



PLAIN DEALING

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

wisconsinDMV.gov

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Third-Party Audit Program

The Wisconsin DMV Agent Partnership Unit (APU) audits dealer and agent processing of vehicle titles and registrations for quality and consistency. APU recently modernized the internal process. This affects our vendor business partners in the Automated Processing Partnership System (APPS) program because we count on vendor assistance with training when agents do not meet quality standards.

Vendor training is required by the Progressive Intervention process as noted in the APPS Program Standards in the vendor-DMV contractual agreement.

APU may audit transactions from six consecutive processing days for new or existing agents. APU may choose an agent at random, or target a specific agent that demonstrates other quality issues through title corrections, missing work, late titles or customer complaints.



APU will communicate with the agent's general manager (GM) or their equivalent

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2018 Advertising Guidelines

Here's the link to the complete, updated advertising guidelines:

[2018 DOT Advertising Guidelines Update](#)

for all steps of the process, unless the GM delegates communication to another employee within their organization. For Progressive Intervention steps that may include suspension of processing, APU will also communicate with the business owner.

Quality thresholds

For auditing purposes, the thresholds established are:

- < 5% for critical errors
- < 15% for secondary errors

Critical errors are any errors that may place a party (DMV, lender, dealer, owner or co-owner) at risk of loss. Special emphasis is given to those errors that require correction or extra handling.

Progressive Intervention process

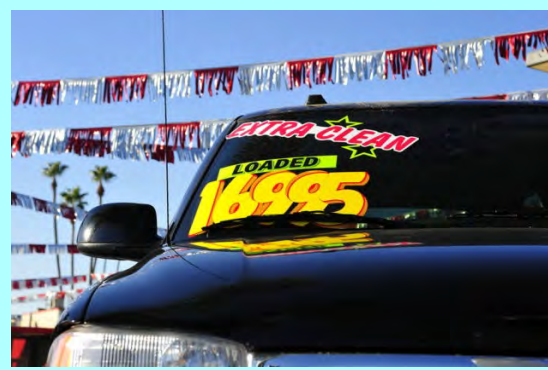
1. This step was previously labeled "Continuous Evaluation." After the initial six-day audit, the auditor will contact the agent to inform them of the audit and specific results/corrections. APU will audit for an additional six days, giving the agent an opportunity to "self-correct." If the audit is successful, the process is complete; if not, the audit moves to the next step.

2. DMV will contact the Vendor to identify the problem area and if warranted participate in additional training for the Agent.

- The Vendor will schedule training within seven business days.
- All work should be pended until training can be provided.
- If training cannot be scheduled within seven business days, the Agent will be directed to stop processing until they are within the seven-day window of their training date. Once within seven days of the scheduled training, pending applications is allowed.
- With this and any subsequent steps, APU will communicate with the business owner as well as the GM or their equivalent/designee.

APU will then conduct another six-day audit. If the audit is successful, the process is complete; if not, the audit moves to the next step.

3. DMV will request a meeting with Agent management and notify them of the training requirement and processing suspension. If the Agent is a dealer, DMV will notify the appropriate Dealer Section Field Investigator. DMV will coordinate with the Vendor to suspend processing ability. DMV



New Agent Training Videos Are Here!

The Dealer and Agent Section has created a new series of training videos for eMV Agent and eMV11 processing systems.

These short video tutorials, designed with simplicity and convenience in mind, cover a wide range of topics and functions available on both of these processing systems.



Learn how to troubleshoot, process and become familiar with the eMV systems and capabilities. The tutorials have been specifically designed to aid in processing, keeping in mind the most commonly asked questions received by the Agent Partnership Unit.

These videos are available on the WisDOT [eMV Agent Informational Video](#) webpage and the [eMV11 Informational Video](#) webpage.

New license plates available

4-H Foundation and Musky Clubs Alliance license plates are available

Dealers may issue two new special license plates which benefit the Wisconsin [4-H Foundation](#) and [Musky Clubs Alliance](#) groups.

will send a follow up letter to the Agent explaining the following:

- Processing will be suspended for two calendar weeks.
- Agent will have Inquiry capabilities.
- DMV provided training must be completed within the two-week suspension period.
- The agent is given five days to clear all pending deals from their system before suspension begins.

APU will then conduct another six-day audit. If the audit is successful, the process is complete; if not, the audit moves to the next step.

4. DMV will request a meeting with Agent management. If the Agent is a dealer, DMV will notify the appropriate Dealer Section Field Investigator. DMV will coordinate with the Vendor to suspend processing ability. DMV will send a follow up letter to the Agent explaining the following:

- Processing will be suspended for a one month period.
- Agent will have Inquiry capabilities.
- The agent will contact the DMV/Audit coordinator to schedule training. Vendor attendance at the training is strongly recommended but not required.
- Training must be completed within the one-month suspension period.
- The agent is given three days to clear all pending deals from their system before suspension begins.
- A supplemental processing bond will be required before processing is reinstated.

APU will then conduct another six-day audit. If the audit is successful, the process is complete; if not, the audit moves to the next step.

5. If the Agent does not demonstrate adequate experience and knowledge, DMV will invoke contract provisions for termination by verbally notifying the Vendor and the Agent. A written termination will follow.

Rescinded sales

The last issue of Plain Dealing ran an article dedicated to rescinded sales, "Rescinded sales: here's 'How to'." Since then, changes in policy impacting the rescinding of vehicle sales by Wisconsin dealers and by out-of-state dealers who process using a third-



As with other out-of-stock plates, DMV will promptly mail the plates directly to your customer when the title-registration transaction is complete. Fees include an issuance fee of \$15 plus an annual \$25 tax-deductible contribution, in addition to the regular license plate registration fee. For more information, visit the WisDOT [Special License Plate](#) webpage.

Return of down payment

A dealer may cancel a transaction and refund the down payment (see [Trans 138.03](#)). However, what happens when the customer wants to cancel the transaction but has provided a down payment?

While the Trans code directs a dealer to refund a down payment when they cancel a deal, it doesn't address a customer request and time limit. If the dealer accepted and deposited a personal check as a down payment, they are allowed to ensure the account has sufficient funds before returning their payment with a dealer check. If the dealership accepted a certified check or cash, the refund should be provided immediately.

Wheel tax updates

Additional municipalities/counties have added

party system have been made.



Moving forward, any out-of-state dealer processing for the state of Wisconsin on a third-party system will also be required to use the [MV2340](#) - DEALER / AGENT RESCINDED SALE STATEMENT OF FACT, which has been updated. Be sure you are using the most current version, 4/2018, when submitting a request to have a vehicle sale rescinded.

Sellers and buyers are allowed to rescind a sale of a vehicle after the buyer has taken possession of the vehicle when ALL of the following criteria are met:

- The buyer returned the vehicle within seven calendar days of taking possession.
- The sale is voided and all money has been refunded to the buyer.
- Any security interest indicated has been satisfied.
- The dealer has not applied for any rebates.
- If the vehicle is new, the manufacturer will allow a dealer to resell it as new.
- If the vehicle is new, the vehicle has been driven less than 200 miles since the buyer took possession.

The mileage requirement for used vehicles has been removed. The number of miles driven for a new vehicle has been reduced, from 500 to 200.

If you have any questions, or would like more information on rescinded sales, please call the Agent Partnership Unit at (608) 266-3566.

Dealer applying for title

We recently discovered several dealers applying for titles in the dealership's name in order to obtain manufacturer rebates. This is prohibited (see [s. 342.16\(1\)\(a\), Wis. Stats. and s. 154.13, Wis. Admin. Code](#)) except in the following circumstances:

1. All the reassignment spaces on the title have been completed.

new wheel taxes for most vehicles that are kept in those jurisdictions. New plates issued with dealer delivery date or date of



operation starting the second day of the implementation month will require these fees. Thank you for your efforts to correctly record the county and municipality where a vehicle is customarily kept on every application, saving your customer and the DMV the time and expense of corrections later.

Visit the [WisDOT Wheel Tax](#) webpage for complete information on wheel taxes.

REAL ID



DMV issues driver license/ID cards compliant with federal standards

Anyone planning to fly within the U.S. will have to show a REAL ID-compliant driver license or ID card, or other federally acceptable identification such as a passport, beginning October 1, 2020.

wisconsin.dmv.gov/REALID



Account activity alerts added to DMV's eNotify online service

eNotify is the easiest way to get plate renewal and driver license/ID reminders through email/text.

Subscribers to eNotify also receive alerts when certain transactions occur, such as when an application for a duplicate driver license or ID card is made, or when their address is changed in DMV's systems.

wisconsin.dmv.gov/enotify

2. The title is nonconforming.
3. The motor vehicle has or was previously registered in any state with a gross vehicle weight rating of 16,000 pounds or more.
4. A new title is necessary to correct information which had been written or printed on the title.
5. The motor vehicle is a salvage vehicle and the dealer is required to apply for a salvage vehicle certificate of title pursuant to s. [342.15 \(2\)](#), Wis. Stats.
6. The motor vehicle is also being registered under ss. [341.267](#) or [341.47 \(2\)](#), Wis. Stats.
7. The vehicle is being transferred to another dealer and the current title is one which had been held by the registered owner's secured party and on which the dealer applicant had completed an odometer disclosure statement via a conforming power of attorney form completed by the registered owner.

Manufacturer programs or rebates requiring the dealer to title the vehicle in their name do not comply with Wisconsin law unless one or more of the above criteria are met.

As a reminder, if a dealer participates in one of these programs and obtains title and registration in the dealership name, the vehicle must be advertised, disclosed and sold as a used vehicle after program use.

Legal business name required

Wisconsin licensed dealers are required to use their full legal business name on all legal documents including but not limited to the following:

- Purchase contracts
- WI buyer's guide
- MCO/MSO
- Title reassignments
- Applications for title/registration (MV11)
- Power of Attorney (MV2690)
- Title/Registration Correction Request ([MV1047](#))
- Dealer license applications/renewals

While the department allows the use of trade names, it must be accompanied by the full legal business name.

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.

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Published by the
Wisconsin Department of Transportation,
Division of Motor Vehicles, Bureau of Vehicle Services,
Dealer and Agent Section.

Kristina Boardman,

Administrator

Mitchell Warren,

Deputy Administrator

Rhonda Alley,

Bureau Director (BVS)

Michael Domke,

Section Chief (DAS)

Scott Selbach, Vehicle Emissions Program, Supervisor

Mirenda McArdle, Field Investigation Unit, Supervisor

Shin Lin Tung, Business and Consumer Services Unit,
Supervisor

Dealer & Agent Section

dealers.dmv@dot.wi.gov

Phone: (608) 266-1425

Legal Business Name

VERSUS

Trade Name



There are few acceptable variations to the full legal business name:

- "And" or "&" are acceptable substitutions for each other.
- Omitting special characters not directly part of the name is acceptable.
- Only business suffixes like "Inc", "LLC", etc. will be accepted in abbreviated form. These are part of the legal name and must be included.

Any MCO issued on or after October 1, 2018, that does not have the full legal business name, may be returned. For applications mailed in for manual processing, DMV will process the registration but will not issue a title until a corrected MCO is received.

Applications for **new** vehicles processed electronically after October 1, 2018, that are not in the legal business name, may be subject to audit and corrective action.

Contact your manufacturer directly to ensure your full legal business name is printed on the MCO. If you have any problems, please contact the Dealer Licensing Unit at (608) 266-1425. Have the name and contact information for your manufacturer representative available when you call.

Guaranteed asset protection

The Department of Financial Institutions - Bureau of Consumer Affairs approved the sale of Guaranteed Asset Protection ("GAP") products in connection with credit sales and loans (see the [Spring 2008 Plain Dealing](#) publication or for the "2004 GAP approval" see the [Department of Financial Institutions website](#).)

New criteria went into effect 9/1/18.

In 2017, Wisconsin Act 161 ("The ACT") created s. [218.0148](#), Wis. Stats., which applies to the sale of GAP waivers on or after 9/1/18 in connection with vehicle credit sales, loans and consumer leases. A copy of The ACT can also be found [here](#).

The "2004 GAP approval" letter and s. [218.0148](#), Wis. Stats., have similar conditions placed on the creditor when GAP is offered and sold to borrowers in this state. They also have similar conditions in place relating to the refunding of the unearned GAP charge when the GAP waiver is cancelled or terminated.



However, s. [218.0148](#), Wis. Stats., does have some additional conditions and requirements that are not identified in the "2004 GAP approval" letter. For example, s. [218.0148\(2\)\(f\)](#), Wis. Stats., states, in part, "A retail seller shall insure its guaranteed asset protection waiver obligations under a contractual liability or other insurance policy issued by an insurer." In addition, s. [218.0148\(2\)\(g\)](#), Wis. Stats., states, "Any creditor that offers a guaranteed asset protection waiver shall report the sale of, and forward funds received on, all guaranteed asset protection waivers to the designated party, if any, prescribed in any applicable administrative services agreement, contractual liability policy, other insurance policy, or other specified program documents." As there are other additional provisions, dealerships should become familiar with The ACT.

Regarding the conditions set forth in both s. [218.0148](#), Wis. Stats., and the "2004 GAP approval" letter in relationship to allowing the refund of the unearned GAP waiver charge when a waiver is cancelled or terminated, please be advised that the creditor shall make an appropriate refund or credit of the guaranteed asset protection waiver charge or shall cause to be made an appropriate refund or credit by instructing in writing the appropriate party to make the refund or credit.

To comply, historically, most creditors (i.e. sales finance companies) would notify a dealership when the GAP waiver was cancelled because the related credit transaction was prepaid in full; instructing the dealership to make the refund to the customer. Recently, several creditors have changed their policies and now allow the refunds to go directly to the customer when the transactions are prepaid. When

doing so, the creditor will typically request reimbursement from the dealership for the amount of the refund in the form of a check or debit the dealership's reserve statement account for the amount of the refund.

For accounts where the creditor allows the refund directly to the customer, a dealership should document that fact on the GAP logs that are maintained at the dealership. On the GAP logs, a dealership should still record the date of prepayment and the amount of the refund the creditor allowed, along with a note indicating that the refund was allowed by the creditor. Typically, the date of prepayment and the amount of the refund can be obtained from the month-end dealers reserve statements, paid notifications, and/or other reports/statements that are provided to the dealership by the creditor. The dealership should retain these documents for future reference.

Emissions repair cost limit for waiver increased to \$896

The repair cost limit for all model year vehicles subject to emissions testing increased from \$879 to \$896 effective July 1, 2018. This figure is adjusted annually by the DNR per [NR 485.045](#).



Cost waiver

Vehicles subject to emissions testing that continue to fail may be eligible for a cost waiver if actual costs of emissions related repairs exceed the repair cost limit. Only repairs that are related to the vehicle's cause of failure can be used to apply for a cost waiver. Costs covered by any warranty or costs to repair/replace emission control equipment that has been removed, modified or disconnected are excluded.

The owner must have emissions-related repairs performed on the vehicle at a recognized repair facility to qualify for waiver consideration. Click on the following for [a list of recognized repair facilities](#).

The application form to apply for

Recognized Repair Shop status may also be found at the above link. Franchised NEW car dealerships may also be recognized as repair facilities (see [Trans 131.02\(39\)](#)).

DAS Quarterly Report numbers

The following numbers have been generated from the Dealer and Agent Section (DAS) Quarterly Report. This data is from the first and second quarters (January through March, and April through June, 2018).

Field Investigation Unit (FIU)

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

Activity	First Quarter	Second Quarter
FIU Complaints Closed	327	261
FIU Inspections (Dealers)	213	222
FIU Educational Presentations	1	8

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 electronically process either title and registration, or renewal registration applications 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	First Quarter	Second Quarter
APU Phone Calls	12,496	12,071
DLU Phone Calls	3,727	4,618
Business Licenses Issued	740	594
Individual Licenses Issued	5,021	3,839

Lemon Law

DMV receives telephone and email inquiries from consumers (and some dealers and lawyers) about the specifics of the Lemon Law and help in pursuing a claim.

Activity	First Quarter	Second Quarter
Lemon Law Inquiries	203	190

Electronic Title and Registration Processing

Dealers and agents processing titles and/or registration electronically:

Activity	First Quarter	Second Quarter
Renewal Agents	1,069	1,072
Title Agents (includes dealerships)	4,566	4,536
Total	5,635	5,608

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](#).

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

Electronic Title Delivery

Lenders receiving electronic title records:

Activity	First Quarter	Second Quarter
Lenders	855	882

These service providers deliver and manage electronic titles:

- Secure Title Administration, Inc.

- Secure Title Administration, Inc.
- 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 who 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 Enforcement Actions

[See the complete Enforcement Actions list](#)



Wisconsin Department of Transportation | (608) 266-1425
AgentPartnershipUnit@dot.wi.gov | DealerLicensingUnit@dot.wi.gov
Dealer and Agent Section
PO Box 7909
Madison, WI 53707