FTC Conducts Nationwide Used Car Rule Buyers Guide "Compliance Sweep"

On July 12, 2018, the Federal Trade Commission announced <u>results of a recent nationwide "compliance sweep of car dealerships</u>" reviewing used cars offered for sale by those dealerships for inclusion of the recently-revised version of the "Buyers Guide." The FTC conducted their compliance sweep in April and June, "jointly with 12 partner agencies in seven states."

The federal Used Car Rule requires dealers to display on each used car offered for sale a window sticker, called a "Buyers Guide," that includes warranty and other important information for consumers. The FTC recently revised the Used Car Rule and issued a revised Buyers Guide that dealers have been required to use since January 28, 2018.

The FTC and local compliance inspectors "found Buyers Guides on 70 percent of the more than 2,300 vehicles inspected, with almost half of those displaying the revised Buyers Guide. Of the 94 dealerships inspected, 33 had the revised Buyers Guide on more than half of their vehicles, and 14 had revised Buyers Guides on all of their used cars."

It is unclear whether the dealerships visited were franchised new-car dealers. What is clear, however, is the need to remind all dealers to be vigilant with this new requirement. If you are not yet using the revised Buyers Guide, it is important that you start using it today, and make sure a copy is on every used vehicle you offer for sale.

Dealers with questions about the rule or the revised form should review the *NADA Dealer Guide to the Used Car Rule and the Revised Buyers Guide*, as well as several NADA revised Buyers Guide webinars. The FTC has additional information about the Used Car Rule here: Dealer's Guide to the Used Car Rule; and in an FAQ document that the FTC issued in conjunction with NADA, Answering Dealers' Questions about the Revised Used Car Rule. More FTC information on the Buyers Guides can be found here: Buyers Guides: Fillable Form; and Buyers Guides: Format Notes.

For more information contact NADA Regulatory Affairs, regulatoryaffairs@nada.org.

