

USED CAR DEALERS ASSOCIATION OF ONTARIO
 230 NORSEMAN STREET, TORONTO, ONTARIO M8Z 6A2
 TEL: (416) 231-2600 or 1-800-268-2598 • INTERNET: www.ucda.org



www.ucda.org
 February 2011
 Vol. 24 No. 01

BILLS OF SALE IN COLOUR!!

The UCDA has introduced Canada's 1st Motor Vehicle Bill of Sale printed in full colour.

Plainly stated, they look professional ... and are!!

Members can have their sales contracts printed with their dealership name and/or logo presented just as it appears in their signage and advertising.

When we discovered that we had a method that could carry the dealership's image right to the point of sale, we researched it with a group of members to get their reaction.

And did we hear from them:

"This should have been done 30 years ago" said Mark Keenan, Erin Dodge Chrysler. "The colour jumps right out at you."

"Absolutely fantastic, it makes our contracts look so much better for our customers" said John Strickland at Strickland's Auto Mart.

"The full colour contracts are really well done.

I like how crisp and clear the logo is ... they stand out." Scott Davidson of Stop 23 Auto Sales.

And from Brian Kroetsch of Quality Car Sales in Kitchener ... "It's a really great idea, I want to give the white copy to the customer now."

Quality Printing

The unique printing process provides a superior quality print that requires high resolution eps format images. Where eps images are not readily available, we'll work with a member to find a solution.

Pricing

Although the Coloured Bills of Sale use a special type of paper and a complex printing process, prices are only marginally above the standard black and white contracts. The one time colour logo charge of \$35 is only \$5 higher than B&W.

Delivery Times

Orders will take a little longer to complete, as the printing and assembly process is much more complicated than regular contracts. That said, orders are expected to be available in less than 10 days after approval.



(NAME OF DEALER)



SERVING K-W SINCE 1980

QUALITY CAR SALES INC.
 241 Manitou Drive, Kitchener, On N2C 1L4
 Tel: 519-895-0886 • Fax: 519-895-1410
 www.qualitycarsales.com
 qualitycarsales@rogers.com

SERVING K-W **30** YEARS
 1980-2010

UCDA USED VEHICLE BILL OF SALE

DAY	MONTH	YEAR

PURCHASER'S INFORMATION				VEHICLE INFORMATION					
PURCHASER'S NAME:	FIRST	MIDDLE INITIAL	LAST	YEAR	MAKE	MODEL	TRIM LEVEL	COLOUR	STOCK #

OMVIC Advertising Guidelines In Brief

What's in a Name?

Ads **must include** the dealer's name and business telephone number *clearly and large enough to be easily read*, or if space is limited in a classified ad you can use the word "Dealer"

All-in Pricing

When you advertise a vehicle price, the price **must** include all fees (like safety, e-test, admin. fees, freight, pdi, pde) except HST and the cost of licencing, e.g. "tax and licencing extra".

"Used" Vehicles

If the vehicle advertised is not new and is the current or previous model year, the ad must say "Used".

"As is"

If you have a car that you don't plan to recondition, certify, e-test or guarantee, you may consider selling it "as is". When price advertising an "as is" vehicle, the ad must **clearly** state:

"This vehicle is being sold "as is", unfit, not e-tested and is not represented as being in a road worthy condition, mechanically sound or maintained at any guaranteed level of quality. The vehicle may not be fit for use as a means of transportation and may require substantial repairs at the purchaser's expense. It may not be possible to register the vehicle to be driven in its current condition."

Dealers are required to provide all the OMVIC disclosures on the sale of an "as is" vehicle.

Vehicles advertised without certification or e-test

This is not the same as an "as is" sale. You know enough about the vehicle to have a good idea what it will cost to certify, e-test and have responsibility for its basic suitability as a means of transportation. When advertising a vehicle for a price that does not include safety certification and/or e-testing, the ad must **clearly** state:

"Vehicle is not drivable, not certified and not e-tested. Certification and e-testing available for \$xxx."

If you offer safety and/or e-test services, the cost must be in the above statement and it must not be a **mandatory** charge ... the purchaser must have the right to purchase it without a safety. **Such vehicles may not be sold at or above the advertised price using the "as is" clause on the bill of sale.**

As with "as is" sales, dealers are required to provide all the OMVIC disclosures on these sales.

Daily Rentals etc.

If the vehicle was a previous daily rental (not previously owned by a consumer), an emergency service vehicle or a taxi/limousine this must be **clearly and prominently** stated.

Credit

If you're offering financing, the *Consumer Protection Act, 2002* requires APR, term, cash price and cost of borrowing be disclosed in advertised credit offers. If offering a variety of credit options, a representative example may be used.

Leases

If you're offering vehicles for lease, the *Consumer Protection Act, 2002* requires the ad disclose: that the offer is a lease, the payments, the term, APR, start and end of lease obligations and kilometre allowances. If offering a variety of lease options, a representative example may be used.

Contact the the UCDA Help Line at (416) 231-2600 or 1 (800) 268-2598 for assistance.

LIEN SEARCH HOURS

**Monday to Friday
9:00 AM to 8:00 PM**

**Saturday
9:00 AM to 5:00 PM**

416.599.7412 or 1.800.668.8265

Fax : 416.232.0775 or

www.ucdasherches.com

Drive Check ... Surprising Results

Drive Check, UCDA's driver licence search, has only been available for a month and the early results were alarming to some of the dealers that did searches.

"We checked 50 of our staff and found 2 that had suspended or expired driver's licences" said one member. Another member found 4 staff out of 19 had problems, 2 with expired licences and 2 suspended "apparently they don't always tell us when they've had a problem, I am checking them every 3 months from now on" he said.

Drive Check is not an expensive driver's abstract. But it tells you if the licence is valid, valid with restrictions or not valid. It does not provide details or any personal information.

In the first month, 6% of the driver's licences checked were found to have a problem. As of last December, if someone is driving your vehicle with an invalid licence, apart from whatever action is taken against that person, your car can be seized for 7 days.

Drive Check is available at ucdasearches.com and is only \$3.00. For more information call the UCDA.

Hiring a New Salesperson

Members are reminded that a new salesperson is not allowed to sell vehicles until they have registered for the OMVIC course and passed the test, submitted their application to OMVIC and have received their "Salesperson's" Licence.

As has happened, an unregistered salesperson "on the floor" could personally be subject to a minimum fine of \$2,500.00. It is likely that the dealership would also be fined the same amount for employing the unregistered salesperson.

A number of members have told of the difficulties they have when looking to hire a salesperson who is new to the industry. We believe OMVIC is aware of the issue.

You can check the status of a sales registration at www.omvic.on.ca under Dealers/Salespersons.

No lien search ... another sad tale

Once again, unfortunately, here's a story about the dangers of not doing a lien search.

A member recently took a truck as a trade-in from a small business against the sale of a new vehicle.

The business owner disclosed a lien from the original financed purchase of the vehicle and that lien was paid out and discharged.

Deal done. Everyone's happy. Customer drives away and is using the truck.

But not so fast ... the member later wholesaled the trade-in and the wholesale buyer did a lien search. A very wise move, as it turned out, because it revealed a second lien that the original owner of the truck may not even have been aware of, registered by the provincial Ministry of Revenue, for unpaid sales tax.

The wholesaler obviously returned the vehicle for a full refund and the dealer that took the truck on trade is now left trying to get the lien cleared by an uncooperative business customer.

The ability of the dealer to enforce the debt by registering a lien of their own on the new truck is hindered because the purchase was financed by the manufacturer's financing company. They would look none too kindly on the dealer registering a second lien on the vehicle. In any event, the dealer's right to be paid under a secondary lien would be second in line to the financing lien anyway, so the dealer could not act to repossess it.

A lien search when appraising the trade-in would have avoided all of this.

We hear stories like this far too frequently. There's just no reason that this type of thing should happen, when all members have easy access to inexpensive lien searches on-line, by phone or by fax. Contact the UCDA for more information or visit www.ucdasearches.com to perform lien searches as well as Auto Check™ searches, Vehicle History Searches and Carfax™ reports.

ZERO Tolerance MEANS ... ZERO

Canadian Autoworld Magazine recently reported on OMVIC's "Zero tolerance enforcement policy". Members are finding out just what zero tolerance means.

The article reported that in 2010, 356 charges were laid as a result of non-compliance with the MVDA. About 150 of those charges were for advertising violations alone!

Compliance with "Trade-ins"

Recently, we became aware that OMVIC are now looking at non-compliance with the customer disclosure requirements on trade-ins.

As a result of a routine inspection, OMVIC determined that a dealer did not have a completed "disclosure statement" for a trade-in. We aren't certain if one had even been partially completed.

This was not a case of non-disclosure on a sale, in fact no consumer harm was alleged; the dealer simply could not prove that ALL the statements required to be obtained from the customer trading in his vehicle were sought.

When the UCDA designed its "Customer Information, Appraisal & Disclosure for Trade-in Vehicles" Form it was for just this reason ... no dealer can be expected to remember all the questions that need to be asked, much less document the answers, without a properly drafted, comprehensive form.

OMVIC's Director of Investigations made it clear, in Remarketing News, that OMVIC has adopted a "tough love" approach with non-compliant dealers. He went on to say "if there was a violation, even in a minor way, the dealer got a summons". In OMVIC's view this is a very effective way to get wide spread compliance very quickly.

It appears that OMVIC has moved their search for compliance beyond advertising and into dealers' files.

Let the UCDA help you make sure your files are complete. Please call the UCDA help line anytime you need further information on this or any issue.

Criminal Code Amendments & VINs

The Federal Government has just passed some significant changes to the *Criminal Code* into law. One of them touches on motor vehicle identification numbers (VINs).

The "Tackling Auto Theft and Property Crime Act" does not only create a new separate criminal offence for "theft of a motor vehicle", but it also makes it an offence to interfere in any way with a VIN.

The *Criminal Code* already makes it an offence to possess a vehicle or part of a vehicle with an obliterated, altered or removed VIN, if it is property known to be derived from a crime ie. possession of stolen property.

The new offence

This new offence quite explicitly makes it a criminal offence to "tamper" with a VIN in a manner that "without lawful excuse, wholly or partially alters, removes or obliterates a vehicle identification number on a motor vehicle."

The punishment

If found guilty of this new offence, jail for as much as 5 years in the worst case.

The exception

It is not a crime to wholly or partly alter, remove or obliterate a VIN if it's done for regular maintenance, repair or legitimate modifications on the vehicle.

"Out of Province Lien Searches"

\$5.00 per search	Alberta, Quebec, Northwest Territories, Nunavut
\$8.00 per search	Manitoba, Saskatchewan, Yukon
\$10.00 per search	British Columbia, Nova Scotia, New Brunswick, P.E.I., Newfoundland

Online: www.ucdasherches.com

By Phone: 416-599-7412 or 1-800-668-8265

By Fax: 416-232-0775 or 1-800-260-6207