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Issue 3

Highlights

- MVDA 2002 launches April 1, 2009
- Starting April 1, contracts will require specific disclosure requirements
- More information available at www.omvic.on.ca

Contract changes under MVDA 2002

The new MVDA 2002 launches April 1, 2009!

In this bulletin we provide a **brief** overview of some of the changes regarding **contracts**. Although other bulletins will be forwarded for your information, we strongly encourage you to sign up for the revised OMVIC Certification course, offered by the Canadian Automotive Institute, which will launch in January 2009.

Contract Highlights:

Starting April 1, 2009 the information required on the contracts dealers use to sell and lease vehicles will have to include specific details about the vehicle involved, disclosure statements if applicable, and general statements to help your customers better understand their rights and obligations. Some of these statements require specific wording, and the law even stipulates the type and size of font to be used. For example: adjacent to the consumer's signature it must state, in 14 point bold font, "Sales Final". It must then include, in 12 point bold font, the following:

"Please review the entire contract, including all attached statements, before signing. This contract is final and binding once you have signed it unless the motor vehicle dealer has failed to comply with certain legal obligations."

Similar statements are required to inform consumers about the existence and role of OMVIC, the Compensation Fund and CAMVAP.

All contracts will also be required to contain the following information:

- The names and addresses of the parties
- Date of the sale
- The VIN, if known
- The colour of the vehicle
- The make/model/trim level and model year
- Total sale price
- Itemized list of charges including freight, inspection fees, admin fee, other fees, levies and taxes. This could also include service plans, warranties etc.
- The retail value of these inducements
- The requirement to disclose (and have the customer initial) if the dealer or salesperson will receive, from any source other than the dealer, a commission, payment or any other incentive for providing the application for financing
- New vehicles must include the MSRP for the vehicle and all options and extra equipment

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- Used vehicles must indicate if there are any repairs under the contract and if the vehicle is being sold with a safety standards certificate
- If a vehicle is being sold “as is” a declaration to that affect must be made. You cannot sell a vehicle “as is” if you also provide a safety standards certificate.
- Registered name and number of salesperson
- The date the vehicle is to be delivered or a manner for determining that date.
- The down payment or deposit, if any, paid by the purchaser
- The balance the purchaser will be required to pay under the contract

Note: All contracts must be signed and a copy immediately given to the purchaser. If there is no signed contract and a deposit is given to a dealer, the consumer can cancel a contract at any time and demand a deposit back.

More Information:

To read the Motor Vehicle Dealers Act and its accompanying Regulations, as well as other information bulletins, **visit the MVDA 2002 page on OMVIC’s web site: [www. omvic.on.ca](http://www.omvic.on.ca).**

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