Canceling a contract

When delivery of the vehicle cannot be made within 15 days after the anticipated delivery date stated on the contract, the customer can cancel without penalty, and does not have to accept delivery of the vehicle.

Prelease agreements

A prelease agreement is an agreement to enter into a consumer lease of a motor vehicle that will be available and ready to be delivered to a customer at a later time.

To make a prelease agreement binding, you must:

- Provide the customer with the lease term disclosures required by law
- Complete the prelease agreement including signatures of both the dealer and the customer
- Provide the customer with an exact copy of the prelease agreement
  - There can be no blank lines in the signed prelease agreement except for the identification number if the vehicle is not available at the time of signing.

The dealer may cancel the prelease agreement if the customer’s credit is not approved by the sales finance company that is loaning the money for the lease. The reason for denial must be based on the lease terms disclosed in the agreement. The dealer can cancel the agreement only when it contains a provision requiring the dealer to give the customer written notice of the cancellation within 10 business days of signing and the notice is given to the customer.

Nonacceptance penalty

No prelease agreement can subject a customer to a penalty of more than 5 percent of the capitalized cost of the vehicle if the customer fails to take delivery of the vehicle.

Consignment sales

Licensed dealers may sell a vehicle for a private party on consignment. Although the dealer does not own the vehicle, the dealer is authorized to sell it for the titled owner. Only licensed dealers may offer vehicles for sale on consignment. (Consignment sales are prohibited between dealers, and between dealers and wholesalers.)

The laws regulating consignment sales are the same as those for dealer-owned vehicle sales including inspection and display of the Wisconsin Buyers Guide. The only difference is that a consignment sale agreement must be completed and signed by both the dealer and seller before offering the vehicle for sale. The agreement must contain the name of the vehicle’s owner, a description of the vehicle, the terms of the agreement and the lien status of the vehicle.
When showing a consignment vehicle, you are required to have an original odometer statement from the seller available for the customer’s inspection. While you are not required to make the title available to the customer, you are required to have a photocopy of the title available for the customer’s inspection.