

# Chapter 5

# Distressed Vehicles

## Section 5-1

### Salvage titles and scrap titles

**5-1.1 Authorization.** Section 248 of the *Michigan Vehicle Code* (MCL 257.248) provides that Michigan dealers with a C, F, H or R license classification may deal in salvage and scrap-titled vehicles and salvageable parts. Additional record keeping is required.

**Note:** *The list of non-salvageable parts is printed on the face of Michigan salvage and scrap titles.*

**5-1.2 Definition.** Salvage or scrap titles are issued when insurance companies acquire late model distressed vehicles. However, when a dealer acquires a late model distressed vehicle yet titled with a salvage or scrap title, the dealer must apply for a salvage or scrap title. Note: A dealer must apply for a *scrap* title within five days (MCL 257.217c (5)).

**Salvage vs. scrap.** A distressed vehicle is a late model vehicle (see Section 5-2 for definition) with one or more major component parts that have been wrecked, destroyed, damaged, stolen, or missing to the extent that the estimated cost to repair the vehicle, including parts and labor, is 75% or more of the vehicle's pre-damaged cash value.

- a) For late model vehicles, a salvage title is required if the estimated cost of repairs is 75% or more but less than 91% of the pre-damaged cash value.
- b) For late model vehicles, a scrap title is required if the estimated cost of repairs is 91% or more of the pre-damaged cash value.

**Note:** *A vehicle owner may apply for a salvage title or scrap title any time regardless of the age of the vehicle or extent of the damages, but there are specific circumstances when an owner must apply for salvage or scrap title.*

**5-1.3 On-road use.** Salvage-titled vehicles may be rebuilt for on-road use (See Section 5-7 for more information). Scrap-titled vehicles cannot be rebuilt for on-road use. They can only be used for parts or scrap metal.

**5-1.4 Estimated cost of parts.** This is determined by using the current published retail

cost of original equipment manufacturer (OEM) parts or the actual cost of parts needed to repair the vehicle.

**5-1.5 Estimated cost of labor.** This is calculated using the hourly rate and time allocations that are reasonable and commonly assessed in the repair industry in the community where the repairs are performed.

## Section 5-2

### Late model vehicles

A late model vehicle is defined as a vehicle weighing less than 8,000 pounds and manufactured within the last six model years, or a vehicle over 8,000 pounds and manufactured within the last 16 model years. (MCL 257.24b)

*NOTE: A Class C, Class H or Class R Dealer License is required to obtain a late model salvage vehicle, including vehicles from out of state.*

## Section 5-3

### Salvage vehicles

**5-3.1 Definition.** A salvage vehicle is a late model distressed vehicle where the estimated cost of repair, (including parts and labor, is 75% or greater, but less than 91% of the vehicle's pre-damaged cash value. A salvage vehicle may also come into Michigan with a comparable title from another state or jurisdiction.

**5-3.2 Requirement.** If a dealer acquires a late model vehicle that meets the definition of a distressed vehicle and has not yet been titled as salvage, Michigan law requires the dealer to apply for a salvage title.

**5-3.3 Applying for a salvage title.** The dealer submits form TR-12, *Application for Original Michigan Salvage Title or Scrap Title*, along with the vehicle title and an RD-108 to a Secretary of State branch office.

**5-3.4 Major component parts.** The following is a list of major component parts:

- a) Engine;
- b) Transmission;
- c) Right or left front fender;
- d) Hood;
- e) A door allowing entrance to or exit from the vehicle's passenger compartment;

- f) Front or rear bumper;
- g) Right or left rear quarter panel;
- h) Deck lid, tailgate or hatchback;
- i) Trunk floor pan;
- j) Cargo box of a pickup;
- k) Frame, or if the vehicle has a unitized body, the supporting structures that serve as the frame;
- l) Cab of a truck;
- m) Body of a passenger vehicle.

## Section 5-4

### Salvage disclosure

**5-4.1 Requirement.** When a late model rebuilt salvage vehicle is sold at retail or wholesale, the selling dealer must disclose its previous salvage status in writing to the purchaser. If it is a retail sale, the dealer must also check the appropriate box under the Vehicle History and Title Brand Disclosure section of the RD-108. Salvage disclosure must be given to the purchaser before the agreement to purchase is reached.

**5-4.2 Disclosure language.** The salvage disclosure must contain a written statement that reads:

*“The purchaser of this vehicle has been informed by the seller, before entering into an agreement of sale, that the vehicle described below was previously wrecked, destroyed, or damaged to the extent that a previous owner considered the vehicle uneconomical to repair.”*

**Note:** A Salvage Disclosure template is found at the end of this chapter and on the Michigan Department of State website under Publications and Forms.

**5-4.3 Signatures.** The disclosure must contain spaces for the purchaser’s and seller’s signature and date. The disclosure must be presented to, and signed by, the seller and purchaser **before** entering into a sales agreement.

**5-4.4 Vehicle description.** A detailed description of the vehicle must be written on the disclosure, including:

- a) Vehicle make and model;

- b) Model year;
- c) Vehicle Identification Number (VIN).

**5-4.5 Distribution of copies.** A copy of the signed salvage disclosure must be given to the purchaser at the time of signing. Additionally, a signed copy of the salvage disclosure must be kept in the vehicle deal jacket for five years at the licensed location or following approval from the department at a secondary location owned by the dealer that is located within a 15-mile radius.

## Section 5-5

### Salvage vehicle agent

**5-5.1 Authorization.** Salvage Vehicle Agents licensed by the Michigan Department of State are the only persons authorized to buy late model salvage, scrap-titled vehicles, or salvageable parts at salvage pools or auctions.

**5-5.2 Specific dealer classifications.** Class C, H, and R dealers are the only dealers permitted to have Salvage Vehicle Agents. Each Class C, H, and R dealer may have two Salvage Vehicle Agents (including the dealer). A Salvage Vehicle Agent may represent their dealership of employment when dealing in late model salvage vehicles, scrap-titled vehicles, or salvageable parts.

**5-5.3 License expiration.** The license for the Salvage Vehicle Agent is associated with the employing dealer's license. The Salvage Vehicle Agent license expires and is renewed with the associated dealer's license. Both the dealer and the Salvage Vehicle Agent applicant must sign the application. Form AR-0188, *Original Salvage Vehicle Agent Application* is available on the Secretary of State's website at [www.Michigan.gov/SOS](http://www.Michigan.gov/SOS) ('Industry Services' from the top menu, 'Dealers' on the left navigation, 'Forms and Publications'), or the account manager can apply through the dealer's e-Services account.

**5-5.4 Photo identification.** Upon approval, the salvage vehicle agent will receive an authorization letter with instructions on how to obtain a photo salvage agent identification card. The agent must prominently display the ID card when attending salvage pools or auctions where late model salvage vehicles or scrap-titled vehicles are being sold. The Salvage Vehicle Agent license and ID card are not transferable.

If any of the salvage vehicle agent's information changes or the agent loses their photo identification card, the dealer must submit form AR-0191, *Salvage Vehicle Agent Application for Corrected or Duplicate License*. This form is available on the Secretary of State's website at [www.Michigan.gov/SOS](http://www.Michigan.gov/SOS) ('Industry Services' from the top menu, 'Dealers' on the left navigation, 'Forms and Publications') or by calling the department of State Information Center at (888) SOS-MICH (767-6424).

If the dealer hires a new Salvage Vehicle Agent, the dealer submits an original Form AR-0188, *Original Salvage Vehicle Agent Application* and surrenders the license of the old agent to the Michigan Department of State. A dealer may also cancel a salvage vehicle agent's association with their dealership and apply for a new agent through their e-Services account.

## Section 5-6

### Out-of-state salvage, scrap, or flood vehicles

Vehicles brought into Michigan from another state or province with a salvage, scrap, rebuilt, flood damage, or equivalent title must be issued a comparable Michigan title. In the Remarks section of the RD-108 the dealer enters the name of the issuing state and the title brand from that state.

Also check the appropriate box under the Vehicle History and Title Brand Disclosure section of the RD-108.

**Note:** A Class C, Class H or Class R Dealer License is required to obtain a late model, salvage vehicle, including obtaining late model, salvage vehicles out of state.

## Section 5-7

### Rebuilt salvage

**5-7.1 Recertification inspection.** Before a salvage-titled vehicle can be registered for on-road use, it must be inspected by a certified Michigan Salvage Vehicle Inspector. Once the vehicle passes an inspection, the owner may apply for a rebuilt salvage title. A list of salvage vehicle inspectors by county is available on the e-Services webpage under "Salvage Vehicle Inspector."

- a) **Application process.** To apply for an inspection, a dealer first completes form TR-13A, *Application for Salvage Vehicle Inspection*. TR-13A forms are available on the Secretary of State's website, [www.Michigan.gov/SOS](http://www.Michigan.gov/SOS) ('Industry Services' from the top menu, 'Vehicle Dealers' on the left navigation, 'Forms and Publications'). The TR-13A form requires that a certified mechanic in any area of the repair(s) being performed must certify that all repairs were done in a workman like manner.

**Note:** *The mechanic listed on the TR-13A forms must be a certified mechanic in the specialty category of the repairs that were performed. At a minimum, any mechanic listed on the TR-13A should be a certified mechanic with both the unitized body and structural repair, and collision related mechanical repair specialty categories.*

- b) **Scheduling inspection.** The completed form TR-13A, *Application for Salvage Vehicle Inspection*, the salvage title, and all receipts for major

component parts used to rebuild the vehicle are presented to a certified Salvage Vehicle Inspector. After reviewing the documents, the inspector will schedule a vehicle inspection. The inspector will ensure that:

- 1) The VINs and the parts identification numbers are correct.
- 2) The applicant has proof of ownership of repair parts used.
- 3) vehicle complies with the vehicle standards of the Code.
- 4) repairs performed on the vehicle were done in a workmanlike manner as certified on the TR-13A by a properly licensed mechanic in the appropriate specialty.

**Note:** Any missing requirements will result in a failed inspection.

**5-7.2 Road use.** A Salvage title does not authorize the dealer to drive the vehicle; it authorizes the dealer to possess and transport the vehicle. The salvage vehicle cannot be driven on public roads until the vehicle has passed the inspection by a certified Salvage Vehicle Inspector and has been issued a Rebuilt Salvage title by the Secretary of State. (MCL 257.217c (13))

*A late model salvage-titled vehicle may be legally driven by the most direct route to and from a Salvage Vehicle Inspection without a registration or license plate. (MCL 257.216 (h))*

**5-7.3 Re-titling for on-road use/registration.** Once the salvage vehicle inspector determines the vehicle has passed the inspection and completes and signs form TR-13B, *Salvage Recertification*, the vehicle is eligible for a Rebuilt Salvage title and on-road use/registration.

**5-7.4 Selling rebuilt salvage vehicles at retail.** When selling a rebuilt salvage vehicle, the dealer must apply for title and registration in the purchaser's name. Forms TR-13A and TR-13B are submitted with the RD-108. A separate odometer disclosure is required. Written salvage disclosure must be given and signed by the purchaser on all late model vehicles indicating the vehicle was previously a distressed vehicle.

**5-7.5 Road use.** A Salvage title authorizes the holder of the title to possess, transport, but not drive upon a highway, a vehicle. The salvage vehicle may not be driven on a highway until the vehicle has passed the inspection by a certified Salvage Vehicle Inspector and has been issued a Rebuilt Salvage title by the Secretary of State.

**Note:** All subsequent titles issued for rebuilt and recertified vehicles will contain a legend that reads, "REBUILT SALVAGE."

## Section 5-8

### Scrap vehicles

**5-8.1 Definition.** A scrap title is required on a late model distressed vehicle if the

estimated cost of repairs, including parts and labor, is 91% or more of the pre-damaged cash value. A scrap vehicle may also come into Michigan with a comparable title from another state or jurisdiction.

**5-8.2 Requirement.** If a dealer acquires a late model vehicle that meets the definition of a scrap vehicle that has not yet been titled as scrap, the dealer is required to apply for the scrap title within five days.

Once a scrap title is issued, the Vehicle Identification Number (VIN) for the vehicle is canceled, or “killed.” The vehicle cannot be repaired or rebuilt for on-road use. Vehicles with scrap titles can only be dismantled and sold as parts or sold to a vehicle scrap metal processor for metal recycling.

- a) Class C, H, and R dealers may sell major component parts on bills of sale (invoices) after the parts have been removed from the frame or unitized body supporting structure of a scrap vehicle.
- b) The dealer must assign and mark a part number on each major component part. Each part number and description must be listed on the bill of sale.
- c) The scrap title shall only be reassigned to a class C, F, H or R dealer using the assignment on the face of the title and only to a class F scrap metal processor on the second reassignment on the face of the title. The VIN is canceled or “killed” by marking SCRAP or JUNK across the face of the title, along with the dealer’s license number and initials or signature, and mailing the title to the Michigan Department of State, Customer Records Division, Vehicle Records Activity Sub-Unit, 7064 Crowner Dr., Lansing, Michigan 48918.

*See Section 5.13.5 for information recording these VINs on the TR-9, Scrap vehicle Inventory Form.*

## **Section 5-9**

### **Assembled vehicles**

**5-9.1 Definition.** An assembled vehicle is:

- a) One built (assembled) from new or used materials and parts by someone not recognized as a manufacturer (usually an individual).  
**Example:** a homemade vehicle.
- b) One assembled from a kit (often called “kit cars”), even if an MCO is provided.
- c) One altered or modified to the extent that it no longer reflects its original manufacturer identification.

**Example:** a Volkswagen made into a dune buggy.

**Note:** *Simply replacing the hood, fenders, trunk lid, engine, etc., does not dictate assembled status, unless the vehicle is no longer recognizable as its original year, make, and model.*

**5-9.2 Requirements.** Scrap-titled vehicles must be completely dismantled, with all major component parts removed from the frame or unitized body supporting structure, before the frame or unitized body supporting structure may be used as part of an assembled vehicle.

- a) To qualify for an assembled vehicle title, a vehicle assembled from scrap vehicle parts must be made up of major component parts from two or more vehicles. **An assembled vehicle may not include both the frame (and unitized body supporting structure) and any other major component part from the same scrap-titled vehicle.**
- b) For assembled vehicles, the “year” is the year the first title application is processed and the “make” is “Assembled.” The VIN is a new state-assigned (MI) number.

**Note:** *It is a crime to remove an existing VIN plate or to be in possession of VIN plates. Michigan law deems this a felony, punishable by imprisonment for not more than four years, a fine of not more than \$10,000, or both, and revocation of the dealer’s license. VIN plates cannot be removed or moved from one vehicle to another.*

**5-9.3 Applying for an assembled vehicle title.** To apply for an assembled vehicle title and the department of State assigned VIN, obtain form BFS-72, *Instructions for Titling an Assembled Vehicle*, on-line or from a Secretary of State branch office. Dealers need the following to apply for the title:

- a) Any titles or properly assigned ownership documents (BDVR-141, TR-42, TR-52L, or TR-208) from vehicles used in the assembly process.
- b) Form TR-54, *Vehicle Number and On-Road Equipment Inspection*, with Parts 1 and 2 completed by a police officer.
- c) Original bills of sale, or if the parts were already owned and no bill of sale exists, form TR-34, *Certification*, documenting how the parts were obtained. Form TR-34 must include the serial number on the part and a statement that the applicant is the rightful owner.
- d) Form TR-34, *Certification*, is also used for summarizing the building process of the vehicle. It must include a description of the vehicle and its parts, who assembled the vehicle, when and where it was assembled, and any special information about the vehicle.

## Section 5-10

### Reconstructed vehicles

**5-10.1 Definition.** A reconstructed vehicle is one extensively rebuilt with parts from two or more vehicles which are the same year and model. Usually this involves intermixing major component frame and body parts from two vehicles. Most often the vehicle is an older model or antique. Example: A 1957 Chevrolet reconstructed using two or more 1957 Chevrolets.

#### 5-10.2 Requirements.

A reconstructed vehicle includes one with a body unit (passenger body or pickup truck cab) replaced with an identical style body unit which doesn't alter the vehicle's original configuration.

**Example:** A 2014 Ford pickup truck has its cab replaced with an identical cab from a 2012 Ford pickup.

The manufacturer's year and make will remain the same. The VIN is a new state-assigned number.

**Note:** An assigned VIN with an "R" in the 7<sup>th</sup> position is issued to an older vehicle or trailer coach whose VIN is missing and can't be found. Unless it is built from two or more vehicles, the vehicle isn't considered reconstructed.

**5-10.3 Applying for a reconstructed title.** Dealers need the following to apply for a reconstructed title and the MI VIN:

- a) Signed TR-11L
- b) Any titles or properly assigned ownership documents (BDVR-141, TR-42, TR-52L, or TR-208) from vehicles used in the reconstruction process.
  - a. All ownership documents must include:
    - i. The applicant's name and address or the name and address of the person who assembled or reconstructed the vehicle for the owner.
    - ii. The date of purchase.
    - iii. A description of the parts and the purchase price. If there are any serial numbers on the parts, they must be shown.
    - iv. The name, address, and telephone number (if available) of the parts dealer or person who sold the parts.
- c) Form TR-54, *Vehicle Number and On-Road Equipment Inspection*, with Parts 1 and 2 completed by a police officer.
- d) Original bills of sale, or if the parts were already owned and no bill of sale exists, form TR-34, *Certification*, documenting how the parts were obtained.

Form TR-34 must include the serial number on the part and a statement that the applicant is the rightful owner.

- e) Form TR-34, *Certification*, is also used for summarizing the building process of the vehicle. It must include a description of the vehicle and its parts, who assembled the vehicle, when and where it was assembled, and any special information about the vehicle.
- f) If the vehicle is model year 2011 or newer and has an odometer, a BDVR-108 Odometer Mileage Statement is required. If the vehicle doesn't have an odometer, the applicant notes this on the BDVR-108.

## Section 5-11

### Replacement VIN

**5-11.1 Requirement.** If the manufacturer's VIN plate is missing from a vehicle, or if the part containing the VIN plate was replaced, the dealer must apply for a replacement VIN at a Secretary of State branch office.

**5-11.2 Applying for a replacement manufacturer's VIN or replacement MI-assigned VIN.** Dealers should complete a Form TR-34, *Certification*, stating why a replacement VIN is needed. This form can be found on the SOS website under Publication and Forms.

**VIN sticker.** Once the application is approved, Michigan Department of State personnel will apply a replacement VIN sticker containing the original manufacturer's VIN or a replacement MI-assigned VIN to the vehicle.

## Section 5-12

### Flood damaged vehicles

**5-12.1 Requirement.** All vehicles and trailer coaches meeting the definition of a flood damaged vehicle (see Section 5-11.2 for definition) must be issued a title with the Flood brand that indicates to future purchasers the flood damaged history of the vehicle. Michigan vehicle titles with flood branding are orange (like salvage titles) to alert purchasers. Vehicles with a Flood brand title are not required to be re-certified for road use by a Salvage Vehicle Inspector unless the title also has a salvage brand.

**Note:** *Flood damage brands on out-of-state titles must be carried forward to the Michigan title.*

**5-12.2 Definition.** A flood damaged vehicle is defined as a vehicle submerged in water to the point water entered the passenger compartment or trunk over the sill of the trunk

floor pan or door sill, or a vehicle acquired by an insurance company as part of the settlement of a water damage claim. [MCL 257.17c]

**5-12.3 Selling at retail.** When selling a flood damaged vehicle to a retail purchaser, the dealer must check the box marked “Vehicle Has Been Flood Damaged” under the Vehicle History and Title Brand Disclosure section on the RD-108.

## Section 5-13

### Record keeping requirements

**5-13.1 Proof of ownership.** Dealers must have a properly assigned title, salvage title, scrap title, or other properly assigned ownership document for every vehicle in their inventory. Properly assigned ownership documents include the BDVR-141 *Statement of Seizure & Forfeiture*, TR-42 *Garage Keeper’s Lien Form*, TR-52L *Notice of Abandoned Vehicle Bill of Sale Form*, TR-10 *Certification of Repossession*, and TR-208 *Certificate of Scrapping*. Odometer disclosure is required on each of these ownership documents. You must immediately apply for a resale title if you acquire a vehicle with a BDVR-141, TR-42, TR-52L, or TR-10, as you cannot reassign ownership or give proper odometer disclosure on these forms.

**5-13.2 Scrap metal processor exception.** A Vehicle Scrap Metal Processor (Class F) is not required to obtain a title for vehicles purchased from another licensed dealer. Class C, H, and R dealers transfer ownership of vehicles to a scrap metal processor on a TR-9 *Scrap Vehicle Inventory* form. (Class C, H, and R dealers have already written SCRAP or JUNK across the face of the title and mailed the titles to the Michigan Department of State and listed the vehicles on the TR-9 Scrap Vehicle Inventory form.) All other dealers dispose of the vehicle utilizing the TR-52, or TR-208 Certificate of Scrapping by forfeiting the form to the scrap metal processor.

Vehicle Scrap Metal Processors who obtain a vehicle with an assigned title are required by Michigan law to surrender the assigned title to the Secretary of State within 30 days of destroying or scrapping the vehicle. The Class F dealer writes SCRAP or JUNK across the face of the title, along with the dealer’s license number and initials or signature, then mails the title to the Secretary of State within 30 days. Titles are mailed to:

Michigan Department of State  
Vehicle Records Activity Sub-Unit  
7064 Crowner Dr.  
Lansing, Michigan 48918

**5-13.3 Police Book requirements.** When dealers acquire whole vehicles to be dismantled, the vehicles are logged into the dealer’s Police Book. As individual major component parts are removed, they are logged into the dealer’s Major Component Parts Record (SOS-426). The Major Component Parts Record must be maintained in or

attached to the Police Book. Class F Vehicle Scrap Metal Processors are required to make Police Book entries only for vehicles not acquired on TR-9 forms.

**5-13.4 Major Component Parts Record (SOS-426).** Class C, H, and R dealers are required to keep a record of late model major component parts bought, sold, or removed from a vehicle. Parts acquired are assigned a stock number and logged into the record. The stock number must be permanently marked on the part. Disposed parts are also logged in the Major Component Parts Record.

- a) **Required information.** A sample of the Major Component Parts Record appears at the end of this chapter. It may be photocopied for use, or an electronic copy is available on the Secretary of State website. A Major Component Parts Record must contain the following information:
  - 1) A description of major component parts purchased and sold;
  - 2) Names and addresses of sellers and purchasers;
  - 3) Date of parts purchase and sale;
  - 4) VIN or stock number assigned by the dealer;
  - 5) Incoming and outgoing invoice numbers.
- b) **Computerized records.** The Major Component Parts Record may be kept electronically. A sample copy is available at the end of this chapter or on the Secretary of State's website. A paper copy of the data entries and reference codes must be accessible to investigators. See Chapter 2, for additional information on electronic record keeping.

**5-13.5 Scrap Vehicle Inventory (TR-9).** A dealer selling or assigning a vehicle or its remaining parts to a Class F Vehicle Scrap Metal Processor must reassign the title or complete form TR-9, *Scrap Vehicle Inventory*.

TR-9 forms are available to Class C, H, and R dealers by emailing, mailing, or faxing a written request to:

Michigan Department of State  
Inventory Services Section  
1301 Sunset  
Lansing, MI 48918  
Fax: 517-316-1621  
Email: [SOSInvControl@Michigan.gov](mailto:SOSInvControl@Michigan.gov)

Please note that there is a 10-pad maximum per year allowed per dealer. Requests for quantities over the 10-pad maximum will be handled on an individual basis.

- a) **Completing the TR-9 form.** Each TR-9 form, *Scrap Vehicle Inventory*, must contain the following information:
- 1) Dealer name and address;
  - 2) Dealer number;
  - 3) Name, address, and dealer license number of the Vehicle Scrap Metal Processor;
  - 4) Date the vehicles were sent to the Class F Vehicle Scrap Metal Processor;
  - 5) Year, make, VIN, stock number, and color for each vehicle being delivered;
  - 6) Mark SCRAP or JUNK across the face of the title.

**Note:** *Form TR-9, Scrap Vehicle Inventory, is not used to assign ownership of vehicles to dealers other than a Class F Vehicle Scrap Metal Processor. Dealers who crush and transport vehicles to a vehicle scrap metal processor must acquire ownership by means of an assigned title or other properly assigned ownership document.*

- b) **Form distribution.** Distribute copies of form TR-9, *Scrap Vehicle Inventory*, as follows:
- 1) The first copy retained by the selling dealer for five years;
  - 2) The second copy is mailed **with the titles attached in the order the vehicles appear on the TR-9** to:

Michigan Department of State  
Customer Records Division  
Vehicle Records Activity Unit  
7064 Crowner Dr.  
Lansing, MI 48918

- 3) The third copy is transported with the load of vehicles to the Class F Vehicle Scrap Metal Processor.

## Salvage Vehicle Disclosure

### R 257.253 – Salvage vehicle disclosure information

#### Rule 3

1. Before entering into a sales agreement, a dealer who sells a late model salvage vehicle that has been repaired shall certify to the buyer in writing that the vehicle was previously distressed.
2. The certification may be written or printed directly on a document, which evidences the agreement or on a separate document attached to the agreement.
3. The certification shall read substantially as follows:

***The purchaser of this vehicle has been informed by the seller, before entering into an agreement, that the vehicle described below was previously wrecked, destroyed, or damaged to the extent that a previous owner considered the vehicle uneconomical to repair.***

(Date)	(Signature of Purchaser)		
(Date)	(Signature of Seller)		
(Make)	(Model)	(Year)	(VIN)

## Buying and selling distressed vehicles

Dealer class	Buy from	Buy what	Sell to	Sell what	Statute
B – Used vehicle dealer	Retail Wholesale	Older model salvage vehicles	Retail Wholesale	Older model salvage vehicles	257.217c(4) 257.78 257.248(5)
C – Used vehicle parts dealer	Retail Wholesale B or via Salvage vehicle agent from/through C, D, G, R	Whole vehicles; major component parts; late model distressed vehicles; or late model major component parts	Whole vehicles to C, F, H, R	Late model major component parts	257.2a 257.78a, 257.217c(4), 257.248(5)
D – Broker	Not able to buy distressed vehicles in their name --- <i>Displays or negotiates vehicle/vehicle part sales</i>	N/A	Not able to sell distressed vehicles --- <i>Displays or negotiates vehicle/vehicle part sales</i>	N/A	R 257.181 Rule 1, (c) 257.248(5) 257.248c
E – Distressed vehicle transporter	Retail Wholesale from C, F, R	Whole vehicles	Wholesale to C, F, R	Whole vehicles --- <i>Shall not dismantle vehicles</i>	257.12b 257.248(8)
F – Vehicle scrap metal processor <sup>1</sup>	Retail Wholesale	Any whole vehicle or vehicle part(s)	Wholesale to F	Any whole vehicle or vehicle part(s)	257.79b 257.248(5)
G – Vehicle salvage pool	Not able to buy distressed vehicles --- <i>Only stores and displays damaged or distressed vehicles for insurance companies</i>	N/A	Not able to sell distressed vehicles --- Release vehicles to former owner, salvage agent for C, H, R	N/A	257.79a 257.248(5) 257.248c
H – Foreign salvage vehicle dealer <sup>2</sup>	Wholesale	Distressed late model vehicles and salvageable parts	Wholesale	Distressed late model vehicles and salvageable parts	257.17a 257.217c(4) 257.248(8)(h) 257.248b

<sup>1</sup> Processes vehicles into scrap metal by shredding, shearing, fragmenting, bailing, or similar means (crushing is not considered a scrap metal process).

<sup>2</sup> Licensed in another state and deals in distressed vehicles.

Dealer class	Buy from	Buy what	Sell to	Sell what	Statute
R – Automotive recycler	Retail Wholesale B or via Salvage vehicle agent from/through C, D, G, R	Whole vehicles; major component parts; late model distressed vehicles; or late model major component parts	Whole vehicles to C, F, H, R	Late model major component parts	257.2a 257.78a 257.217c(4) 257.248(5)
W – Wholesaler	Not able to buy distressed vehicles in their name	Not able to buy distressed vehicles	Not able to sell distressed vehicles	Not able to sell distressed vehicles	257.79e
Salvage vehicle agent must own or work for C, H, R	D, G	Late model distressed vehicles or salvageable parts	N/A	N/A	257.56c 257.78a 257.17a 257.2 257.248e(1)
Insurance company acquires ownership of vehicles through payment of claim	Policy holder	Whole vehicles	Former owner or C, F, H, R --- <i>G only authorized to dispose of vehicles</i>	Whole vehicles	257.79a 257.217c(2)(a)(ii) 257.217c(2)(a) 257.217c(2)(b)(iii) 257.217c(2)(b)
Persons other than dealers or Insurance Companies or owner	Former owner or insurance company	Whole vehicles; late model major component parts	Former owner or C, F, H, R	Whole vehicles (no more than 4 vehicles per year without a dealer license), late model major component parts	257.217c(9) 257.217c(19) 257.217c(20) 257.248
Owner of vehicle	N/A	N/A	Retail B, C, D, E, F, R	Whole vehicles	257.217c(8)

## MAJOR COMPONENT PARTS RECORD

Date of purchase	Description	VIN or assigned part number	Year	Make	Model	Color	Name & address purchased from	Invoice number	Dealer number	Date sold	Name & address sold to	Invoice Number