

## Changes to the FTC Buyers Guide By ADR Staff

The Federal Trade Commission (FTC) has issued the Final Rule regarding modifications to the Used Car Rule. The Used Car Rule, formally known as the Used Motor Vehicle Trade Regulation Rule, has been in effect since 1985 and requires car dealers to display a window sticker, known as a Buyers Guide, on the used cars they offer for sale. The Buyers Guide discloses whether the dealer offers a warranty and, if so, its terms and conditions, including the duration of the coverage, the percentage of total repair costs the dealer will pay, and which vehicle systems the warranty covers.

The modifications have been under development since December 2012 and were shaped by comments from both consumer and industry groups. The Final Rule adopts the following proposals:

- Adding a Buyers Guide statement recommending that consumers obtain a vehicle history report (VHR), and directing them to an FTC website for more information about VHRs and safety recalls.
- Revising the Buyers Guide statement describing the meaning of an “As Is” sale in which a dealer offers a vehicle for sale without a warranty.
- Adding boxes to the front of the Buyers Guide where dealers can indicate additional warranty and service contract coverage.
- Adding a Spanish statement to the English Buyers Guide advising consumers to ask for a copy of the Buyers Guide in Spanish if the dealer is conducting the sale in Spanish (and providing a Spanish translation of the optional consumer acknowledgment of receipt of the Buyers Guide).
- Adding air bags and catalytic converters to the list of major defects on the back of the Buyers Guide.

The changes to the Used Car Rule are effective January 28, 2017. **Dealers may use remaining stocks of the version of the Buyers Guide in effect prior to the effective date for up to one year, i.e. until January 28, 2018.** Dealers who are using existing stock and choose to disclose the applicability of a non-dealer warranty, must add the following as applicable below the “Full/Limited Warranty” disclosure: “Manufacturer’s Warranty still applies. The manufacturer’s original warranty has not expired on the vehicle;” OR, “Manufacturer’s Used Vehicle Warranty Applies;” OR “Other Used Vehicle Warranty Applies;” followed by the statement : “Ask the dealer for a copy of the warranty document and explanation of warranty coverage, exclusions, and repair obligations.”

OIADA intends to begin shipping the new Buyers Guide on or about March 1, 2017. Dealers who rely on a DMS to produce Buyers Guides may wish to confirm with their software vendor that the appropriate changes are forthcoming.