



PLAIN DEALING

A policy and administrative bulletin for licensed dealers
from the WisDOT DMV Dealer and Agent Section

wisconsin.dmv.gov

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WI Lemon Law Update: Form MV2692 Removal

Changes to the Lemon Law

Recently the Wisconsin Lemon Law experienced a notable change. The MV2692 form, and its required use, **has been removed from the law.**

Back in 2014, the Wisconsin Lemon Law (Wis. Stat. § 218.0171) had a number of changes made to it. One of the foremost changes to the law was the inclusion of the Vehicle Warranty Repair Request / Nonconformity Report form (MV2692). This was



a form prescribed by the new Lemon Law to report a nonconformity for repair, for each repair attempt. (This was a form that was needed by the consumer in addition to the standard Repair Order form when filing a Lemon Law complaint.)

The 2015 Senate Bill SB-274 (Motor Vehicle Warranty) was an Act to repeal the MV2692 form. The law was passed and became effective as of March 2nd, 2016. The provisions are retroactive to the effective date of the original bill; March 1st, 2014.

The MV2692 form is no longer required when consumers pursue a Lemon Law claim.

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Advertising Qualified Rebates

In August 2011 the DMV issued an advertising guideline regarding qualifying rebates. Since that time the DMV has allowed an advertised price to contain qualified rebates which may not apply to everyone as long as the type of rebate and amount are listed near the final price or payment.

In 2013 the Federal Trade Commission (FTC) implemented Operation Ruse Control with a focus on deceptive advertising. One of the practices it looked at was the use of rebates to deceive customers into



believing they qualified for an advertised price or payment when in fact they didn't qualify for many of the rebates. The FTC ruled this was a deceptive practice and several dealers faced significant penalties.

To be consistent with FTC guidelines and expectations the DMV is revising its interpretation of Wisconsin Administrative Code Trans 139.03(3) regarding qualifying rebates. Effective April 1, 2016 the following is required:

An advertised price or payment may only contain rebate discounts which every customer will qualify for. If there is any qualification criteria that prohibits a customer from being eligible, the rebate cannot be included in the final advertised price or payment.

For instance, a \$500 military veteran rebate may not be included in the advertised price because every customer who views the advertisement will not be a veteran. However, if a manufacturer offers a rebate everyone qualifies for it may be included in the advertised price or payment.

<u>NOT ALLOWED</u>		<u>ALLOWED*</u>	
MSRP:	\$20,000	MSRP:	\$20,000
Military Rebate:	<u>- \$500</u>	MFG. Rebate:	<u>- \$500</u>
Final Price:	\$19,500	Final Price:	\$19,500*
\$299/Mo		\$299/Mo	
(Includes \$500 Military Rebate)		(Includes \$500 Manufacturer Rebate)*	

* TYPE and AMOUNT of the manufacturer rebate to all must be written adjacent to the final price or payment in the body of the ad and must include a footnote stating: "Manufacturer rebates applied. Everyone qualifies."

In addition to the expanding services on its website, WisDOT connects with customers on Facebook and Twitter @WisconsinDOT. Follow us for breaking news.

We're at .gov

Note: Only the website with .gov is the official state DMV website. Other DMV sites with .org and .com are not official and may have extra charges for forms or list information that is outdated or incorrect.

[Sign up to receive Plain Dealing by email!](#)

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An advertisement is allowed to list all qualified rebates next to the advertised price or payment in the main body of the advertisement but **may not** be calculated into the final price.

This revised interpretation is mutually beneficial to dealerships and customers alike. It protects dealers from deceptive advertisement claims and provides customers with an accurate price expectation.

For additional examples of rebates which may not be calculated in the final price please see WisDOT's "[What's new for dealers and auctions](#)" webpage.

Webinar Opportunity!

The Wisconsin Department of Agriculture, Trade and Consumer Protection and the Department of Transportation are holding a webinar on Thursday, **April 28, 2016** to inform dealers about WI advertising regulations.

* DATCP will provide guidance on complying with prize notice and direct mail regulations.

* DOT will provide updates on new interpretations of Wisconsin Administrative Code Trans 139 and review concerning trends in today's advertising market.

Webinar sessions will be held from 9:00 AM - 10:30 AM and 1:00 PM - 2:30 PM. Each session is limited to 100 participants. Additional sessions will be added as needed.

To register for one of the webinar sessions please contact DATCP at Bobbi.erb@wi.gov, or 608-224-4955 and provide the following information:

Participant's Name(s)
Dealer Name & Location
Email address
Phone number
Session time preferred to attend

An email will be sent confirming participation and provide participants with information on connecting to the webinar session.

Who Has Permission?

In the normal course of business dealers acquire vehicles in trade when the owner no longer has the paper title for a variety

of reasons. In these situations the dealer will complete a Replacement Title Application (MV2119) and Permission to Pick Up Title (MV2932) with their customer and submit those forms to a local DMV Customer Service Center to obtain a replacement title. This process works smoothly unless the dealership fails to complete the "Name of person picking up title" field on the MV2932. When that field is left blank and submitted to the DMV the form cannot be used to pick up a title. Due to incidents of fraud the MV2932 cannot be completed at the customer service center and must be completed at the dealership prior to submission.

The DMV recognizes there are situations when a dealership may not know which representative will be picking up the title when initially completing the forms with their customer. To accommodate these situations the DMV has amended the MV2932 by adding a "Name of Dealership picking up title" field. Dealers will be allowed to complete this field in lieu of the "Name of person picking up title" field so owners can verify who they are giving permission to.

Replacement Title

Owner Name

Name of person picking up title	Name of Dealership picking up title	
Year	Make	Vehicle Identification Number

Even with this amendment dealers are still encouraged to identify which representative will be picking up the title prior to sending them to the DMV.

The new form can be found on our [Dealers forms and publications webpage](#).

Reminder: Dealers Must Use the Current MV1047 and MV11 Forms

The DMV noticed several partners are still using an old version of both the MV1047 form (when submitting title and registration correction requests), and the MV11 - Title and License Plate Application form.

It is **critical** you use the most current version (May 2015 for both) to ensure your request, or application is processed correctly.

The MV1047 and the MV11 have been revised to accommodate our new workflow technology at DMV. If a

previous version of either form is used, DMV document management may read the wrong information. Both new versions have a "5/2015" date in the upper left area of the front page. If you are using any old inventory, please replace it with the new 2015 version.

The MV1047 form can be found on DMV's [Dealer Forms website](#).

To purchase the MV11 form, please contact one of the authorized vendors listed on the [Wisconsin DMV website](#).

If you have questions, please contact the Agent Partnership Unit at 608-266-3566.

Please update your files and make sure you are submitting the **current** versions of both the MV1047 and the MV11.

DMV Inquiry Use is Strictly Restricted

Employees of dealers and agents who process title-registration in the DMV system, just like DMV employees, are strictly prohibited from using the system for personal use under the federal Driver's Privacy Protection Act, 18 U.S.C. § 2721.

Inquiry use is tracked, so protect yourself by not sharing logon IDs either - you are responsible for all activity under your logon ID! If you need information about a vehicle that is unrelated to business use at your dealership, please contact DMV or check the DOT public website.

You can check the status of a [title transfer](#) or [lien](#) on the DOT website - just go to [WisconsinDOT.gov](#) and select "Online Services" from the menu.

Put simply: Never use DMV's Inquiry system to look up your own record, or those of friends, family or neighbors. Just don't do it!

Vehicle Emissions Control Systems: What Not to Do!

Reminder: It is illegal to remove, tamper, or defeat vehicle emissions control systems.



The Clean Air Act (CAA) prohibits anyone from tampering with an emissions control device on a motor vehicle by removing it, or making it inoperable. It is also a violation of the CAA to manufacture, sell, or install a part for a motor vehicle that bypasses, defeats, or renders inoperative any emissions control device.

The penalties for CAA violations include fines and jail time, and can greatly impact a business.

Enter an Odometer of 1

Processing tip: Use caution when entering odometer readings for pended titles.

Here's another reason to be careful entering odometer readings when processing a title electronically at your dealership. You may delay your customer receiving their title if your title processor enters and "pends" the title (saves it as incomplete)

with one odometer reading and then enters a **lower** reading later while completing the title. The Wisconsin database records both readings, and when the odometer reading decreases, the Wisconsin system flags the vehicle with an odometer discrepancy the next time the



vehicle is titled. This will continue for all subsequent titles until DMV corrects the odometer history. DMV staff review every new vehicle with an odometer discrepancy, up to 40 titles per week. (Note that these vehicles have an odometer discrepancy only in Wisconsin DMV records, not in the National Motor Vehicle Title Information System [NMVTIS].)

Helpful hint: If you are processing a new vehicle and you aren't sure of the odometer reading, enter "1" until you verify the reading when completing the title later.

You will help conserve state resources, and avoid delays for future vehicle owners down the road!

Sign Up for WisDOT's eNotify

Wisconsin had 5.8 million registered vehicles last year. How many owners lost the postcard for their license plate renewal notice?

Remind your customers when they register their vehicles to sign up for WisDOT's eNotify and go paperless.

eNotify (electronic notification) allows customers to receive an email or text reminder in place of the annual paper renewal notice. Most vehicles are eligible for email license plate/registration renewals.



In addition to eNotify, wisconsindmv.gov offers many more online services available 24/7, including:

- Purchase a vehicle or driver record
- See if a license is valid
- Manage the registration for a fleet of vehicles
- Purchase crash report

Payment may be made using MasterCard, Visa, American Express, Discover credit or debit card, which will be charged a convenience fee. Another option is ACH (Automated Clearing House) which draws payment directly from a checking or savings account and has no convenience fee added.

Only the WisDOT website with .gov is the official state website. Others with .org or .com are not official and may have extra charges for forms or list information that is dated or incorrect.

GPS Devices Now Legal for Lien Holders

As of July 3, 2015, it became legal for a lien holder or an agent of a lien holder to install a GPS device on a vehicle in order to aid the repossession of the vehicle. This includes Buy-Here Pay-Here businesses, and any business that places a lien on the vehicle. No approval is required from DMV to perform these installations. Repossessions are regulated by the [Department of Financial Institutions](#).

If you have questions regarding this law change please contact them directly.

What to Do if Plates or Stickers Are Missing?

If you discover license plate or decal inventory missing, including temporary license plates, DMV's Automated Processing Partnership System (APPS) [Program Standards](#) require you to report it:

If the Agent discovers plates or stickers are missing at a later date, the Agent should call the DMV License Plate and Postal Services Unit within 24 hours, or the next business day at (608) 266-1473. Additionally, a written statement with all known facts must be emailed to dotdmvbvslppsapps@dot.wi.gov within 48 hours.

DAS Quarterly Report Numbers

The following numbers have been generated from the Dealer and Agent Section (DAS) Quarterly Report. This data is from the Fiscal Year '16 **second** (October - December 2015) and **third** (January - March 2016) quarters.

Field Investigation Unit (FIU)

The following statistics represent the Field Investigation Unit's compliance efforts, community outreach and enforcement actions.

Activity	Second Quarter	Third Quarter
FIU Complaints Closed	325	303
FIU Inspections(Dealers)	191	255
FIU Educational Presentations	5	0

APU/DLU

The Agent Partnership Unit (APU) answers phone calls from dealers, government agencies, financial institutions, gas stations, grocery stores and various other types of agents throughout the state. These agents process either title and registration, or renewal registration applications electronically on behalf of the DMV.

The Dealer Licensing Unit (DLU) issues and renews multiple business license types. Individual licenses are issued to individuals who are selling or purchasing vehicles on behalf of dealerships. DLU answers dealer licensing questions as well as providing information about consumer harm and how to file a dealer complaint to the general public.

Activity	Second Quarter	Third Quarter
APU Phone Calls	12,214	12,814
DLU Phone Calls	5,103	6,319
Business Licenses Issued	597	724
Individual Licenses	3,608	3,858

Lemon Law

The Lemon Law complaint calls reflect telephone and email inquiries primarily from consumers (and some dealers and lawyers) seeking answers to questions, information about the specifics of the Lemon Law and to a greater degree, assistance in pursuing a claim.

Activity	Second Quarter	Third Quarter
Lemon Law Complaint Calls	161	176

Electronic Title and Registration Processing

Dealers and agents processing titles and/or registration electronically:

Activity	Second Quarter	Third Quarter
Renewal Agents	889	966
Title Agents (includes dealerships)	4,361	4,387
Total	5,250	5,353

These systems are available for electronic processing:

- eMV11 - for dealers only
- eMV Agent - for lenders only
- Computerized Vehicle Registration (CVR)
- Dealertrack Registration and Title, formerly known as TriVIN
- National Financial Corporation (NFC) - registration only
- Opus Inspection Inc., formerly known as Systech International LLC - registration only

Wisconsin motor vehicle dealers are required to electronically process all title/registration applications for their customers.

For more information regarding electronic processing options, visit the DMV [eMV11 Electronic Processing webpage](#).

Electronic Title Delivery

Lenders receiving electronic title records:

Activity	Second Quarter	Third Quarter
Lenders	584	614

These service providers deliver and manage electronic titles:

- Assurant Specialty Property
- Dealertrack Collateral Management Services
- Decision Dynamics, Inc.
- PDP Group, Inc.
- VINtek

The electronic lien and title (also known as ELT or e-Title) program is an optional program for lien holders that prefer receiving electronic title records instead of paper titles. This program has been available since July 30, 2012. For more information regarding ELT options, visit the DMV [Title to Lien Holder webpage](#).

WisDOT Criminal Actions

Peng, Mao - *Kenosha* - As part of a plea agreement on multiple counts of wire fraud and identity theft, Mr. Peng was sentenced to 27 months in federal prison. He was ordered to pay \$517,000 in restitution (by way of a forfeiture) to the State of Wisconsin for unpaid taxes related to his vehicle and title fraud scheme. As part of his plea deal, his wife (Min Ai) was not charged. In addition, two of his co-conspirators (John Kaste and Thanongsack Sayavong) are awaiting sentencing on similar charges. One suspect, Yuxuan Du, fled to China. Mr. Peng also agreed to forfeit 29 luxury vehicles and 1.2 million dollars that were seized as part of the investigation.

WisDOT Citations

Kurasz, Dennis - *Milwaukee* - As a part of a plea agreement, Kurasz plead guilty and was found guilty on 10 of 94 total citations. Fees assessed at \$500 per citation.

McCoverly, Alicia - *Milwaukee* - Citation filed by Wisconsin State Patrol for failure to make records available for inspection. McCoverly found guilty due to No Contest Plea. Ordered to pay forfeiture of \$204.

Redd, Henry - *Milwaukee* - Requested State Patrol to issue five citations for acting as a dealer without a license. Citations filed. Mr. Redd found guilty due to no contest plea and ordered to pay \$300 on each citation. Payment plan of \$302 each month, April - August, 2016.

WisDOT Enforcement Actions

Alcocer, Felix - *Melrose Park, IL* - Application for buyer's license under J&D Auto Sales LLC (400 Laurel Avenue, Selma,

AL 36701) was denied.

Coffee, Steve - *Cleveland* - Salesperson license application denied for proof of unfitness, false statement on the application and engaged in an unconscionable practice.

Grajales, Juan - *Milwaukee* - Application for buyer's license under Bermeo Auto Sales (3135 Olde Route 5 #141, Camdenton, MO 65020) was denied.

McCovery, Alicia - *Milwaukee* - McCovery's driver's license suspended for failure to pay forfeiture on time.

Ovalle, Octavio - *Chicago, IL* - Application for buyer's license under Z Motors LLC (3135 Olde Route 5 #9, Camdenton, MO 65020) was denied.



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