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## **Used Car Buyer's Guide refresher**

*by Gil Van Over*

The news is trickling out that the Feds are looking at the Used Car Buyer's Guide and its accompanying Rule to see if it time for a reskin. No idea yet which way they are leaning, either toward simplifying the rule and the form or complicating the rule and the form. I vote for simplification.

Since this is the government, and we are likely still a few light years away from any final decision, the time is right for a refresher on common mistakes dealers tend to make in properly completing and delivering the Used Car Buyer's Guide.

The Used Car Buyers Guide does not accurately reflect the remaining warranty. The disclosure for a certified pre-owned warranty is different from the disclosure for a dealer provided warranty (typically a 30 day, 1,000 mile warranty or a 3 month, 3,000 mile warranty) is different from the balance of factory warranty is different from "As-Is" or "Implied Warranty". Know which warranty you represented to the customer as being available during the sale and disclose that warranty on the Buyer's Guide.

### Using shorthand terms

The rule specifically prohibits the use of shorthand terms such as "Powertrain". You must spell out each component within the powertrain that is covered.

### Failure to use Safe Harbor Language

If a dealer wished to make the optional disclosure that the vehicle has the balance of the factory warranty remaining, just stating "Balance of factory" is not sufficient. The following disclosure must be used, "Manufacturer's Warranty Still Applies: The manufacturer's original warranty has not expired on the vehicle. Consult the manufacturer's warranty booklet as to warranty coverage, service location, etc."

### Prominently displayed

A properly completed Buyer's Guide must be prominently displayed in every used vehicle offered for sale. This includes demonstrators.

### Se habla Espanol

If you regularly transact business in Spanish, you must have both English and Spanish language Buyer's Guides prominently displayed on every used car and demo available for sale.

### Standard elements are not completed

The prominently displayed window sticker must be properly completed. Certain elements which are sometimes missing on used vehicles include:

- Missing the entire 17 digit VIN
- Disclosing the vehicle "As-Is" while the vehicle is advertised as a certified vehicle
- The dealership's name and contact information is missing from the back side
- The percentage of parts and labor the dealership is responsible for is left blank

#### Differences in forms

Sometimes the file contains a blank Buyer's Guide, or a Buyer's Guide marked "As-Is" yet there is documentation in the file that the vehicle was sold as a certified vehicle. The copies retained in the file must be consistent with the information provided to the consumer.

Solution – review the FTC Used Car Rule and its publication A Dealer's Guide to the Used Car Rule. It is one of the better written government publications to help dealers to comply with the Rule. You can find it at <http://www.ftc.gov/bcp/conline/pubs/buspubs/usedcarc.shtm>

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