

USED CAR DEALERS ASSOCIATION OF ONTARIO

230 NORSEMAN STREET, TORONTO, ONTARIO M8Z 2R4

TEL: (416) 231-2600 or 1-800-268-2598 • INTERNET: www.ucda.org**32** Years of **Growth** 1984-2016www.ucda.org

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LAST CHANCE TO GET READY!

In case you've missed it ... the new light duty passenger inspection standards (new safety standards) come into effect July 1.

The new standards will modernize the criteria that light duty vehicles must meet in order to pass a safety. They will also require the technician performing an inspection to complete a written report covering:

- Brake pad, rotor and drum thickness,
- Tire tread depth
- Tire pressure
- Fuel gauge level
- Dash board warning light "Telltales"

Over the past several months you've read about the MTO information sessions being held across the province. We've got good news if you've been unable to attend one of these sessions!

With the permission of MTO, the UCDA recorded a meeting held in May near Toronto.

Bob Lickers, of the MTO's Carrier Enforcement Office, takes you through the fine points of the changes in a very understandable way. It's worth a watch even if you're not an MVIS station, because the new standards will affect every retail dealer in Ontario.

You can watch the video at www.ucda.org.

MVIS stations now have just days to get their hands on and become familiar with the new required vehicle inspection report.

As well, although new standards regarding window tinting don't affect model years prior to 2017, all MVIS stations are expected to have a "tint meter" to measure vehicle light restriction by July 1, 2016.

You can order Inspector II Tint Meters from the UCDA for only **\$249.99, including free shipping!**

Order forms for both the Inspection Reports and the Tint Meters are included with this issue of Front Line.

The new process and paperwork is expected to add about 15 minutes to the time spent to inspect a vehicle. Like anything new, it will take a bit of time to get used to, so it's important not to wait until the last minute to be prepared for July 1st.

When all is said and done, the new safety inspection process can and should be presented to consumers as a positive thing ... and another good reason to buy from a UCDA member!



Extended Warranty Update

The UCDA regularly updates the list of extended warranty companies that have satisfied the UCDA that their warranties are fully insured by a licensed Ontario insurer.

A recent addition to our list is AMT Warranty Corp. of Canada ULC's i-Select warranty program marketed by Sym-Tech Inc. in Ontario.

Each of the companies listed below have provided the UCDA with a copy of its insurance agreement, along with a written undertaking by the insurer to notify the UCDA in the event that the coverage is cancelled or changes are made. The UCDA asks the recognized warranty companies to have insurers provide annual updates to us, confirming that insurance remains in place.

Verified Insured Warranty Companies

After receiving updates from insurers, here is the current alphabetical list of warranty companies that have met our requirements for insurance recognition.

- Coast to Coast Services 1-800-387-0119
- Cornerstone United Warranty
- (XtraRide and AutoXtra) 1-800-774-9992
- Coverage One Warranty 1-866-988-1642
- D. I. S. C. C. Enterprises Ltd. 1-800-663-1303
- First Canadian Protection 1-800-381-2580
- Global Warranty 1-800-265-1519
- INDS Canada Warranty 1-800-995-0290
- Lubrico Warranty 1-800-668-3331
- NationWide Auto Warranty 1-888-674-8549
- Peoples Choice Warranty 1-888-284-2356
- Sym-Tech i-Select Coverage 1-800-363-5796 (press 2)

This List

The UCDA does not endorse any specific warranty company or product, but strongly recommends that members only offer warranties that are insured by a licensed Ontario insurer.

MVDA Regulations

The *Motor Vehicle Dealers Act, 2002* prohibits dealers from offering third party warranties to their customers unless:

- The warranty is insured by a licensed Ontario insurer; or
- The warranty company has posted a \$500,000 irrevocable letter of credit to the Compensation Fund

OMVIC also lists the companies it recognizes in each category on its website, <https://www.omvic.on.ca/portal/DealersSalespersons/MVDARequirements/Warranties/InsuredWarrantyProviders.aspx>

The UCDA considers full insurance coverage to be the best form of protection to adequately shield consumers and dealers in the event that a warranty provider fails to honour its obligations. A letter of credit can quickly be used up, which could then leave the dealer that sold a failed warranty on the hook for consumer claims.

Contact Jim Hamilton at the UCDA if you'd like more information. j.hamilton@ucda.org

Clues to the Future of Drive Clean?

In May, the UCDA met with Jonathan Espie, Chief of Staff to Minister of Environment, Glen Murray.

We wanted to get some clarification on the announcement made in the government's Budget in March, that the fee for Drive Clean emission tests is being eliminated in 2017.

Specifically, we sought assurance that the fee elimination will include Drive Clean tests done for re-sale purposes, including by members, and not just fees on bi-annual tests performed for licence plate renewal, which was the focus of the Budget announcement.

As is common in these meetings, not a lot of specific information was offered, but Mr. Espie strongly suggested that the UCDA would be pleased with the overall direction the government will be going with Drive Clean in the future.

This gives us hope that there may finally be a light at the end of the tunnel for members, frustrated by years of testing newer, clean-running vehicles, while vehicles as old as 7 years of age can continue to be driven by their original owner without being tested.

Indeed, with the current fleet of vehicles being the cleanest ever on Ontario's roadways, the hope is the government may be realizing that the need for the once laudable Drive Clean program has passed and that it is now an unnecessary financial burden and inefficient use of time for Ontario dealers and consumers. As it currently operates, Drive Clean has a negative impact on how our members can best serve their customers.

We'll continue to communicate with the Ministry and hope to be able to bring increasingly good news to our members as we progress through the year.

For the moment though, Drive Clean continues with no changes ... including the fee.

Service Ontario Closing More Offices

Not a lot of "good service" news coming from Service Ontario lately!

Despite the survey we did a few months ago and the promise of open communications we received as a result, Service Ontario has announced the closure of nine offices around the Province next Fall and Winter. We found out about the closures, not from Service Ontario, but from an affected member.

Service Ontario says the closings are necessary in the interest of "fiscal responsibility".

The scheduled closures will create inconvenience and hardship for members in affected communities. For example, in Minden, where the Service Ontario office is slated to close on November 25, seven dealers will have a 120 km round trip to the nearest office in Haliburton.

The Haliburton office is in the back of an engraving shop and local members are concerned that it has inadequate parking and is too small to handle the volume of dealer transactions.

Service Ontario says it studied these issues and, where needed, they will look at adding kiosks to handle any unexpected increases in volumes, but there is no doubt this will inconvenience many dealers and, in turn, their customers.

These are the offices that are set to close and when:

- **October 28, 2016**
Mississauga - 1151 Dundas St. W.
Milton - 2800 Highpoint Drive
Guelph - 1 Stone Road West
Terrace Bay
- **November 25, 2016**
Morrisburg
Embrun
Minden
- **February 24, 2017**
Kemptville
Blind River

To partially offset the closure of the Milton office, a new office is being opened in Oakville.

We would like to hear from you if you will be affected by these closings, so we can relay your concerns to Service Ontario. Let us know!

Compliance Quiz

Here's this month's compliance quiz. The answers are on page 4. Good Luck!

1. A dealer does not need to complete a bill of sale in order to take a deposit.

True False

2. Which of the following can be taken on trade when selling a vehicle:

- (a) a lawnmower
- (b) a horse
- (c) another vehicle
- (d) a boat
- (e) all of the above

3. Excellent Cars wants to open a public auction. Vehicles will be sold through the use of an auctioneer, bids will be accepted, the highest bid to win, and all participants agree to abide by certain rules.

The vehicles may come from members of the public or other dealers. To comply Excellent Cars need:

- (a) not to worry as an auction they are exempt from OMVIC regulations
- (b) to register vehicles into their name
- (c) to do retail bills of sale with successful bidders
- (d) to do wholesale bills of sale with all vehicle suppliers, once the vehicle sells
- (e) b, c and d

4. It is legal to sell a car to someone under the age of 18.

True False

5. A dealer taking cars on consignment from a consumer needs:

- (a) an export licence
- (b) a broker's licence
- (c) a written consignment agreement
- (d) a written consignment agreement and a trust account
- (e) none of the above

Quiz Answers

1. **False.** A signed bill of sale is always needed in order to take a deposit. Otherwise, if the customer changes his or her mind, for any reason, sometime before signing a bill of sale, they'd be entitled to a full refund ... no questions asked. Always have the customer sign a bill of sale when taking a deposit
2. **e. all of the above.** Any tangible (physical) property, other than real property, or illegal property, owned by the purchaser can be used as a trade-in to reduce the purchase price and the amount of tax payable.
3. **e.** Public auctions must be registered as dealers and are subject to the same requirements as any retail dealer, including registration of vehicles into the auction's name, and the use of MVDA compliant bills of sale.
4. **True.** Dealers can sell to a "minor", without an adult co-signer, but if the minor changes their mind, for any reasons at all, prior to their 18th birthday, they can cancel a contract for a full refund. It's a good idea when dealing with a customer under the age of 18 to insist on having an adult sign the contract instead of, or in addition to, the minor.
5. **d.** The MVDA, 2002 requires that all dealers selling a vehicle on consignment for a consumer must enter into a consignment agreement with the consumer. The MVDA requires the agreement to contain certain information listed in the regulations. Dealers taking vehicles on consignment from consumers must also deposit the full proceeds of sale into a formal trust account, before passing it on to the seller, or anyone else entitled to be paid, to help ensure that all monies are accounted for.

Data Misuse

Everyone (hopefully) by now knows that accident damage ranks highly on the list of required disclosures on vehicle sales.

We have all heard stories of dealers who fail to declare serious prior damage on a vehicle facing lawsuits, OMVIC regulatory action or negative media attention.

Many times these failures are detected by other dealers when the innocent buyer comes to trade up to another car and the dealer runs an accident report.

But the other side of this coin is what does the dealer taking a trade-in do with the information they learn from a vehicle accident report?

As you know, some of these reports can be very light on information. You can see "collision \$0" or "police

report - no dollar amount". Yet, in the face of such questionable data, we have heard stories of customers being told this information reduces the value of their trade-in by thousands of dollars!!!

Really?

A car gets hit from behind, in what any of us would call a fender bender, no serious damage is done to the vehicle. The driver goes to a collision reporting centre, a police officer looks at it, logs it in the system and months later it pops up on a report saying "police report". The damage was so light that the customer never even made an insurance claim.

And this reduces the vehicle's value by thousands of dollars?

A dealer who suggests this to a customer is being as dishonest with the consumer as a dealer who fails to declare known accident damage.

You simply cannot fairly appraise a car with a vehicle information report alone. It's not only unfair to the consumer, it's lazy thinking. Inspect the car, use a paint meter, if possible, talk to prior owners - get a feel for what really happened.

Let's use data properly – on both sides of the transaction.

Upcoming Certification Classes

Here are the dates for upcoming MVDA Certification Classes taught by Dave Aelick of the UCDA. Unless otherwise noted, the classes are held at Wye Management's training facility, 55 Wings Road, Unit 5 in Woodbridge.

Tuesday, June 21st	Thursday, July 21st
Thursday, June 23rd	Tuesday, July 26th
... OTTAWA – Hilton Garden Inn	
Tuesday, June 28th	Thursday, August 4th
Tuesday, July 5th	Thursday, August 11th
Thursday, July 14th	Tuesday, August 30th

Every month Wye Management offers a basic training course, as well, including two during the summer:

Wednesday, July 20th
Wednesday, August 10th

Contact Valerie at the UCDA to register:
v.maclean@ucda.org

Hurry, the classes fill up quickly!

ALL MVIS STATIONS

... Be Ready For The New Safety Rules

Inspector II TM 2000 Window Tint Meter



Specifications

Wavelength	550 nanometers
Bandwidth	50 nanometers
Accuracy	± 2 percentage points
Repeatability	1 percentage point
Measurement range	0% to 100%
Temperature range	0° to 110° F
Humidity range	0% to 100% non-condensing
Sample thickness	Up to 0.25 in. (6.35 mm)
Sample size	1 x 3 in. (25 x 75 mm) minimum
Testing time	4 seconds
Effect of stray light	Not affected
Lamp life	10 years
Power source	2 lithium batteries type CR2032 (3V) (included)
Weight	3.2 oz. (90 grams)
Dimensions	3.75 x 1.75 x 1.25 in. (95 x 45 x 30 mm)



ORDER INFORMATION

Quantity Ordered	_____	x \$249.99	_____
SHIPPING ... All Orders	\$	FREE	
SubTotal	\$	_____	
Add 13% HST	\$	_____	
Grand Total	\$	_____	

How To Order:

Email Order Form to: m.muru@ucda.org

Fax: 416-231-6412 or call: 416-231-2600 or 1-800-268-2598

SOLD TO:

MEMBER NAME: _____			MEMBER #: _____		
CONTACT NAME: _____			EMAIL ADDRESS: _____		
TELEPHONE #: _____		CELL #: _____		FAX #: _____	
SHIP TO (IF DIFFERENT THAN ADDRESS BELOW): _____ _____					
METHOD OF PAYMENT:			CREDIT CARD INFORMATION		
<input type="checkbox"/> VISA <input type="checkbox"/> MASTERCARD			NAME ON CARD: _____		
<input type="checkbox"/> CHEQUE			CARD #: _____		
<input type="checkbox"/> INVOICE ME			EXPIRY DATE: _____		
			Signature _____		



Used Car Dealers
Association Of Ontario

230 Norseman St., Toronto, ON M8Z 2R4
www.ucda.org

**BRAND
NEW**

Passenger/Light-Duty Vehicle Inspection Report

Passenger/Light-Duty Vehicle Inspection Report

LICENCEE (MVIS) NAME, LICENCE NUMBER, ADDRESS & TELEPHONE #

DATE OF INSPECTION
____ / ____ / ____
Year / Month / Day

Unit of measurement being used mms or inches

VEHICLE INFORMATION

YEAR	MAKE	MODEL
V.I.N. #		
ODOMETER READING OF THE VEHICLE AT THE END OF THE INSPECTION		
<input type="checkbox"/> KMS. <input type="checkbox"/> MILES		

MECHANIC'S NAME

TRADE CERTIFICATION NUMBER
3 | 1 | 0 |

INSPECTION RESULTS PASS FAIL

PROVIDE ANY SAFETY STANDARDS CERTIFICATE NUMBERS ISSUED

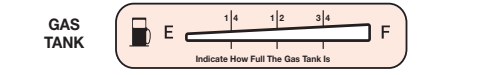
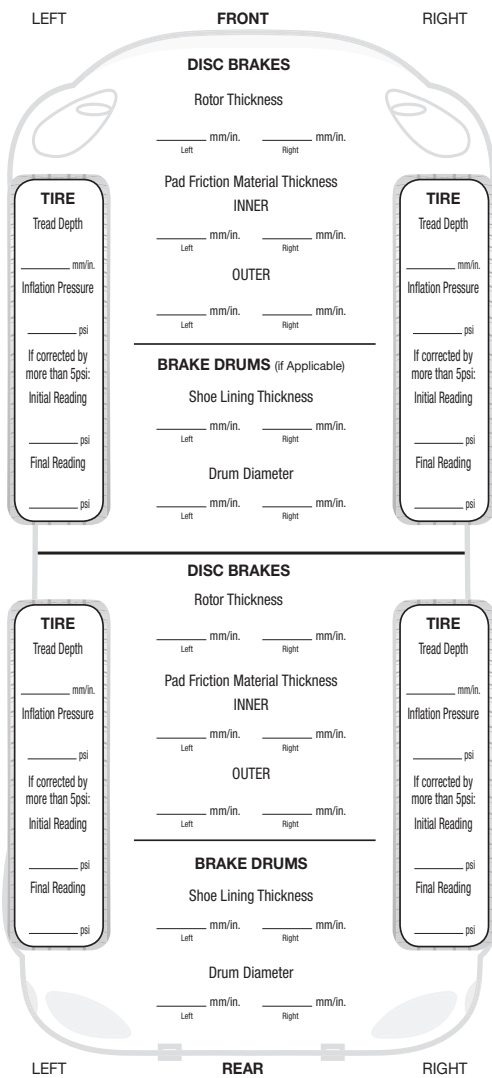
IS THIS AN ADDITIONAL OR SECOND INSPECTION?
 NO YES IF YES:

It is a condition of a licence that the licensee not charge an additional inspection fee if a vehicle is inspected at a station, repairs or adjustments to the vehicle or its equipment are required to qualify it for a safety standards certificate or for an annual inspection sticker or a semi-annual inspection sticker, the inspection fee charged by the licensee is paid, the required repairs or adjustments to the vehicle or its equipment are made at a place other than the station; or the vehicle is brought back to the station for issuance of the certificate or affixing of a sticker within ten days after the original inspection.

Note: An additional fee may be charged if a second inspection of a wheel brake assembly must be carried out before a safety standards certificate is issued or before an annual inspection sticker is affixed to the vehicle.

INSPECTION REPORT DETAILS

Tell-Tales (an optical signal that, when lit, indicates the activation or deactivation of a device, its correct or defective functioning or condition, or its failure to function) indicating a fault:



**DESIGNED FOR
UCDA MEMBERS
CERTIFYING USED
VEHICLES**

- Mandatory with Safety Standards Certificate
- Effective July 1st, 2016
- Meets All MTO Requirements
- Special Member Pricing
- 2 Copies
... 1 for you
... 1 for your customer
- Takes ... minutes to complete
- Easy to Use
- ORDER NOW
... be ready for July 1st

**CAN BE ORDERED
FOR VEHICLES BEING
CERTIFIED OFF-SITE**



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Passenger/Light-Duty Vehicle Inspection Report

ORDER FORM

SOLD TO:

MEMBER NAME:	MEMBER #:
CONTACT NAME:	EMAIL ADDRESS:
TELEPHONE #:	CELL #:
SHIP TO (IF DIFFERENT THAN ADDRESS BELOW):	FAX #:
METHOD OF PAYMENT:	CREDIT CARD INFORMATION
<input type="checkbox"/> VISA <input type="checkbox"/> MASTERCARD	NAME ON CARD: _____
<input type="checkbox"/> CHEQUE	CARD #: _____
<input type="checkbox"/> INVOICE ME	EXPIRY DATE: _____
	Signature

IMPRINTED FORMS INFORMATION:

PRINT CLEARLY: The information you give is what will appear on your order.

LICENCEE (MVIS) NAME: _____

ADDRESS: _____

CITY: _____

PROVINCE: ON POSTAL CODE: _____

TEL #: _____ FAX #: _____

LICENCE # _____

LICENCEE (MVIS) NAME, LICENCE NUMBER, ADDRESS & TELEPHONE #

This is the amount of space available for imprinting

NON-MEMBERS

YES! I would like to become a UCDA member. Please sign me up via Credit Card (VISA or MasterCard) or enclosed Cheque. I am aware the total, annual fee is just \$226.00 (\$200.00 + \$26.00 HST).

PRICING

IMPRINTED PRICING Available Black Only

FORMS (Available in packages of 100 only)

ADD 1 time set-up cost \$ 15.00
(Not payable on subsequent repeat orders)

1 to 4 packages @ \$20.00 per pkg
 # of Packages Ordered _____ X \$20.00 _____

ADD Printing Cost \$35.00 _____

5 to 9 packages @ \$15.00 per pkg
 # of Packages Ordered _____ X \$15.00 _____

ADD Printing Cost \$50.00 _____

10 to 20 packages @ \$15.00 per pkg
 # of Packages Ordered _____ X \$15.00 _____

ADD Printing Cost \$65.00 _____

NON-IMPRINTED PRICING

Available in packages of 100 only

1 to 4 packages @ \$20.00 per pkg
 # of Packages Ordered _____ X \$20.00 _____

5 to 9 packages @ \$15.00 per pkg
 # of Packages Ordered _____ X \$15.00 _____

SHIPPING ... All Orders \$ 10.00

Sub Total \$ _____

Add 13% HST \$ _____

Grand Total \$ _____