BEWARE OF FLOOD DAMAGED U.S. VEHICLES

OMVIC would like to remind Ontario dealers of the dangers posed by flood damaged vehicles and the regulations surrounding their sale

Due to recent storms and vast flooding in the north eastern and southern U.S. it is estimated tens of thousands of new and used vehicles have received flood damage. Unfortunately it is expected some of these vehicles will be repaired and "unscrupulous individuals may try to take a title to another state and get it washed" (autoremarketing.com, 2011). It's only a matter of time before some of these vehicles begin appearing at auctions.

OMVIC would like to remind Ontario dealers of the dangers posed by flood damaged vehicles and the regulations surrounding their sale.

The Ontario Ministry of Transportation's mandatory branding program specifically addresses the issue of flood damaged vehicles. According to the ministry "[t]he brand of *'irreparable'* will be applied to all imported branded vehicles previously identified with *'fire or flood'* damage regardless of the brand identified on the title. For example, if a customer has a Certificate of Title or other acceptable proof of registration with a brand of *'salvage'* and a description of *'flood damage or fire damage'*, it must be branded as *'irreparable'*." Vehicles branded as 'irreparable':

- **Cannot be driven on the road in Ontario**
- **Can only be used for parts or scrap**
- **Have been written-off as a total loss**

Further, the MVDA2002 requires all dealers provide full disclosure of a vehicle's past use, history and condition. This includes if the vehicle has been branded or if the vehicle "sustained any damage caused by immersion in liquid that has penetrated to the level of at least the interior floorboards".

Failure to properly disclose branding or flood damage would be considered a serious breach of the regulations and demonstrates the importance of using a reliable vehicle history report and conducting a thorough physical inspection.

The U.S. National Automobile Dealers Association (nada) provides these tips on how to spot a possible flood vehicle:

1. Check the vehicle's title history by VIN through commercially available vehicle history reports.

2. Examine the interior and the engine compartment for evidence of water and grit from suspected submersion.

3. Check for recently shampooed carpet.

4. Look under the floorboard carpet for water residue or stain marks from evaporated water not related to air-conditioning pan leaks.

5. Inspect for rusting on the inside of the car and under interior carpeting and visually inspect all interior upholstery and door panels for any evidence of fading.

6. Check under the dashboard for dried mud and residue, and note any evidence of mould or a musty odour in the upholstery, carpet or trunk.

7. Check for rust on screws in the console or other areas where water would normally not reach unless submerged.

8. Look for mud or grit in alternator crevices, behind wiring harnesses and around the small recesses of starter motors, power steering pumps and relays.

9. Complete a detailed inspection of the electrical wiring system looking for rusted components, water residue or suspicious corrosion.

10. Inspect the undercarriage of other components for evidence of rust and flaking metal that would not normally be associated with late model vehicles. (nada.org, 2011)

CONTACT

Terry O'Keefe
Manager of Communications and Education
OMVIC
416-512-3525
terry.okeefe@omvic.on.ca