

Chapter 2

Part 1

Federal and State Form Requirements



USED CAR RULE

The Used Motor Vehicle Trade Regulation Rule is a federal rule issued by the Federal Trade Commission (FTC) in 1984 that sets requirements for used car dealerships in the United States. The rule is aimed at preventing deceptive and unfair practices in the sale of used motor vehicles and applies to all used car dealerships, including those in California.

The Used Motor Vehicle Trade Regulation Rule requires used car dealers to display a "Buyers Guide" on each used car that they offer for sale. This guide provides information about the vehicle, including whether it comes with a warranty and what types of defects are covered. It also includes information about the dealer's return policy and the terms of any warranty offered.

The rule also requires dealers to disclose certain information about the vehicle's history, including whether it was previously used as a rental car or a taxi, and whether it has been in any accidents or had any major repairs. Dealers are also required to provide consumers with a copy of any warranty offered and to obtain a signed acknowledgment of the sale from the buyer.

In California, used car dealerships must comply with both federal and state laws governing the sale of used motor vehicles. The California Department of Motor Vehicles (DMV) has its own set of regulations that dealers must follow, which cover issues such as advertising, sales contracts, and disclosure requirements.

Overall, the Used Motor Vehicle Trade Regulation Rule aims to protect consumers from deceptive and unfair practices in the sale of used motor vehicles and to ensure that the customer has the information they need to make informed purchasing decisions.

Federal Buyers Guide

As a part of the Used Motor Vehicle Trade Regulation Rule of 1984, the definition of the expectations that must be met by a used vehicle dealer were more clearly outlined. This would become what the Federal Trade Commission outlined as the Used Car Rule.

Before a used vehicle is offered for sale, a Buyer's Guide must be filled in based on the details of the vehicle and the dealer it is offered for sale at. It also needs to be posted on the vehicle so you can clearly see the front and back of the buyer's guide when looking at the vehicle.

The Federal Trade Commission's (FTC) Used Car Rule requires used car dealerships to display a "Buyers Guide" on every used car offered for sale. The Buyers Guide must contain the following information:

1. The make, model, year, and vehicle identification number (VIN) of the vehicle.
2. Whether the vehicle is being sold "as is" or with a warranty.
3. The terms of the warranty, if any, include the duration and what systems or components are covered.
4. Any systems or components that are known to be defective or that may require repair.
5. Whether there are any other types of warranties or service contracts available for purchase.
6. The dealer's name and address, as well as the date the Buyers Guide was printed.

Customers can use the Buyers Guide to get information about the vehicle's condition and history, the warranty coverage, and any defects that may need repair. The Buyers Guide can also help customers compare different vehicles and dealerships and make more informed purchasing decisions.

In California, used car dealerships must comply with both federal and state laws governing the sale of used motor vehicles. The California Department of Motor Vehicles (DMV) has its own set of regulations that dealers must follow, which cover issues such as advertising, sales contracts, and disclosure requirements.

Under California law, the Buyers Guide must include additional information about the vehicle's history, including whether it was previously used as a rental car or a taxi, and whether it has been in any accidents or had any major repairs. California also requires dealers to provide a Spanish-language Buyers Guide if the vehicle is sold in a primarily Spanish-speaking area.

Overall, the Buyers Guide is an important tool for customers buying a used car, and dealerships in California and across the United States must comply with the federal Used Car Rule and any applicable state regulations to ensure that customers are fully informed about the vehicles that they are purchasing.

This is the way the form is broken down:

BUYERS GUIDE

IMPORTANT: Spoken promises are difficult to enforce. Ask the dealer to put all promises in writing. Keep this form.

VEHICLE MAKE	MODEL	YEAR	VEHICLE IDENTIFICATION NUMBER (VIN)

One of the first elements of filling in the Buyers Guide is making sure that the information is correct regarding the year, make, model and vehicle identification number on the vehicle.

There are two separate ways that the next portion can be displayed for your retail customer, but it greatly depends on what kind of a warranty policy you're going to have at your dealership.

WARRANTIES FOR THIS VEHICLE:

☐

AS IS - NO DEALER WARRANTY

THE DEALER DOES NOT PROVIDE A WARRANTY FOR ANY REPAIRS AFTER SALE.

☐

DEALER WARRANTY

☐

FULL WARRANTY.

☐

LIMITED WARRANTY. The dealer will pay ____% of the labor and ____% of the parts for the covered systems that fail during the warranty period. Ask the dealer for a copy of the warranty, and for any documents that explain warranty coverage, exclusions, and the dealer's repair obligations. *Implied warranties* under your state's laws may give you additional rights.

SYSTEMS COVERED:

DURATION:

For many dealers who start initially, offering a vehicle As Is – No Dealer Warranty is how most dealers choose to operate. This can prove to be a setback for some retail customers when they look at whatever vehicles are potentially for sale at the dealership lot. Knowing how to overcome some of these objections can be crucial to the success of your sale. Here are some ways to overcome objections to offering vehicles as is:

- Showing/proving your work – Part of division twelve safety requirements are ensuring that the vehicle that is offered to the retail public must ensure that all safety equipment is in proper working condition prior to offering the vehicle for sale.

- One ideal way of doing this is making sure that a mechanic shop has done a safety inspection on the vehicle. By showing a potential customer a copy of the service order that was performed on a vehicle, this will instill confidence with your potential customer and help instill confidence in the potential sale.
- Is the vehicle still under manufacturer's warranty?
 - Manufacturers all have a specific warranty that comes with their vehicle at the time of purchase with the original owner. Some warranties extend for the lifetime of the vehicle, some do not extend to third party consumers-so it is important to know the vehicle that you are selling and make sure that your customer is aware of the situation that is presented by this as well.
 - Example- Hyundai has a 10-year, 100,000-mile powertrain warranty with the original owner. However, once the original owner sells the vehicle, the manufacturer's warranty goes to a 5-year, 60,000-mile warranty on the powertrain.
 - Pro Tip – If a vehicle is outside of manufacturer's warranty, there is a chance that a franchise store might "Goodwill" the coverage on the warranty depending on the situation. This should not be relied on as a guarantee but can be helpful to ask to see if something can be done.
- Vehicle Service Contract – Vehicle service contracts can be an excellent supplement to an "As Is – No Warranty Sale" due to the additional coverage that it adds to consumer confidence. Vehicle service contracts stem from a simple powertrain warranty all the way to near full coverage on any failed component on a vehicle. It is also important to understand the difference between a warranty and a service contract. Warranties are provided directly from a dealer or manufacturer, whereas a service contract is a third-party agreement that is handled directly between a mechanic shop and the service contract provider.
 - Note – Make sure before you offer a vehicle service contract that you understand the level of coverage that a service contract provider offers. Make sure you read the fine print! One example of this coverage extends to "internal lubricated parts." Many do not cover "reasonable wear and tear" on certain vehicle items such as:
 - Tires
 - Brakes
 - Wiper blades
 - Rotors
 - Etc.
 - Pro Tip – NEVER indicate that a vehicle service contract is "Full Coverage." Most, if not all, service contract providers have limitations on what is covered on a vehicle and telling your customer that they have full coverage on their service contract runs the risk

of not setting proper expectations with your client. Rather than saying it is fully covered, try using the number of components that the service contract covers.

- “Our gold package offers 750 individualized parts that covers your vehicle for the next 5 years, 100,000 miles.”

If a warranty is offered by your dealership, the dealership should be extremely detailed when it comes to what is covered and outline exactly what on the vehicle are the covered items. There are two types of warranties that can be offered. Either full or limited:

- Full warranty – If the vehicle is a full warranty, then it must have all the following:
 - The warranty service and claims are open to anyone that owns the vehicle if the warranty time is still valid.
 - Warranty services are always free of charge regardless of the circumstances.
 - Customers must be given the option to either be able to repair or replace any damaged item or if the item in question cannot be properly addressed within a certain number of requests.
 - Customers are not required to do anything beyond letting the dealer know that the service is needed. Once notification happens, the service needs to be performed unless it can be determined that it is reasonable that a customer needs to do more than just simply give notice.
 - The warranty cannot be limited in any way.

It is because of these parameters that most warranties are considered limited. A warranty operates on the basis of giving the selling dealer the opportunity to decide what they want to cover. It is important for dealers to outline specifically what percentage of the of the labor will be covered and what percentage of the parts will be covered as well.

There are certain circumstances where a deductible may come into play, therefore putting an * next to the number and provide a detailed explanation under the column that outlines the Systems Covered and Duration section:

“A \$100 deductible is required for each service appointment.”

Listed in the Buyers Guide are two separate columns that outline what systems are covered and how long the warranty is for those items. It is important to also note if the vehicle is still under the manufacturer's warranty or if it's a dealer-covered item.

SYSTEMS COVERED:

DURATION:

NON-DEALER WARRANTIES FOR THIS VEHICLE:

- ☐ **MANUFACTURER'S WARRANTY STILL APPLIES.** The manufacturer's original warranty has not expired on some components of the vehicle.
- ☐ **MANUFACTURER'S USED VEHICLE WARRANTY APPLIES.**
- ☐ **OTHER USED VEHICLE WARRANTY APPLIES.**

Ask the dealer for a copy of the warranty document and an explanation of warranty coverage, exclusions, and repair obligations.

- ☐ **SERVICE CONTRACT.** A service contract on this vehicle is available for an extra charge. Ask for details about coverage, deductible, price, and exclusions. If you buy a service contract within 90 days of your purchase of this vehicle, *implied warranties* under your state's laws may give you additional rights.

ASK THE DEALER IF YOUR MECHANIC CAN INSPECT THE VEHICLE ON OR OFF THE LOT.

OBTAIN A VEHICLE HISTORY REPORT AND CHECK FOR OPEN SAFETY RECALLS. For information on how to obtain a vehicle history report, visit ftc.gov/usedcars. To check for open safety recalls, visit safercar.gov. You will need the vehicle identification number (VIN) shown above to make the best use of the resources on these sites.

SEE OTHER SIDE for important additional information, including a list of major defects that may occur in used motor vehicles.

Si el concesionario gestiona la venta en español, pídale una copia de la Guía del Comprador en español.

BUYER SIGNATURE

DATE

CO-BUYER SIGNATURE

DATE

Service Contracts

It is required that the dealer lists in the buyer's guide if a service contract is going to be offered. That is why it is important to understand, as a dealer, what is included in a service contract. How are they used and what benefit can they provide for both the dealer and the customer alike.

Vehicle service contracts (VSC), also known as extended warranties or service agreements, are contracts that provide additional coverage for repair or replacement of certain components or systems on a vehicle. These contracts are typically sold by dealerships or third-party providers and are designed to provide customers with added peace of mind and protection from unexpected repair costs.

Pros of purchasing a vehicle service contract include:

1. Protection from unexpected repair costs: A VSC can cover repair or replacement costs for certain components or systems that are not covered by the manufacturer's warranty, which can help protect customers from unexpected and potentially costly repairs.
2. Peace of mind: Knowing that certain repairs or replacements are covered under a VSC can provide customers with added peace of mind and reduce the stress and anxiety associated with unexpected repairs.
3. Transferable: In some cases, VSC's can be transferred to a new owner if the vehicle is sold, which can add value to the vehicle and make it more attractive to potential buyers.

Cons of purchasing a vehicle service contract include:

1. Cost: VSC's can be expensive, and customers may end up paying more for the contract than they would for the repairs themselves.
2. Limited coverage: VSC's may not cover all repairs or replacements, and there may be exclusions or limitations that customers should be aware of before purchasing.
3. Claims process: Filing a claim under a VSC can be a complex process, and customers may need to meet certain requirements or provide documentation to have the repair or replacement covered.

In California, dealerships can offer VSC's to customers to provide additional protection and peace of mind. California law requires dealerships to disclose certain information about VSCs to customers, including the cost of the contract, the coverage provided, and any deductibles or exclusions.

Examples of companies that sell service contracts for car dealers include Ally, Zurich, and CNA National Warranty Corporation. These companies offer a range of VSC options for dealerships to offer to customers, with varying levels of coverage and pricing. It is important for customers to research and compare different VSC options and providers to find the best fit for their needs and budget.

Vehicle History Reports

The last portion that needs to be signed off by the customer is the vehicle history report. There is one report that is required which is the NMVTIS report or the National Motor Vehicle Title Information System. The other two that are suggested are Carfax and Autocheck. Let us learn how each of these can be used.

The National Motor Vehicle Title Information System (NMVTIS) is a federal database that provides information on the history of motor vehicles in the United States. The database contains data from state motor vehicle agencies, insurance companies, salvage yards, and other sources, and it is intended to help prevent vehicle-related fraud and theft.

NMVTIS was established by the Anti-Car Theft Act of 1992, and it became fully operational in 2009. It is overseen by the Department of Justice and managed by the American Association of Motor Vehicle Administrators (AAMVA).

When buying a car, an NMVTIS report can be used to provide information on the vehicle's history, including:

1. Title information: The report can show whether the vehicle has a clean title, a salvage title, or has been reported as stolen.
2. Odometer readings: The report can provide information on the vehicle's odometer readings, which can help to identify potential fraud or odometer tampering.
3. Accident history: The report can provide information on any reported accidents or damage to the vehicle.
4. Previous owners: The report can show how many previous owners the vehicle has had, which can be helpful in determining its overall condition and history.

The NMVTIS report can be purchased from authorized providers, and the cost varies depending on the provider and the level of detail included in the report.

The NMVTIS report gets its data from a variety of sources, including state motor vehicle agencies, insurance companies, salvage yards, and auto recyclers. By collecting and analyzing this data, NMVTIS helps to prevent vehicle-related fraud and theft, and it provides valuable information to consumers who are considering purchasing a used car.

Pro Tip:

The provider that we recommend at California Dealer Academy is vinaudit.com

Here is a little bit of the history of the company.

VinAudit.com is a web-based service that provides vehicle history reports to consumers who are considering purchasing a used car. The service is designed to help consumers make informed decisions about the vehicles they are interested in, by providing detailed information on the vehicle's history, including accident history, title information, and other crucial details.

VinAudit.com uses data from a variety of sources, including the National Motor Vehicle Title Information System (NMVTIS), which is a federal database that collects information on the history of motor vehicles in the United States. By collecting and analyzing this data, VinAudit.com provides consumers with a comprehensive view of the vehicle's history, which can help them to identify potential problems or issues before making a purchase.

To use VinAudit.com, consumers simply enter the vehicle identification number (VIN) of the car they are interested in, and the system generates a detailed report that includes information on the vehicle's title history, accident history, odometer readings, and other crucial details. The report also includes a score that indicates the overall health of the vehicle based on its history, as well as a recommended retail value based on current market conditions.

VinAudit.com offers a range of pricing options, from a single report to a monthly subscription, depending on the needs of the consumer. The service is widely used by consumers who are considering purchasing a used car, as well as by car dealerships and other businesses that need to access vehicle history information on a regular basis.

On the following pages, here is an example of what an NMVTIS Report looks like:

Vehicle History Report

VIN:JTDKARFP3K3108015

Report ID: VINAUDIT #734057622821
Generated: 2020-05-01 11:05:57 PDT

Vehicle Specifications

This section lists basic vehicle details encoded by the VIN.

VIN	JTDKARFP3K3108015	Year	2019
Make	Toyota	Model	Prius Prime
Trim	Advanced	Engine	1.8-L L-4 DOHC 16V Hybrid
Made In	Japan	Style	No data
Steering Type	Rack & Pinion	Anti-Brake System	4-Wheel ABS
Fuel Type	Hybrid	Fuel Capacity	No data
Gross Weight	No data	Overall Height	57.90 inches
Overall Length	182.90 inches	Overall Width	69.30 inches
Standard Seating	4	Optional Seating	No data
Highway Mileage	No data	City Mileage	No data
Invoice Price	\$32,016	MSRP	\$33,350

Title Records

This section lists state title records. Please contact the states listed below to request details. Source: NMVTIS

Date	State of Title	Type	Mileage	VIN
2019-06-07	California	Current	359 mi.	JTDKARFP3K3108015

Junk / Salvage / Insurance Records

This section lists junk, salvage, and insurance total loss records (if any). Source: NMVTIS

✔ No junk, salvage, or insurance records found!

Theft Records

This section lists active theft and theft recovery records for this VIN. Source: VA

✔ No theft or theft recovery records found!

Lien / Impound / Export Records

This section lists lien, impound, and export records (if any). Source: VA

✔ No lien, impound, or export records found!

Sale Records

This section lists historical sale listings from available sources. Source: VA

Date	Seller	Details
2019-03-06	Toyota Of Glendora Glendora, CA 91740	Listed for Sale Listing Price: \$31,625 Vehicle Mileage: 11 miles Vehicle Color: Blizzard Pearl

2019-03-11	Toyota Of Glendora Glendora, CA 91740	Listed for Sale Listing Price: \$31,125 Vehicle Mileage: 11 miles Vehicle Color: Blizzard Pearl
2019-03-12	Toyota Of Glendora Glendora, CA	Listed for Sale Listing Price: \$31,647 Vehicle Mileage: 11 miles Vehicle Color: White
2019-04-06	Toyota Of Glendora Glendora, CA 91740	Listed for Sale Listing Price: \$31,625 Vehicle Mileage: 11 miles Vehicle Color: Blizzard Pearl
2019-04-08	Toyota Of Glendora Glendora, CA 91740	Listed for Sale Listing Price: \$31,147 Vehicle Mileage: 11 miles Vehicle Color: Blizzard Pearl
2019-04-11	Toyota Of Glendora Glendora, CA	Listed for Sale Listing Price: \$31,647 Vehicle Mileage: 11 miles Vehicle Color: White
2019-05-06	Toyota Of Glendora Glendora, CA 91740	Listed for Sale Listing Price: \$31,625 Vehicle Mileage: 11 miles Vehicle Color: Blizzard Pearl
2019-05-10	Toyota Of Glendora Glendora, CA 91740	Listed for Sale Listing Price: \$29,147 Vehicle Mileage: 11 miles Vehicle Color: Blizzard Pearl
2019-05-11	Toyota Of Glendora Glendora, CA	Listed for Sale Listing Price: \$31,647 Vehicle Mileage: 11 miles Vehicle Color: White

Problem Checks

This section lists our checks for potential problems related to the title.

Source: NMVTIS

Record of <u>Flood damage</u> ?	✓ No problems found!
Record of <u>Fire damage</u> ?	✓ No problems found!
Record of <u>Hail damage</u> ?	✓ No problems found!
Record of <u>Salt water damage</u> ?	✓ No problems found!
Record of <u>Vandalism</u> ?	✓ No problems found!
Record of <u>Kit</u> ?	✓ No problems found!
Record of <u>Dismantled</u> ?	✓ No problems found!
Record of <u>Junk</u> ?	✓ No problems found!
Record of <u>Rebuilt</u> ?	✓ No problems found!
Record of <u>Reconstructed</u> ?	✓ No problems found!
Record of <u>Salvage—Damage or Not Specified</u> ?	✓ No problems found!
Record of <u>Test Vehicle</u> ?	✓ No problems found!
Record of <u>Refurbished</u> ?	✓ No problems found!
Record of <u>Collision</u> ?	✓ No problems found!
Record of <u>Salvage Retention</u> ?	✓ No problems found!
Record of <u>Prior Taxi</u> ?	✓ No problems found!
Record of <u>Prior Police</u> ?	✓ No problems found!
Record of <u>Original Taxi</u> ?	✓ No problems found!
Record of <u>Original Police</u> ?	✓ No problems found!
Record of <u>Remanufactured</u> ?	✓ No problems found!
Record of <u>Gray Market</u> ?	✓ No problems found!
Record of <u>Warranty Return</u> ?	✓ No problems found!

Record of <u>Antique?</u>	✔ No problems found!
Record of <u>Classic?</u>	✔ No problems found!
Record of <u>Agricultural Vehicle?</u>	✔ No problems found!
Record of <u>Logging Vehicle?</u>	✔ No problems found!
Record of <u>Street Rod?</u>	✔ No problems found!
Record of <u>Vehicle Contains Reissued VIN?</u>	✔ No problems found!
Record of <u>Replica?</u>	✔ No problems found!
Record of <u>Totaled?</u>	✔ No problems found!
Record of <u>Owner Retained?</u>	✔ No problems found!
Record of <u>Bond Posted?</u>	✔ No problems found!
Record of <u>Memorandum Copy?</u>	✔ No problems found!
Record of <u>Parts Only?</u>	✔ No problems found!
Record of <u>Recovered Theft?</u>	✔ No problems found!
Record of <u>Undisclosed Lien?</u>	✔ No problems found!
Record of <u>Prior Owner Retained?</u>	✔ No problems found!
Record of <u>Vehicle Non-conformity Uncorrected?</u>	✔ No problems found!
Record of <u>Vehicle Non-conformity Corrected?</u>	✔ No problems found!
Record of <u>Vehicle Safety Defect Uncorrected?</u>	✔ No problems found!
Record of <u>Vehicle Safety Defect Corrected?</u>	✔ No problems found!
Record of <u>VIN Replaced?</u>	✔ No problems found!
Record of <u>Gray Market: Non-compliant?</u>	✔ No problems found!
Record of <u>Gray Market: Compliant?</u>	✔ No problems found!
Record of <u>Manufacturer Buy Back?</u>	✔ No problems found!
Record of <u>Former Rental?</u>	✔ No problems found!
Record of <u>Salvage-Stolen?</u>	✔ No problems found!
Record of <u>Salvage-Reasons Other Than Damage or Stolen?</u>	✔ No problems found!
Record of <u>Disclosed Damage?</u>	✔ No problems found!
Record of <u>Prior Non-Repairable / Repaired?</u>	✔ No problems found!
Record of <u>Crushed?</u>	✔ No problems found!
Record of <u>Hazardous?</u>	✔ No problems found!
Record of <u>Odometer: Actual?</u>	✔ No problems found!
Record of <u>Odometer: Not Actual?</u>	✔ No problems found!
Record of <u>Odometer: Tampering Verified?</u>	✔ No problems found!
Record of <u>Odometer: Exempt from Odometer Disclosure?</u>	✔ No problems found!
Record of <u>Odometer: Exceeds Mechanical Limits?</u>	✔ No problems found!
Record of <u>Odometer: May be Altered?</u>	✔ No problems found!
Record of <u>Odometer: Replaced?</u>	✔ No problems found!
Record of <u>Odometer: Reading at Time of Renewal?</u>	✔ No problems found!

Information from participating state motor vehicle titling agencies.
 Information on automobiles, buses, trucks, motorcycles, recreational vehicles, motor homes, and tractors. NMVTIS may not currently include commercial vehicles if those vehicles are not included in a state's primary database for title records (in some states, those vehicles are managed by a separate state agency), although these records may be added at a later time.
 Information on "brands" applied to vehicles provided by participating state motor vehicle titling agencies. Brand types and definitions vary by state, but may provide useful information about the condition or prior use of the vehicle.
 Most recent odometer reading in the state's title record.
 Information from insurance companies, and auto recyclers, including junk and salvage yards, that is required by law to be reported to the system, beginning March 31, 2009. This information will include if the vehicle was determined to be a "total loss" by an insurance carrier.
 Information from junk and salvage yards receiving a "cash for clunker" vehicle traded-in under the Consumer Assistance to Recycle and Save Act of 2009 (CARS) Program.
 Consumers are advised to visit www.vehiclehistory.gov for details on how to interpret the information in the system and understand the meaning of various labels applied to vehicles by the participating state motor vehicle titling agencies.

VinAudit Disclaimer

The information used to compile this report is aggregated from various government agencies, non-profit organizations, and industry sources. Access to the National Motor Vehicle Title Information System (NMVTIS) is facilitated through Approved NMVTIS Consumer Access Provider VinAudit.com, Inc. Nonetheless, the accuracy and reliability of the information supplied depends primarily on the reporting sources, and all entities involved in compiling this report accept no liability for any errors or omissions. Furthermore, all warranties, expressed or implied, including any implied warranties of merchantability or fitness for a particular purpose are hereby disclaimed.

Carfax

Carfax is a web-based service that provides vehicle history reports to consumers who are considering purchasing a used car. The company was founded in 1984 and is based in Centreville, Virginia.

The Carfax report includes a variety of information about the vehicle's history, including:

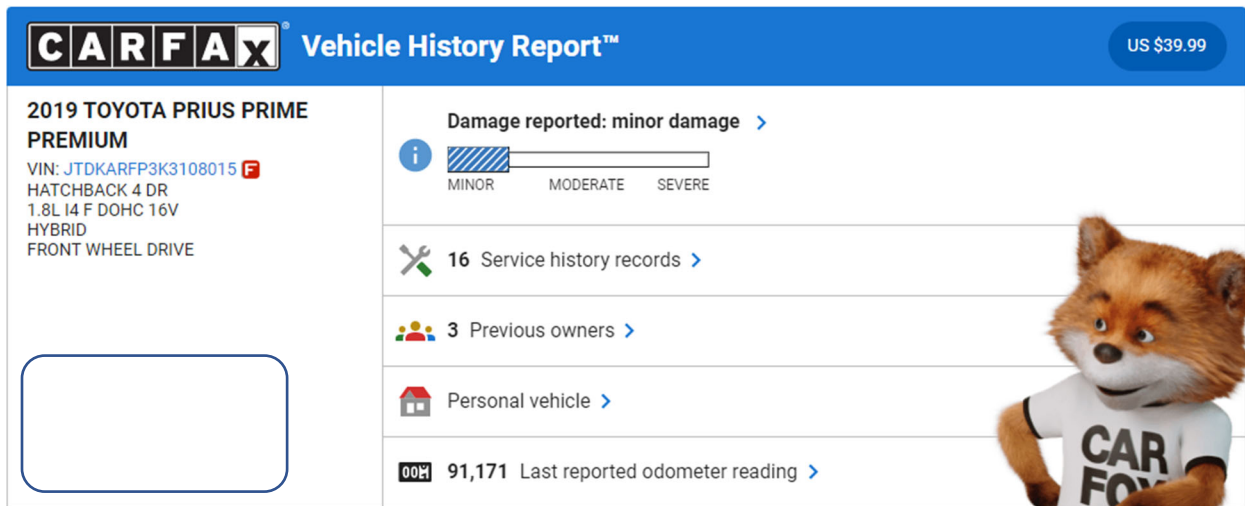
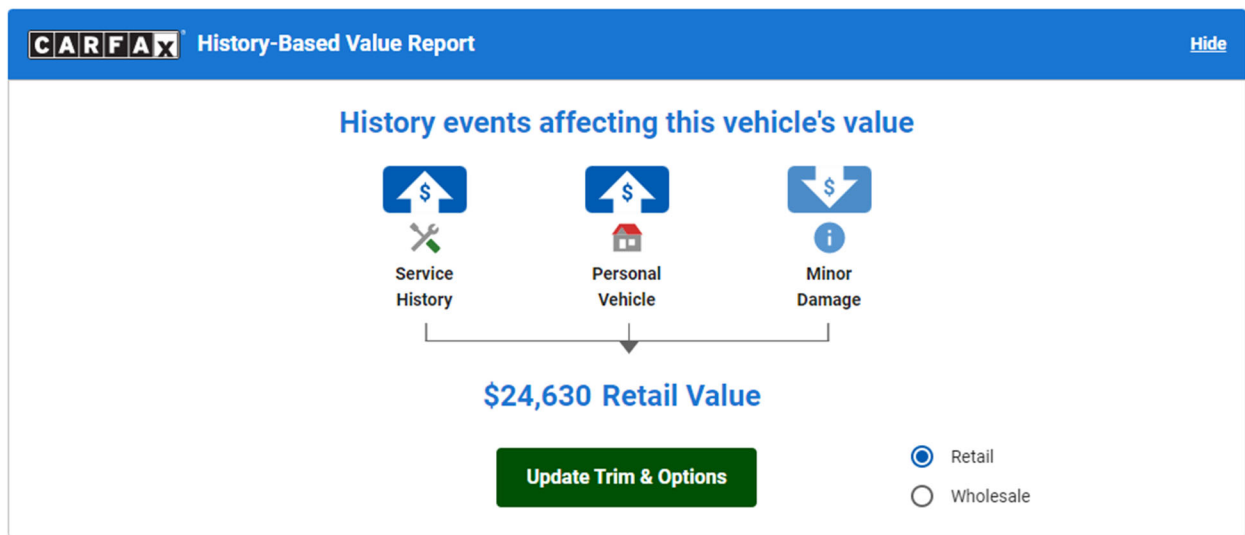
1. Title information: The report can show whether the vehicle has a clean title, a salvage title, or has been reported as stolen.
2. Odometer readings: The report can provide information on the vehicle's odometer readings, which can help to identify potential fraud or odometer tampering.
3. Accident history: The report can provide information on any reported accidents or damage to the vehicle.
4. Service history: The report will show the vehicle's service records, including repairs and maintenance performed over its lifetime.
5. Ownership history: The report can show how many previous owners the vehicle has had, and in some cases, the report can provide information on the length of each ownership period.
6. Recall information: The report can show whether the vehicle has any open recalls that have not been addressed.

Consumers benefit from Carfax by being able to make more informed decisions about the vehicles they are considering purchasing. By reviewing the Carfax report, consumers can identify potential problems or issues with the vehicle's history, which can help them to avoid purchasing a car with a hidden past.

Car dealers benefit from using Carfax by being able to provide more transparent information to their customers. By providing a Carfax report to a potential buyer, dealers can demonstrate that they are selling a vehicle with a clean history and no hidden problems. This can help to build trust with their customers and increase sales.


Carfax offers a range of pricing options, from a single report to a subscription service that provides access to multiple reports. The service is widely used by consumers who are considering purchasing a used car, as well as by car dealerships and other businesses that need to access vehicle history information on a regular basis.

Example of a Carfax:



This CARFAX Vehicle History Report is based only on information supplied to CARFAX and available as of 3/19/23 at 2:05:20 PM (CDT). Other information about this vehicle, including problems, may not have been reported to CARFAX. Use this report as one important tool, along with a vehicle inspection and test drive, to make a better decision about your next used car.

CARFAX	Ownership History	Back To Top	Owner 1	Owner 2	Owner 3
The number of owners is estimated					
Year purchased			2019	2020	2021
Type of owner			Personal	Personal	Personal
Estimated length of ownership			10 months	1 year	1 yr. 9 mo.
Owned in the following states/provinces			California	California, Arizona	Arizona
Estimated miles driven per year			---	29,872/yr	27,858/yr
Last reported odometer reading			14,190	44,882	91,171

CARFAX Title History CARFAX guarantees the information in this section ^ Back To Top		Owner 1	Owner 2	Owner 3
Damage Brands ⓘ Salvage Junk Rebuilt Fire Flood Hail Lemon		<input checked="" type="checkbox"/> Guaranteed No Problem	<input checked="" type="checkbox"/> Guaranteed No Problem	<input checked="" type="checkbox"/> Guaranteed No Problem
Odometer Brands ⓘ Not Actual Mileage Exceeds Mechanical Limits		<input checked="" type="checkbox"/> Guaranteed No Problem	<input checked="" type="checkbox"/> Guaranteed No Problem	<input checked="" type="checkbox"/> Guaranteed No Problem
 GUARANTEED - None of these major title problems were reported by a state Department of Motor Vehicles (DMV). If you find that any of these title problems were reported by a DMV and not included in this report, CARFAX will buy this vehicle back. View Terms View Certificate				



CARFAX Additional History Not all accidents / issues are reported to CARFAX ^ Back To Top		Owner 1	Owner 2	Owner 3
Total Loss ⓘ No total loss reported to CARFAX.		<input checked="" type="checkbox"/> No Issues Reported	<input checked="" type="checkbox"/> No Issues Reported	<input checked="" type="checkbox"/> No Issues Reported
Structural Damage ⓘ CARFAX recommends that you have this vehicle inspected by a collision repair specialist.		<input checked="" type="checkbox"/> No Issues Reported	<input checked="" type="checkbox"/> No Issues Reported	<input checked="" type="checkbox"/> No Issues Reported
Airbag Deployment ⓘ No airbag deployment reported to CARFAX.		<input checked="" type="checkbox"/> No Issues Reported	<input checked="" type="checkbox"/> No Issues Reported	<input checked="" type="checkbox"/> No Issues Reported
Odometer Check ⓘ No indication of an odometer rollback.		<input checked="" type="checkbox"/> No Issues Indicated	<input checked="" type="checkbox"/> No Issues Indicated	<input checked="" type="checkbox"/> No Issues Indicated
Accident / Damage ⓘ Damage reported: 04/16/2020.		Minor Damage	No New Issues Reported	No New Issues Reported
Manufacturer Recall ⓘ No open recalls reported to CARFAX. Check with an authorized Toyota dealer for any open recalls. View Toyota disclosure		<input checked="" type="checkbox"/> No Recalls Reported	<input checked="" type="checkbox"/> No Recalls Reported	<input checked="" type="checkbox"/> No Recalls Reported
Basic Warranty ⓘ Original warranty estimated to have expired.		Warranty Expired	Warranty Expired	Warranty Expired





Owner 1

Personal Vehicle

Purchased: 2019

Date	Mileage	Source	Comments
02/11/2019		NICB	Vehicle manufactured and shipped to California
02/25/2019	10	Toyota of Glendora Glendora, CA 909-305-2000 toyotaofglendora.com ★ 4.5 / 5.0 521 Verified Reviews ✓	 Vehicle serviced - Pre-delivery inspection completed
05/21/2019	13	Toyota of Glendora Glendora, CA 909-305-2000 toyotaofglendora.com ★ 4.5 / 5.0 521 Verified Reviews ✓	 Vehicle serviced
06/07/2019	359	California Motor Vehicle Dept. Claremont, CA	Title issued or updated - First owner reported - Titled or registered as personal vehicle

08/02/2019	5,162	Toyota of Glendora Glendora, CA 909-305-2000 toyotaofglendora.com ★ 4.5 / 5.0 521 Verified Reviews ✓	 Vehicle serviced - Maintenance inspection completed - 5,000 mile service performed - Floor mat(s) checked - Wipers/washers checked - Fluids checked - Tires rotated - Tire condition and pressure checked - Oil and filter changed - Brakes checked
12/26/2019	10,338	Toyota of Glendora Glendora, CA 909-305-2000 toyotaofglendora.com ★ 4.5 / 5.0 521 Verified Reviews ✓	 Vehicle serviced - Maintenance inspection completed - Oil and filter changed - Tire condition and pressure checked

04/16/2020

Damage Report

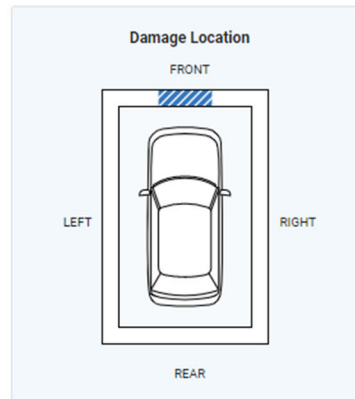
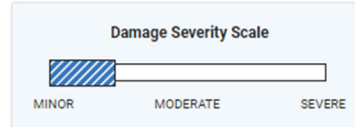


Damage reported: minor damage ⓘ

- Damage to front

This incident was first available for display by CARFAX on 05/08/2020.

**CARFAX HAS THE MOST
ACCIDENT & DAMAGE
INFORMATION**



Minor damage is usually cosmetic, including dents or scratches to the vehicle body.

04/22/2020

14,190

Online Listing

Vehicle offered for sale





04/22/2020




Auto Auction

Vehicle sold



Millions of used vehicles are bought and sold at auction every year.

 Owner 2 Purchased: 2020			Personal Vehicle 29,872 mi/yr	
Date	Mileage	Source	Comments	
05/01/2020	14,191	California Motor Vehicle Dept. Temecula, CA	Odometer reading reported	
05/07/2020		California Motor Vehicle Dept. Temecula, CA	Title issued or updated - New owner reported - Loan or lien reported	
05/18/2020	14,230	Temecula Valley Toyota Temecula, CA 888-695-0786 temeculavalleytoyota.com ★ 4.4 / 5.0 52 Verified Reviews		Vehicle serviced - Maintenance inspection completed - Tires rotated - Tire condition and pressure checked
06/19/2020		Service Facility		Inspection performed - Alignment checked
07/28/2020	21,358	Crown Toyota Scion Ontario, CA 909-390-9700 crowntoyota.com ★ 4.6 / 5.0 342 Verified Reviews		Vehicle serviced - Maintenance inspection completed - Oil and filter changed - Tire condition and pressure checked - Tire(s) replaced

10/21/2020	28,766	Crown Toyota Scion Ontario, CA 909-390-9700 crowntoyota.com ★ 4.6 / 5.0 342 Verified Reviews		Vehicle serviced - Maintenance inspection completed - Oil and filter changed - Tire condition and pressure checked - Air filter replaced - Cabin air filter replaced/cleaned
02/06/2021	40,070	Walmart Auto Care Center Temecula, CA 951-506-7638 https://www.walmart.com ★ 4.6 / 5.0 57 Verified Reviews		Vehicle serviced - Oil and filter changed
04/02/2021	44,877	Crown Toyota Scion Ontario, CA 909-390-9700 crowntoyota.com ★ 4.6 / 5.0 342 Verified Reviews		Vehicle serviced - Oil and filter changed
04/13/2021		California Motor Vehicle Dept. Temecula, CA		Title issued or updated - Loan or lien reported
05/11/2021	44,882	Online Listing		Vehicle offered for sale
05/11/2021		Auto Auction		Vehicle sold

Damage Indicator

Damage can be a result of many different types of events. Examples include contact with objects (other cars, trees, traffic signs, road debris, etc), vandalism, or weather-related events. Not every damage event is reported to CARFAX. As details about the damage event become available, those additional details are added to the CARFAX Vehicle History Report. CARFAX recommends that you have this vehicle inspected by a qualified mechanic.

- This CARFAX Vehicle History Report is based only on information supplied to CARFAX and available as of 3/19/23 at 2:05:20 PM (CDT). Other information about this vehicle, including problems, may not have been reported to CARFAX. Use this report as one important tool, along with a vehicle inspection and test drive, to make a better decision about your next used car.

Damage Severity

Damage events result in one of the following severity levels:

- Minor: Generally, minor damage is cosmetic (including dents or scratches), may only require reconditioning, and typically does not compromise a vehicle's operation and/or safety.
- Moderate: Moderate damage may affect multiple components of the vehicle and may impair the vehicle's operation and/or safety.
- Severe: Severe damage usually affects multiple components of the vehicle and is likely to compromise the vehicle's operation and/or safety.

CARFAX recommends getting a pre-purchase inspection at a certified collision repair facility.

First Owner

When the first owner(s) obtains a title from a Department of Motor Vehicles as proof of ownership.

New Owner Reported

When a vehicle is sold to a new owner, the Title must be transferred to the new owner(s) at a Department of Motor Vehicles.

Ownership History

CARFAX defines an owner as an individual or business that possesses and uses a vehicle. Not all title transactions represent changes in ownership. To provide estimated number of owners, CARFAX proprietary technology analyzes all the events in a vehicle history. Estimated ownership is available for vehicles manufactured after 1991 and titled solely in the US including Puerto Rico. Dealers sometimes opt to take ownership of a vehicle and are required to in the following states: Maine, Massachusetts, New Jersey, Ohio, Oklahoma, Pennsylvania and South Dakota. Please consider this as you review a vehicle's estimated ownership history.

Title Issued

A state issues a title to provide a vehicle owner with proof of ownership. Each title has a unique number. Each title or registration record on a CARFAX report does not necessarily indicate a change in ownership. In Canada, a registration and bill of sale are used as proof of ownership.


Toyota Recall / Service Campaign

Portions of this report have been included under license from Toyota Motor North America, Inc. ("TOYOTA"), License Agreement TMS1013. This data applies only to vehicle marketed or originally sold in Mexico and the United States of America, including Guam, Saipan, American Samoa, Puerto Rico, the U.S. Virgin Islands and the other United States territories and protectorates with currently open safety or emissions recalls, or service campaigns. While TOYOTA provides data to Carfax Inc. on a regular basis, this report may not include very recent activity. For the manufacturer's most current information on recall/campaign activity for any Toyota, Lexus or Scion brand vehicle, you must go to <http://toyota.com/recall> or <http://lexus.com/recall>.

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3/19/23 2:05:20 PM (CDT)

I have reviewed and received a copy of the CARFAX Vehicle History Report for this 2019 TOYOTA PRIUS PRIME vehicle (VIN: JTDKARFP3K3108015 ) which is based on information supplied to CARFAX and available as of 3/19/23 at 3:05 PM (EDT).

Customer Signature

Date

Dealer Signature

Date

AutoCheck

AutoCheck is a web-based service that provides vehicle history reports to consumers who are considering purchasing a used car. The service is owned and operated by Experian, a global information services company based in Dublin, Ireland. The report is commonly used as a window into auction condition reports along with providing extra guidance for consumers.

The AutoCheck report is important to review before a customer buys a car because it provides a comprehensive view of the vehicle's history, including any accidents, repairs, or other issues that may impact its value or safety. By reviewing the AutoCheck report, consumers can make more informed decisions about the vehicles they are considering purchasing and avoid purchasing a car with a hidden past.

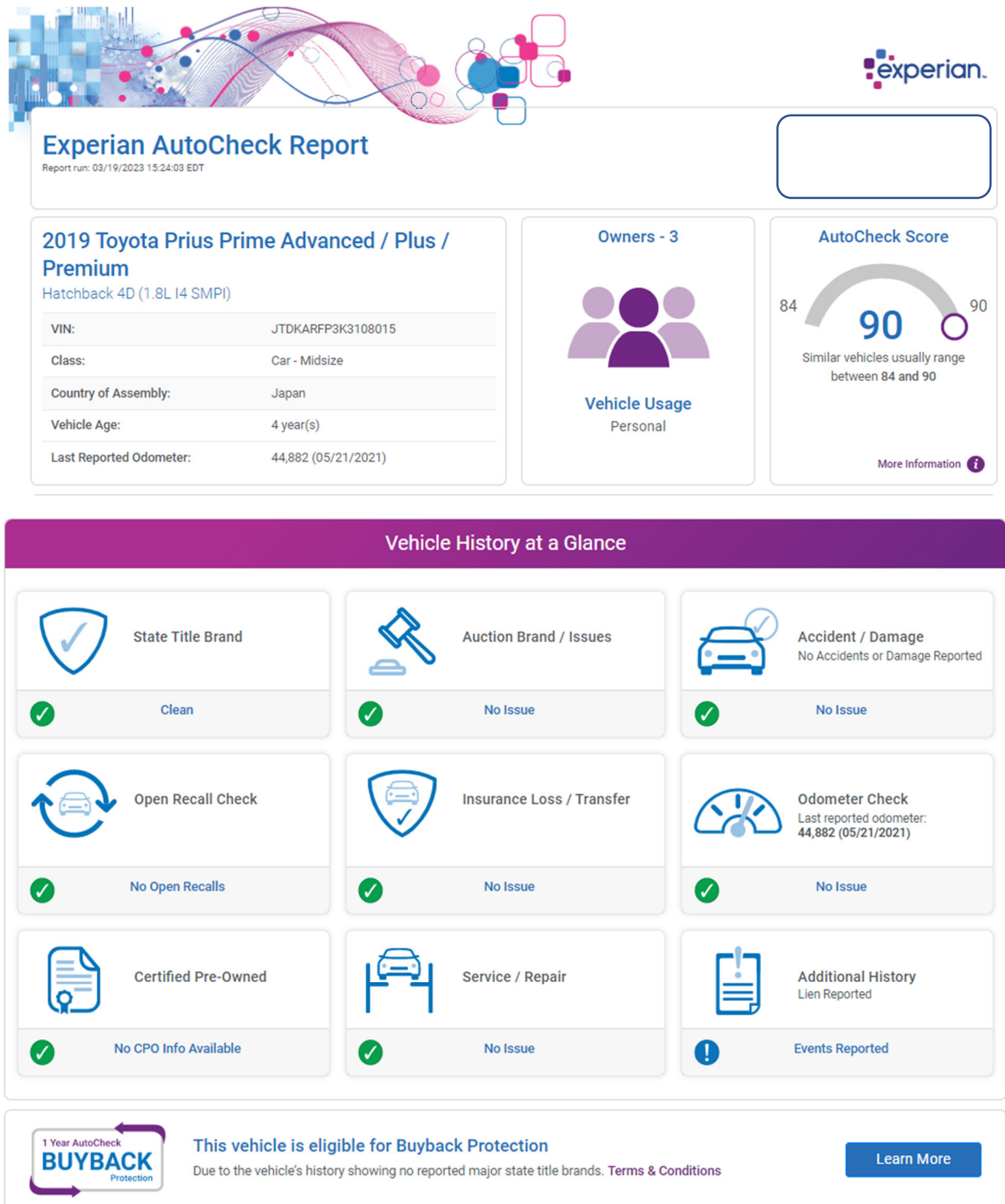
For dealers, the AutoCheck report can be a valuable tool for building trust with customers and increasing sales. By providing a vehicle history report from AutoCheck, dealers can demonstrate that they are selling a car with a clean history and no hidden problems. This can help to build confidence with their customers and increase the likelihood of a successful sale.

The AutoCheck report includes a variety of information about the vehicle's history, including:

1. Title information: The report can show whether the vehicle has a clean title, a salvage title, or has been reported as stolen.
2. Accident history: The report can provide information on any reported accidents or damage to the vehicle.
3. Odometer readings: The report can provide information on the vehicle's odometer readings, which can help to identify potential fraud or odometer tampering.
4. Service history: The report will show the vehicle's service records, including repairs and maintenance performed over its lifetime.
5. Ownership history: The report can show how many previous owners the vehicle has had, and in some cases, the report can provide information on the length of each ownership period.
6. Recall information: The report can show whether the vehicle has any open recalls that have not been addressed.

AutoCheck offers a range of pricing options, from a single report to a subscription service that provides access to multiple reports. The service is widely used by consumers who are considering purchasing a used car, as well as by car dealerships and other businesses that need to access vehicle history information on a regular basis.

Example of an Autocheck Report:



Accident & Damage



No Accidents or Damage Reported



Airbag Deployed



Structural Damage



Overturned



No Damage

Your Vehicle Checks Out

AutoCheck has not received any accident or damage-related events from government sources, independent agencies, or auction sources. Not all damage-related events are reported to AutoCheck. It is recommended to have pre-owned vehicles inspected by a third-party prior to purchase.



Odometer Check



Your Vehicle Checks Out

No odometer brands, rollbacks, rollover or tampering has been reported to AutoCheck from state Division of Motor Vehicles (DMV) or auction sources. AutoCheck also examined the sequence of reported odometer readings to determine if there are any potential discrepancies.



State Title Odometer Check

No issues reported



Auction Odometer Check

No issues reported



Odometer Calculation Check

No issues reported



Detailed Vehicle History

Below are the historical events for this vehicle listed in chronological order.

Vehicle: 2019 Toyota Prius Prime Advanced / Plus / Premium (JTDKARFP3K3108015) Report Run Date: 03/19/2023 15:24:03 EDT

2019

Vehicle Prep and Other Pre-Titling Events



Location: CA

Preparation Date: 02/2019

Event Date	Location	Odometer	Data Source	Details
02/11/2019	CA		Independent Source	Vehicle Manufactured and Shipped to Dealer
05/19/2019	CA	359	Motor Vehicle Dept.	Odometer Reading from DMV

2019

Owner 1



Location: CA

Owned From: 06/2019

Usage: Personal

Event Date	Location	Odometer	Data Source	Details
06/07/2019	CLAREMONT, CA		Motor Vehicle Dept.	Title Registration Event/Renewal
05/01/2020	CA	14,191	Motor Vehicle Dept.	Odometer Reading from DMV

2020

Owner 2

Location: CA

Owned From: 05/2020

Usage: Personal

Event Date	Location	Odometer	Data Source	Details
05/07/2020	TEMECULA, CA		Motor Vehicle Dept.	Title(Lien Reported) Registration Event/Renewal
05/11/2020	TEMECULA, CA	14,191	Dealer Record	Vehicle in Dealer Inventory
04/13/2021	TEMECULA, CA		Motor Vehicle Dept.	Title(Lien Reported)
05/21/2021	PHOENIX, AZ	44,882	Motor Vehicle Dept.	Title(Title #A004134477) (Lien Reported)

2021

Owner 3

Location: AZ

Owned From: 05/2021

Usage: Personal

Event Date	Location	Odometer	Data Source	Details
05/23/2021	TEMPE, AZ		Motor Vehicle Dept.	Registration Event/Renewal
06/01/2021	TEMPE, AZ		Motor Vehicle Dept.	Registration Event/Renewal
06/25/2021	TEMPE, AZ		Motor Vehicle Dept.	Title(Title #A004590549) (Lien Reported)
06/01/2022	TEMPE, AZ		Motor Vehicle Dept.	Registration Event/Renewal

This Vehicle's Glossary		
Below are the specific definitions for events that appear in this vehicle's report. More information is available in the full AutoCheck glossary .		
Term	Section Location	Definition
State Title Brand	Vehicle History at a Glance	A "branded title" is an official designation assigned by a state agency to associate a particular history with a vehicle. The branding system was put in place to warn potential owners about damage or other alterations to a vehicle that they might otherwise have been unaware of. The brands checked in this section are Fire, Hail, Flood, Junk/Scrapped, Lemon, Salvage, Rebuilt/Rebuildable, Odometer Brands (not actual miles, broken odometer, exceeding mechanical limits, mileage discrepancy, or suspect miles). Please note Grey Market and Insurance Loss or Theft brands are not checked in this box and can be found on other corresponding boxes.
Auction Issue	Vehicle History at a Glance	This section summarizes any issues if reported such as damage condition from seller's disclosure or during the inspection process including required structural damage disclosure, title brands, odometer issues, etc. as outlined by the 2021 National Auto Auction Association Policy .

AutoCheck Terms and Conditions

This report, and any reliance upon it, is subject to [AutoCheck Terms and Conditions](#). If you obtained the report from a lender/dealer, the lender/dealer has been provided with these Terms and Conditions and can share them with you. These AutoCheck Terms and Conditions are also available at any time at www.autocheck.com/terms or by writing to Experian: Experian Automotive C/O AutoCheck Customer Service 955 American Lane Schaumburg, IL 60173.

Buyback Protection Terms and Conditions

This vehicle (JTDKARFP3K3108015) qualifies for [AutoCheck Buyback Protection](#). If you obtained the report from a dealer, the dealer has been provided with the terms and can share them with you. These Buyback Protection Terms and Conditions are also available to you at any time at www.autocheck.com/bbptterms or by writing to Experian: Experian Automotive C/O AutoCheck Customer Service 955 American Lane Schaumburg, IL 60173.

About AutoCheck

AutoCheck vehicle history reports by Experian Automotive is the leading vehicle history reporting service. With expert data handling, the Experian Automotive database houses over 4 billion records on a half a billion vehicles. Every AutoCheck vehicle history report will give you confidence when buying or selling your next used vehicle, with superior customer service every step of the way.

Patent Notice

Certain aspects of this vehicle history report may be covered by U.S. Patent 8,005,759.

TrueFrame Report (Vehicle History Enhancement)

TrueFrame is a company that provides independent vehicle inspections and certifications to dealerships, individuals, and other businesses. The company was founded in 2019 by Jeffrey Risch and Tony Leopoldino.

A TrueFrame report is a detailed inspection report that provides a comprehensive view of the vehicle's condition and history. The report includes information on the vehicle's structural integrity, previous damage, and repairs, as well as information on the vehicle's history, including any accidents or other incidents that may have affected its value or safety.

The TrueFrame report is designed to help consumers make more informed decisions when purchasing a used car. By providing a detailed analysis of the vehicle's condition and history, the report can help to identify any potential issues or concerns that may impact its value or safety. This can help consumers to avoid purchasing a car with hidden problems and ensure that they are getting a fair price for the vehicle.

In addition to providing valuable information for consumers, the TrueFrame report can also benefit dealerships and other businesses. By providing a certified inspection report, dealerships can demonstrate that they are selling a vehicle that has been thoroughly inspected and is in good condition. This can help to build trust with customers and increase the likelihood of a successful sale.

Overall, the TrueFrame report is a valuable tool for both consumers and dealerships. By providing a detailed analysis of the vehicle's condition and history, the report can help to ensure that consumers make informed decisions when purchasing a used car, and that dealerships are selling vehicles that meet lofty standards of quality and safety.

TrueFrame, in addition to the other vehicle history reports, can give true full 360 transparency towards all of the issues that have been reported regarding problems with potential vehicles. Keep in mind, however, these reports are only as good as the data that is being fed to them. It is always in the dealer's best interest to consider these as tools for guidance and trust, but always verify.

Example of a TrueFrame report:



COMPREHENSIVE VEHICLE CONDITION REPORT



Cosmetic Body Score	True360 Structural Standards
95	
Current Vehicle Condition	
No Damage Found	
Previous Vehicle History	
Minor Cosmetic Repairs	
Vehicle Details	
VIN	KMHE54L20KA090772
Year	2019
Make	Hyundai
Model	Sonata Plug-in Hybrid Limited
Mileage	75,065
Inspection Details	
ID#	1654024848204
Date	5/31/2022
Technician	Lyndon R.

True360 reports are engineered to identify prior repairs or existing cosmetic damage to exterior body parts and provide a topside structural inspection for vehicles that have, or have not reported accident history. In addition, when structural components have been identified as previously repaired, we will document these areas in an easy to read photo identified explanation of the findings. Any modifications or damage to this vehicle that occur after the inspection date will not be reflected in this report, as this is a snapshot of the vehicle's cosmetic and topside structural condition as of the inspection date listed on the report. This Report does not include an evaluation of the vehicle's underbody structural, mechanical or interior condition and in no way guarantees the safety of the vehicle, or that all prior repairs or existing damage will be identified.

www.True360.com



Cosmetic Inspection

The highlighted points on this vehicle diagram indicate the general areas where our inspection found prior repairs. These issues are not structural in nature and are considered to be purely cosmetic.

Please be aware that this diagram may not be identical in appearance to the actual vehicle being inspected.



Exterior Body Inspection (Cosmetic)

Front Bumper Cover	Original
Hood	Original
Left Fender	Refinished
Left Front Door	Original
Left Rear Door	Original
Left Cosmetic Rocker	Original
Left Cab Corner	Not Applicable
Left Quarter Panel	Original
Left Bedside	Not Applicable
Roof	Original
Left Roof Rail	Original
Right Roof Rail	Original
Rear Bumper Cover	Refinished
Decklid/Liftgate/Tailgate	Refinished
Right Fender	Original
Right Front Door	Original
Right Rear Door	Original
Right Cosmetic Rocker	Original
Right Cab Corner	Not Applicable
Right Quarter Panel	Original
Right Bedside	Not Applicable
Cladding/Mirror Housing	Original

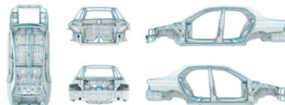


www.True360.com



Structural Inspection

True360 Structural inspection checks the following components for any evidence of structural damage. Structural damage is commonly found in welds that have been torn, separated, or re-welded, as well as body/fiberglass filler, physical damage, or areas of previous repair in relation to the inner/body pillars. Please be aware, this report only determines if any damage has occurred and does not pass judgement on severity of damage or degree of repair.



Engine Bay Underhood (Structural)

	Meets True360 Structural Standards
Core Support	✓
Left Strut Tower/Apron	✓
Right Strut Tower/Apron	✓
Cowl Panel/Firewall	✓
Front Left Frame Rail	✓
Front Right Frame Rail	✓
Front Cross Member	✓



General Report Notes

Inner Body Inspection (Structural)

	Meets True360 Structural Standards
A. Pillar Left	✓
B. Pillar Left	✓
C. Pillar Left	✓
D. Pillar Left	Not Applicable
A. Pillar Right	✓
B. Pillar Right	✓
C. Pillar Right	✓
D. Pillar Right	Not Applicable
Left Structural Rocker	✓
Right Structural Rocker	✓
Left Rear Strut Tower/Wheel Housing	✓
Right Rear Strut Tower/Wheel Housing	✓
Rear Body Panel	✓
Bracket/Bracing	✓
Left Quarter Panel	✓
Right Quarter Panel	✓
Roof	✓

www.True360.com



CERTIFICATE OF INTEGRITY

ASSIGNED TODAY TO THIS:

2019 Hyundai Sonata Plug-in Hybrid Limited

KMHE54L20KA090772

75,065 Miles

True360, acting upon the findings of the assigned inspector has awarded this vehicle a Certificate of Integrity. This certificate validates the report findings. Please review the Comprehensive Vehicle Condition Report to review the findings that designates:

Minor Cosmetic Repairs

CHIEF EXECUTIVE OFFICER

INSPECTED ON
05/31/2022

Buyers Guide – Second Page

The second page of the buyer's guide goes over all the major defects of a used vehicle. When a dealer puts all of their contact information on the back and both the customer, and the dealer sign it. It is a clever idea and recommended to have a buyer sign the first page as well.

Here is a list of some major defects that may occur in used vehicles.

Frame & Body

Frame-cracks, corrective welds, or rusted through
Dog tracks—bent or twisted frame

Engine

Oil leakage, excluding normal seepage
Cracked block or head
Belts missing or inoperable
Knocks or misses related to camshaft
Lifters and push rods
Abnormal exhaust discharge

Transmission & Drive Shaft

Improper fluid level or leakage, excluding normal seepage
Cracked or damaged case which is visible
Abnormal noise or vibration caused by faulty transmission or drive shaft
Improper shifting or functioning in any gear
Manual clutch slips or chatters

Differential

Improper fluid level or leakage, excluding normal seepage
Cracked or damaged housing which is visible
Abnormal noise or vibration caused by faulty differential

Cooling System

Leakage including radiator
Improperly functioning water pump

Electrical System

Battery leakage
Improperly functioning alternator, generator, battery, or starter

Fuel System

Visible leakage

Inoperable Accessories

Gauges or warning devices
Air conditioner
Heater & Defroster

Brake System

Failure warning light broken
Pedal not firm under pressure (DOT spec.)
Not enough pedal reserve (DOT spec.)
Does not stop vehicle in straight line (DOT spec.)

Hoses damaged

Drum or rotor too thin (Mfr. Specs)
Lining or pad thickness less than 1/32 inch
Power unit not operating or leaking
Structural or mechanical parts damaged

Air Bags

Steering System

Too much free play at steering wheel (DOT specs.)
Free play in linkage more than 1/4 inch
Steering gear binds or jams
Front wheels aligned improperly (DOT specs.)
Power unit belts cracked or slipping
Power unit fluid level improper

Suspension System

Ball joint seals damaged
Structural parts bent or damaged
Stabilizer bar disconnected
Spring broken
Shock absorber mounting loose
Rubber bushings damaged or missing
Radius rod damaged or missing
Shock absorber leaking or functioning improperly

Tires

Tread depth less than 2/32 inch
Sizes mismatched
Visible damage

Wheels

Visible cracks, damage or repairs
Mounting bolts loose or missing

Exhaust System

Leakage
Catalytic Converter

DEALER NAME

French Connection Auto Sales

ADDRESS

28971 Old Town Front St Ste B, Temecula, CA 92590

TELEPHONE

951 297-7477

EMAIL

frenchconnectionautosales@gmail.com

FOR COMPLAINTS AFTER SALE, CONTACT:

N/A

I hereby acknowledge receipt of the Buyers Guide at the closing of this sale.

BUYER SIGNATURE

DATE

CO-BUYER SIGNATURE

DATE

IMPORTANT: The information on this form is part of any contract to buy this vehicle. Removing this label before consumer purchase (except for purpose of test-driving) violates federal law (16 C.F.R. 455).

Assembly Bill 68- Used Car Sales Law

AB 68, also known as the Used Car Sales Law, is a California state law that was passed in 1985. The law is designed to protect consumers who purchase used vehicles by requiring dealers to disclose certain information about the vehicle's condition, history, and warranty coverage.

Under the law, car dealers in California are required to provide buyers with a written disclosure document that includes information such as:

- Whether the vehicle has been in any accidents or has been damaged
- Whether the vehicle has been used as a rental or a fleet vehicle
- Whether the vehicle has been salvaged, rebuilt, or had its odometer rolled back.
- Whether the vehicle comes with a warranty, and if so, the terms of that warranty.

The law also requires dealers to provide buyers with a two-day cooling-off period during which they can return the vehicle for a full refund. Additionally, dealers are required to provide a warranty on certain vehicles, depending on their age and mileage.

The purpose of AB 68 is to give consumers more information and protection when purchasing a used vehicle, as well as to promote fair and honest practices in the used car industry.

To sell a vehicle under AB 68 laws, car dealers in California are required to fill out a number of forms, including a Vehicle History Report Disclosure form, a Used Vehicle Buyers Guide, and a Warranty Disclosure Statement. These forms are designed to provide buyers with the information they need to make an informed decision about the vehicle they are purchasing.

California Foreign Language Acknowledgement Form

The California Foreign Language Acknowledgment Form is a document that must be included with certain legal documents, such as real estate deeds or powers of attorney, when those documents are signed by individuals who do not speak English. The form is intended to ensure that non-English speakers understand the content of the document they are signing, even if they are not fluent in English.

The California Foreign Language Acknowledgment Form must be provided in the language that the signer understands. If the signer does not understand English, the form must be provided in their native language. If the signer understands English but is more comfortable reading or speaking another language, the form must be provided in that language. There is no specific list of languages that must be included with the form, as it will vary depending on the signer's needs.

The inclusion of the California Foreign Language Acknowledgment Form is beneficial to customers because it ensures that they fully understand the content of the legal document they are signing. This can help to prevent misunderstandings, disputes, or legal issues down the line.

As for the Used Vehicle Buyers Guide, it is required by law that it be provided in both English and Spanish if the dealer conducts sales in Spanish. The Buyers Guide must be displayed on the vehicle, and the Spanish version must be a mirror translation of the English version. This is to ensure that Spanish-speaking buyers have access to the same information as English-speaking buyers and can make informed decisions about the used vehicle they are considering purchasing.

One of the first forms that should be completed out of the AB 68 forms is the California Foreign Language Acknowledgement Form.

TRANSLATED CONTRACT ACKNOWLEDGEMENT

BUYER			CO-BUYER			SELLER		
Garrett Thomas Eddings						French Connection Auto Sales		
ADDRESS			ADDRESS			ADDRESS		
44547 La Paz Rd						28971 Old Town Front St		
ADDRESS			ADDRESS			ADDRESS		
						Ste B		
CITY	STATE	ZIP	CITY	STATE	ZIP	CITY	STATE	ZIP
Temecula	CA	92592				Temecula	CA	92590

The beginning portion of the form is relatively easy to navigate. You need to make sure that the buyers' name and address are listed correctly along with the name of the dealership and their address.

☐ Chinese 中文

您在以下簽字即表示您了解以上有條件銷售合約、分期付款合約或租約（下稱“合約”）主要用以下所註明語言談判而成，而且如果所選語言不是英語，則您在合約上簽字以前，已經收到一份翻譯成所選語言的書面合約文本。

☐ English

By signing below you acknowledge that the conditional sale contract, or retail installment contract or lease identified above (the "Contract") was negotiated primarily in the language checked below and that if the language checked is not English you were given a written translation of the Contract in the language checked before you signed the Contract.

☐ Korean 한국어

아래에 서명함으로써 귀하는 위에 명시된 조건부 판매 계약서, 소매 할부 계약서 또는 리스 계약서(이하 "계약서")를 아래에 체크 표시된 언어로 주로 협상하였으며, 표시된 언어가 영어가 아닌 경우, 계약서에 서명하기 전 표시된 언어로 작성된 계약서 번역본을 제공받았음을 인정합니다.

☐ Spanish, Español

Al firmar a continuación, usted ratifica que el contrato de venta condicional, contrato de venta o contrato de arrendamiento en cuotas que se ha indicado anteriormente (y denominado de ahora en adelante el "Contrato") fue negociado fundamentalmente en el idioma que se marca a continuación, y que si el idioma marcado no es Inglés se le ha entregado una traducción escrita del Contrato en el idioma marcado antes de firmar de Contrato.

☐ Tagalog

Sa pagpipirma sa ibaba ipinagbibigay-alam ninyu na ang kontrata sa may - kondisyong pagbebenta, kontrata sa hulugang pagtitingi o kasunduan sa pag-upa na tinukoy sa itaas (ang "Kontrata") ay pinag-usapan pangunahin sa wikang nilagyan ng tsek sa ibaba at kung ang wikang nilagyan ng tsek ay hindi Ingles kayo ay binigyan ng isang nakasulat na salin ng Kontrata sa wikang nilagyan ng tsek bago ninyu pinirmahan ang Kontrata.

☐ Vietnamese Tiếng Việt

Khi ký tên dưới đây, bạn nhận rằng khế ước mua bán có điều kiện, khế ước mua lẻ trả tiền từng đợt hoặc khế ước thuê ghi trên (gọi là khế ước) được thương lượng bằng ngôn ngữ đánh dấu dưới đây và nếu ngôn ngữ đó không phải là Anh Ngữ thì bạn đã được trao một bản dịch khế ước ấy bằng ngôn ngữ có đánh dấu dưới đây trước khi bạn ký vào khế ước.

Next the customer needs to acknowledge which language they would like to proceed with. Keep in mind, the dealership needs to provide buyers guides, purchase orders and contracts in:

- Chinese
- English
- Korean
- Spanish
- Tagalog
- Vietnamese

Here are some of the situations that arise when it comes to interpreters:

- If the dealership provides the interpreter, they must be a licensed salesperson for the dealership.
- The interpreter must be at least 18 years of age or older to be an interpreter.
 - In the state of California, you must be at least 18 years of age or older to negotiate a contract. Important to keep in mind this also includes test driving a vehicle, which is a part of the negotiation process.
- It is a best practice to have a customer sign a REG 256, a statement of facts, indicating that they read and understand both English and the interpreted language.
- If the negotiations are done in Spanish, a Spanish translation of the Federal Buyers Guide must be on the vehicle in question before negotiations start.

Once the customer has selected which language that they would like to proceed with, both the customer and the dealer will sign and date.

Buyer	05/01/20 Date	Seller	05/01/20 Date
Co-Buyer	05/01/20 Date		

This form outlines the buyer's name and address, the co-buyer's name and address and the dealership's name and address. It establishes that, in the language the customer has designated, that the contract, buyers and purchase order has been provided to the customer in the language they have specified that they speak.

If the dealer does not speak the language that the customer is requesting, there are a few steps that must be taken to ensure the process is handled correctly:

1. Provide the customer the form they are requesting, in the language they are requesting, with a line through it. This will act as a translation copy for the customer.
2. The customer will then receive the English copy of the form. This will be the actual document that the customer will sign. The customer will reference the translation copy to read over the documentation.
3. Have the customer sign a REG 256 (Statement of Facts) indicating that the customer has been provided all necessary documentation in both English and the interpreted language.

Contract Cancellation Agreement

A contract cancellation agreement for a used car purchased from a California dealer is a document that allows a buyer to cancel a contract for the purchase of a used car within a specified period of time. This type of agreement is typically offered as part of a dealer's policy to provide customers with additional protection and flexibility in their purchase.

The agreement is beneficial to a customer because it allows them to cancel the contract and return the car for a refund if they are not satisfied with the purchase for any reason. This can provide peace of mind and reduce the risk of purchasing a car that turns out to have hidden issues or problems.

The requirements for the form may vary depending on the dealer, but it should typically include the following information:

- The date of the agreement
- The name and address of the dealer and the buyer
- The make, model, and year of the car being purchased.
- The purchase price of the car
- The date by which the buyer must cancel the contract.
- The terms and conditions for canceling the contract, including any fees or charges that may apply.
- The procedure for returning the car and obtaining a refund for the vehicle and if the vehicle is subject to restocking fees.
- The specified miles a customer can drive. Minimum requirement is 2 days or 250 miles.

In California, dealers are required to provide a contract cancellation agreement for used car purchases if the car is priced at \$40,000 or less and the buyer's financing was arranged by the dealer. The agreement must be provided in both English and Spanish if the dealer conducts sales in Spanish. The cancellation period must be at least two days and the agreement must include specific language required by California law.

According to the California Vehicle Code, a dealer needs to display a notice that is not less than eight inches high and ten inches wide in each office where numbers are discussed in the dealer's place of business that indicates the following information:

"THERE IS NO COOLING-OFF PERIOD UNLESS YOU OBTAIN A CONTRACT CANCELLATION OPTION"

California law does not provide for a "cooling-off" or other cancellation period for vehicle lease or purchase contracts. Therefore, you cannot later cancel such a contract simply because you change your mind, decide the vehicle costs too much, or wish you had acquired a different vehicle. After you sign a motor vehicle purchase or lease contract, it may only be canceled with the agreement of the seller or lessor or for legal cause, such as fraud.

However, California law does require a seller to offer a 2-day contract cancellation option on used vehicles with a purchase price of less than \$40,000, subject to certain statutory conditions. This contract cancellation option requirement does not apply to the sale of a recreational vehicle, a motorcycle, or an off-highway motor vehicle subject to identification under California law. See the vehicle contract cancellation option agreement for details.

What does this mean for the dealer?

The dealer must present to the consumer an agreement that the customer signs and contains the following:

- Buyer's name and address
 - Co-buyer's name and address
- Dealership's name and address
- Vehicle description:
 - Year
 - Make
 - Model
 - Vin
- Vehicle delivery date
- Contract cancellation purchase price (Based On the cash price of the vehicle)
 - Vehicle's price is \$5000 or less.
 - \$75
 - Vehicle's price is between \$5001 to \$10k.
 - \$150
 - Vehicle's price is between \$10001 to \$30k.
 - \$250
 - Vehicle's price is between \$30001 to \$39,999.
 - One percent of the vehicle's value
- Restocking fee – In the event the customer purchases the contract cancellation option, the dealer has the right to charge a restocking fee.
 - Vehicle's price is \$5000 or less.
 - \$175
 - Vehicle's price is \$5001 to \$10k.
 - \$350
 - Vehicles price is between \$10,001 to \$39,999.
 - \$500

- Important to note – Although the contract cancellation is not something the customer can seek a refund for, the restocking fee is an optional charge that the dealer can implement. The restocking fee typically goes towards use over the 2 day or 250-mile period that the customer has been in possession of the vehicle.
 - If the dealer charges a restocking fee, the total amount needs to be taken out of the existing charge for the contract cancellation agreement:
 - Example – If a customer purchases a contract cancellation for a \$10,000 vehicle, the total cost would be \$150. If a customer wants to return the vehicle, the restocking fee would be \$350. Therefore, since the customer already paid \$150, the remaining balance would be \$200.
- Odometer disclosure

It is important to disclose the date and time that the customer must return the vehicle if they choose to exercise their right to return the vehicle.

If the vehicle involved a trade:

If a trade-in vehicle was involved in a contract cancellation agreement for a used car purchase, the buyer typically has the option to either:

1. Cancel the entire transaction, including the trade-in, and receive a refund for any payments made or the return of their down payment and the trade-in vehicle.
2. Proceed with the cancellation of the purchase of the used car but keep the trade-in vehicle and any payments made towards the trade-in.

If the dealer sold the trade-in vehicle before the allotted time for the cancellation agreement, the dealer would still be required to honor the terms of the contract cancellation agreement. The dealer would need to refund the buyer the agreed-upon value of the trade-in as part of the refund process, even if the trade-in was no longer in the dealer's possession.

In the event that the dealer cannot provide a refund for the agreed-upon value of the trade-in, the buyer may be entitled to take legal action to recover the value of the trade-in. The buyer may want to consult with an attorney or file a complaint with the California Department of Motor Vehicles (DMV) to pursue their options.

If a customer returns a vehicle:

When a vehicle is returned under a contract cancellation agreement, the dealer should conduct a thorough inspection of the vehicle to assess its condition and any changes that may have occurred while it was in the buyer's possession.

The inspection should cover all aspects of the vehicle, including its mechanical, electrical, and safety systems, as well as its appearance and cleanliness. The dealer should look for any signs of damage or wear and tear that were not present at the time of the sale, such as dents, scratches, or stains.

If any issues are identified during the inspection, the dealer should address them before offering the vehicle for sale again. Depending on the nature and extent of the issues, the dealer may need to make repairs, replace parts, or lower the price of the vehicle to reflect its reduced value.

In addition to the inspection, the dealer should also complete any necessary paperwork to transfer ownership of the vehicle back to their possession. This may include updating the vehicle's registration and title, as well as any financing or insurance documents related to the sale.

When is a contract cancellation not required?

In California, dealers are not required to provide a contract cancellation agreement for certain types of used car purchases, including:

1. Sales of used cars for \$40,000 or more
2. Sales of used cars that are not primarily intended for personal, family, or household use, such as commercial or fleet vehicles.
3. Wholesale transactions
4. Powersports, motorcycles or RVs

However, even if a contract cancellation agreement is not required by law, some dealers may still offer this type of agreement as part of their sales policy to provide additional protection and flexibility to their customers. Buyers should carefully review their purchase agreement and any other documents provided by the dealer to understand their rights and options in the event of a cancellation.

Contract Cancellation Wrap Up:

- You need to offer the customer a 2 day/250-mile contract cancellation option. Failure to do so can be a misdemeanor crime and cause action against your dealer license.
- You need to have a sign posted at the dealership and any desk where numbers are discussed outlining the customers' rights.
- If a trade is involved, clearly mark it not for sale and make sure it is parked at the dealership until the allotted time has passed.
- Make sure to specify the date and time it can be returned if the customer exercises that right and what the cost of a restocking fee will be.
- Explain to the customer their options but use this opportunity to discuss with your customer the benefits of a service contract and how that may be more beneficial to them than a contract cancellation agreement.

Example of what a Contract Cancellation Option Looks Like:

Contract Cancellation Option Agreement - Used Motor Vehicle Only

Buyer Name: Garrett Thomas Eddings		Co-Buyer Name:	
Buyer's Address: 44547 La Paz Rd, Temecula, CA 92592			
Seller's Name: French Connection Auto Sales		Seller's Address: 28971 Old Town Front St Ste B, Temecula, CA 92580	
Vehicle Description	Year: 2019	Make: TOYT	Model: Prius Prime
VIN: JTDKARFP3K3108015			
Delivery Date: 05/01/20	Option Purchase Price: \$	Restocking Fee: \$	Odometer 14,191 miles

CONTRACT CANCELLATION OPTION TERMS AND CONDITIONS

- Who May Purchase the Cancellation Option.** Pursuant to California Law, this Contract Cancellation Option Agreement is available to Buyers who are purchasing a used vehicle having a purchase price of less than \$40,000 primarily for personal, family or household purposes and who have not returned a vehicle to the Dealership pursuant to such an Agreement during the past 30 days.
- Cost of Cancellation Option.** The Contract Cancellation Option Agreement Purchase Price listed above ("Option Purchase Price") is determined, in part, based upon the Cash Price of the Vehicle you are purchasing. **The Contract Purchase Price is non-refundable.**
- Cancellation Option Period.** You must exercise the option to cancel the Retail Purchase Order and/or Conditional Sale Contract on or before _____ am/pm on _____ and the miles driven after delivery of the vehicle to you cannot exceed _____ N/A Miles.
- Restocking Fee.** The amount of the Restocking Fee is determined, in part, based on the Cash Price of the Vehicle you are purchasing. Our Dealership will apply toward the Restocking Fee, the Optional Purchase Price paid by you for this Contract Cancellation Option. If you are exercising your right to purchase a vehicle that you were leasing, the amount of the Restocking Fee will be increased to include the amounts you would have been obligated to pay to the lessor pursuant to the lease contract upon termination of the lease. For excess mileage, unrepaired damage and excess wear and tear charges as follows: Excess Mileage Charge \$ _____ Unrepaired Damage \$ _____ Excess Wear and Tear \$ _____.
- How to Exercise Your Right to Cancel.** In order to exercise the right to cancel the Retail Purchase Order and/or Conditional Sale Contract, you must personally deliver the following items to our Dealership within the Cancellation Option Period:
 - A written notice signed by you exercising the right to cancel;
 - An original of this Contract Cancellation Option Agreement, the Vehicle Purchase Order and/or Conditional Sale Contract, and all related documents; All original vehicle titling and registration documents you received; The Restocking Fee listed above; and
 - The vehicle, which must be free of all liens and encumbrances (other than any lien or encumbrance created by or incidental to the Conditional Sale Contract or a loan arranged by our Dealership, or any purchase money loan obtained by you from a third party). In the same condition as when it was delivered to you, except for reasonable wear and tear and any mechanical problem that manifests or becomes evident after delivery that was not caused by you.
- Your Rights Upon Cancellation.** If you exercise your right to cancel the Retail Purchase Order and/or Conditional Sale Contract in accordance with the terms of this Agreement, the Dealership will provide a full refund of any amounts you have paid to the Dealership, less the purchase price for this Contract Cancellation Option Agreement, and return your trade-in vehicle to you.
- Condition of Vehicle at Delivery.** In order to avoid any misunderstandings concerning the condition of the vehicle should you exercise your right to cancel pursuant to this Agreement, please take a moment to inspect both the interior and exterior of the vehicle and ensure that any visible damage, cosmetic defect, and/or problem with a vehicle component is noted below. Please place your initials beside the appropriate statement.

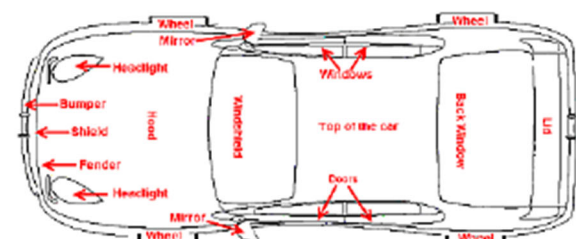
☐ Based upon my inspection of vehicle, I did not find any visible damage or cosmetic defect or problem with any of the vehicle components.

☐ Based upon my inspection of the vehicle, the following damage and/or cosmetic defects or problems with vehicle components existed prior to delivery:

Vehicle Damage Report

C - Chips
T - Tear
D - Dent
S - Scratch
M - Missing
G - Glass Damage

Additional Notes:



CUSTOMER ACKNOWLEDGEMENT AND AGREEMENT

By signing below, you acknowledge that you have read and understand the terms of this Contract Cancellation Option Agreement and you:

☐ Elect to purchase the contract cancellation option. ☐ Decline to purchase the contract cancellation option.

☒ Are not entitled to purchase the contract cancellation:

- ☐ The vehicle is being leased.
- ☐ The vehicle is being purchased primarily for business or commercial purposes.
- ☐ You have exercised your right to return a vehicle to this Dealership within the past 30 days.
- ☐ The vehicle is classified as a recreational vehicle under Health and Safety Code Section 18010.
- ☐ The vehicle is classified as a motorcycle under CA Vehicle Code Section 400.

Request to cancel purchase must be exercise before _____ on _____ and the Odometer Reading Cannot exceed _____ N/A miles. By signing below, I elect to exercise my right to cancel the purchase of the vehicle described in this Contract Cancellation Option Agreement.

Cancellation Date: _____ Time: _____ Vehicle Odometer Reading: _____ Miles

Buyer's Signature: _____ Co-Buyer's Signature: _____

Contract Cancellation Option Agreement	
Cash Price of Vehicle	Maximum Price
\$5,000 or less;	\$75
More than \$5,000 not more than \$10,000	\$150
More than \$10,000, not more than \$30,000	\$250
More than \$30,000, less than \$40,000	1% of Cash Price
\$40,000 or more; no requirement to offer option	

Restocking Fee	
Cash Price of Vehicle	Maximum Price
\$5,000 or less;	\$175
More than \$5,000, less than \$10,000	\$350
\$10,000 or more	\$500

Supplemental Form – Contract Cancellation Option Refused

Pro Tip:

I am a firm believer in supporting documentation when it comes to retail and that is why this form, although not required, is a great addition to what a car dealer should have when retailing a vehicle.

It allows your customer the opportunity to read and sign again understanding that they were offered this but have refused to purchase the contract cancellation option. Remember, customers get a copy of everything that they sign at the dealership.

CONTRACT CANCELLATION OPTION REFUSED OR UNAVAILABLE (Used Vehicle Priced Under \$40,000)

BUYER NAME(S) Garrett Thomas Eddings			DATE 05/01/2020	
ADDRESS 44547 La Paz Rd		CITY Temecula	STATE CA	ZIP 92592

YEAR 2019	MAKE TOYT	MODEL Prius Prime	VIN JTDKARFP3K3108015
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I/We, the undersigned, acknowledge the following

☐
Initial

I/We was/were offered, but choose not to purchase a contract cancellation option agreement. I/We understand that California law does not provide for a "cooling off" or other cancellation period for used vehicle purchases unless I/we obtain a contract cancellation option.

☐
Initial

I/We am/are not entitled to purchase a contract cancellation option agreement because I/we have previously exercised my/our right to return a vehicle to this selling dealership within the last 30 days.

OR

The above described used vehicle does not qualify for a contract cancellation option for the following reason(s):

- ☐ The vehicle is being leased.
- ☐ The vehicle is being purchased primarily for business or commercial purposes.
- ☐ The vehicle is classified as a recreational vehicle pursuant to Health and Safety Code section 18010.
- ☐ The vehicle is classified as a motorcycle pursuant to Vehicle Code section 400.

Buyer Signature: _____ Date: _____
Co-Buyer Signature: _____

Pre-Contract Disclosure/Optional Products and Services Disclosure

An Optional Products and Service Disclosure form is a document that California car dealers are required to provide to customers to disclose any optional products or services that are being offered for sale in connection with the purchase or lease of a vehicle. This form is required under California law to ensure that consumers have a clear understanding of the cost and value of any additional products or services that they may be purchasing.

The disclosure form is beneficial to consumers because it allows them to make informed decisions about their purchase and avoid any unexpected or unnecessary costs. The form lists the optional products and services that are available for purchase, along with the cost of each item and a brief description of what it covers.

The following items are required to be listed on the Optional Products and Service Disclosure:

1. GAP Waiver or similar debt cancellation agreement
2. Service contract or extended warranty
3. Prepaid maintenance plan
4. Appearance protection product
5. Theft deterrent product
6. Vehicle protection product
7. Contract cancellation agreement
8. Key replacement product
9. Etching product
10. Tire and wheel protection product

If a customer does not receive an Optional Products and Service Disclosure form from the dealer, they may be able to cancel any optional products or services for which they were charged. The customer may also be able to take legal action against the dealer for failing to provide the required disclosure.

Let us look more in depth to each of these items:

GAP Insurance

GAP insurance is an optional type of auto insurance that covers the difference, or "gap," between the amount that a driver owes on their car loan or lease and the actual cash value of the vehicle if it is totaled or stolen. GAP is short for Guaranteed Asset Protection, and it can be a great item for customers to purchase at your dealership. Let us look at both sides.

The pros of GAP insurance are:

1. Protects against monetary loss: If a car is totaled or stolen, the insurance payout may not cover the full amount owed on the loan or lease. GAP insurance protects against this monetary loss.
2. Affordable: GAP insurance is often relatively inexpensive compared to other types of auto insurance.
3. Provides peace of mind: Knowing that you have gap insurance can give you peace of mind, especially if you have a large car loan or lease.

The cons of GAP insurance are:

1. Limited coverage: GAP insurance only covers the difference between the loan or lease amount and the actual cash value of the vehicle. It does not cover other expenses, such as repairs or medical bills.
2. Not always necessary: GAP insurance may not be necessary if you have a small loan or lease, or if you have a large down payment on the vehicle.

GAP insurance is beneficial for car dealers to offer to their clients because it can help protect the dealership's monetary interests. If a customer's vehicle is totaled or stolen and they owe more on their loan or lease than the car is worth, the dealership may not be able to recoup the full amount owed. By offering GAP insurance, dealerships can help ensure that they receive the full amount owed, which can reduce their financial risk and help them stay in business. Additionally, offering GAP insurance can be a selling point for customers who are looking for added protection and peace of mind.

Service Contracts

We talked about service contracts earlier in class, however, let us do another brief overview.

A service contract, also known as an extended warranty, is an optional contract offered by car dealerships that provides additional coverage for certain repairs and services beyond the manufacturer's warranty. Service contracts typically cover major vehicle components, such as the engine, transmission, and electrical systems, and may include additional benefits like roadside assistance and rental car reimbursement.

Customers who buy used cars should consider service contracts because they provide added protection and peace of mind against unexpected repair costs. Used cars are more likely to require repairs than new cars, and the cost of these repairs can add up quickly. A service contract can help mitigate these costs and provide customers with confidence that their vehicle is covered if something goes wrong.

For dealerships, selling service contracts is beneficial because it can help increase their revenue and increase customer satisfaction. Service contracts are typically sold at a markup, meaning that dealerships can earn additional profit on each sale. Additionally, offering service contracts can help build trust and loyalty with customers by providing them with added value and protection. This can lead to repeat business and positive word-of-mouth referrals.

It is important for customers to carefully review the terms and conditions of a service contract before purchasing, as not all service contracts are created equal. Some contracts may have restrictions or exclusions that limit coverage or may only cover certain types of repairs. Customers should also be aware of the length of coverage, the deductible amount, and any other fees or costs associated with the contract.

Pre-Paid Maintenance Plan

A prepaid maintenance plan is an optional service offered by car dealerships that provides customers with scheduled maintenance services at a discounted rate. Typically, customers pay upfront for a set number of maintenance visits or a specific time period, such as three years or 30,000 miles. Maintenance services may include oil changes, tire rotations, brake inspections, and other routine services.

There are several benefits for customers to purchase a prepaid maintenance plan when they buy a used car from a dealer:

1. **Convenience:** Prepaid maintenance plans provide customers with a convenient way to keep their car in good condition, without having to worry about scheduling and paying for individual services as they come up.
2. **Cost savings:** Prepaid maintenance plans typically offer a discounted rate compared to paying for each service individually, which can save customers money over time.
3. **Peace of mind:** By purchasing a prepaid maintenance plan, customers can have peace of mind knowing that their car is receiving regular maintenance and that any potential issues will be caught early.
4. **Increased resale value:** A car with a documented history of regular maintenance may have a higher resale value than one that does not, making a prepaid maintenance plan a good investment for customers who plan to resell their car in the future.

Overall, a prepaid maintenance plan can be a smart investment for customers who want to keep their used car in good condition and save money on routine maintenance services. It can also provide peace of mind and potentially increase the resale value of the vehicle. If a dealership offers repairs of any kind, even going as far as to refer a customer for work at another shop, the dealership must have a BAR License.

BAR License

In California, if a dealership performs repairs, they must have a valid Automotive Repair Dealer license issued by the Bureau of Automotive Repair (BAR). This license is required for businesses that perform any type of repair work on vehicles, including mechanical, electrical, or body repairs.

To obtain a BAR license in California, there are several requirements that must be met. These include:

1. **Completing a BAR-approved training program:** All individuals who perform repairs for the dealership must complete a BAR-approved training program in automotive repair.
2. **Passing a written examination:** All individuals who perform repairs for the dealership must pass a written examination administered by the BAR.
3. **Meeting business requirements:** The dealership must meet all business requirements set forth by the BAR, including having a valid business license, insurance, and a properly equipped repair facility.
4. **Paying applicable fees:** The dealership must pay all applicable fees associated with obtaining and maintaining a BAR license.

A BAR license is beneficial for a dealership in California because it demonstrates to customers that the dealership is licensed, trained, and qualified to perform repairs on their vehicles. It also provides customers with the assurance that their vehicle is being repaired by professionals who are accountable to the state regulatory agency. Additionally, having a BAR license can help a dealership stand out from its competitors and attract more customers who value quality repairs and professional service.

Vehicle Appearance/ Protection Plan

A vehicle appearance/protection plan is an optional service that dealerships may offer to customers to protect the appearance of their vehicle. This can include various services such as paint and fabric protection, rustproofing, windshield protection, and more. These plans typically come at an additional cost and can be added to a customer's purchase price or financed into their auto loan.

The benefits of a vehicle appearance/protection plan for a customer include:

1. **Maintaining the appearance of the vehicle:** By protecting the exterior and interior of the vehicle, customers can help to preserve its appearance and protect its resale value.
2. **Ease of maintenance:** By protecting the vehicle's surfaces, it can make cleaning and maintenance easier, saving the customer time and effort.
3. **Protection from environmental factors:** Services such as rustproofing and paint protection can help to protect the vehicle from environmental factors such as salt, moisture, and UV rays, which can cause damage over time.
4. **Potential cost savings:** By preventing damage from occurring, a vehicle appearance/protection plan can potentially save the customer money on costly repairs or replacements.

Overall, a vehicle appearance/protection plan can be a good investment for customers who want to protect their investment and keep their vehicle looking its best. It can potentially save the customer money on repairs and maintenance while also helping to preserve the resale value of the vehicle.

Vehicle Etching/ Key, Wheel, Tire Replacement

Vehicle etching is a process where a unique identification number is etched onto the windows of a vehicle, making it more difficult for thieves to steal and sell the vehicle. This process can deter thieves and may help to recover the vehicle if it is stolen.

Key, wheel, and tire replacement plans are optional services that dealerships may offer to customers to protect their investment in the vehicle. Key replacement plans offer coverage for lost or damaged keys, while wheel and tire replacement plans offer coverage for damage to wheels and tires caused by road hazards.

The benefits of purchasing these optional items when buying a used car from a dealership include:

1. **Theft prevention:** Vehicle etching can deter thieves and may make the vehicle less attractive to steal.
2. **Peace of mind:** Key, wheel, and tire replacement plans can offer customers peace of mind knowing that they are protected from unexpected and costly repairs.
3. **Cost savings:** By purchasing these optional plans, customers can potentially save money on repair and replacement costs over the life of the vehicle.
4. **Convenience:** Key, wheel, and tire replacement plans can offer customers convenient solutions for unexpected issues that may arise with their vehicle.

Overall, while these optional plans come at an additional cost, they can provide customers with added protection and peace of mind knowing that their investment is safeguarded. It is important for customers to carefully consider these options and weigh the costs and benefits before making a decision.

Optional Products and Services Disclosure forms provide transparency to a used car deal that allow the customer to know exactly what they are paying for an itemized list of those products and lets the customer know what it would cost with or without the products being offered.

Some of the benefits to dealerships that offer services like this, beyond an increase in revenue, can be offsetting some of the costs that come with financing a customer that has subprime credit. Customers with subprime credit will often receive discount fees that are extended to a dealership on behalf of the financial institution that they use during the financing process. In the next section, we will talk about financing and what forms are involved with that.

In addition to the optional goods and services, the form also outlines other miscellaneous charges that are included with the deal that are not options. Things like:

- Cash Price of Additional Accessories
- Electronic Vehicle Registration or Transfer Charge
- Document Processing Charge (Doc Fees)
- Emissions Testing Charge
- Prior Credit or Lease Balance

This form must be signed and dated by the customer and the customer must receive a copy.

Example of an Optional Products and Services Disclosure Form:

Pre-Contract Disclosure – Retail Installment Sale Contract

Buyer's Name:	Garrett Thomas Eddings	Co-Buyer's Name:		Contract Date:	05/01/2020
Buyer's Address:	44547				
Vehicle Description	Year: 2019	Make: TOYT	Model: Prius Prime	VIN:	JTDKARFP3K3108015

OPTIONAL GOODS AND SERVICES

<input type="checkbox"/> Optional Service Contract(s):		
1.		\$ N/A
2.		\$ N/A
3.		\$ N/A
4.		\$ N/A
5.		\$ N/A
<input type="checkbox"/> Optional Debit Cancellation Agreement (GAP):		
1.		\$ N/A
<input type="checkbox"/> Optional Theft Deterrent Device(s):		
1.		\$ N/A
2.		\$ N/A
3.		\$ N/A
<input type="checkbox"/> Optional Surface Protection Products(s):		
1.		\$ N/A
2.		\$ N/A
<input type="checkbox"/> Optional Vehicle Contract Cancellation Option Agreement:		
1.		\$ N/A
<input type="checkbox"/> Optional Insurance Product:		
1.		\$ N/A
		Total \$ N/A
		Installment Payment Excluding Listed Items \$ 334.92
		Installment Payment Including Listed Items \$ 334.96

The above installment payments include the items described above, the price of the vehicle, government fees and taxes, finance charges, and the following additional charges:

OTHER GOODS, SERVICES AND MISCELLANEOUS CHARGES

<input type="checkbox"/> Cash Price of Additional Accessories	\$ N/A	<input checked="" type="checkbox"/> Document Processing Charge	\$ 70.00
<input checked="" type="checkbox"/> Electronic Vehicle Registration or Transfer Charge	\$ 338.00	<input type="checkbox"/> Emissions Testing Charge	\$ N/A
<input type="checkbox"/> Other (Nontaxable)		<input type="checkbox"/> Prior Credit or Lease Balance	\$ N/A
1.	\$	<input type="checkbox"/> Other (to whom paid)	\$
2.	\$	For:	

BY SIGNING BELOW, YOU ACKNOWLEDGE:

- All of the charges described above will be included in the retail installment sale contract accompanying the purchase of the above described vehicle.
- The goods and services are not required as a condition to obtaining financing terms.
- This document was presented to you prior to signing the retail installment sale contract and you consent to including all the above charges in the retail installment sale contract.

Buyer's Signature: _____ Co-Buyer's Signature: _____ Date: 05/01/2020

Privacy Policy

The Gramm-Leach-Bliley Act (GLBA), also known as the Financial Services Modernization Act, is a federal law that regulates the collection, use, and disclosure of personal financial information by financial institutions, including car dealerships that provide financing and insurance products to their customers.

The Safeguards Rule is a part of the GLBA that requires financial institutions to develop, implement, and maintain a comprehensive information security program to protect customer information. The Safeguards Rule requires financial institutions to assess risks to customer information, design and implement a safeguard program to mitigate those risks, and regularly monitor and test the effectiveness of those safeguards.

Car dealerships in California are subject to the GLBA and the Safeguards Rule if they provide financing or insurance products to their customers. This means that dealerships must have a comprehensive information security program in place to protect customer information, including physical, administrative, and technical safeguards to prevent unauthorized access to customer information.

Under the Safeguards Rule, car dealerships must:

1. Designate one or more employees to coordinate the information security program.
2. Conduct a risk assessment to identify potential risks to customer information.
3. Develop and implement a written information security program that includes administrative, technical, and physical safeguards to protect customer information.
4. Regularly monitor and test the effectiveness of the safeguards and make necessary changes to the program.

Overall, car dealerships in California must comply with the GLBA and the Safeguards Rule to protect their customers' personal and financial information. This includes developing and maintaining a comprehensive information security program that addresses potential risks and safeguards customer information.

Example of a Privacy Policy

FACTS			WHAT DOES French Connection Auto Sales DO WITH YOUR PERSONAL INFORMATION?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.			
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> ■ Social Security number and income ■ account balances and payment history ■ credit history and credit scores 			
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons the dealership chooses to share; and whether you can limit this sharing.			
Reasons we can share your personal information	Does the dealership share?	Can you limit this sharing?		
For our everyday business purposes—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	<input type="checkbox"/>	<input type="checkbox"/>		
For our marketing purposes—to offer our products and services to you	<input type="checkbox"/>	<input type="checkbox"/>		
For joint marketing with other financial companies	<input type="checkbox"/>	<input type="checkbox"/>		
For our affiliates' everyday business purposes—information about your transactions and experiences	<input type="checkbox"/>	<input type="checkbox"/>		
For our affiliates' everyday business purposes—information about your creditworthiness	<input type="checkbox"/>	<input type="checkbox"/>		
For our affiliates to market to you	<input type="checkbox"/>	<input type="checkbox"/>		
For nonaffiliates to market to you	<input type="checkbox"/>	<input type="checkbox"/>		
To limit our sharing	<ul style="list-style-type: none"> ■ Call: (951) 297-7477 ■ Visit us online: https://frenchconnectionauto.com ■ Mail the form below <p>Please note:</p> <p>If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice.</p> <p>However, you can contact us at any time to limit our sharing.</p>			
Questions?	Call (951) 297-7477 or go to https://frenchconnectionauto.com			

Mall-In Form

Leave Blank OR

If you have a joint account, your choice(s) will apply to everyone on your account unless you mark below.

☐ Apply my choices only to me

Mark any/all you want to limit:

- ☐ Do not share information about my creditworthiness with your affiliates for their everyday business purposes.
- ☐ Do not allow your affiliates to use my personal information to market to me.
- ☐ Do not share my personal information with nonaffiliates to market their products and services to me.

Name	Garrett Thomas Eddings	Mail to:
Address	44547 La Paz Rd	French Connection Auto Sales
City, State, Zip	Temecula, CA 92592	28971 Old Town Front St
		Temecula, CA 92590

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Who we are

Who is providing this notice?

French Connection Auto Sales

What we do

How does the dealership protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

How does the dealership collect my personal information?

We collect your personal information, for example, when you

- Contact us
- Purchase a vehicle

We also collect your personal information from other companies.

OR

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes—information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

What happens when I limit sharing for an account I hold jointly with someone else?

Your choices will apply to everyone on your account.

OR

Your choices will apply to everyone on your account—unless you tell us otherwise.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

Other Important Information

Used Vehicle History Disclosure Form

The Used Vehicle History Disclosure form is a document required for used car sales by dealerships in California. The form is designed to provide customers with information about the vehicle's history, such as whether it has been involved in any accidents, if it has any lines, if it has ever been salvaged or rebuilt, or if it has had any major repairs.

The Used Vehicle History Disclosure form is required by law to be provided to customers before they purchase a used vehicle from a dealership in California. The purpose of this requirement is to ensure that customers are fully informed about the condition and history of the vehicle they are purchasing, and to protect them from any misrepresentation or fraud by the dealership.

By providing customers with a comprehensive history of the used vehicle they are considering purchasing, the Used Vehicle History Disclosure form allows customers to make an informed decision about whether to proceed with the purchase or not. It also helps customers to identify potential problems with the vehicle that may affect its value or safety.

Overall, the Used Vehicle History Disclosure form is an important tool for protecting customers and promoting transparency in the used car sales process. It allows customers to make informed decisions about their purchases and helps to prevent fraud and misrepresentation by dealerships.

VEHICLE HISTORY DISCLOSURE			
Dealership Name: French Connection Auto Sales		Customer Name: Garrett Thomas Edings	
Vehicle Description: Year: 2019		Make: TOYT	Model: Prius Prime
		VIN: JTDKARFP3K3108015	
The purpose of this Vehicle History Disclosure is to ensure that you have been advised about the prior use, title and/or damage history of the above-described vehicle. Our Dealership understands that this is information you want to know in making your decision to purchase/lease a vehicle. We also want to make sure that there are no misunderstandings between us regarding the vehicle of your purchase/lease transaction. Please ask us if you have any questions regarding the information provided below.			
Section I: Prior Use Disclosure - The vehicle you are purchasing/leasing was previously used as a:			
<input type="checkbox"/> Unregistered Dealer Demonstrator	<input type="checkbox"/> Dealer Service Vehicle	<input type="checkbox"/> Dealer Rental Vehicle	
<input type="checkbox"/> Dealer Registered Vehicle	<input type="checkbox"/> Dealer Loaner Vehicle	<input type="checkbox"/> Publically Owned Vehicle	
<input type="checkbox"/> Prior Rental Vehicle	<input type="checkbox"/> Prior Lease Vehicle	<input type="checkbox"/> Unregistered Factory Executive Vehicle	
<input type="checkbox"/> Previous Delivery. Part or all of the mileage on the odometer of this vehicle resulted from previous delivery to a retail purchaser/lessee who never took title to the vehicle.			
Section II: Certificate of Title Brands/Notations - Title Brands vary from state to state and provide important information about the history of a vehicle. The Certificate of Title for the above-described vehicle contains the following brand or notation:			
<input type="checkbox"/> Original Police or Prior Police	<input type="checkbox"/> Original Taxi or Prior Taxi	<input type="checkbox"/> Remanufactured	
The vehicle was used "For Hire" and may have high mileage.	The vehicle was used by law enforcement and may have high mileage.	This vehicle was constructed by a licensed remanufacturer and consists of used or reconditioned parts.	
<input type="checkbox"/> Lemon Law Buyback	<input type="checkbox"/> Gross Polluter	<input type="checkbox"/> NON-USA	
This vehicle was repurchased by its manufacturer due to a defect in the vehicle pursuant to consumer warranty laws. The title to this vehicle has been permanently branded with the notification "Lemon Law Buyback".	This vehicle has been classified as a "Gross Polluter." The vehicle's emission control system must be tested annually-for up to five years by a State "Test-Only" facility. Annual testing and the cost of necessary repairs, if any, will be your responsibility.	This means the vehicle was manufactured for use and sale outside the United States and has been converted to meet Federal and California safety and emissions standards.	
<input type="checkbox"/> Junk/Salvage/Insurance Salvage	<input type="checkbox"/> Revived Salvage Vehicle	<input type="checkbox"/> Other	
This means the vehicle was involved in an accident or incurred considerable damage from another source, such as a flood or vandalism.	This means a salvage vehicle has been repaired and registered with the Department of Motor Vehicles.	N/A	
Section III: Prior Damage: It is our policy to advise you if a vehicle has sustained "material damage" of which we have knowledge before you enter into a contract to purchase or lease the vehicle. In the case of a new vehicle, "Material Damage" has the meaning set forth in California Vehicle Code Section 9990. The above-described vehicle has sustained the following material damage, which has been repaired and does not affect any warranties unless otherwise indicated in Section IV.			
N/A			
Section IV: Status of Warranty: The title, prior use and/or damage history described in this Disclosure does not affect any warranties provided in connection with the vehicle unless otherwise indicated in this Section IV.			
N/A			
If this box is marked, the balance of the Manufacturer's Limited Warranty applies. The In-service date for this vehicle was _____ This means that the Manufacturer's Limited Warranty began to run on this date. You will receive the balance of the Manufacturer's Limited Warranty remains.			
By signing below, you acknowledge that you read this Vehicle History Disclosure before you entered into the Retail Purchase Agreement/Retail Lease Agreement and accepted delivery of the vehicle. You further acknowledge that all of your questions regarding the vehicle's history and its effect on any warranty provided by our Dealership or the Manufacturer of the vehicle have been answered.			
Customer Signature:	Date:	Authorized Dealership:	Date: