

Used Car Rule

Description:

Formally titled “Used Motor Vehicle Trade Regulation Rule”, the Rule was developed under the FTC’s authority to regulate Unfair and Deceptive Acts or Practices (UDAP). The Rule was designed to prevent dealers from misrepresenting the mechanical condition of a used vehicle as well as the terms of any warranty offered. The Rule also requires dealers to disclose, prior to sale, that a used vehicle is sold without any warranty, and to make available the terms of any written warranty.

Dealer Relevancy:

- Requires FTC “As Is” Buyer’s Guide be posted prominently and conspicuously in the vehicle prior to offering it for sale.
- Requires specific disclosure in sales contract.
- If sale is conducted in Spanish, a Spanish language Buyer’s Guide must be posted and the sales contract disclosure must be in Spanish.
- Applies to used vehicles with a GVWR of less than 8,500 pounds, a curb weight of less than 6,000 pounds, and a frontal area of less than 46 square feet.
- Motorcycles, agricultural equipment, and vehicles sold for scrap are exempted.

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Covered entities:

All dealers

Rulemaking Authority:

FTC