

TWO-YEAR RENEWAL OPTION

For your convenience, beginning with January 1999 renewals, you will have the option of "renewing for two". The materials you receive with your renewal package include instructions and fees if you would like to take advantage of this option.

Also, beginning in January, your sales staff will no longer be required to complete a "Criminal History Check Data Form" (MVB 21) when renewing their licenses. Initial applicants must still complete one of these forms. Board staff will continue to run background checks on renewal applications,

HOLIDAY HOURS!

In observance of the upcoming holidays, Governor Gilmore has authorized state agencies, including the Dealer Board, to close on the following dates:

December 23, 1998:	Open 1/2 day
December 24, 1998:	Closed
December 25, 1998:	Closed
December 31, 1998:	Closed
January 1, 1999:	Closed

For those who renew in person, in order to avoid long lines; please renew before December 22, 1998. For those who mail their renewals, please send them as soon as possible.

HAPPY HOLIDAYS FROM THE DEALER BOARD!



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SALESPERSON LICENSING

The Motor Vehicle Dealer Board continues to identify ways to streamline processes. As you know, an individual cannot sell motor vehicles until they have received their license from the Board. One way to speed-up the licensing process is to mail or deliver the application directly to the Board's Office rather than leave it at a DMV Customer Service Center. Once the application is received in the office, and assuming that the application is complete and the applicant has a "clean" criminal history, the license should be mailed to you within seven business days (excludes weekends and holidays).

Another option you now have is to FAX the application and "Criminal History Check Data Form" to the Board Office (804) 367-1053 and call the Office at (804) 367-1100 with your credit card number. In this way we can begin the licensing process, including conducting the background check, right away. Please note that a license cannot be issued until we receive the original application and "Criminal History Check Data Form". So, if you decide to use this method—you must send or deliver the original

however, they will use the data form completed at an earlier time.

REMI NDERS & USEFUL TIPS

Hiring New Salespeople?? As you know, the quickest way for you to get a new employee licensed as a salesperson is to apply for the license directly from the Motor Vehicle Dealer Board Office once the new employee has passed the certification test at a DMV Customer Service

a DMV Customer Service Center to take the Certification Test, be sure they tell the DMV

there to take the test only. If your new employee tells the DMV customer service representative that they are there to get their "salesperson license", the customer service representative will assume that the applicant is going to pay for the license and leave the application at the DMV Office.

More on Hiring New Salespeople. The first step in hiring a new salesperson is to be sure that they have earned their "Certificate of Qualification" by taking a test at any DMV Customer Service Center. Next, you must train the new employee and he or she must apply for a license through the Motor Vehicle Dealer Board. During this training period and while you are waiting for the license application to be processed, your perspective salesperson may greet customers and show and test-drive vehicles with potential customers. However, he or she may not initiate or enter into negotiations for the sale of the vehicle, nor receive a commission for its sale. Once the application is approved and the license is received, your new employee can begin to sell motor vehicles.

Compensation From Another Dealer. If you send a consumer to another dealer to purchase a vehicle, that dealer cannot compensate you in any way. In addition, you may not arrange for the sale of a vehicle that is in the inventory of another dealer. Virginia Code Section 46.2-1538 clearly states: "It shall be unlawful for any motor vehicle salesman licensed under this chapter to sell or exchange or offer or attempt to sell or exchange any motor vehicle except for the licensed motor vehicle dealer by whom he is

DEALER TALK

A Bi-monthly newsletter of The Virginia Motor Vehicle Dealer Board

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NOTE: We make every effort to ensure information in *Dealer Talk* is accurate, but it is not a substitute for legal advice.

Calendar of Events

Monday, January 18, 1999:

Place: DMV Headquarters

Time: 9:00 a.m.

Transaction Recovery Fund Committee Meeting

Monday, January 18, 1999:

Place: DMV Headquarters

Time: 10:00 a.m.

Licensing Committee Meeting

Monday, January 18, 1999:

Place: DMV Headquarters

Time: 11:00 a.m.

Special Joint Meeting for Licensing & Dealer Practices

Monday, January 18, 1999:

Place: DMV Headquarters

Time: 1:00 p.m.

Dealer Practices Committee Meeting

Monday, January 18, 1999:

Place: DMV Headquarters

Time: 3:00 p.m.

Advertising Committee Meeting

Tuesday, January 19, 1999

Place: DMV Headquarters

Time: 8:30 a.m.

Finance Committee Meeting

Tuesday, January 19, 1999

Place: DMV Headquarters

Time: 9:00 a.m.

Franchise Law Committee Meeting

Tuesday, January 19, 1999

Place: DMV Headquarters

Time: 9:30 a.m.

Full Board Meeting

ACTIONS:

- The Board considered two claims against Recovery Fund. After reviewing each claim, the Board voted to approve both Dealers who are the subjects of these claims will be given 30 days to pay the consumer, then payment will be made from the Fund. Once that is done, the the Fund. Failure to repay the Fund will result in license revocation.

Advertising Violations: During the Board staff issued 33 first violation "educational/warning letters". Topics Advertising a "Free Item" when a purchase is necessary to receive the failing to disclose the Processing Fee; and failing to include a "Sale End Date" violation" letters were sent. Second violations are subject to a \$500 civil letters include: Incomplete Truth in Lending (2 violations) and failing to advertising a "sale" (2 violations).
- A \$1,500 civil penalty was assessed against a dealer who employed, in a licensed as a salesperson.
- At the September Board meeting, five dealers were assessed civil penalties for vehicles for that dealer. Four of the dealers have paid the assessed penalty administrative hearing.

(Continued next column)

ACTIONS:

- In September, the Board revoked all failed to comply with the Motor Vehicle written warning from the Board and for allowing the use of a dealer's license authorized to do so. This dealer has

Editors Note: Dealers have the option of "appealing" any of the above Dealer Board decisions by requesting a hearing in front of a hearing officer.

COLOR OF VEHICLE

Beginning January 1, 1999, all applications for Certificate of Title and Registration (VSA -17A) must capture the predominant color of the vehicle. In October, you should have received a letter from the Department of Motor Vehicles describing the process and requirements for capturing this information.

While the revised VSA-17A is now available, you may continue to use the "old" form as long as you write in the color of the vehicle next to the identification number. Use the "Color Chart" (VSA-6) as a guide in determining color.

The revised/new VSA-17A can be ordered by completing a "Request for DMV Forms" (DSD-36) and sending that request to the address listed on the back of the Request Form. You may also FAX your request to DMV Purchasing (804) 367-0046. The item code number for the VSA-17A is 4000175.

If you need additional information please see the letter you received from DMV or call Janet Dishman at (804) 367-9396.

TRUTH IN LENDING REGULATIONS

Realizing that it may be difficult to follow the FTC (and Virginia) "Truth in Lending" regulations, the following information is offered to assist the dealer in complying with the Motor Vehicle Dealer Advertising Practices and Enforcement Regulations.

If one of the following "Trigger Terms" is stated in the advertisement:

1. amount or percentage of down payment ("0 Down" or "No Money Down" is **not** considered a trigger term)
2. amount of payment
3. number of payments
4. period of repayment
5. amount of finance charge (in dollars)

Then the following required disclosures are needed:

1. amount or percentage of down payment
2. terms of repayment (e.g. number amount and timing of payments)
3. APR

(amount or % down), (# of months) payments at (\$) per month, week, etc.) at (%) APR.

(EXAMPLE: \$2,000 down, Cash or Trade with 36 payments of \$350 per month at 8.5% APR.)

*APR by itself is **not** considered a trigger term but is a requirement in the disclosure

All Disclosures must be **clear and **conspicuous**

For further information and/or questions: Contact the Federal Trade Commission, 6th & Pennsylvania Avenue, N.W., Washington, DC 20580, (202) 326-3212.

It is the dealer's responsibility to become familiar with all provisions of the Federal Truth in Lending Act (Regulation Z) and to ensure dealership advertisements are in compliance with these Federal directives.

CIVIL PENALTIES

The Motor Vehicle Dealer Board is authorized by the Code of Virginia to levy civil penalties for violations of the Motor Vehicle Dealer Laws. Have you ever wondered where these penalties go?

They do not go to the Board! All civil penalties collected by the Board are deposited into the Transportation Trust Fund. This is the Fund used by the Virginia Department of Transportation to build and maintain roadways. Last year, the Board collected nearly \$50,000 in civil penalties.



IN MEMORIAM

Joyce Nicholas

It is with great sadness that The Motor Vehicle Dealer Board notes the passing of fellow state employee and dear friend. Our deepest sympathy goes to the family of Joyce Nicholas. Ms. Nicholas died in Health South Hospital. Joyce worked in purchasing and was our contact for ordering DMV forms. Joyce had 25 years of state service with the Department of Motor Vehicles. Joyce is survived by her parents, her 2 daughters, Fawn and Tracey and one granddaughter. Our thoughts and prayers are with the Nicholas family.

30-DAY TAGS

In a further effort to ensure that unauthorized individuals do not obtain 30-Day and Temporary Transport tags, new procedures have been put in place to obtain these tags. DMV has done a great job at establishing new procedures that will help prevent unauthorized individuals from obtaining these tags, while minimizing the impact on legitimate dealers.

A common ploy used by unauthorized individuals trying to obtain these tags is to simply fill out the proper form (DSD-4) using the name and number of an authorized dealer. In order to prevent this activity, new procedures have been put in place.

Specifically, when an individual submits an application for these types of tags and payment is in any form that does not indicate the name of the dealership (such as cash, personal check, personal credit card, money order, etc.) the DMV or Dealer Board representative will immediately contact the dealership for verification that the person is authorized by that dealership to pickup the tags. In addition, if there is a question that the person submitting the application is not authorized by the dealership, the DMV or Dealer Board representative will contact the dealership for verification.

CURBSTONING

The Department of Motor Vehicles and the Motor Vehicle Dealer Board continue in our partnership to address curbstoning activities. For example, last month DMV issued a summons to a shopping center manager in Abingdon for allowing the display of vehicles in a shopping center parking lot. Also in Abingdon, the Zoning Board issued a warning to an individual who was displaying vehicles for sale. In Centerville, an individual was charged with selling vehicles without a license. Also in November, the Dealer Board mailed-out 75 warning letters to individuals that were identified by a special run across the DMV computer files, of individuals who appeared to be curbstoning.

CONTINUING EDUCATION

As a licensed motor vehicle dealer, you must follow the regulations of a number of federal, state and local government agencies.

Included in this group is the Motor Vehicle Dealer Board, the Department of Motor Vehicles, the Federal Trade Commission, the Internal Revenue Service, etc.

We all recognize that it is difficult to keep current of the changes in laws and regulations that govern the motor vehicle dealer industry. However, you are not alone. Most business and professions face this same challenge. One way some of these other professions deal with changing laws and regulations is through continuing education.

The Motor Vehicle Dealer Board would like to get your feedback and thoughts on this topic. Should dealers be required to take continuing education classes? Should a voluntary continuing education system be established whereby dealers who participate receive additional certification or recognition? Should there be a pre-licensing education requirement for dealers? If a continuing education program is developed, how often should it be required?

If you have any thoughts on this topic, please put them to paper and either mail or FAX them to the Board's office in Richmond. The address and FAX number can be found on page 2 of this newsletter. In addition, the Motor Vehicle Dealer Board Licensing and Dealer Practices Committees will hold a joint committee meeting on Monday, January 18, 1999 at 11:00 in room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. You are welcome to attend this meeting. Any comments that you send or FAX to the Board will be considered at this meeting.

ATTENTION ALL DEALERS:

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