manufacturer buyback; and, 2) the Vehicle History using the Wisconsin checklist of: a) personal use; b) business use; 3) lease use; 4) rental use; 5) demonstrator use; 6) other; and, 7) prior use not known.¹⁶ The FTC's stated authority to adopt the Used Car Rule is the FTC Act, which includes making it unlawful to engage in deceptive or unfair practices in the sale of merchandise, including motor vehicles.¹⁷ The FTC clearly has authority to incorporate the above suggested segments of the Wisconsin model into the nation's Buyer's Guide.

The current FTC model truly is archaic, focusing only on warranty information, which remains material information but which pales in comparison in market materiality to prior

¹⁶ Wisconsin's Buyer's Guide also includes a box labeled, "Executive use" which we would discourage from being included in the national model due to past abuses of that term in the context of used car sales efforts labeling former rental and other vehicles purchased at dealer-only auctions as "Executive" vehicles, falsely implying that the vehicles were operated by high-level auto manufacturer employees and, therefore, were driven gingerly and given great care.

¹⁷ 15 U.S.C. § 45.

vehicle history. Adding known past use and past title history indicating damage, salvage, or manufacturer buyback would give the Used Car Rule teeth and true value to used car buyers. All too often consumers do not receive that information on title records they receive when they purchase a vehicle.¹⁸ Requiring dealers to include this information in Buyer's Guides will impose little cost to them. Leaving the Buyer's Guide as-is would result in maintenance of an outdated model of limited value to the auto buying public.

IV. NMVTIS and the Used Car Rule

By including past use and title history information as we suggest, the FTC would be acting in a manner consistent with Congressional intent in the context of NMVTIS. While the federal government has fallen far short of implementing NMVTIS by 1997, as required, it is our understanding that the Justice Department is on the verge of issuing a notice of proposed rulemaking. In addition, NMVTIS has been in use among state auto titling officials but is not yet accessible to the public and does not yet include vital data from auto insurance providers regarding vehicles the companies declared to be total loss.

Once NMVTIS is fully operational as Congress intended, it will be of great service to prospective used car buyers and to dealers who wish to avoid selling vehicles with significant prior collision or flood damage or which were repurchased by auto manufacturers under state Lemon Laws. While NMVTIS has great promise, it does not require the information it provides to be physically posted on a vehicle. It would take a dealer little time to use NMVTIS to discover any salvage, flood, or buyback title history and record it on a revised Buyer's Guide. The presence of this information on the Buyer's Guide would not duplicate NMVTIS in that consumers may not be aware of the availability of NMVTIS, but all would see a Buyer's Guide

¹⁸ The September 8, 2008 edition of *Automotive News* reported on the results of a new study that concluded that nearly 15% of the 1.5 million vehicles that were severely damaged by collisions, bad weather or fire in the first six months of 2008 now have clean titles that do not identify that damage.

posted on a vehicle offered for sale by a compliant dealer. With such little cost to comply, and with such great benefits to the used car buying public, adding these disclosures to the Buyer's Guide would result in an effective and efficient federal double-faceted assault on used car fraud.

V. Responses to Questions Raised in the Request for Comments

In its recent rule review notice, the FTC asked for input on a series of questions relating to the Rule. The response above relates specifically to the questions raised under the heading of "General Issues" in the Commission's request, especially those concerning a continued need for the Rule and how it might be modified to increase benefits to consumers.

One specific question concerned the value of the list of major vehicle systems and possible defects. We view that information to be of very limited value in comparison to past vehicle use and history information and urge its deletion. The FTC also inquired about the value of the information on the Buyer's Guide regarding whether any of the manufacturer's warranty remains available. We view that as vitally important to potential buyers and urge its retention. We urge that it not be an optional disclosure, but be a mandatory disclosure. Dealers can readily learn whether the warranty applies. Frankly, it is a substantial selling point that most dealers would desire to feature.

VI. Conclusion

The Used Car Rule Buyer's Guide provides significant information to used car buyers. However, it is an outdated and unnecessarily limited tool in that it falls far short of providing the information consumers require to avoid being victims of unfair and deceptive practices in used vehicle sales. The Commission's goal should be to use its rulemaking authority to require disclosure of material information readily available to dealers to help the marketplace work effectively and efficiently. Limiting the Buyer's Guide to warranty information does not achieve

that goal. Amending the Rule to require the Buyer's Guide to include disclosures regarding vehicle history including prior negative title information, Lemon Law buyback, and known prior use will do much to deter unlawful conduct and prevent substantial consumer losses. Given the serious safety problems with some rebuilt wrecks, it will undoubtedly prevent injuries and save lives. We urge the Commission, in the strongest possible terms, to adopt the amendments we propose. It is time for the Commission to step up its efforts in this area and we wholeheartedly offer our support and look forward to working at your side should the Commission decide to upgrade the Rule as we suggest.

Very truly yours,

Tom Miller
Attorney General of Iowa

Terry Goddard
Attorney General of Arizona

Dustin McDaniel
Attorney General of Arkansas

Edmund G. Brown, Jr.
Attorney General of California

John Suthers
Attorney General of Colorado

Richard Blumenthal
Attorney General of Connecticut

Joseph R. Biden, III
Attorney General of Delaware

Peter J. Nickles
Acting Attorney General of the District of
Columbia

Bill McCollum
Attorney General of Florida

Thurbert E. Baker
Attorney General of Georgia

Lawrence Wasden
Attorney General of Idaho

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Attorney General of Indiana

Steve Six
Attorney General of Kansas

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James D. Caldwell
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Attorney General of Maine

Douglas F. Gansler
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Mike Cox
Attorney General of Michigan

Lori Swanson
Attorney General of Minnesota

Jim Hood
Attorney General of Mississippi

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Mike McGrath
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Catherine Cortez Masto
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Anne Milgram
Attorney General of New Jersey

Gary King
Attorney General of New Mexico

Andrew M. Cuomo
Attorney General of New York

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Attorney General of North Dakota

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Islands

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Attorney General of Vermont

Rob McKenna
Attorney General of Washington

Darrell V. McGraw, Jr.
Attorney General of West Virginia

J.B. Van Hollen
Attorney General of Wisconsin

Bruce A. Salzburg
Attorney General of Wyoming

Attachments:

IALLA Proposed Comment Letter to the FTC (Attachment A)
Wisconsin's Buyer Guide (Attachment B)

Attachment A



August 29, 2008

Federal Trade Commission
Office of the Secretary
Room H-135 (Annex H)
600 Pennsylvania Avenue, NW
Washington, DC 20580

Re: "Used Car Rule Regulatory Review, Matter No. P087604

The International Association of Lemon Law Administrators (IALLA), established in 1997, is comprised of members and subscribers from the United States, Canada and Japan. Among its members are state consumer protection officials from California, Connecticut, Florida, Georgia, Hawaii, Minnesota, New Hampshire, New Jersey, Ohio, Texas, Vermont, Washington and Wisconsin. Its mission, in part, is to represent the interests of its member agencies on public policy and regulatory issues affecting consumers in the marketplace and to promote intergovernmental activities which reduce barriers to cross-jurisdictional enforcement of lemon laws.

IALLA appreciates the opportunity to comment on the Used Car Rule review and has two recommendations in response to part one of question 11: "What other changes to the format of the Buyers Guide should be considered to increase its benefits?" First, since the original rule was adopted in 1984, nine states, Arizona, Connecticut, Hawaii, Massachusetts, Minnesota, New Jersey, New Mexico, New York and Rhode Island, have enacted laws specific to used cars. These laws mandate warranty/lemon law coverage periods ranging from 15 days/500 miles to 90 days/4,000 miles for either all vehicles or those sold above a certain price or within certain age and mileage limitations. Consequently, a revised FTC Buyers Guide should have a box (in a dealer warranty section) to indicate "state warranty law applies" if the vehicle is covered, with a space to indicate the warranty coverage period for the vehicle.

Second, all 50 states have lemon laws for new motor vehicles. When a manufacturer reacquires a vehicle due to a nonconformity, 41 states require disclosure of said fact to subsequent transferees and consumers. Fifteen states, Arkansas, California, Florida, Georgia, Hawaii, Idaho, Indiana, Iowa, Minnesota, North Dakota, Ohio, Pennsylvania, South Carolina, Texas and Washington, require the manufacturer to warrant the repair of the nonconformity to the first subsequent retail buyer for a period of at least one year or 12,000 miles, whichever occurs first. Several manufacturers issue separate one year/12,000 mile limited warranties on their reacquired vehicles regardless of where the vehicle is resold.

The FTC Buyers Guide has not tracked these phenomena such that it does not apprise consumers who purchase vehicles that were bought back by the manufacturer of that fact or make them aware of specific warranty coverage. The Buyers Guides for Maine and Wisconsin, approved by the FTC, require that manufacturer buybacks be disclosed to prospective consumers. Likewise, a revised FTC Buyers Guide should have a box (in a non-dealer warranty section) to designate "manufacturer buyback" and a space to indicate the applicable manufacturer warranty coverage period on the nonconformity or the vehicle.

The current FTC Buyers Guide is out of sync with the plethora of lemon laws enacted across the nation during the past quarter century. It fails to account for the one million plus used cars sold each year with statutory warranty coverage. Consumers who buy these vehicles without knowledge of this fact are likely to be misled or deceived if the form is left blank or marked "as is." Modification of the form as prescribed above would substantially remedy this problem.

WISCONSIN BUYERS GUIDE MV2872 7/2002



Information on this guide is based on what the dealership can find using reasonable care. You may learn more by following the suggestions on the back.

Year, Make, Model	Engine: Size _____ No. Cyl. ____	Price \$
VIN	Drive Type <input type="checkbox"/> FWD <input type="checkbox"/> RWD <input type="checkbox"/> 4WD	Additional Service Fee \$
Dealership Name	Transmission <input type="checkbox"/> Automatic <input type="checkbox"/> Manual _____ Speed	Stock Number

- VEHICLE HISTORY**
Check all that apply.
- Personal use
 - Business use
 - Lease use
 - Rental use
 - Demonstrator use
 - Executive use
 - Other: _____
 - History and use not known

- TITLE BRANDS**
Title will have these brands:
- Rebuilt salvage
 - Transferred to insurance co. - damage claim paid
 - Flood damaged
 - Manufacturer buyback
 - Other: _____
- Previously titled in: _____

- USED VEHICLE GENERAL CONDITION**
- Cooling System**
- YES NO Coolant antifreeze safe to _____ °F
- System problem
- Drive Train**
- Shifting problem
 - Abnormal noise or vibration
 - Visible cracks or damage to cases or housings
- Electrical System**
- Charging system problem
 - Starting system problem
 - Ignition system problem

VEHICLE EQUIPMENT REQUIREMENTS
To safely and legally operate this vehicle on Wisconsin highways, all items listed below must be in proper working condition according to TRANS 305, Wis. Adm. Code.

- Not Legal**
- Brakes System
 - Parking Brake
 - Service Brakes
 - Bumpers
 - Doors, Hoods and Trunk Lid
 - Emission Equipment
Dealership inspection does not ensure vehicle will pass state emission test where required.
 - Exhaust System
 - Fenders, Firewall, and Floor Pan
 - Frame or Structural Portion of Unibody
 - Fuel System
 - Horn
 - Lights
 - Restraining Devices and Seats - airbags, belts
 - Speedometer and Odometer
 - Steering Components
 - Suspension
 - Tires and Wheels
 - Windshield, Windows and Mirrors
 - Windshield Defroster, Wipers and Washers

- ODOMETER READING**
Odometer information will be on your title.
- ODOMETER READ _____ miles when vehicle was acquired. To the best of dealership's knowledge, the reading was:
- Actual
 - In excess of mechanical limits
 - Not actual - **WARNING ODOMETER DISCREPANCY**
- EXEMPT from odometer disclosure because vehicle is 10 or more model years old. Reading is not required.

- WARRANTY**
- IMPORTANT: Ask for all promises in writing. Spoken promises are difficult to enforce. Warranty terms may be negotiable. Terms agreed to on the purchase contract are final.
- Dealership Warranty**
- AS IS - NO WARRANTY**
Dealership disclaims all warranties including implied warranties of merchantability and fitness for a particular purpose.
 - Limited Warranty**
Refer to separate warranty document for coverages and exclusions.
Term: _____ (months) _____ (miles)
whichever comes first.
Percent of retail repair costs to be paid by buyer _____ %
Deductible to be paid by buyer \$ _____
- Manufacturer Warranty**
- Expired
 - Not known
 - Cancelled due to salvage or other vehicle history
 - Remaining vehicle mfr warranty - Call the mfr or refer to warranty booklet for details.
- Expiration: _____ (date) _____ (miles)
whichever comes first.
Deductible to be paid by buyer \$ _____
Transfer fee to be paid by buyer \$ _____
Pay to: Dealer Manufacturer

- Engine**
- Signs of excessive oil consumption
 - Abnormal noise
 - Signs of cracked block or head, or blown head gasket
 - Electronic control module problem
 - Misses or backfires
 - Idles improperly, stalls, diesels
 - Belts missing, frayed, or cracked
Does NOT include timing belt
 - Changed from manufacturer specification
- Fluid**
- Fluid levels low
 - Known or visible leaks, excluding minor seepage
- Gauges and Warning Devices**
- Gauge or device problem
 - Indicate a system problem
 - Dash lights and gauge lights problem
- Repaired Damage**
- Corrective welds or other evidence of repair to strut tower, floor pan, frame or structural portion of unibody
- Other Equipment** Not Equipped
- ABS Brake System problem
 - Air conditioning system problem
 - Cruise control problem
 - Heating system problem
 - Power accessory problem
 - Sound system problem
 - Spare tire or jack missing

Explain all items marked "YES" or "Not Legal":

"I certify to the best of my knowledge that the information provided on this guide is accurate."

(Vehicle Inspector - Print Name) _____ (Records Inspector - Print Name) _____

X
(Signature of Dealer or Licensed Representative) _____ (Vehicle Inspection Date) _____
"I understand that I will receive a copy of this guide and the dealer will keep the original."

(Buyer Signature) _____ (Date)

VEHICLE SERVICE CONTRACT may be available for purchase. Ask for price, deductibles, coverages, exclusions and cancellability.

Attachment B

IMPORTANT CONSUMER INFORMATION

The Guide

Dealerships complete the Wisconsin Buyers Guide to report the existing condition of the used vehicle. Information on the Guide is based on what the dealership can find using *reasonable care*. The Guide cannot tell you everything you need to know. Test drive the vehicle. Have your own expert check the vehicle, if the dealership allows.

The Reasonable Care Standard

Dealerships are required to test drive the vehicle and to inspect the interior and exterior of the vehicle including under the hood and under the vehicle. They are not required to take the vehicle apart (except brakes) or run tests unless necessary to diagnose apparent symptoms.

Dealerships are required to report information they get from manufacturer and auction notices, prior owner documents and disclosures, and their own vehicle inspection and repair records. Dealerships are not required to contact prior owners or get records of previous titles unless necessary to clear up inconsistent or questionable information that is apparent.

Vehicle History and Title Brands

A vehicle's past may affect its performance, warranty, and value. Using *reasonable care*, dealerships report vehicle history, use and permanent brands that are on the title or will be on the next title as required by § 342.10 Wis. Stats.

Information on the Title

Be sure to read both sides of the title before you sign a purchase contract. Look more closely at a vehicle if the title shows:

- Mileage is not actual
- Title brands describing important vehicle history
- Many owners since last title was issued
- A dealership as titled owner.

The vehicle's previous owner, whose name and address are on the title, may provide useful information. The dealership will give you the name and address of the prior owner if you ask for it.

Contract Agreements

You may agree to terms, such as warranty coverage, that differ from terms on the Guide. What you agree to on the purchase contract is final. Any important conditions or contingencies should be written on the contract to prevent misunderstandings.

Obligation to Remedy Undisclosed Problems

The disclosures on this guide are not a warranty. However, it is an unfair practice for a dealership to refuse to remedy any problem that should have been disclosed on the Guide if the problem:

- Existed at the time of sale
- Could have been found using *reasonable care*
- Was not disclosed, and
- Is reported to the dealer when discovered and the vehicle is made available to the dealership.

Manufacturer Recalls

Used vehicle may be the subject of manufacturer recalls that have not been performed. You may want to determine whether there are any unperformed recalls before you buy a vehicle or take delivery. Many manufacturers have a telephone number which may be called to obtain this information. For further information about how to inquire about recalls for this vehicle, ask the dealership or contact the Wisconsin DOT Dealer Section at the address or telephone number shown below.

Your Records

You will get a copy of the Guide if you purchase a vehicle. Keep copies of all documents and everything you sign.

Division of Motor Vehicles, Dealer Section licenses Wisconsin dealerships and administers TRANS 139, Wis. Adm. Code which requires the Guide.

Ask your dealership for a *Wise Buys* brochure which explains dealer and consumer responsibilities, published by:

Wisconsin DOT Dealer Section
4802 Sheboygan Avenue, Room 806
P. O. Box 7909
Madison, WI 53707-7909
Consumer Assistance: (608) 266-0765

DEFINITIONS OF WHAT IS INSPECTED

Brakes System includes rotors, pads, drums, shoes, parking brakes, and fluid leaks.

Bumpers includes other crash protection features.

Charging system includes battery, alternator and voltage regulator.

Cooling System includes hoses, radiator, heater core, thermostat, fan, and water pump.

Doors, Hoods and Trunk Lid includes hinges, locks and latches.

Drive Train includes the following, as equipped: transmission, transaxle, differential, U-joints, CV joints, transfer case and clutch.

Emission Equipment is listed on underhood EPA label. Vehicles must pass a state emission test within 45 days of sale if:

- kept in mandatory testing counties, and
- GVW rating is 14,000 lbs. or less, and
- 6 model years old or older

Fluid levels low includes the following, as equipped: engine, transmission, differential, transfer case, radiator, battery, brakes, power steering, and windshield washers. Does not include AC or maintenance free battery.

Frame or Structural Portion of Unibody includes damage, weakened by rust, repairs, alignment.

Fuel System includes tank, pump, carburetor or injector system.

Lights include all exterior lights.

Power accessories include the following, as equipped: windows, locks, seats, mirrors, or antenna.

Restraining Devices and Seats include belts, and air bags.

Signs of excessive oil consumption includes evidence of oil leaks, abnormal exhaust smoke, burnt oil odor, or piston ring blowby.

Starting system includes ignition switch, solenoid, starter, pinion, and ring gears.

Steering Components includes proper alignment.