

## TOLL FREE TELEPHONE NUMBER

In the last issue of *Dealer Talk*, we announced our new Web site address. The site includes information you can use, including past issues of *Dealer Talk*. The site also includes a hot link to our e-mail address ([dboard@mvb.state.va.us](mailto:dboard@mvb.state.va.us).)

We are pleased to announce at this time that we have added a toll free telephone number to the list of ways you can contact the staff at the Motor Vehicle Dealer Board. The toll free telephone number is 1-877-270-0203. If you are calling from the Richmond metropolitan area or from outside of Virginia, you should continue to call us at (804) 367-1100. The toll free telephone number can be used from all other parts of the Commonwealth.

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## NEW TEST

As of July 1, 1999, a new and updated test will be given to prospective salespersons and dealer-operators. The tests will still be given at any one of the DMV's Customer Service Centers on their automated testing machines.

The salesperson's test will continue to include 20 questions that the automated testing machine, known as "KATS", chooses randomly from a database of questions. The new test has expanded the number of questions available in the database and has revised others. Applicants for a salesperson's license will still be required to answer 80 percent (sixteen) of the twenty questions given on the test in order to earn their *Certificate of Qualification*.

The dealer-operator test has been expanded. These applicants will be required to correctly answer 80 percent (eight) out of ten dealer-operator questions. The dealer-operator test includes the salesperson's test, which must be passed before the system will allow you to continue on to the dealer-operator test.

Study Guides for the new tests have been available at all DMV Customer Service Centers and from the Board Office since March. The new Study Guide has a blue cover and carries a "Revised" date of "02/99". The study Guide can also be viewed and printed from the Board's Web site. ([www.mvdb.vipnet.org](http://www.mvdb.vipnet.org))

If you need to Fax something to us, our Fax number is still (804) 367-1053.

## REMINDERS & USEFUL TIPS

### **Criminal History Check Data Form (MVB 21).**

It is no longer necessary to complete a "Criminal History Check Data Form" for salespersons at the time of renewal. The Board runs a criminal history check on a random sample of renewal applicants. To run this check, we use a data form that we collected from you previously and is kept on file. Therefore, it is not necessary to complete these forms at the time of renewal.

It is necessary to complete one of these forms for new (original) applicants for a salesperson's license. Please be sure that the applicant uses the most up-to-date version of the form which is dated "05/98". These forms are available from any DMV Customer Service Center or directly from the Board.

**Salesperson Termination of Employment.** If a salesperson leaves your dealership for any reason, you must notify the Board Office in writing. You can send your notification by mail (2201 West Broad Street, Suite 104, Richmond, Virginia 23220) or by Fax (804-367-1053) or by E-mail ([dboard@mvb.state.va.us](mailto:dboard@mvb.state.va.us)). You should also return the salesperson license to the Board as it is issued to the salesperson in the name of the dealership.

**Dealer Tags.** If you are both an automobile dealer and a salvage dealer, please remember that "D-Tags" cannot be used on a salvage vehicle.

**Direct Mail Advertisement.** There is a new promotion technique that uses a direct mail piece that is designed to look like a newspaper story. If this type of advertisement is not clearly marked as an "advertisement", you risk committing a "deceptive act or practice". Dealers who are found to have committed a deceptive act or practice are subject to license suspension or revocation.

**Temporary Tags.** Please remember that once you sell a vehicle and issue a customer a set of temporary tags, you cannot refuse to give the customer their permanent (metal) license plates. Even if you are financing the vehicle and you have

## 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, July 19, 1999:

Place: DMV Headquarters

Time: 9:00 a.m.

Transaction Recovery Fund Committee Meeting

Monday, July 19, 1999:

Place: DMV Headquarters

Time: 10:00 a.m.

Licensing Committee Meeting

Monday, July 19, 1999:

Place: DMV Headquarters

Time: 1:00 p.m.

Dealer Practices Committee Meeting

Monday, July 19, 1999:

Place: DMV Headquarters

Time: 3:00 p.m.

Advertising Committee Meeting

Tuesday, July 20, 1999

Place: DMV Headquarters

Time: 8:30 a.m.

Finance Committee Meeting

Tuesday, July 20, 1999

Place: DMV Headquarters

Time: 9:00 a.m.

Franchise Law Committee Meeting

Tuesday, July 20, 1999

Place: DMV Headquarters

Time: 9:30 a.m.

Full Board Meeting

## ACTIONS FROM THE MAY BOARD MEETING:

- The Board considered one claim against the Motor Vehicle Dealer Transaction Recovery Fund. After reviewing the claim, the Board voted to approve for payment from the Fund in the amount of \$14,500. The dealer who is the subject of the claim will be given 30 days to pay the consumer. If the dealer fails to pay the consumer, then payment will be made from the Fund. Once that is done, the dealer will have 30 more days to repay the Fund. Failure to repay the Fund will result in license revocation.
- Advertising Violations: During the months of March and April, Board staff contacted dealers, by telephone, concerning 69 first violations. The purpose of the telephone contact is "educational". Common problems included: Truth in Lending/Leasing; failure to identify the year, make and model when advertising price; advertising a "Free Item" when a purchase is necessary to receive the "free" item; failure to clearly disclose that the vehicles are "used"; disclosure not conspicuous; and failing to include a "Sale End Date" when advertising a "sale".
- Based on recommendations of a hearing officer, who conducted a formal hearing, the Board suspended the licenses of a dealer for a period of ninety (90) days for violations of the minimum business hours requirements; having made a material misstatement on an application; and having been convicted of any criminal act involving the business of selling motor vehicles.
- Based on recommendations of a hearing officer, who conducted an informal fact finding conference, the Board assessed a dealer a civil penalty in the amount of \$5,000 for misusing dealer tags; selling from other than the dealer's licensed location; not properly keeping records; failure to disclose required information to the buyer; improper buyer's order; failure to perform safety inspection; and improper use of temporary tags.

**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 or through circuit court.

## PROCESSING FEE

Our Consumer Assistance Division has received a number of inquiries concerning dealer processing fees. Specifically, consumers have been questioning whether or not the processing fee is a required fee.

While your dealership may have a policy that requires this fee, you cannot indicate to your customer that Virginia law or regulation requires such a fee. We have received reports from consumers that some dealers are telling customers that the processing fee is required by DMV. Charging a processing fee is a dealer's choice. Telling customers that it is required by DMV could be viewed as a "deceptive act or practice". Dealers who are found to have committed a deceptive act or practice are subject to license suspension or revocation.

Also, if you do charge a processing fee, Virginia Law does require that this fact and the amount be disclosed by placing a "clear and conspicuous sign in the public sales area of the dealership." Moreover, the sign can be no smaller than eight and one-half inches by eleven inches with print no smaller than one-half inch.

## DID YOU KNOW...?

That there are about 3,400 licensed independent automobile dealers in Virginia.

That there are about 670 licensed franchised automobile dealers in Virginia.

In Fiscal Year 1998 (July 1, 1997 – June 30, 1998) the Motor Vehicle Dealer Board issued nearly 24,000 salesperson's license – this includes renewals and original (new) licenses.

Also in Fiscal Year 1998, over 4,700 individuals

# WIRELESS TELEPHONES

The Cellular Telecommunications Industry Association (CTIA) recently contacted the Board office to communicate to the dealer community the industry's driver safety educational message, **"Safety - - Your Most Important Call"**. CTIA promotes the responsible use of wireless phones - - highlighting the vital role individuals play in the safe use of wireless phones. **"Safety - - Your Most Important Call,"** seeks to educate the public on the need to put safety first and to inform drivers of ways to use wireless telephones responsibly.

When driving a wireless phone, drivers should use their phones responsibly and make safety their first priority. CTIA suggests these easy to remember Safety Tips:

1. Get to know your wireless phone and its features such as speed dial and redial.
2. When available, use a hands free device.
3. Position your wireless phone within easy reach.
4. Let the person you are speaking with know you are driving; if necessary, suspend the call in heavy traffic or hazardous weather conditions.
5. Do not take notes or look up phone numbers while driving.
6. Dial sensibly and assess the traffic; if possible, place calls when you are not moving or before pulling into traffic.
7. Do not engage in stressful or emotional conversation that may divert your attention from the road.
8. Dial 9-1-1 or other local emergency number to report serious emergencies - - it's free from your wireless phone!
9. Use your wireless phone to help others in emergencies.

# WIRELESS TELEPHONES

(CONTINUED FROM PREVIOUS COLUMN)

Additionally, CTIA maintains a toll-free line, 1-888-901-SAFE, and Website, [WWW.WOW-COM.com](http://WWW.WOW-COM.com), where safety information and details on hands-free options can be obtained.

For more information on purchasing **"Safety - - Your Most Important Call"** educational materials, contact Kyrstal Duncan directly at (202) 736-3236.

## ADDRESS CHANGES

**REMINDER:** If your dealership has an address change because of a postal 911 or if you have added a post office box to your physical address, please remember to notify the Board immediately. We have discovered that the post office will not deliver mail to a physical address, if you also have a post office box number. When the Board prepares a mass mailing or current information to the entire dealer community, such as Dealer Talk, we have found that address changes may have occurred and those changes have not been recorded with the Board. When mail is returned undelivered from your dealership we make every attempt to correct the address and also to re-mail the information.

**State Holiday for the Month of July.**

**Our office will be closed on:**

**July 5, 1999**

**in observance of:**

**Independence Day**



## SALVAGE ACT TASK FORCE

A multi-disciplinary task force consisting of representatives from the Department of Motor Vehicles, the salvage, demolisher, rebuilder, and insurance industries, as well as consumer advocates have been organized. The Task Force is investigating current levels of consumer protection in the identification of damaged vehicles to include a review of current salvage vehicle titling information requirements and possible improvements to the titling system. The task force is also analyzing pending federal salvage legislation, and may recommend legislative changes for the 2000 session of the General Assembly.

The Task Force has met twice and plans to complete its report before the summer is over. The next meeting of the Task Force, which is open to the public, will be held on June 28 at 10:00 AM at DMV's headquarters building on 2300 West Broad Street in Richmond. The following are members of the Task Force:

MEMBER	REPRESENTS
• The Honorable William P. Robinson, Jr.	Delegate, General Assembly
• Richard D. Holcomb	DMV
• Frederick P. Helm, Chair	DMV
• W. Gail Morykon	DMV
• Daisy L. Dulick	DMV
• Bruce Gould	Motor Vehicle Dealer Board
• Arthur C. Heberer, III	Import Auto Recycling, Inc.
• Leo B. Trenor	The Body Shop
• Alfred J. Lacy, Jr.	Lacy Auto Parts, Inc.
• Larry Montgomery	Larry's Auto Parts
• Charles Vail	Vail Automotive
• David Armentrout	Insurance Auto Auctions (IAA)
• Donald L. Hall	Virginia Automobile Dealers Association
• Lois Keenan	Virginia Independent Dealer Association
• David W. Boling	Virginia Independent Dealer Association
• Andy Alvarez	Department of Agriculture & Consumer Affairs
• Dr. Irene Leech	Virginia Citizens Consumer Council
• Dale W. Pittman, Esq.	Law office of Dale W. Pittman
• Captain Steve Flaherty	Virginia State Police
• Sergeant Charlie Ferrigno	Henrico County Division of Police
• John W. Jones	Virginia Sheriff's Association
• Richard D. Schuder, Jr.	National Insurance Crime Bureau (NICB)
• Geoffrey M. Ottaway	Checker Leasing Inc.
• J. Christopher LaGow, Esq.	Nationwide Insurance Company
• Jesse Jones	State Farm Mutual Automobile Insurance Company
• Donna Leaman	USAA
• Pat Liles	Nationwide Insurance
• Lori-Beth Feld Hua	GEICO

# **ATTENTION ALL DEALERS:**

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