

Article from **Dealer Magazine** ([http://www.imakenews.com/dealercomm1/e\\_article000616988.cfm?x=b11,0,w](http://www.imakenews.com/dealercomm1/e_article000616988.cfm?x=b11,0,w))

July 11, 2006

## **Acknowledgement of Rewritten Contract**

*by Gil Van Over*

The most powerful statement I can make in an Expert Report when helping to defend a dealer in a lawsuit is to state, "The dealership exhibits a standard of care that exceeds industry standards." This can mean that the dealer is providing a non-mandatory consumer disclosure. Voluntarily using an *Acknowledgement of Rewritten Contract* with every rewrite qualifies in most states as exhibiting a standard of care exceeding industry standards.

I say most states. Oregon requires this notice by statute. The Virginia Auto Dealers Association recommends the use of this acknowledgement to help stem the tide of yo-yo transaction lawsuits.

An *Acknowledgement of Rewritten Contract* is a form that spells out critical disclosures to consumers. It includes disclosures that state:

- The consumer does not have to rewrite the contract and can rescind the transaction
- The changes in critical contract elements such as term, payment, APR, down payment and amount financed
- A statement that no form of duress was used to entice the consumer to sign a new contract
- A bunch of other legal mumbo-jumbo to make it an enforceable and legal document

By obtaining the customers' signatures on this document whenever you rewrite the contract, for whatever reason, you can provide proof that the customer made an informed decision to enter into a substitute contract with differing terms.

What better way to short circuit a lawsuit on an alleged yo-yo transaction?

Published by [Dealer Communications](#)

Copyright © 2006 Horizon Communications Inc.. All rights reserved.

Information in this newsletter is provided by both proprietary and public sources. Dealer Communications makes no claims as to the accuracy of information provided by third party providers.

Powered by [IMN](#)