



Consignment Practices & Title Delivery Requirements for the Oregon Dealer

What do I do when I take a vehicle on Consignment?

To consign a vehicle, a dealer must have proof the consignor is a licensed dealer, the LEGAL registered owner according to DMV records, or a security interest holder that has completed a vehicle repossession certificate. This proof can consist of the original or copy of:

1. The title for the vehicle;
2. The registration card;
3. A DMV date-stamped "Notice of Transaction Submitted" showing the consignor as the registered owner; or
4. A DMV printout that lists the vehicle and owner information.

NOTE: A bill of sale or re-assigned title IS NOT acceptable! The consignor must first submit an application to title the vehicle in their name, prior to consignment.

You must complete and give a copy to the consignor, a consignment agreement that includes:

1. The vehicle to be consigned, identified by vehicle identification number (VIN).
2. The terms of the agreement and the disposition of the proceeds from the sale of the vehicle. This would include payoff to a security interest holder.
3. A provision stating that if the terms of the agreement are not met, the

consignor may file a complaint in writing with the Department of Transportation, Salem, Oregon.

4. A dealer must not take any part of the money paid in connection with the sale of any consignment, as part or all of the dealer's commission or fee, until the transaction has been completed or terminated.

What do I do when I sell a consigned vehicle?

A dealer MUST pay a consignor of the vehicle within 10 days of the date of sale. The amount and disposition of the money, whether it is paid to the customer or the lien holder of the vehicle, will be as determined on the consignment agreement.

A dealer must either provide the purchaser with the certificate of title to the vehicle within 25 days, or submit an application to title the vehicle in the purchaser's name within 30 days of the sale.

Consignment Practices Continued:

A dealer selling a consigned vehicle must first provide the purchaser, in writing, the following disclosure regarding the consignment sale:

DISCLOSURE REGARDING CONSIGNMENT SALE

_____ (Name of Dealer) is selling the following described vehicle _____ (Year) _____ (Make) _____ (Model) _____ (VIN), on consignment.

- There is a security interest in this vehicle
- There is not a security interest in this vehicle

You should take action to ensure that any security interests are released and that the title to the vehicle is transferred to you. Otherwise you may take title subject to any unsatisfied security interests.

Title Delivery Requirements

ORS 822.042, OAR 735-150-0050

Once a dealer sells a vehicle they are required to:

- * Deliver the title or ownership documents to the purchaser within 25 days; or
- * Submit an application for title and registration to DMV for the customer within 30 days.

If these requirements can not be met, the dealer shall provide a written notice, within 25 business days of the transfer of interest, to the customer and any security interest holders or lessors. This notice must contain:

- * The reason for the delay.
- * The extent of the delay.
- * A statement of rights and remedies for the purchaser, which must contain a statement that informs the purchaser of the right to file a complaint against the dealer with DMV, if the delay goes beyond 45 days of purchase.

Dealers must maintain records that show they have complied with these requirements. Some examples may include, but are not limited to:

1. A brief but concise reason for the delay;
2. The anticipated extent of the delay; and
3. A notice that the customer can file a complaint with DMV.

SAMPLE LETTER TO COMPLY WITH OAR735-150-0050 (5) (DELAYED TITLE DOCUMENTS)

January 1, 2006

ABC Used Cars
123 Main Street
Salem, Oregon 97314

Mr. and Ms. Car Buyer
1234 Any Street
Portland, Oregon 97000

RE: 1997 Rolls Royce, VIN # 1234LJD0509712670

Dear Mr. and Ms. Car Buyer:

Oregon Law requires we notify you and the lien holder (if applicable) within 25 business days when we are unable to submit the TITLE DOCUMENTS for processing to DMV within 30 calendar days, or if we are unable to provide the title and any release there on within 25 calendar days.

We are experiencing a delay in obtaining the necessary documents for the following reason(s): ***list specific reasons, which must include that the circumstances were beyond the dealer's control.***

We anticipate the delay will be _____ days.

We are also required to inform you that you have the right to file a complaint against us with DMV if this delay becomes unreasonably extended. Complaints should be addressed to DMV, Business Regulation, 1905 Lana Avenue NE, Salem OR 97314 or call (503) 945-5000 or (503) 299-9999 (Portland Metro area).

We thank you for your understanding and patience.

Sincerely,

Signature

ABC USED CARS

cc: Lienholder

Is there anything else I should do?

Yes. You must keep copies of the letter(s) sent and you must continue to make a “good faith effort” to comply. The delay must also be due to circumstances beyond your control. Remember, “beyond your control” means the title is in the possession of some other person such as a lending institution or lost. You must maintain sufficient documentation to establish the reason for the delay, and that you have made a “good faith effort” to comply.

Title and Registration Processing Fees

Dealers who process title and registration documents and collect the required fees for submission to DMV on behalf of the buyer or lessee may charge a fee for this service. This fee is not to exceed:

- * \$75.00 if the dealer is an Electronic Vehicle Registration (EVR) Dealer.
- * \$50.00 if the dealer is not an EVR Dealer.

This fee needs to be listed separately and is not to be shown as a government fee or as part of the actual title and registration fees.

The dealer must set procedures to ensure the fees do not exceed \$75.00 and \$50.00 respectively.

Fee amounts that exceed the authorized limits must be promptly refunded to the customer.