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## **Lessons learned**

### **California Car Buyer's Bill of Rights**

*by Gil Van Over*

Two months after the California Car Buyer's Bill of Rights became effective, some lessons are available for those dealers in other states facing possible copycat legislation.

The law appears to be ambiguous enough that its implementation and the dealers' responsibilities are somewhat confusing.

#### **Providing Credit Score**

Dealers are required to disclose the customer's credit score if the dealer pulled a bureau. However, conflicting interpretations advise dealers to either disclose only the credit score used in the dealer's decision to spot deliver or to be cautious and disclose the credit score from all bureaus pulled.

#### **Providing a Bureau Score Range**

When a dealer discloses a credit score, it is also required to disclose the possible range of bureau scores from that source. Again, conflicting information is at the dealer's disposal. One source advises dealers to use a possible range of 400 to 850, a second source recommends a 350 to 900 range, while a third source proposes a range of 200 to 950. Again, the law is silent on the recommended range and the Division of Motor Vehicles, who is responsible for compliance, has not provided direction.

#### **Which Deal Qualifies?**

Different sections of the law apply to different types of transactions. Some parts apply to used vehicle sales only, other sections to retail (not lease) transactions, while most of the law applies to new and used retail and lease transactions. For example, the three day return option applies to used vehicles priced under \$40,000. I dare say that some dealers are mistakenly providing a three day return option on non-qualifying transactions.

#### **Enforcement?!**

The DMV has reportedly created a task force that is actively checking on compliance. Thankfully, there has not been any reported fines or slaps on the wrist yet. But dealers remain fearful that the DMV task force will interpret provisions of the law differently than the slew of industry consultants have interpreted them.

#### **Lesson**

If your state is in the process of developing legislation similar to the California legislation, actively participate in the drafting of the regulation so that your responsibilities under your law are clear, and

not open to interpretation.

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