

Chapter 7

Vehicle History List and Forms Needed for Registration and Transfer



## **Vehicle History Information**

### **Possible Title Brands**

The specific title brands that a vehicle could have may vary depending on the state or country where it is registered, as well as the specific circumstances of the vehicle's history. However, here is a list of some of the most common title brands that a vehicle could have:

1. Salvage
2. Rebuilt
3. Lemon Law Buyback
4. Flood Damage
5. Non-repairable
6. Junk
7. Hail Damage
8. Prior Taxi
9. Prior Police
10. Prior Government
11. Prior Rental
12. Prior Fleet
13. Not Actual Mileage
14. Repossessed
15. Stolen
16. Grey Market
17. Reconstructed
18. Replica
19. Bonded
20. Total Loss

It is important to note that some of these title brands may have different names or variations depending on the state or country, and there may be other less common title brands that are not included in this list. It is always a good idea to research the specific title brands in your area before purchasing a used vehicle.

Here is a more detailed description of some of the most common ones out in the field.

### Salvage, Junk, Total Loss, and Rebuilt Title

Vehicles with salvage, junk, or rebuilt titles are typically those that have been significantly damaged or declared a total loss by an insurance company but have been repaired or rebuilt to be drivable again.

The types of vehicles that may have these titles can vary widely, but they may include:

1. Cars
2. Trucks
3. SUVs
4. Motorcycles
5. Boats
6. RVs
7. Commercial vehicles

Salvage, junk, and rebuilt title vehicles are typically sold at auction, through private sellers, or at specialized dealerships that specialize in selling these types of vehicles.

When selling a salvage, junk, or rebuilt title vehicle, the seller is typically required to disclose the nature of the title to the buyer. This may include a written statement or disclosure form that outlines the history of the vehicle, the type of damage it sustained, and any repairs that were made to make it drivable again. The specific disclosure requirements may vary depending on the state or country where the vehicle is being sold, so it is important to research the specific laws and regulations in your area.

In general, buyers should exercise caution when purchasing a salvage, junk, or rebuilt title vehicle, as these vehicles may have hidden damage or other issues that can affect their safety and performance. It is important to thoroughly inspect the vehicle and obtain a vehicle history report before making a purchase.

### Prior Rental and Fleet Vehicles

In California, dealers are required by law to disclose if a vehicle was previously used as a rental vehicle to potential buyers. The disclosure must be made in writing and provided to the buyer before the sale of the vehicle.

A prior rental vehicle is a vehicle that was previously owned and operated by a rental car company, such as Hertz or Enterprise. Rental car companies typically sell their used vehicles after a certain amount of time or mileage has been reached, and these vehicles may end up on the used car market.

When buying a used vehicle that has a prior rental history, customers should be cautious of several things, including:

1. **Wear and tear:** Rental cars are often subjected to a lot of wear and tear, as they are frequently driven by different people with varying driving styles. This can result in more rapid wear and tear on the vehicle's components, such as the brakes and tires.

2. **Maintenance:** Rental cars may not have received the same level of maintenance and care as a privately owned vehicle, which can lead to mechanical issues and other problems.
3. **Accident history:** Rental cars are often involved in accidents, which can affect their safety and performance. Buyers should obtain a vehicle history report to check for any accidents or damage that may have occurred.
4. **Value:** Rental cars generally have lower resale value than comparable privately owned vehicles, so buyers should be cautious of paying too much for a vehicle that has been used as a rental.
5. **Warranty:** Some manufacturers may not provide the same level of warranty coverage for vehicles that have been used as rentals, so buyers should check the manufacturer's warranty policy before making a purchase.

In general, buyers of used vehicles with a prior rental history should take extra care to inspect the vehicle thoroughly, obtain a vehicle history report, and consider having the vehicle inspected by a mechanic before making a purchase.

### Lemon Law Buy Back

A lemon law buyback vehicle is a vehicle that has been bought back by the manufacturer from the original owner under the state's lemon law. The lemon law is a consumer protection law that requires manufacturers to replace or repurchase vehicles that have significant defects that cannot be repaired after a reasonable number of attempts. Lemon law buyback vehicles are typically those that were found to have significant defects that could not be fixed, and the manufacturer repurchased the vehicle from the owner.

In California, dealers are required to provide written disclosure to potential buyers if a vehicle has been bought back by the manufacturer under the state's lemon law. The disclosure must include the nature of the defect that led to the buyback, as well as any repairs that were made to the vehicle.

When purchasing a used vehicle that has a lemon law buyback history, buyers should be cautious of several things, including:

1. **Potential for recurring issues:** Lemon law buyback vehicles may have recurring issues that cannot be fixed, which can result in continued mechanical problems and a potentially unsafe vehicle.
2. **Resale value:** Lemon law buyback vehicles may have lower resale value than comparable vehicles, due to their history of significant defects.
3. **Warranty:** Lemon law buyback vehicles may have limited warranty coverage, as manufacturers may only provide a limited warranty for vehicles that have been bought back under the lemon law.
4. **Difficulty obtaining financing:** Some lenders may be reluctant to finance a lemon law buyback vehicle, which can make it more difficult for buyers to obtain financing.

In general, buyers of used vehicles with a lemon law buyback history should take extra care to inspect the vehicle thoroughly, obtain a vehicle history report, and consider having the vehicle inspected by a

mechanic before making a purchase. Buyers should also consider the potential for recurring issues and the impact on the vehicle's resale value before making a purchase decision.

### Flood & Hail Damage Vehicles

A flood-damaged vehicle is a vehicle that has been damaged by water, typically as a result of a natural disaster such as a flood or hurricane. A hail-damaged vehicle is a vehicle that has been damaged by hail, typically as a result of a severe thunderstorm. Both types of damage can have significant effects on the vehicle's mechanical components and overall condition.

When purchasing a used vehicle from a dealer, it is important for customers to be aware of the possibility of flood or hail damage. Flood or hail damage can cause corrosion, electrical problems, and other issues that can affect the vehicle's safety and reliability. These issues may not be immediately apparent but can show up later and cause expensive repairs or even make the vehicle unsafe to drive.

Some unscrupulous dealers may attempt to sell flood or hail damaged vehicles without disclosing the damage to potential buyers. This is illegal in many states and can put buyers at risk of purchasing a damaged vehicle that may have hidden problems.

Buyers should take steps to protect themselves when purchasing a used vehicle, including obtaining a vehicle history report to check for flood or hail damage, thoroughly inspecting the vehicle for signs of damage or corrosion, and having the vehicle inspected by a mechanic before making a purchase. Buyers should also be wary of deals that seem too good to be true, as flood or hail damaged vehicles may be sold at a lower price to try to offload the damaged vehicle quickly. Overall, it is important for buyers to be aware of the risks associated with flood or hail damaged vehicles and take steps to protect themselves before making a purchase.

### Prior Taxi, Police and Government Vehicles

A prior taxi vehicle is a vehicle that was previously used as a taxicab. A prior police vehicle is a vehicle that was previously used by a law enforcement agency. A prior government vehicle is a vehicle that was previously used by a government agency, such as a city or state department.

In California, dealers are required to disclose to potential buyers if a vehicle has been previously used as a taxicab, police vehicle, or government vehicle. This is because these types of vehicles may have higher mileage and may have been subjected to more wear and tear than a typical personal use vehicle. They may also have been driven in harsher conditions, such as high-speed pursuits or heavy stop-and-go traffic, which can result in accelerated wear on the vehicle's mechanical components.

Disclosing this information to potential buyers is important so that they can make an informed decision about whether or not to purchase the vehicle. Buyers should be aware that prior taxi, police, or government vehicles may have different maintenance requirements and may have been subject to more abuse or neglect than a typical personal use vehicle. They may also have been modified for their previous use, such as having heavy-duty suspension or specialized equipment, which can affect the vehicle's performance or handling.

Overall, buyers should take extra care when purchasing a prior taxi, police, or government vehicle, including thoroughly inspecting the vehicle for signs of wear or damage and considering any potential maintenance or repair costs associated with the vehicle's prior use. By being aware of the vehicle's

history and condition, buyers can make an informed decision about whether or not the vehicle is the right choice for them.

### **Items Needed to Transfer a Title**

In California, when a car dealer sells a used vehicle to a customer, there are several forms that need to be completed to transfer ownership and register the vehicle. These forms include:

1. Report of Sale: When selling a used vehicle, a REG 51 will be necessary to complete.
2. Vehicle Transfer and Reassignment Form (REG 262): This form is used to transfer ownership of the vehicle from the dealer to the customer. The dealer will need to complete the "Dealer Reassignment" section and the customer will need to complete the "New Registered Owner" section. A REG 262 can also act as a limited power of attorney and an odometer statement as well.
3. Application for Title or Registration (REG 343): This form is used to apply for a new title and registration for the vehicle. The customer will need to complete this form and submit it to the California Department of Motor Vehicles (DMV).
4. Smog Check Certificate (if applicable): If the vehicle is more than four years old, it will need to pass a smog check before it can be registered. The dealer should provide the customer with a valid smog check certificate.

Once these forms are completed, the customer will need to take them to the DMV, along with any applicable fees, to complete the transfer and registration process.

### **Wholesale Transactions**

In California, a Wholesale Report of Sale is a document that records the sale of a used vehicle from one dealer to another dealer. This report is used to document the transfer of ownership of the vehicle and is required by the California Department of Motor Vehicles (DMV).

A Wholesale Report of Sale is necessary because it allows the DMV to track the transfer of ownership of used vehicles between dealers. The report includes information such as the names and addresses of the buyer and seller, the date of the sale, the vehicle identification number (VIN), the make and model of the vehicle, and the purchase price.

Dealers are required to submit a Wholesale Report of Sale to the DMV and the report must be completed accurately and signed by both the buyer and the seller. The DMV uses this information to maintain accurate records of vehicle ownership and to prevent fraud and other illegal activities related to the sale of used vehicles.

There are two different types of wholesale reports of sale:

- REG 396 – This is a wholesale report of sale between two dealers.
- REG 398 – This is a wholesale report of sale between two dealers where a licensed auction facilitates the sale.

The company we recommend for your wholesale transactions is Fairfax Imaging. Please take a moment to review these training videos so you can see how to prepare and utilize various reports of sale at your dealership.