

Further, the Commission is rejecting the suggestion to modify the Buyers Guide to include dealer information and a signature line on the front of the Buyers Guide. NIADA noted that computer pre-printing of the Buyers Guide requires turning the page over in order to print the information. The actual burden of having to turn over the Buyers Guide to pre-print the information is quite small. Further, dealers may use an ink stamp to put this information on the back side. Both of these methods—ink stamp or turning the Buyers Guide over and pre-printing the information—are inexpensive ways of complying with the Rule.<sup>132</sup>

#### Question Fourteen

What changes to the format of the Buyers Guide should be considered in order to increase its benefits? What effect would such changes have on the costs or burdens imposed by the Rule? Is there any empirical or other evidence to support opinions that such changes would or would not increase costs or burdens?

i. *Summary of Comments.* One consumer suggested that the information be on one side only, and that a signature line be included so that the customer has a chance to read it and know he is entitled to a copy.<sup>133</sup> This consumer also suggested that the Buyers Guide be modified to have check boxes for the selling dealer to disclose whether or not the dealer has attempted to repair any item on the vehicle in any way, and a section for the dealer to list specifically what components or systems were found by the inspection to be in need of repair and yet were not repaired by the dealer, plus their anticipated costs.<sup>134</sup> NACAA noted that the Buyers Guide should be revamped to provide a checklist of symptoms and causes for auto problems, and state more strongly that consumers should have those items independently checked before committing themselves to a used car purchase.<sup>135</sup> Washington's Attorney General suggested that the Buyers Guide note that the Cooling-Off Rule does not apply to used car sales. Reynolds &

Reynolds suggested that a customer signature box be added to the form's back to ensure that the purchaser has received warranty information (or the lack thereof) and has acknowledged it.<sup>136</sup>

ii. *Discussion.* The Commission has concluded that adding additional information to the Buyers Guide, such as a warning that the Cooling-Off Rule does not apply, is unnecessary.<sup>137</sup> The format of the present Buyers Guide achieves the Rule's objectives, and thus, for the reasons previously discussed throughout this notice, the Commission is leaving the format of the Buyers Guide essentially unchanged.<sup>138</sup>

#### V. Regulatory Flexibility Act Review

Based on its review of the record, the Commission has concluded that the Rule has not had "a significant economic impact on a substantial number of small entities" affected by the Rule.<sup>139</sup> As previously discussed, the comments indicate that the costs associated with Rule compliance are minimal. The record also suggests that these costs generally would be borne by a reasonably prudent business anyway.

#### VI. Conclusion

The comments and the Commission's experience indicate that the Rule is working and achieving its objectives, while imposing only minimal costs on used car dealers. For the reasons discussed above, however, the Commission is amending the Spanish Buyers Guide and amending the Rule to permit dealers to post Buyers Guides prominently and in plain view in all used vehicles being offered for sale (rather than on a side window). The Commission also is amending the Rule to permit dealers to put a signature line on the back of the Buyers Guide, if accompanied by a specific disclosure.

#### List of Subjects in 16 CFR Part 455

Motor vehicles, Trade practices.

Authority: The Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.* (1980).

#### Text of Amendments

For the reasons set forth in this document, pertinent sections of the Used Car Rule, 16 CFR Part 455, are amended as follows:

#### PART 455—[AMENDED]

The authority citation for part 455 continues to read as follows:

Authority: 88 Stat. 2189, 5 U.S.C. 2309; 38 Stat. 717 as amended; 15 U.S.C. 41 *et seq.*

2. Section 455.2(a)(1) is revised to read as follows:

#### § 455.2 Consumer sales—window form.

(a) \* \* \*

(1) The Buyers Guide shall be displayed prominently and conspicuously in any location on a vehicle and in such a fashion that both sides are readily readable. You may remove the form temporarily from the vehicle during any test drive, but you must return it as soon as the test drive is over.

\* \* \* \* \*

3. Further, § 455.2 is amended by adding paragraph (f) to read as follows:

#### § 455.2 Consumer sales—window form.

\* \* \* \* \*

(f) Optional Signature Line. In the space provided for the name of the individual to be contacted in the event of complaints after sale, you may include a signature line for a buyer's signature. If you opt to include a signature line, you must include a disclosure in immediate proximity to the signature line stating: "I hereby acknowledge receipt of the Buyers Guide at the closing of this sale." You may pre-print this language on the form if you choose.

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4. Further, the first page of the sample Spanish language Buyers Guide ("GUÍA DEL COMPRADOR") appearing at the end of section 455.5 is revised to read as follows:

#### § 455.5 Spanish language sales.

\* \* \* \* \*

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<sup>132</sup> The issue of obtaining consumer signatures was addressed earlier in this notice. See Part IV, Question 2, B, *supra*.

<sup>133</sup> Jay Drick, B-25 at 1-2.

<sup>134</sup> B-25 at 1.

<sup>135</sup> B-24 at 3.

<sup>136</sup> B-20 at 2.

<sup>137</sup> 16 CFR 429. The Cooling-Off Rule does not apply to the sale of vehicles, nor any other goods and services, offered at a seller's place of business. It also does not apply to sales of vehicles at auctions provided that the seller has a permanent place of business.

<sup>138</sup> See discussion at Part IV, Question 2, B, *supra*.

<sup>139</sup> 5 U.S.C. 603-605. The Commission received no information regarding the number of dealerships with annual sales of \$11.5 million or less. But, the Commission's experience is that most independent used car dealers have annual sales less than \$11.5 million and therefore are small entities for purposes of the RFA.