

CHAPTER 4.

DEALER OPERATIONS

4.1 Record-keeping Requirements. Dealers are subject to many different state and federal agencies record keeping requirements. Requirements for some agencies involve keeping different documents from those required by MVD for longer periods of time. Dealers are responsible for complying with all record-keeping requirements.

MVD requires a dealer to keep a complete, accurate record of all vehicle purchases and sales (retail or wholesale) for a minimum period of 24 months. The current and previous 12 months of records must be kept at the dealer's licensed location and be available for inspection by an MVD representative. The remaining 11 months of records need not be kept at the dealer's licensed location, but they must be readily available for inspection upon request of an MVD representative.

Records may be kept in an electronic format. Records, like the names, addresses, dates, VINs, etc. may be kept in a database, and no paper copy is required if they are available for inspection and are capable of being printed out for inspection by the MVD representative at the dealership location during normal business hours. Original vehicle titles in the possession of a dealer (not by a lien holder) should be kept in a secure but readily available location near the dealership if not on the premises. If the original title is kept by the floor-planner, the dealer is required to keep a copy of the front and back of the title on the dealership premises in its files.

The Occupations Code specifically allows the Department to inspect the books and records of a license holder in connection with the performance of its duties under the law. An investigator may show up at the dealer's lot and expect to see the records there or MVD may request copies of records by certified mail. If the dealer does not respond to the certified mail request within 15 days or provide the records as requested at the dealer's lot, a civil penalty or suspension or revocation of the license may be imposed.

a. Wholesale transactions. When a dealer sells to another dealer, the seller needs to be sure he is dealing with a legitimate dealer. A dealer can check the MVD database instantaneously to see if a person is licensed by going to the MVD website, http://www.txdot.gov/business/vehicle_dealers/dealer_lists.htm, clicking on the Statewide Dealer List link, and making a copy of the page listing the dealer. An additional way to verify a person is a currently licensed dealer is to ask for and make a copy of the buyer's current GDN license.

These additional records should be kept:

- 1.) A Purchase Record, Bill of Sale, Sales Contract, or Auction Receipt showing the date of purchase, vehicle identification number (VIN); name and address of seller and mileage statement.
- 2.) A photocopy of **both sides** of the negotiable title after reassigned to the licensed dealer following a wholesale transaction.

3.) Odometer Disclosure Statement if the odometer disclosure is not integrated into the title.

4.) The Texas Motor Vehicle Sales Tax Resale Certificate is to be filled out, signed by the buying dealer and kept in the dealer's sales file. Do not send the completed certificate to the Comptroller. When the State Comptroller audits your records, the auditor will want to see this form in your records. A copy of this form can be found on page 7-7. (Form 14-313 is available from the State Comptroller's Office).

b. Retail transactions. The following records for retail transactions should be kept:

1.) Retail Installment Agreement, Sales Contract, or Bill of Sale which should include the date of sale; vehicle description (i.e. year, make and model); vehicle identification number (VIN); name and address of person purchasing the vehicle; sale price; all other fees and charges that are the total cost of the vehicle including trade-in, pay-off of trade-in, extended warranty, insurance, etc.

2.) A copy of the Application for Texas Title after filled out and signed by buyer and seller (Form 130-U). This form may be obtained from the Tax Collector's office or your local VTR office. A copy of this form is shown on page 6-12. Tax Collector's receipt for title application (White Slip). This is an important document which can prove you did apply for title on a sold vehicle.

3.) A copy of the Buyer's Guide, also known as the "As-is" statement **signed by buyer**.

4.) Odometer Disclosure Statement.

5.) A copy of the *front and back* of the negotiable title signed by buyer and seller. Also, the Power of Attorney (if required to complete the titling process). See more about powers of attorney in Chapter 6, Titling Vehicles.

6.) The VTR Form 136, County of Title Issuance, on which the consumer elects which county they desire to have their vehicle registered in. See Page 6-15.

c. Other Forms. Copies of other forms may be necessary depending on the type of sale and will need to be kept as a part of the dealer's records. Most of the forms may be obtained from the Tax Assessor-Collector's office or your local TxDOT Vehicle Titles & Registration office or their respective websites. VTR forms can be found on the TxDOT website at http://www.txdot.gov/txdot_library/forms/citizen/drivers_vehicles/default.htm. Forms involving taxes may be obtained from the State Comptroller's office or its website, <http://www.window.state.tx.us/forms>.

Commonly used forms are the following:

1.) The Dealer's Reassignment of Title for a Motor Vehicle Form (Form VTR-41A) should be used if all available assignments on the back of a Texas title are signed or the negotiable title is from another state or foreign country. See page 6-9.

2.) Texas Motor Vehicle Sales Tax Exemption Certificate – For Vehicles Taken Out of State (Comptroller's Form 14-312) is used if a vehicle is sold to someone who claims they are taking it out of the state or the country, whether the transaction is a wholesale or retail sale. The original must be kept with the sales file. See page 7-6. Since dealers are required to apply for vehicle titles, this form is an important record that proves the consumer advised the selling dealer the vehicle was leaving the state.

A motor vehicle "sales tax" is essentially an ad valorem or use tax. Any use of the vehicle in the state that is not incidental to leaving the state is going to require the tax being collected from the buyer. For example, a student who buys a vehicle and wants to take the vehicle back to his home state for registration at the next school break in two weeks, is using the vehicle in this state and is not taking the vehicle directly out of the state after purchase. The student should be charged the tax, and the titling and registration needs to be performed by the dealer.

The buyer should be advised that it is a felony to claim this exemption if the buyer intends to register and title the vehicle in Texas.

4.2 Consignment Sales. The following records for consignment sales transactions should be kept:

- 1.) A written consignment agreement for the vehicle or a power of attorney covering the vehicle. A written consignment agreement should be completed by the licensed dealer and made a part of the sales file. A suggested consignment form is found at page 4-22.
- 2.) A copy of the title should be at the dealer's licensed location for inspection by buyer or a MVD representative. It is recommended that the copy of the title be attached to the consignment agreement.
- 3.) Record-keeping requirements for the actual sale of a consignment vehicle are the same as those of a retail sale as listed in Section 4.1(b).

4.3 Blue Law. Dealers must follow the Blue Law, which prohibits dealers from selling or offering to sell motor vehicles on consecutive Saturdays and Sundays. Dealers may choose to be in operation on either Saturday or Sunday of a given weekend, but not both. Salespersons may not offer vehicles on a consecutive Saturday and Sunday with the intent to sell a consumer a vehicle on another date.

4.4 Disclosures under Deceptive Trade Practices Act (DTPA). DTPA lawsuits are based on "misrepresentations" (false or misleading statements). If a misrepresentation made to influence opinion or action was made to a consumer before the sale of the vehicle, the dealer is subject to DTPA action. The representation can be written or oral. Contracts or other agreements cannot waive the consumer's rights under the DTPA. It does not matter that the misrepresentation was made unknowingly, only that it was made

Common areas where dealers have encountered DPTA problems include the following:

- 1.) Odometer replaced or is non-operative.
- 2.) True miles are unknown.

- 3.) Mileage exceeds mechanical limits.
- 4.) Mechanical deficiencies.
- 5.) Electrical equipment deficiencies.
- 6.) Vehicle is stolen recovered, flood damaged, hail damaged, a salvage vehicle, rebuilt or reconditioned, etc.

The motor vehicle division does not sue dealers under the DTPA, but some business practices that in DTPA lawsuits by consumers will also trigger disciplinary action by the Motor Vehicle division under its statutory authority. Such disciplinary actions can occur before, during, or after a DTPA lawsuit by the consumer.

A note about flood-damaged vehicles: Weather events have created a large volume of vehicles with flood damage that could be sold to unsuspecting consumers and dealers. If a vehicle has a Texas flood-damaged title brand, it will show up on the VTR website at http://www.txdot.gov/drivers_vehicles/consumer_protection/flood_damaged.htm

There is a common misconception among dealers that if vehicle damage falls below a certain dollar amount, then the damage does not have to be disclosed to consumers. No law or court decision in Texas supports this dollar limit exemption. On the contrary, if a dealer fails to disclose damages of *any* dollar amount, he or she may be in violation of DTPA.

4.5 New Cars - Monroney (MSRP) Sticker. When a franchised dealer displays vehicles for sale, the Monroney Sticker must be displayed on the vehicle. Failure to do so will subject the dealer to possible state and federal civil penalties.

4.6 Used Cars - “As is” Buyers Guides. The Federal Trade Commission’s Used Car Rule requires dealers to post a Buyers Guide – known as an “as is” sticker – on every used vehicle displayed for sale, including consignment vehicles. The rule includes light-duty trucks, light duty vans, and vehicles that have (1) a gross vehicle weight rating (GVWR) of less than 8,500 pounds; (2) a curb weight of less than 6,000 pounds; or (3) a frontal area of less than 46 square feet. Exceptions to the Rule include (1) motorcycles; (2) any vehicle sold for scrap or parts if the dealer submit title documents to the appropriate state authority and obtains a salvage certification; or (3) agricultural equipment.

The sticker must be prominently and conspicuously on or in a vehicle when it is available for sale. This means it must be in plain view and both sides must be visible. You can hang the Buyer’s Guide (Guide) from the rear-view mirror inside the vehicle or on a side view mirror outside the car. You can attach it to a side window or place it under a windshield wiper. It may be removed for a test drive, but it must be replaced as soon as the test drive is over. A copy of this form is on page 4-23.

The Guide tells consumers: (1) Whether the vehicle is sold with a warranty or “as is”; (2) What percentage or repair costs a dealer will pay under the warranty; (3) To get all promises in writing; (4) To keep the Buyers Guide after the sale; (5) How long the warranty is enforceable; (6) The major mechanical and electrical systems on the vehicle as well as some of the major problem problems that consumers should look out for; (7) To have the car inspected before buying and (8) To keep the Buyer’s Guide for reference after the sale.

IF A DEALER CONDUCTS USED CAR DEALS IN SPANISH, A SPANISH LANGUAGE BUYER'S GUIDE MUST BE DISPLAYED. These are available from the same sources as the English versions.

Warranties. The Guide must show any agreed changes in warranty coverage. The Guide also becomes part of the sales contract and overrides any contrary provisions. For example, if the Guide says the car comes with a warranty and the contract says the car is sold "as-is," the dealer must give the consumer the warranty described in the Guide.

a. As is – No Warranty. As-is" means that the buyer is assuming any risk that the vehicle is defective. If one buys a car "as-is" and the car breaks down minutes later, the repair is the buyer's responsibility and not the dealer's. When a dealer offers a vehicle "as-is," the box next to that disclosure on the Guide must be checked. If the box is checked but the dealer promises to repair the vehicle or cancel the sale if the consumer is not satisfied, that promise should be written on the Guide. "As-is" does not prevent a dealer from being liable under the DTPA, and also does not necessarily avoid disciplinary action by the Motor Vehicle division for misrepresentations made to the purchaser.

b. Warranty. If a vehicle is offered with an express warranty, the box next to the heading "Warranty" must be checked and that section of the Guide must be completed, including:

- 1.) What percentage of parts and labor costs does the warranty cover?
- 2.) What is the deductible, if any?
- 3.) What systems are covered? For how long?
- 4.) What manufacturer's warranty still applies, if any?

If the dealer and the consumer negotiate changes in the warranty, the changes must be written on the Guide.

c. Service contract. If a vehicle is offered with a service contract, the box next to the words "Service Contract" should be checked.

d. Required Disclosure. The dealer must put the following disclosure in all used car sales contracts:

"The information you see on the window form (Buyer's Guide) for this vehicle is part of this contract. Information on the window form overrides any contrary provisions in the contract of sale."

Upon completion of a sale, the dealer **must give** the buyer the original or a copy of the Buyers Guide at the sale. **The Guide must reflect all final changes**

More details about the Buyer's Guide can be obtained from a dealer's guide at the FTC website: <http://www.ftc.gov/bcp/edu/pubs/business/autos/bus13.shtm> in English or <http://www.ftc.gov/bcp/edu/resources/forms/s-buyers.pdf> in Spanish or toll-free at 1-877-FTC-HELP. You may obtain copies of the Buyer's Guide by downloading from the FTC site at <http://www.ftc.gov/bcp/edu/resources/forms/buyers.pdf>. On page 4-28 there is a very informative brochure that is reprinted from the Federal Trade Commission's library that gives you even more information on the federal Used Car Rule.

4.7 Metal Dealer's Plates. Instead of obtaining regular metal plates through the county tax office for a vehicle that the dealer owns, operates, or permits to be operated on a public street or highway in the state, the dealer may apply for metal dealer's license plates (Dealer's Plate) for the vehicle if it is of the type the dealer is licensed to sell.

a. Expiration of Dealer Plates. These Dealer's Plates expire on the same day as the dealer's General Distinguishing Number and the full fee must be paid regardless of the date of the application for the plates. Most dealers purchase Dealer's Plates upon the renewal of their license.

b. One Plate Issued. Only one Dealer's Plate is issued and the plate should be displayed only in the rear license plate holder of the vehicle. Taping or propping up the plate in the rear window is not allowed. Though Texas law generally requires plates on the front and back of vehicles, law enforcement is aware that MVD only issues one Dealer's Plate.

c. Uses of Metal Dealer License Plates. Dealer's Plates may be used for the same purposes that a Dealer's Temporary Tag can be used such as demonstration test drives. Additionally the Dealer Plate may also be displayed on vehicles that are used for personal use by the dealer, family or employees.

A dealer who is licensed to sell only cars may use his dealer plate only on a car and not on a motorcycle or trailer. Also, any vehicle with Dealer's Plates must: (1) have a current inspection; (2) the title must be assigned into the dealer's name; and (3) Dealer's Plates may not be displayed on dealer service or work vehicles such as a vehicle carrying a load (such as a dealer's service vehicle used to haul parts back and forth); Vehicles used for towing and transporting other vehicles; Courtesy cars; Rental or lease vehicles; Dealer-owned vehicles loaned to schools; or Any boat trailer owned by a dealer that transports more than one boat.

A light truck is not considered a laden commercial vehicle when mounted with a camper unit or when towing a trailer for recreational purposes.

d. Metal Dealer's License Plate Log. The law requires a dealer to maintain a record of all metal dealer's plates issued to that dealer and each vehicle assigned a license plate. The log shall consist of:

- (1) the assigned Metal Dealer's License Plate number;
- (2) the make of the vehicle displaying the Dealer's Plate;
- (3) the vehicle identification number; and
- (4) the name of the person in control of the vehicle.

The dealer's log, as well as the titles for all vehicles assigned a metal license dealer's plate, shall be available at the dealer's licensed location for review by an MVD representative during normal working hours. Dealer's Plates, not accounted for, will be voided by MVD. A sample of a plate log is found on page 4-20.

4.71 Metal Plate Limits. Dealers are limited in the number of plates they may order depending on the type of license issued and the number of vehicles sold. New applicants for franchised motor vehicles and motorcycles are limited to five for the first year of their license. Franchised or independent travel trailer dealers, utility trailer or semi-trailer dealers,

independent motor vehicle dealers, independent motor cycle dealers, and independent mobility vehicle dealers are limited to two for the first year. Wholesale dealers may have one plate.

Upon renewal, a franchised motor vehicle dealer may obtain a total of 30 plates; a franchised motorcycle dealer may get a total of 10 plates; Independent motor vehicle dealers, independent motorcycle dealers, independent mobility vehicle dealers, franchised or independent travel trailer dealers, and utility trailer or semi-trailer dealer are eligible for a total of 3 plates. Wholesale dealers may have a total of one plate.

There are provisions under the plate limits rule found at 43 TAC §8.139 for dealers to obtain additional plates upon proof of sales. Any dealer who sells more than 200 vehicles in a year may have unlimited plates. If a dealer is selling less than 50 vehicles a year, they are entitled to an additional 1 plate; those selling 50 – 99 vehicles may obtain 2 additional plates; those selling 100 – 200 vehicles may get 5 additional plates. A wholesale dealer may get one additional plate upon proof they are regularly and actively engaged in the business.

If a dealer needs even more plates than allotted under the rule, in accordance to the number of vehicles they sell, a request for waiver of the plate limits may be submitted stating why the additional plates are necessary to the continuation of the applicant's business. Wholesale dealers may not apply for waiver of the dealer plate issuance restrictions.

4.72 Metal Converter's License Plates Metal Converter's License Plates (Converter's Plates) may be used only by the converter or the converter's employees on unregistered vehicles to:(1) demonstrate the vehicle, or cause the vehicle to be demonstrated, to a prospective buyer who is a franchised motor vehicle dealer or an employee of a franchised motor vehicle dealer; or (2) convey the vehicle or cause the vehicle to be conveyed: (A) from one of the converter's places of business in this state to another of the converter's places of business in this state; (B) from the converter's place of business to a place where the vehicle is to be assembled, repaired, reconditioned, modified, or serviced; (C) from the state line or a location in this state where the vehicle is unloaded to the converter's place of business; (D) from the converter's place of business to a place of business of a franchised motor vehicle dealer; or (E) to road test the vehicle.

Converter's Plates may be displayed only on the type of vehicle that the converter is engaged in the business of assembling or modifying. Converter's Plates shall be attached to the rear license plate holder of vehicles on which the plates may be displayed. These plates expire annually on the same day as the converter's license

When an unregistered new motor vehicle is sold to a converter, the selling dealer shall remove the dealer's temporary tag. The selling dealer may attach a buyer's temporary tag to that vehicle or the purchasing converter may display a converter's temporary tag or Converter's Plate on that vehicle.

A converter shall maintain a record of each Converter Plate issued to that converter that contains:

- (1) the assigned metal plate number;
- (2) the year and make of the vehicle to which the metal plate is affixed;
- (3) the vehicle identification number of the vehicle (VIN); and
- (4) the name of the person in control of the vehicle.

The converter's record shall be available at the converter's location during normal working hours for review by a representative of the department. Converter metal plates that cannot be accounted for shall be voided in the dealer's record and reported as missing to the department within three days of the date that the discovery is made. After a plate is reported as missing it is no longer valid.

4.8 Temporary Tags. Under the new Internet based system called Vision 21, dealers who hold a General Distinguishing Number license may issue dealer temporary tags, initial buyer's temporary tags, supplemental buyer's temporary tags, Internet-down temporary tags, and emergency temporary tags for each type of vehicle the dealer is licensed to sell. A converter may issue converter temporary tags. Dealers and converters are required by law to have Internet access at their place of business to connect to the temporary tag database. Vision 21 will be accessed through the TxDOT site <https://vision21.txdot.gov/login/klogin.aspx>.

Entry of false information into the Internet based system may subject the user to revocation of access, MVD civil penalties or license suspension, and/or criminal prosecution. No temporary tag may be placed on a vehicle without this specific number generated by the Vision 21 database.

a. Format. Dealers and converters may issue a temporary tag by any of the following methods:

- (1) manually copy the information provided from the database to pre-printed cardboard and have the information drawn in letters and numerals with a permanent thick black marking pen.
- (2) print the image of the information provided by the database on 6 inch by 11 inch cardboard.
- (3) print the image of the information provided by the database on a full 8 ½ inch by 11 inch sheet label and affix the label to a 6 inch by 11 inch cardboard.
- (4) print the image of the information provided by the database on a full 8 ½ inch by 11 inch piece of paper, affix the paper to a 6 inch by 11 inch cardboard by glue or tape so that it is completely adhered to the cardboard backing.
- (5) print the image of the information provided by the database on a full 8 ½ inch by 11 inch piece of paper and seal the tag and a cardboard backing in a 6 inch by 12 inch, 2 mil clear poly bag to protect the tag from the elements.

Information printed or completed on all temporary tags must be in black ink. Cardboard or cardboard backing material for temporary tags must be of a thickness and weight of no less than 65-pound cover stock. A 67-pound vellum has been found to also be satisfactory and is more economical. All temporary tags must be sealed in a 6 inch by 12 inch, 2 mil clear poly bag that covers the entire tag and must be displayed in the rear license plate holder of unregistered vehicles.

Display in the rear windows is no longer allowed. All printed information on a temporary tag must be visible and may not be covered or obstructed by any plate holder. Homemade tags are not permitted.

b. Dealer's Temporary Tag (formerly known as the black tag) Dealer Temporary Tags (dealer's tags) may be used by the dealer only to:

- (1) demonstrate the vehicle or cause the vehicle to be demonstrated to a prospective buyer for sale purposes only;
- (2) convey or cause the vehicle to be conveyed:
 - (A) from one of the dealer's places of business in this state to another of the dealer's places of business in this state;
 - (B) from the dealer's place of business to a place where the vehicle is to be repaired, reconditioned, or serviced;
 - (C) from the state line or a location in this state where the vehicle is unloaded to the dealer's place of business;
 - (D) from the dealer's place of business to a place of business of another dealer;
 - (E) from the point of purchase by the dealer to the dealer's place of business; or
 - (F) to road test the vehicle;
- (3) use the vehicle for or allow its use by a charitable organization or use the vehicle or allow its use in parades;
- (4) use on loaner vehicles.

A vehicle on the streets or highway with a dealer tag is exempt from state inspection requirements. A dealer who holds a wholesale motor vehicle auction GDN may display its dealer's tags on any vehicles that are transported to or from the licensed auction location by a bona fide employee or agent of the auction.

Dealer tags may be displayed only on the type of vehicle for which the general distinguishing number is issued and for which a dealer is licensed to sell. A dealer's tag may not be used to operate a vehicle for the personal use of a dealer or a dealer's employee. Dealer tags may not be displayed on dealer service or work vehicles or a laden commercial vehicle; Vehicles used for towing and transporting other vehicles; courtesy cars; rental or lease vehicles; dealer-owned vehicles loaned to schools; or any boat trailer owned by a dealer that transports more than one boat.

A vehicle bearing a dealer tag is not considered to be a laden commercial vehicle when it is towing another vehicle bearing the same dealer's tags, and both vehicles are being conveyed from the dealer's place of business to a licensed wholesale auto auction or from a licensed wholesale auto auction to the dealer's place of business.

When an unregistered vehicle is sold to another dealer, the selling dealer shall remove its dealer's tag. The selling dealer may attach a buyer's temporary tag to the vehicle or the purchasing dealer may display its dealer's tag or dealer's plate on the vehicle. If a vehicle is consigned from one dealer to another, the vehicle must display the temporary tag of the dealer to which that vehicle was consigned.

A dealer's tag may be issued by a dealer to a specific vehicle or to a dealer's agent who is authorized to operate a motor vehicle owned by the dealer. A dealer's tag can be issued for any length of time up to 60 days. In the case of a vehicle specific tag, only one tag per vehicle at a time may be issued.

A dealer who issues a dealer's tag to a specific vehicle must ensure that the following information is placed on the tag: (1) the vehicle-specific number from database; (2) the year and make of vehicle; (3) the vehicle identification number (VIN) of the vehicle; and (4) the month, day, and year of the tag's expiration.

A dealer who issues a dealer's tag to an agent must ensure that the following information is placed on the tag: (1) the agent-specific number from the database; and (2) the month, day, and year of the tag's expiration.

Dealers should make an effort to guard zealously the dealer's tags. Such tags may be stolen and used by criminals to prevent identification of vehicles used in crimes.



Dealer Temporary Tag – Authorized Agent Tag



Dealer Temporary Tag – Vehicle Specific Tag

c. Buyer's Temporary Tag (formerly red tag) A temporary buyer's tag (Buyer's Tag) may be displayed only on a vehicle that may be operated upon the public streets and highways and for which a sale has been consummated. The dealer must place a Buyer's Tag on any new or used vehicle sold by the dealer, except for a vehicle sold in a wholesale transaction in which the purchasing dealer places its own dealer temporary tag on the vehicle. Buyer's Tags are valid for a period not to exceed 21 calendar days including the date the vehicle is sold and may only be displayed on a vehicle actually sold by the dealer. Only one Buyer's Tag may be issued.

The dealer must ensure that the following information is placed on a buyer's or supplemental buyer's tag that the dealer issues: (1) the vehicle-specific number obtained from database; (2) the year and make of vehicle; (3) the vehicle identification number (VIN) of the vehicle; and (4) the month, day, and year of the tag's expiration.

A dealer must provide a buyer's temporary tag receipt to the buyer of each vehicle to which a Buyer's Tag is issued regardless of whether the tag is issued in the ordinary course of

business or is an Internet-down or emergency tag. The dealer may print the image of the receipt issued from the database or construct the form using the same information. The dealer must have the buyer sign the form and instruct the buyer to keep a copy of the receipt in the vehicle until the vehicle is registered in the buyer's name and metal plates are affixed to the vehicle. The receipt must include the following information:(1) the issue date of the buyer's tag; (2) the year, make, model, body style, color, and vehicle identification number (VIN) of the vehicle sold; (3) the vehicle-specific tag number; (4) the expiration date of the tag; (5) the date of the sale; (6) the name of the issuing dealer and the dealer's license number; and (7) the buyer's name and mailing address. The dealer must keep a copy of the receipt signed by the buyer in the dealer's sales records.

With each initial Buyer's Tag issued, the dealer must provide the buyer with a copy of the laws regarding temporary tags in the form of the Notice to Buyer approved by the department and available through the database for temporary tags. The buyer must sign the dealer's copy of the buyer's receipt, acknowledging receipt of a copy of the Notice to Buyer. The dealer must keep a copy of the receipt signed by the buyer in the dealer's sales records.

Lienholders are required to release liens within 10 days of payoff. If the dealer has paid off a lien and cannot obtain the release of lien from the lienholder, the dealer should notify MVD of the lienholder's tardiness and then issue to the buyer the Buyer's Supplemental Tag upon expiration of the Buyer's Tag. If a dealer is unable for other reasons beyond his control to get a title transferred within 21 calendar days from the date of sale, then the dealer should obtain for the buyer a 30-day permit from VTR.



Buyer's Temporary Tag

d. Buyer's Supplemental Tag (formerly blue tag) Buyer's Supplemental Tags are to be issued only under one set of circumstances. If a dealer, after paying off a lien, has been unable to obtain the necessary documents to obtain permanent metal license plates on behalf of the buyer because the lienholder has not provided a release of lien within the allowed ten days, the dealer may issue a Buyer's Supplemental Tag. Within 20 working days of the date of sale the dealer must access the database and renew the vehicle-specific number previously issued. The Buyer's Supplemental Tag is valid for a period that does not exceed 20 working days after the date of its issuance. The dealer may not issue more than one supplemental buyer's tag for a vehicle. If a dealer is unable to get a title transferred within the period of time covered by the Buyer's Supplemental Tag, then the dealer should obtain for the consumer a 30-day permit from VTR.



Buyer's Supplemental Tag

e. Converter's Temporary Tags. Converter's Temporary Tags (Converter's Tags) may be used only by the converter or the converter's employees on unregistered vehicles to:(1) demonstrate the vehicle, or cause the vehicle to be demonstrated, to a prospective buyer who is a franchised motor vehicle dealer or an employee of a franchised motor vehicle dealer; or (2) convey the vehicle or cause the vehicle to be conveyed: (A) from one of the converter's places of business in this state to another of the converter's places of business in this state; (B) from the converter's place of business to a place where the vehicle is to be assembled, repaired, reconditioned, modified, or serviced; (C) from the state line or a location in this state where the vehicle is unloaded to the converter's place of business; (D) from the converter's place of business to a place of business of a franchised motor vehicle dealer; or(E) to road test the vehicle. Prospective buyers who are employees of a franchised dealer or a converter may operate a vehicle displaying converter's temporary tags during a demonstration.

Converter's Tags may be displayed only on the type of vehicle that the converter is engaged in the business of assembling or modifying. A vehicle being conveyed while displaying a converter's temporary tag is exempt from vehicle inspection requirements. Converter's Tags may not be used to operate a vehicle for the converter's or a converter's employee's personal use.

When an unregistered new motor vehicle is sold to a converter, the selling dealer may attach a Buyer's Tag to the vehicle or the purchasing converter may display a Converter's Tag or Converter Plate on the vehicle.

A Converter's Tag may be issued by a converter to a specific vehicle or to a converter's agent who is authorized to operate a motor vehicle owned by the converter. A Converter's Tag must show its expiration date which may not exceed 60 days after its date of issuance.

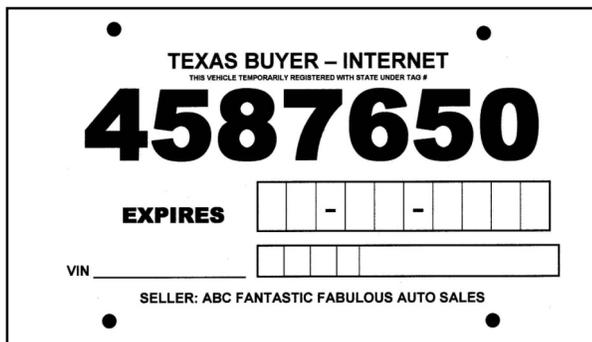
A converter who issues a Converter's Tag to a specific vehicle must ensure that the following information is placed on the tag: (1) the vehicle-specific number from database; (2) the year and make of vehicle; (3) the vehicle identification number (VIN) of the vehicle; and (4) the month, day, and year of the tag's expiration.

A converter who issues a Converter's Tag to an agent must ensure that the following information is placed on the tag: (1) the agent-specific number from the database; and (2) the month, day, and year of the tag's expiration.



Converter's Temporary Tags

f. Advance Numbers, Internet-down Buyer's Temporary Tags. A dealer may obtain an advance supply of specific numbers in order to issue Buyer's Tags when the dealer is unable to access the Internet. When a dealer is unable to access the Internet at the time of sale, the dealer must complete and sign the dealer's copy of the buyer's receipt form and enter the required information on the sale into the database not later than the close of the next business day. The Internet-down Buyer's Temporary Tag must be in the format as described in Section 4.8(a) above.



Internet-down Buyer's Temporary Tags

g. Advance Numbers, Emergency Buyer's Temporary Tags. A dealer may obtain a supply of specific numbers from the database to issue temporary buyer's tags if the dealer is unable to access the Internet due to an emergency. Such a number may be used on buyers' tags only if a hurricane, flood, or other event prohibits the supply of power or electronic communications to the dealer's business for longer than two days. The dealer must complete and sign the dealer's copy of the buyer's receipt form and enter the required information on the sale into the database not later than 24 hours after the time that power or communication is restored. The Emergency Buyer's Temporary Tag must be in the format as described in Section 4.8(a) above.



Emergency Buyer's Temporary Tags

4.9 Logs for the Temporary Tags. Temporary tags are no longer required to be logged with the exception of the Emergency and Internet Down tags. The dealer should keep a completed receipt on these tags in their records (with the buyer's signature) as with the regular buyer's tag. This is especially important until the information is logged into the database. These records become part of those records required to be kept by dealers/converters for MVD inspection.

4.10 The 30-Day Permit. Many times it is not the dealer's fault that a title has not appeared. Any time the dealer cannot get a title transferred to a buyer within the 21 calendar days from the date of sale, and there is no issue with a lienholder, the dealer usually can keep the buyer happy by obtaining a 30-day permit. The permit is available from the local VTR office upon payment of \$30.00 and showing of the consumer's financial responsibility (liability insurance).

4.11 Other Restrictions On Tags And Plates. A franchised dealer may only use temporary tags and metal dealer license plates on used vehicles and new motor vehicles for which they are licensed to sell. A chart that summarizes for dealers the uses and prohibitions of plates and tags can be found at page 4-20.

4.12 Transported Vehicles. Each motor vehicle being transported using the full mount method, the saddle mount method, the tow bar method, or any combination of those methods in accordance with Transportation Code, §503.068(d), must have a dealer's or converter's temporary tag or a buyer's temporary tag, whichever is applicable, affixed to that vehicle. If the vehicle being transported is unable to qualify for registration because it is of a type that is prohibited from operating upon the public streets and highway (i.e., off-highway vehicle or self-propelled machine), a tag shall be displayed that states in bold letters "For Off Highway Use Only."

4.13 Special Exception for Auctions. A wholesale motor vehicle auction may use dealer's tags and dealer plates. The auction may use buyer's tags on those vehicles which they have bought, taken assignment on and are selling for themselves at the auction. Sometimes auctions will provide a ferry service for dealers to ferry vehicles to and from the auction for dealers. In this instance, auctions are allowed to use their own dealer tags even though the vehicles are not in the auction's name.

4.14 Manufacturer's License Plates. Instead of registering a new vehicle that a manufacturer or distributor intends to test on a public street or highway or to loan to a consumer during warranty repair to a consumer's vehicle, the manufacturer may apply for manufacturer's license plates for the vehicle. A commercial motor vehicle with manufacturer's license plate attached may not carry a load.

4.15 Public Auctions. A dealer may sell his own inventory by way of an auction held on the dealer's licensed lot. An Auctioneer licensed by the Department of Licensing and Regulation must conduct the auction in accordance with the Texas Auctioneer Law. The auctioneer's name and license number must appear in any advertisement.

It is not legal for several dealers to get together and hold a public auction on one of their lots. This is selling off site which is prohibited by the Transportation Code.

Some dealers promote themselves as a public auction and hold regular auctions to sell to the public. These dealers must take assignment of any vehicles sold through their auction and must transfer the titles to the purchaser before the 21st day after the sale.

4.16 Wholesale Auctions. Only a person who possesses a wholesale motor vehicle auction license may hold a wholesale or dealer-to-dealer auction, which must be held only at the location for which the auction is licensed. The vehicles must only be auctioned off to licensed dealers, not the public. Some franchised dealers have a wholesale auction license and hold regularly scheduled auctions and invite dealers to bring their vehicles to the lot for sale to other dealers. This is legal, but the auction must be advertised in the dealer's name, not the name of the company that is conducting the auction.

4.17 Wholesale Auction Procedures. Most wholesale auctions have their own procedures and guidelines. A dealer should contact the different auctions in the area and inquire about the auction's particular requirements. A dealer going to an auction for the first time will generally be required to fill out an application, giving information about the dealer's financial condition and that of the dealership. Be prepared to present the original of your dealer license for verification. Most auctions will provide the dealer with a picture ID and a list of the auction's procedures. The most common auction procedures observed by MVD are: (1) All representations or guarantees are that of the seller. (2) All transactions are between buying and selling dealers. (3) Dealers must register with the auction and obtain an auction I.D. card before conducting business. (4) Some auctions may allow a dealer to establish a line of credit. (5) The auctions are for licensed motor vehicle dealers and their authorized agents only. A dealer may not take customers to an auction to buy a vehicle, nor can a dealer lend its GDN to an individual. The dealer/owner may be able to take one guest; however, this person may not buy a vehicle (check with the auction on bringing a guest). (6) Dealers may be able to preview vehicles before the auction begins. The hours may vary at each auction so check with the auction that you plan to attend.

The auction will announce the condition of the vehicle as told to them by the seller. This may be done verbally or through the use of a light system, i.e. red, green and yellow, to indicate the condition of the sale. Dealers should check with each auction regarding the different categories of the light system.

Some auctions may have a separate "damaged and disabled" sale. This could include units that have frame damage, frame damage repair, flood damage, missing emissions, broken odometers, etc. If a motor vehicle has a salvage title or is deemed at total loss, both the buyer and the seller must hold a salvage dealer license. If a dealer buys a vehicle and believes it was misrepresented, arbitration may be available at the auction. Check the auction arbitration policy.

4.18 Getting a Title From the Auction. Once a dealer is awarded the bid in an auction, the vehicle is released to that dealer. In most cases, there is a 21-30 working-day policy in getting the title. MVD strongly advises dealers to wait until they have received the title before they sell that vehicle. After the vehicle is sold, sometimes the title is lost, or the title may be a salvage title, or marked as a reconditioned vehicle. A dealer who has sold such a vehicle before receiving the title is likely to be in trouble with not only the buyer, but also with MVD because that dealer has sold a vehicle without a title and has failed to timely apply after a sale for a title.

The dealer who sells a vehicle through the auction and has not provided the title in a timely manner would also be in violation of selling a vehicle without the title.

Several steps must occur before the dealer can take possession of the vehicle and sell it to a retail consumer: (1) The dealer's draft must clear. (2) Lien holder and/or selling dealer is paid. And (3) Title is released to the auction, and the auction releases the title to the dealer. [Note: Titles are not reassigned to the auction. The title must be reassigned directly to the purchasing dealer.]

The auction may have a buyback policy if the auction cannot get the title to the buyer within the 21-30 working-day period.

4.19 Dealer Agents. Dealers are responsible for the actions of their employees and agents. Under the Dealer Agent Rule, a dealer must give anyone dealing with his employees or agents in a wholesale situation, a letter of written authority of that agent. The dealer's authorization will be valid until either the termination of that dealer's license or until the dealer revokes the authority in writing. Once a dealer gives such written authority, the agent may buy and sell vehicles at auctions and to other dealers in the name and under the auspices of the dealer's license. The Dealer Agent Rule found at 43 TAC 8.148, sets out what is required in the letter of authority. Some wholesale auctions have their own forms for agent authorization. These forms will take the place of the required letter on dealership letterhead if the form contains all the requirements of the rule.

Under the Dealer Agent Rule, an agent may not pay for a vehicle in cash as all transactions must be in the name of the dealer using the dealership checks, drafts through the dealership financial entity, or cashier's checks drawn on the dealership accounts. Further, auctions and other dealers may not give the agent the title to vehicles, but must deliver the titles to the dealer at his dealership.

4.20 Shows and Displays. The general rule is that only *new* motor vehicles may be shown or displayed off the licensed premises and then only with the written permission of the MVD. As described below, there are many different rules for the different types of vehicles that can be shown off-site. To be absolutely sure of all requirements, dealers are urged to call or write MVD well in advance of any show or display to ascertain if they may participate in that particular event. Some non-selling, association-sponsored shows are self-permitting. A promoter should contact MVD for the special forms for self-permitting shows.

a. Used Motor Vehicles. There is no provision in the law for used motor vehicles to be displayed in a show or exhibited off the licensed premises. There are exceptions under the law for certain types of non-motorized vehicles like used trailers.

b. New Motor Vehicles. There are three types of shows or displays at which motor vehicles may be displayed:

(1) Off-site display – A static display in which one dealership participates, for example, a new Ford Mustang displayed at the local airport. Displays may be approved from one day to 6 months, depending on the purpose of the display and/or location. No selling is permitted and no personnel are present.

(2) Auto show – Usually a one-day or weekend event with participation from multiple dealers, such as a citywide car show. No selling is permitted.

(3) RV show – When three or more RV dealers participate in a show at which the dealers are authorized to sell vehicles, such as an annual RV/Camper show. This type of show is exclusive for RV dealers only. Other new motor vehicles are only approved for display at such a show on a case-by-case basis, i.e., a new Saturn on display at an RV show (MVD requires such displays to post “Display Only” signs.) Travel trailers are allowed to participate in such shows, but travel trailer dealers will not be considered dealers for the purposes of meeting the three dealers requirement.

c. Qualifications for approval of an off-site show or display: All dealers and promoters must complete appropriate MVD show or display authorization forms, which must be received by MVD at least 30 days before the show. The location of the show will be considered the market area of the closest dealer for the line-make for which the dealer is licensed, unless it is a motor home show. If the dealer is not the closest dealer, then the dealer making the application must obtain waivers from the closer dealers and provide copies to the agency. With such a waiver, the dealer may obtain approval from MVD as long as the dealer meets all other requirements. Displays may not be held at businesses with an auto buying service, and dealers must leave MSRP stickers on the vehicles.

d. Untimely off-site show or display request. No exceptions for tardiness are authorized by law, and none will be granted by MVD. If a request is not timely and no other provision of the law would be violated, MVD will simply refrain from approving or disapproving the application for show or display. If MVD receives a complaint, then MVD will investigate the matter. The dealer’s attempt to file an untimely request will be considered in imposing sanctions arising from any complaint for not obtaining MVD show or display approval.

e. Forms Required for Shows or Displays. Depending on the type of show or display, the show promoter and every dealer who is to participate, must complete and sign the required application forms. The show promoter is required to file an application that lists information about the show and must verify that any participant is licensed in Texas. Each dealer that participates must be the closest dealer to the show locale or have a signed waiver from the closest dealer. If admission tickets are required, two tickets for admission to the show must be provided to the MVD so investigators may enter and monitor compliance. Non-selling show attendees may qualify for the self-permitting process which just requires registering with the division.

The TxDOT website has information and forms available for downloading for shows and displays. Be sure and check at this site and read the provisions carefully. If you qualify for a self-permitting show, you may download the form and file it with the MVD for easy compliance with the show and display rules. See these forms at http://www.txdot.gov/txdot_library/forms/business/vehicle_dealers/vehicle_dealer_shows.htm.

f. Special Rules for Motorhome Shows. Under the law motorhomes may be sold at shows, but there must be at least three motor home dealers, representing 3 different lines/ makes

in the show. No dealer located outside of a 70 mile radius of the show site representing the same line can participate without written permission of that like-line dealer within the 70 mile radius of the show site. The show may not last longer than 6 days, and all participating dealers must suspend sales operations on the same day if the show extends over a consecutive Saturday and Sunday to remain in compliance with the blue law. All motor home shows in the same county must be scheduled at least 90 days apart.

g. Trailers. Trailers, both new and used, may be displayed, shown and sold at shows that are regularly scheduled events. There must be at least two different trailer dealers at the show to qualify for this type of event.

h. Fire-fighting Vehicles and Ambulances. In addition to motor homes, fire-fighting vehicles and ambulances may also be sold at shows.

i. Advertising a Show. All advertising of any show or display must comply with MVD advertising rules.

j. Location of the Show. A show may not be held on a business that has auto buying programs or financial institution's premises during normal business hours. A financial institution consists of locations where auto loans are approved, such as a bank, credit union, etc. Shows proposed to be held at locations of businesses that have auto buying programs will not be approved.

4.21 Lemon Law Disclosure on New Vehicles. When a franchised dealer sells a new vehicle, the dealer is required to provide the consumer the requisite Lemon Law Notice. Such a notice is found on page 11-5. The content of this form is proscribed by the Motor Vehicle Division and should be given to the consumer at the same time the buyer signs the sales contract.

4.22 Foreign Buyer Rule. Any dealer who sells motor vehicles to foreign buyers are required to verify the identity of the buyer and stamp the title showing the vehicle as an exported vehicle.

a. Verifying Identity of Buyer. A dealer should obtain a copy of the drivers license, passport, or other picture identity of the buyer confirming the foreign residence. These copies should become part of the dealer's sales file.

b. Stamping the Title. A dealer should obtain a rubber stamp containing the dealer license number and the words "For Export Only." The stamp should be placed on the front of the title where it is not covering up any information and should also be placed on each blank reassignment form on the back of the title. See Page 4-25 for a sample of the stamp and where to stamp a title.

4.23 Displaying the License. All licensees must display their license in a manner that makes the license easily readable by the public in a conspicuous place in the office of each place of business. If a license covers more than one location then a copy of the original license may be displayed in the supplemental locations.

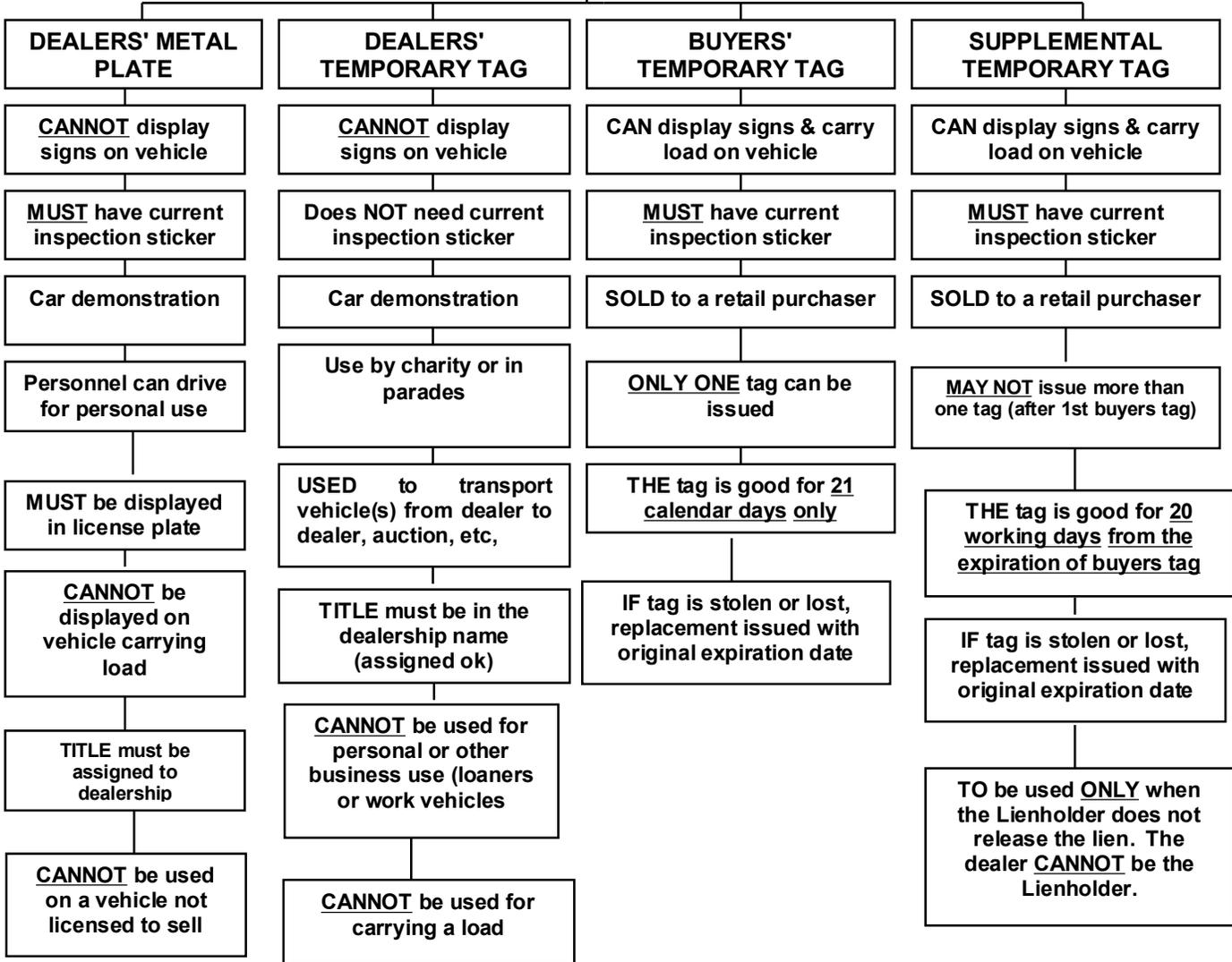
4.24 License Plate Holders. As of September 1, 2003, a person may not attach an illuminated device, sticker, decal, emblem or other insignia that is not authorized by law and that interferes with the readability of the letters, or number on the plate or the name of the state in which the vehicle is registered. Care should be taken when dealers affix plate holders to a sold vehicle that the edges of the plate holder do not obscure the name of the state, the license numbers, or other original design feature of the plate. Customers will not be happy with the free plate holder you furnished if they pay a \$200 fine because the plate holder is illegal.

4.25 Moving the Dealership. All licensees are required to keep the Department advised of their most current address. MVD is to be advised within ten (10) days of any move. Failure to do so may result in the failure to receive important mail from MVD such as license renewals or important notices about changes in the law. See §3.15 (Licensing) about amending the license because of moving, adding a new location or going out of business.

4.26 Trailer Dealers and VINs. With the advent of Vision 21, the department wants to start collecting VINs on trailers. While this is not mandatory at this time, it behooves trailer dealers to protect their customers' interest in the trailers they have bought by providing an identifying VIN on the trailers. This may become mandatory in the future so all trailer dealers need to become familiar with this procedure. VTR has outlined the procedure for obtaining a trailer VIN in a Registration and Title Bulletin to the County Tax Assessor-Collectors dated September 2, 2005. This bulletin can be seen on page 4-26 of this section.

DEALER PLATE & TAG USAGE

ALL PLATES AND TAGS SHOULD BE KEPT SECURE



CONSIGNMENT TO DEALERSHIP

The undersigned owner of the motor vehicle described herein, hereby certifies that he has delivered on consignment to the dealership named below a vehicle that he legally owns and that said dealership has the owner's authority to offer such vehicle for sale at the dealer's licensed location. Owner certifies and guarantees that the vehicle is free and clear from any liens other than that may appear on the face of the title, or that he has disclosed herein. Owner has shown the dealer the title to the vehicle. Owner further states that he is not a wholesale dealer.

Dealer agrees that it will offer the herein described vehicle for sale on its legally licensed premises under the terms and conditions agreed to between the Owner and Dealership as set out herein. Dealership further agrees that it will pay the owner any amounts owed from the sale no later than _____ days from the date of sale. Dealership understands that it is responsible for registering and titling the vehicle and paying any Vehicle Inventory Tax due on the vehicle.

VEHICLE Make: _____ Year Model: _____ Body Style: _____

License Number: _____ Vehicle Identification Number: _____

DEALER Name: _____

Licensed Address: _____

Phone Number: _____ Fax: _____ GDN: _____

OWNER Name: _____

Address: _____

Daytime Phone Number: _____ Evening Phone Number: _____

TERMS OF CONSIGNMENT:

This consignment begins on _____ and terminates on _____

Sales price (set amount or minimum) _____

Consignee to pay owner ___ days after the sale.

Agreed commission (set amount, percentage or over net) _____

Fees owner agrees to pay (if any): _____

Liens (if any): _____

Signature of Owner

Signature of Dealer

BUYERS GUIDE

IMPORTANT: Spoken promises are difficult to enforce. Ask the dealer to put all promises in writing. Keep this form.

VEHICLE MAKE

MODEL

YEAR

VIN NUMBER

DEALER STOCK NUMBER (optional)

WARRANTIES FOR THIS VEHICLE:

AS IS-NO WARRANTY

YOU WILL PAY ALL COSTS FOR ANY REPAIRS. The dealer assumes no responsibility for any repairs regardless of any oral statements about this vehicle.

WARRANTY

—FULL —LIMITED WARRANTY. The dealer will pay ____% of the labor and _____% of the parts for the covered systems that fail during the warranty period. Ask the dealer for a copy of the warranty document for a full explanation of warranty coverage, exclusions, and the **dealer's repair obligations. Under state law, "implied warranties" may give you even more rights.**

SYSTEMS COVERED:

DURATION:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

— SERVICE CONTRACT. A service contract is available at an extra charge on this vehicle. Ask for details as to coverage, deductible, price and exclusions. If you buy a service contract within **90 days of the time of sale, state law "implied warranties"** may give you additional rights.

PRE PURCHASE INSPECTION: ASK THE DEALER IF YOU MAY HAVE THIS VEHICLE INSPECTED BY YOUR MECHANIC EITHER ON OR OFF THE LOT.

SEE THE BACK OF THIS FORM for important additional information, including a list of some major defects that may occur in motor vehicles.

Below is a list of some major defects that may occur in used motor vehicles.

Frame & Body

Frame-cracks, corrective welds, or rusted through
Dog tracks-bent or twisted frame

Engine

Oil leakage, excluding normal seepage
Cracked block or head
Belts missing or inoperable
Knocks or misses related to camshaft lifters and push rods
Abnormal exhaust discharge

Transmission & Drive Shaft

Improper fluid level or leakage, excluding normal seepage
Cracked or damaged case which is visible
Abnormal noise or vibration caused by faulty transmission or drive shaft
Improper shifting or functioning in any gear
Manual Clutch slips or clatters

Differential

Improper fluid level or leakage, excluding normal seepage
Cracked or damaged housing which is visible
Abnormal noise or vibration caused by faulty differential

Cooling System

Leakage including radiator
Improperly functioning water pump

Electrical System

Battery leakage
Improperly functioning alternator, generator, battery, or starter

Fuel System

Visible leakage

Inoperable Accessories

Gauges or warning devices
Air conditioner
Heater & Defroster

Brake System

Failure warning light broken
Pedal not firm under pressure (DOT spec.)
Not enough pedal reserve (DOT spec.)
Does not stop vehicle in straight (DOT spec.)
Hoses damaged
Drum or rotor too thin (Mfgr. specs.)
Lining or pad thickness less than 1/32 inch
Power unit not operating or leaking
Structural or mechanical parts damaged

Steering System

Too much free play at steering wheel (DOT specs.)
Free play in linkage more than ¼ inch
Steering gear binds or jams
Front wheels aligned improperly (DOT specs.)
Power unit belts cracked or slipping
Power unit fluid level improper

Suspension System

Ball joint seals damaged
Structural parts bent or damaged
Stabilizer bar disconnected
Spring broken
Shock absorber mounting loose
Rubber bushings damaged or missing
Radius rod damaged or missing
Shock absorber leaking or functioning improperly

Tires

Tread depth less than 2/32 inch
Sizes mismatched
Visible damage

Wheels

Visible cracks, damage or repairs
Mounting bolts loose or missing

Exhaust System

Leakage

DEALER

ADDRESS

SEE FOR COMPLAINTS

IMPORTANT: The information on this form is part of any contract to buy this vehicle. Removal of this label before consumer purchase (except for purpose of test-driving) is a violation of federal law (16 C.F.R. 455).

ILLUSTRATION OF WHERE TO PLACE "FOR EXPORT ONLY" STAMP

TEXAS CERTIFICATE OF TITLE

ORIGINAL

VEHICLE IDENTIFICATION NUMBER: RA [REDACTED] YEAR MODEL: 1979 MAKE OF VEHICLE: TOYT BODY STYLE: 2D

VEHICLE TITLES AND REGISTRATION DIVISION: 24006735

DOCUMENT NUMBER: 0572093511 DATE TITLE ISSUED: 03/06/96

MODEL: [REDACTED] MFG CAPACITY IN TONS: [REDACTED] WEIGHT: [REDACTED] LICENSE NUMBER: 2600

PREVIOUS OWNER: [REDACTED] ODOMETER READING: EXEMPT

OWNER: [REDACTED] ADDRESS: DALLAS, TX 75224

FOR EXPORT ONLY

UNLESS OTHERWISE AUTHORIZED BY LAW, IT IS A VIOLATION OF STATE LAW TO SIGN THE NAME OF ANOTHER PERSON ON A CERTIFICATE OF TITLE OR OTHERWISE SPEAK FALSE INFORMATION ON A CERTIFICATE OF TITLE.

DATE OF LIEN: NONE 1ST LIEN HOLDER: [REDACTED] 1ST LIEN RELEASED: [REDACTED]

DATE OF LIEN: [REDACTED] 2ND LIEN HOLDER: [REDACTED] 2ND LIEN RELEASED: [REDACTED]

DATE OF LIEN: [REDACTED] 3RD LIEN HOLDER: [REDACTED] 3RD LIEN RELEASED: [REDACTED]

IT IS HEREBY CERTIFIED THAT THE PERSON HEREIN NAMED IS THE OWNER OF THE VEHICLE DESCRIBED ABOVE WHICH IS SUBJECT TO THE ABOVE LIENS.

RIGHTS OF SURVIVORSHIP OWNERSHIP AGREEMENT
I, THE HUSBAND AND WIFE WHOSE SIGNATURES APPEAR HEREIN, HEREBY AGREE THAT THE OWNERSHIP OF THE VEHICLE DESCRIBED ON THIS CERTIFICATE OF TITLE SHALL FROM THIS DAY FORWARD BE HELD JOINTLY AND IN THE EVENT OF DEATH OF EITHER THE HUSBAND OR THE WIFE, THE OWNERSHIP OF THE VEHICLE SHALL REST IN THE SURVIVOR.

DO NOT ACCEPT TITLE SHOWING ERASURE, ALTERATION, OR MUTILATION.

On the front of the title where no information is covered

WHEN VEHICLE IS SOLD, TITLE HOLDER MUST ASSIGN AND FURNISH THIS TITLE, CURRENT LICENSE RECEIPT, AND SALES TAX AFFIDAVIT TO THE PURCHASER WHO MUST FILE APPLICATION WITH COUNTY TAX ASSESSOR-COLLECTOR WITHIN 20 WORKING DAYS TO AVOID \$10 PENALTY.

FEDERAL AND STATE LAW REQUIRES THAT YOU STATE THE MILEAGE IN CONNECTION WITH THE TRANSFER OF OWNERSHIP. FAILURE TO COMPLETE OR PROVIDING A FALSE STATEMENT MAY RESULT IN FINES AND/OR IMPRISONMENT.

The undersigned hereby certifies that the vehicle described in this title is free and clear of all liens, except as noted herein, and has been transferred to the following printed name and address:

Name of Purchaser: Jose Diaz Street: 123 Matamoros City: Nuevo Laredo State: Mexico Zip: [REDACTED]

I certify to the best of my knowledge that the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked:
 1. The mileage stated is in excess of its mechanical limits.
 2. The odometer reading is not the actual mileage. **WARNING - ODOMETER DISCREPANCY.**

Date of Sale: 1/22/02 ODOMETER READING (Miles): 87,654 Dealer (No.): [REDACTED]

I am aware of the above odometer certification made by the seller/agent. Signature of Seller/Agent: [REDACTED] Printed Name (same as signature): John Doe, Texas Autos P67894

I am aware of the above odometer certification made by the seller/agent. Signature of Buyer/Agent: [REDACTED] Printed Name (same as signature): Jose Diaz

The undersigned hereby certifies that the vehicle described in this title is free and clear of all liens, except as noted herein, and has been transferred to the following printed name and address:

Name of Purchaser: [REDACTED] City: [REDACTED] State: [REDACTED] Zip: [REDACTED]

I certify to the best of my knowledge that the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked:
 1. The mileage stated is in excess of its mechanical limits.
 2. The odometer reading is not the actual mileage. **WARNING - ODOMETER DISCREPANCY.**

Date of Sale: [REDACTED] ODOMETER READING (Miles): [REDACTED] Dealer (No.): [REDACTED]

I am aware of the above odometer certification made by the seller/agent. Signature of Seller/Agent: [REDACTED] Printed Name (same as signature): [REDACTED]

I am aware of the above odometer certification made by the seller/agent. Signature of Buyer/Agent: [REDACTED] Printed Name (same as signature): [REDACTED]

The undersigned hereby certifies that the vehicle described in this title is free and clear of all liens, except as noted herein, and has been transferred to the following printed name and address:

Name of Purchaser: [REDACTED] City: [REDACTED] State: [REDACTED] Zip: [REDACTED]

I certify to the best of my knowledge that the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked:
 1. The mileage stated is in excess of its mechanical limits.
 2. The odometer reading is not the actual mileage. **WARNING - ODOMETER DISCREPANCY.**

Date of Sale: [REDACTED] ODOMETER READING (Miles): [REDACTED] Dealer (No.): [REDACTED]

I am aware of the above odometer certification made by the seller/agent. Signature of Seller/Agent: [REDACTED] Printed Name (same as signature): [REDACTED]

I am aware of the above odometer certification made by the seller/agent. Signature of Buyer/Agent: [REDACTED] Printed Name (same as signature): [REDACTED]

LIENHOLDER TO BE RECORDED AND SHOWN ON NEW TITLE.
1ST LIEN IN FAVOR OF: (NAME & ADDRESS)

On the back of the title in any blank

September 2, 2005

**Registration and Title Bulletin #094-05
Policy and Procedure**

TO: All County Tax Assessor-Collectors
SUBJECT: Assigned Serial Numbers for Homemade/Shopmade Trailers and Semitrailers

1.1. PURPOSE

To clarify the requirements for owners of homemade or shopmade trailers and semitrailers to obtain an assigned serial number.

DETAILS

All vehicles that are titled are required to have a serial number or vehicle identification number (VIN). An assigned serial number is not required for non-titled, homemade or shopmade:

- trailers that have an empty weight of 4,000 pounds or less
- semitrailers that have a gross weight of 4,000 pounds or less
- farm trailers or farm semitrailers that have a gross weight of 34,000 pounds or less, unless the owner chooses to apply for a title for a farm semitrailer that has a gross weight of over 4,000 pounds and not more than 34,000 pounds

An owner may choose to have a serial number assigned to a non-titled trailer, semitrailer, farm trailer, or farm semi-trailer for identification purposes and to aid in the recovery of their property in the event that it is stolen. If an assigned serial number is required (titled), or the customer chooses to obtain an assigned serial number(non-titled), the attached procedures should be followed in order to obtain an assigned serial number. If the owner of a non-titled trailer or semitrailer chooses to not have a serial number assigned, a Form VTR-68-A executed by law enforcement is not required to be submitted with the application for registration.

The Motor Vehicle Title Manual has been revised to reflect this information and will be distributed at a later date.

COUNTY ACTION

Please disseminate this information on the requirements for assigned serial numbers for non-titled trailers, semitrailers, farm trailers and farm semitrailers to your offices and customers.

CONTACT

If you have any questions or need any additional information, please contact your local Vehicle Titles and Registration Division Regional Office. You may also call me at (512) 465-7570. Thank you very much.

Sincerely,
Mike Craig, Interim Director
Vehicle Titles and Registration Division

**PROCEDURES FOR OBTAINING AN ASSIGNED SERIAL NUMBER
FOR A HOMEMADE/SHOPMADE TRAILER OR SEMITRAILER**

- A Form VTR-68-A, *Application for Assigned or Reassigned Number*, must be completed. The top portion must be completed by the owner and the owner's signature must be notarized. The bottom portion must be completed by law enforcement (a member of the Department of Public Safety, Motor Vehicle Theft Service, National Crime Insurance Bureau, or an established vehicle theft unit of a Texas law enforcement agency).
- The owner must mail or take the completed Form VTR-68-A, acceptable evidence of ownership, a \$2 fee, and a photograph of the trailer or semitrailer to their local Vehicle Titles and Registration Division (VTR) Regional Office.
- Once approved and an assigned serial number is issued, the VTR Regional Office will forward a copy of the completed Form VTR-68-A and Form VTR-68-N, *Notice of Assigned Number or Installation of Reassigned Vehicle Identification Number*, to the owner.
- The owner must then die stamp the assigned serial number on the trailer or semitrailer on the right side of a permanent part of the frame forward of the axle or tandem assembly.
- After the assigned number has been die stamped on the vehicle, the Form VTR-68-N, must be signed by the owner.
- If the trailer or semitrailer is being titled, the copy of the Form VTR-68-A and the completed Form VTR-68-N must be submitted to the County Tax Assessor-Collector's office with the application for title and all supporting documents.

A Dealer's Guide to the Used Car Rule

Most car dealers who sell used vehicles must comply with the Federal Trade Commission's (FTC's) Used Car Rule. In fact, car dealers who sell more than five used vehicles in a 12-month period must comply with the Rule. Banks and financial institutions are exempt from the Rule, as are businesses that sell vehicles to their employees, and Lessors who sell a leased vehicle to a lessee, an employee of the lessee, or a buyer found by the lessee.

The Used Car Rule applies in all states except Maine and Wisconsin. These two states are exempt because they have similar regulations that require dealers to post disclosures on used vehicles. The Rule applies in the District of Columbia, Puerto Rico, Guam, the U.S. Virgin Islands, and American Samoa.

This booklet defines the Rule's requirements, explains how to prepare and display the [Buyers Guide](#), and offers a compliance checklist.

You must post a [Buyers Guide](#) before you "offer" a used vehicle for sale. A vehicle is offered for sale when you display it for sale or let a customer inspect it for the purpose of buying it, even if the car is not fully prepared for delivery. This requirement also applies to used vehicles for sale on your lot through consignment, power of attorney, or other agreement. At public auctions, dealers and the auction company must comply. The Rule does not apply at auctions that are closed to consumers.

Previously titled or not, any vehicle driven for purposes other than moving or test driving, is considered a used vehicle, including light-duty vans, light-duty trucks, demonstrators, and program cars that meet the following specifications:

- a gross vehicle weight rating (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.

Exceptions to the Rule are:

- motorcycles;
- any vehicle sold for scrap or parts if the dealer submits title documents to the appropriate state authority and obtains a salvage certification; and
- Agricultural equipment.

The Buyers Guide

A disclosure document that gives consumers important purchasing and warranty information, the Buyers Guide tells consumers:

- whether the vehicle is being sold "as is" or with a warranty;
- what percentage of the repair costs a dealer will pay under warranty;
- that oral promises are difficult to enforce;
- to get all promises in writing;
- to keep the Buyers Guide for reference after the sale;
- the major mechanical and electrical systems on the car, as well as some of the major problems that consumers should look out for; and
- To ask to have the car inspected by an independent mechanic before they buy.

If you conduct a used car transaction in Spanish, you must post a [Spanish language Buyers Guide](#) on the vehicle before you display or offer it for sale.

The Buyers Guide must be posted prominently and conspicuously on or in a vehicle when a car is available for sale. This means it must be in plain view and both sides must be visible. You can hang the Guide from the rear-view mirror inside the car or on a side-view mirror outside the car. You also can place it under a windshield wiper. The Guide also can be attached to a side window. A Guide in a glove compartment, trunk or under the seat is not conspicuous because it is not in plain sight.

You may remove the Guide for a test drive, but you must replace it as soon as the test drive is over.

Vehicle Information

At the top of the Guide, fill in the vehicle make, model, model year, and vehicle identification number (VIN). Write in a dealer stock number if you wish.

Dealer Information

On the back of the Guide, fill in the name and address of your dealership. Also fill in the name (or position) and the telephone number of the person the consumer should contact with complaints. You may use a rubber stamp or preprint your Guide with this information.

Optional Signature Line

You may include a signature line on the Guide and you may ask the buyer to sign to acknowledge that he or she has received the Guide. If you opt for a signature line, you must include a disclosure near it that says: "I hereby acknowledge receipt of the Buyers Guide at the closing of this sale." This language can be preprinted on the form. The signature line and the required disclosure must appear in the space provided for the name of the individual to be contacted in the event of complaints after the sale.

Warranty Information

The Buyers Guide has two versions: One says "As Is-No Warranty;" the other says "Implied Warranties only."

As Is-No Warranty. If state law allows it, and you choose not to offer a warranty — written or implied — you must use the "As Is" version and check the box next to the heading "As Is-No Warranty" on the Guide.

Implied Warranties Only. In states that limit or prohibit the elimination of implied warranties, you must use the "Implied Warranties Only" version and check the box next to the "Implied Warranties Only" heading if you don't offer a written warranty.

Warranty. If you offer the vehicle with an express warranty, you must check the box next to the heading "Warranty" and complete that section of the Guide. Warranties required by state law must be disclosed in this section. Your state Attorney General can tell you about state warranty requirements.

State Law: In some states, use of the "As Is-No Warranty" Buyers Guide may be legally sufficient to eliminate implied warranties. In other states "as is" sales are allowed only if specific action is taken or certain language is used. For example, some states may require you to eliminate implied warranties by using special language and/or a document other than the Guide.

If you're not sure which version of the Buyers Guide you should use or if you have questions about state requirements, contact the FTC or your state Attorney General.

Is the Warranty "Full" or "Limited"?

For a warranty to be considered "full:"

Warranty service must be provided to anyone who owns the vehicle during the warranty period.

Warranty service must be provided free of charge when necessary, even for services like removing and reinstalling a system covered by the warranty.

The consumer must be able to choose either a replacement or a refund if the vehicle can't be repaired after a reasonable number of tries.

The consumer is not required to take any action to receive service, except to give notice that service is needed. Service must be rendered after notice unless the warrantor can demonstrate that it is reasonable to require consumers to do more than give notice.

The length of implied warranties must not be limited.

The warranty is considered "limited" if any of these conditions don't apply.

What Percentage of Costs Does the Warranty Cover?

Fill in the percentage of parts and labor costs covered by the warranty in the spaces provided. If a deductible applies to repairs made under the warranty, put an asterisk next to the number and explain the deductible in the "systems covered/duration" section. For example, "*A \$50 deductible applies to each repair visit."

What Systems Are Covered? For How Long?

There's one column to list the systems covered, and another to list the length of the warranty for each system. In the left hand column, you must specify each system that's covered by the warranty. The Rule prohibits the use of shorthand phrases such as "drive train" or "power train" because it's not always clear what specific components are included in the "power train" or "drive train."

In the right hand column, you must state the length of the warranty for each system. If all systems are covered for the same length of time, you may state the duration once.

What if the Manufacturer's Warranty Still Applies?

If the manufacturer's warranty hasn't expired, you may disclose this fact by checking the "Warranty" box and including this disclosure in the "systems covered/duration" section: "MANUFACTURER'S WARRANTY STILL APPLIES. The manufacturer's original warranty has not expired on the vehicle. Consult the manufacturer's warranty booklet for details as to warranty coverage, service location, etc." The disclosure must be stated in the exact language quoted above. Using phrases such as "balance of factory warranty" are not sufficient.

If the consumer must pay to get coverage under the manufacturer's warranty, you may not check the "Warranty" box. Such coverage is considered a service contract. However, you may check the "warranty" box if you pay for coverage from the manufacturer and the consumer doesn't have to pay anything more than the price of the vehicle to get the coverage. If you provide a warranty in addition to the unexpired manufacturer's warranty, explain the terms of your warranty on the Buyers Guide.

Where Should Negotiated Warranty Changes Be Included?

If you and the consumer negotiate changes in the warranty, the Buyers Guide must reflect the changes. For example, if you offer to cover 50 percent of the cost of parts and labor for certain repairs, but agree to cover 100 percent of the cost of parts and labor after negotiating with the customer, you must cross out the "50 percent" disclosure and write in "100 percent." Similarly, if you first offer the vehicle "as is" but then agree to provide a warranty, you must cross out the "As Is-No Warranty" disclosure and complete the "Warranty" section of the Buyers Guide properly.

What About Service Contracts?

If you offer a service contract for repairs, check the box next to the words "Service Contract." However, if your state regulates service contracts as the "business of insurance," you don't have to check this box. Check with your Attorney General or state insurance commissioner to find out if your state regulates service contracts as insurance.

What Do I Have to Give the Buyer At the Sale?

You must give the buyer the original or a copy of the vehicle's Buyers Guide at the sale. The Guide must reflect all final changes. If you include a signature line on your Buyers Guides, make sure the buyer signs the Guide that reflects all final changes.

If you offer a written warranty, or if the manufacturer's warranty still applies, you also must comply with the Magnuson-Moss Warranty Act and other FTC Rules, including the "Warranty Disclosure Rule." The Warranty Act contains provisions that establish consumers' rights with respect to written warranties. For example, the Act prohibits you from eliminating implied warranties when you provide a written warranty.

The Warranty Disclosure Rule requires that you disclose certain information about the coverage of your warranty and consumers' rights under state law. This information must be included in a single document that is clear and easy to read.

Can the Buyers Guide Serve As My Written Warranty?

The warranty information you provide on the Buyers Guide is not sufficient to meet the requirements of the Warranty Disclosure Rule. Therefore, your written warranty and the Buyers Guide must be two separate documents.

Another federal rule — the FTC's Rule on Pre-Sale Availability of Written Warranty Terms — requires that you display written warranties in close proximity to the vehicle or make them available to consumers, upon request, before they buy.

Two publications are available to help you comply with these and other federal regulations on warranties: [A Businessperson's Guide to Federal Warranty Law](#) and [A legal Supplement to Federal Warranty Law](#). Both are available from the FTC. Call toll-free

1-877-FTC-HELP (382-4357), or write: Consumer Response Center, Federal Trade Commission, Washington, DC 20580. You also will find the full text of these publications at www.ftc.gov.

What Disclosures Should I Make if I Offer a 50/50 Warranty or Another Type of Split Cost Warranty?

Split cost warranties are those under which the dealer pays less than 100% of the cost for a warranty repair. This type of warranty includes 50/50 warranties where the dealer pays 50% of the cost for a covered repair and the buyer pays the remaining 50%. Another type of split cost warranty is one under which the buyer pays a deductible amount and the dealer pays the remaining cost for the repair.

If you offer a split cost warranty that requires you to pay a percentage of the repair cost for covered repairs, you should include the following disclosures in your warranty document:

The percentage of the total repair cost you will pay.

The percentage of the total repair cost the buyer must pay.

How the total cost of the repair will be determined. For example, your warranty might state: "The total cost of a warranty repair will be the retail price ABC motors charges for the same job." As another example, your warranty might state: "The total cost of a warranty repair will be determined by adding the dealer's cost for parts to the labor cost. Labor will be billed at a rate of _____ per hour for the actual time required to complete the repair." As a final example, your warranty might state: "If the work is done by an outside repair shop, total cost of a repair will be the same price ABC Motors is charged by the outside shop. If the work is done by ABC Motors, the total cost of the repair will be the same price ABC Motors charges non-warranty customers for the same job."

If your warranty requires buyers to pay a deductible, your warranty document should disclose the deductible amount and the details as to when and under what circumstances the deductible must be paid.

Dealers offering split cost warranties can require that buyers return to the dealer for warranty repairs. If your warranty includes this restriction, however, you should provide an estimate of the total repair cost before work is started. This will allow the buyer to decide whether to approve the repair or have the work done elsewhere.

Where Can I Get Copies of the Guides?

You can get Buyers Guides from business-form companies or trade associations, or you can download the Buyers Guide from the FTC's Web site. You also can generate them yourself on a computer. However, you must use the wording, type style, type sizes, and format specified in the Rule. You are not allowed to place any other wording or symbols (including logos) on the Buyers Guide. The Guides must be printed in 100% black ink on white paper cut to at least 11" x 7 1/4." These requirements cannot be modified in any way. You may use colored ink to fill in the blanks.

How Am I Doing?

Do you complete a Buyers Guide properly for each used vehicle offered for sale?

Do you post the Buyers Guide prominently and conspicuously on each used vehicle you offer for sale?

If you choose to include a signature line for the buyer's signature, do you include the following required disclosure language:

I hereby acknowledge receipt of the Buyers Guide
at the closing of this sale.

Do you put the following required disclosure in your sales contract:

The information you see on the window form for this vehicle
is part of this contract. Information on the window form overrides
any contrary provisions in the contract of sale.

Do you give the vehicle's Buyers Guide or a copy to the purchaser at the time of sale and make sure it states the final negotiated warranty coverage accurately?

If a sale is conducted in Spanish, do you use the Spanish language Buyers Guide?

If you offer a written warranty, do you prepare a warranty document that complies with federal law? Is the warranty document available for examination by potential buyers?

What If I Don't Comply?

Dealers who violate the Used Car Rule may be subject to penalties of up to \$11,000 per violation in FTC enforcement actions. Many states have laws or regulations that are similar to the Used Car Rule. Some states incorporate the Used Car Rule by reference in their state laws. As a result, state and local law enforcement officials may have the authority to ensure that dealers post Buyers Guides and to fine them or sue them if they do not comply.

Where Can I Get More Information?

If you have questions about the Used Car Rule, contact the FTC and request a free copy of the Rule or [staff compliance guidelines for the Used Car Rule](#); both documents explain some aspects of the Rule in more detail. You also can download these documents from the [FTC's website](#).

The FTC works for the consumer to prevent fraudulent, deceptive, and unfair practices in the marketplace and to provide information to businesses to help them comply with the law. To file a [complaint](#) or to get [free information on consumer issues](#), visit www.ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters Internet, telemarketing, identity theft, and other fraud-related complaints into [Consumer Sentinel](#), a secure online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

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