

**Proposed Revised Regulation 12-6-504 (1) (m) [REDLINE VERSION]**  
**Statement of Authority, Basis and Purpose**

**The Statutory Authority** for the adoption of this revised Regulation 12-6-102, 12-6-103, 12-6-104, 12-6-501, 12-6-502, 12-6-503, 12-6-504 (1) (a), 12-6-504 (1) (m), and 12-6-520 (3)(p), C.R.S.

**The Basis and Purpose** for adoption of this revised regulation in the Motor Vehicle Dealer Board Regulations is 1) to replace the disclosure form that, alone, constitutes the current Regulation, with a rule that establishes a universal disclosure form for use in the sale of powersports vehicles, and, 2) to clarify disclosure requirements for powersports vehicle dealers, used powersports vehicle dealers and consumers.

**PROPOSED REVISED REGULATION:**

**Regulation 12-6-504(1)(m) MANDATORY DISCLOSURES**

**[Note: The form immediately below is the entire current regulation. It could not be stricken across in redline-editing fashion because it is an incorporated image. This form would disappear in the proposed revised regulation, to be replaced with the text, below. As a consequence of the provisions of the proposed revised regulation, a revised universal disclosure form would be devised consistent with the proposed new regulation.]**

## DISCLOSURES REQUIRED AS PART OF A MOTOR VEHICLE/POWERSPORTS VEHICLE SALES CONTRACT

These disclosures are required by Colorado Law unless the buyer has already been given a copy of a completed retail installment sales contract that includes all disclosures required by federal and state laws. Initialing the provisions below incorporates them into your contract to purchase a Motor Vehicle/Powersports Vehicle.

Dealer/Agent's Initials	Buyer's Initials
A. IMPORTANT NOTICE: The papers you are signing as part of this Motor Vehicle/Powersports Vehicle sale are legal documents. You should read them carefully and if there is anything you do not understand, you should seek legal assistance.	A.
B. WARNING: Only the terms and conditions written into these documents are part of the contract. Be sure that any oral representations are also written into these documents otherwise they cannot be enforced.	B.
C. Any fraud or misrepresentation in a Motor Vehicle/Powersports Vehicle sale is punishable under Colorado State Law.	C.
D. The contract is for cash. It requires you to pay the dealer \$ _____, the total balance due after your trade-in and/or deposit(s) are deducted. Failure to pay this amount by _____ may result in the loss of any deposit(s) you have paid and/or your trade vehicle.	D.
OR	
Dealer has agreed to arrange financing for you and you agree to buy the Motor Vehicle/Powersports Vehicle if financing can be arranged at an interest rate that does not exceed _____% annual percentage rate. At this percentage rate your monthly payments would be _____ per month for _____ months, until paid in full, assuming a down payment or trade worth _____. This annual percentage rate must be agreed upon by both you and the dealer. Also, you are entitled by law to complete, written disclosure of all the loan terms and the contract is not binding until you receive such a disclosure and accept the loan terms disclosed.	
E. You and the dealer have agreed that the vehicle will be delivered to you prior to the purchase price being paid in full. If financing cannot be arranged at the terms stated in the contract, and the contract is cancelled, you agree to pay the dealer \$ _____ dollars per day and _____ cents per mile for your use of the vehicle from the date of delivery until the vehicle is returned to the dealer. If the contract is cancelled, it may require you to immediately return the vehicle to the dealer and to pay the cost of repair for any damage occurring to the vehicle while it is in your possession along with the agreed upon daily and mileage charges. The contract may also give the dealer the right to take the vehicle from you 24 hours after cancellation and demand for the vehicle's return. You may also be required by the contract to pay any costs the dealer may have to pay in regaining possession of the vehicle. If you owe any money from daily and mileage charges, damage repair costs or repossession costs to the dealer when the vehicle is returned, the dealer may keep your deposit(s) up to the amount owed. Otherwise, the deposit must be returned unless you have agreed that it is non-refundable.	E.

The Colorado Motor Vehicle Dealer Board has the authority to investigate all complaints arising from the sale of a Motor Vehicle/Powersports Vehicle from a licensed dealer. **Any complaints should be forwarded in writing to the Auto Industry Division on behalf of the Dealer Board to 1881 Pierce St. #142, Lakewood, CO 80214, or you may send via fax at 303-205-5977. You may visit our website at [www.revenue.state.co.us/dlr/home.asp](http://www.revenue.state.co.us/dlr/home.asp) or contact us at 303-205-5604.**

I hereby certify that I have given the buyer a copy of this disclosure.

I hereby certify that I have received a copy of this disclosure.

Dealer/Agent's Printed Name		Buyer's Printed Name	
Dealer/Agent's Signature	Date	Buyer's Signature	Date

**[Note: the text, below, entirely replaces the form above.]**

**A. UNIVERSAL DISCLOSURE FORM**

- 1. THE BOARD WILL PRESCRIBE A UNIVERSAL DISCLOSURE FORM CONSISTENT WITH THE PROVISIONS OF THIS REGULATION.**
- 2. THE NAME OF THE UNIVERSAL 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 UNIVERSAL 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 UNIVERSAL 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 POWERSPORTS VEHICLE, EXCLUDING THE RETAIL INSTALLMENT SALES CONTRACT (“RISC”).**
- 2. DEALER - FOR PURPOSES OF THIS REGULATION, DEALER MEANS A POWERSPORTS VEHICLE DEALER OR A USED POWERSPORTS 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 POWERSPORTS VEHICLE FOR A BUYER.**
- 4. DOWN PAYMENT – MONEY, TRADE-IN, OR MONEY AND TRADE-IN MADE AS PARTIAL PAYMENT TOWARDS THE PURCHASE OF A POWERSPORTS 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 UNIVERSAL 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 UNIVERSAL DISCLOSURE FORM MUST BE READ, INITIALED AND SIGNED BY THE BUYER AND THE DEALER.**
- 3. THE COMPLETED AND SIGNED UNIVERSAL DISCLOSURE FORM IS A SEPARATE DOCUMENT THAT IS PART OF THE CONTRACT.**
- 4. THE DEALER AND BUYER MUST COMPLETE ONLY ONE UNIVERSAL 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 UNIVERSAL DISCLOSURE FORM, MUST BE GIVEN TO THE BUYER.**
- 6. THE DISCLOSURES IN THE CREDIT SALE SECTION OF THE UNIVERSAL 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 UNIVERSAL 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 UNIVERSAL 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 IN ACCORDANCE WITH THE CONTRACT.**
- 2. IF THE DEALER AND BUYER AGREE THAT THE DEALER 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 UNIVERSAL DISCLOSURE FORM, APPLY IN THE EVENT FINANCING CANNOT BE ARRANGED IN ACCORDANCE WITH THE CONTRACT.**

- 3. THE DEALER AND BUYER MUST COMPLETE AND SIGN A NEW UNIVERSAL 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 UNIVERSAL DISCLOSURE FORM; AND**
  - B) THE DEALER AND THE BUYER AGREE THAT THE DEALER WILL ATTEMPT TO ARRANGE FINANCING AT AN INTEREST RATE DIFFERENT THAN IN THE CONTRACT.****
- 4. THE DEALER MUST RETAIN A COPY OF ALL PREVIOUSLY EXECUTED UNIVERSAL 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 WHEN FINANCING CANNOT BE ARRANGED IN ACCORDANCE WITH THE CONTRACT.**