

Regulation 12-6-104(3)(k) MANDATORY DISCLOSURES

A. DISCLOSURE FORM

1. The Board will prescribe a disclosure form consistent with the provisions of this regulation.
2. The name of the disclosure form will be: “Disclosures Required as Part of a Motor Vehicle/Powersports Vehicle Sale.”
3. The Board may, at any time, reexamine and make revisions to the disclosure form, consistent with the provisions of this regulation.
4. The disclosure form in effect prior to the passage of this regulation shall remain in effect until the effective date of the initial edition of the disclosure form prescribed by the Board pursuant to this regulation.

B. DEFINITIONS

1. Contract - For purposes of this regulation, contract means any written agreement, such as a purchase agreement, buyer order or invoice, between a dealer and a buyer for the sale of a motor vehicle, excluding the Retail Installment Sales Contract (“RISC”).
2. Dealer - For purposes of this regulation, dealer means a motor vehicle dealer or a used motor vehicle dealer or a representative of the dealership.
3. Deposit – Money or other thing of value accepted by a Dealer as consideration for that Dealer’s agreement to hold a motor vehicle for a buyer.
4. Down Payment – Money, trade-in, or money and trade-in made as partial payment towards the purchase of a motor vehicle.
5. Guarantee - For purposes of this regulation, guarantee means a written document or oral representation that would lead a buyer to have a reasonable good faith belief that the financing of a vehicle is certain.

C. APPLICATION

1. The disclosure form is not required for a sale solely between Dealers, between Wholesalers, or, between a Dealer and a Wholesaler.
2. At the time that the buyer signs a Contract, the disclosure form must be read, initialed and signed by the buyer and the Dealer.

3. The completed and signed disclosure form is a separate document that is part of the Contract.
4. The Dealer and buyer must complete only one disclosure form at the time of the signing of a Contract.
5. At the time of the signing of a Contract, a copy of the Contract, including a completed and signed disclosure form, must be given to the buyer.
6. The disclosures in the Credit Sale section of the disclosure form do not apply when the Contract is not contingent upon financing provided by or through the Dealer. In that event, the Credit Sale section should be crossed out.
7. A Dealer must complete a disclosure form with an interest rate that the Dealer reasonably believes can be obtained based on the creditworthiness of that prospective buyer.
8. The interest rate in the disclosure form must be the same as the interest rate in any Retail Installment Sale Contract signed by the buyer for the same vehicle.

D. USAGE FEE AND MILEAGE CHARGE

1. The Dealer must notify the buyer within ten (10) calendar days of the date the Contract is signed by the buyer, in the event financing cannot be arranged as originally agreed upon.
2. If the Dealer and buyer agree that the Dealer will continue to attempt to arrange financing after ten calendar days, the Dealer must remind the buyer in writing that daily usage and mileage rates stated in the disclosure form, apply in the event financing cannot be arranged as originally agreed upon.
3. The Dealer and buyer must complete and sign a new disclosure form that reflects the new interest rate if:
 - a) funding cannot be arranged at or below the interest rate set forth in the preceding disclosure form; and
 - b) the Dealer and the buyer agree that the Dealer will attempt to arrange financing at an interest rate different than previously agreed upon.
4. The Dealer must retain a copy of all previously executed disclosure forms.
5. The Dealer must write in "NA" for "not applicable" or "Zero" in the dollar and cents fields, if the Dealer does not charge usage and mileage fees.