

# NEWS BULLETIN

## Maine Automobile Dealers Association

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### DISTRIBUTION

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### ANNUAL CHECKUPS FOR PRIVACY, SAFEGUARDS AND RED FLAGS

Did you know that dealerships (and other businesses subject to certain federal rules) are required - **ANNUALLY** - to review their internal policies developed to comply with the Privacy, Safeguards and Red Flags rules? This aspect of these federal rules has become a problem for some dealerships which have been audited (none in Maine-yet)!

In a nutshell: the Privacy Rule requires a disclosure to customers telling them how you handle their non-public personal information; the Safeguards Rule requires affected businesses to have a written policy and procedures on how the business will protect customer information; and the Red Flags Rule requires affected businesses to verify the identity of persons who purchase goods and services, also making sure they are not on the OFAC list. Each of these Rules requires the business to annually review its policies and procedures, adjust them to whatever degree necessary, and formally adopt the revised written policy. **Dealerships should make sure this annual review process is completed and noted in the minutes of the organization.**

### THE 2013 MODEL YEAR EPA/DOE FUEL ECONOMY GUIDE

EPA regulations require automobile dealerships to prominently display the EPA/DOE Fuel Economy Guide booklets at each location where new automobiles are offered for sale, and to make them available to the public at no charge. The regulations ensure that prospective customers have ready access to fuel economy information for current model year vehicles.

A dealership has several options for obtaining the Fuel Economy Guide:

1. An electronic copy of the Guide was emailed through the National Automobile Dealers Association (NADA) earlier this month. You can print the Guide from this electronic file. To ensure that you will receive a new model year Fuel Economy Guide via e-mail every year, please send your e-mail address to [fueleconomy@ornl.gov](mailto:fueleconomy@ornl.gov) if you have not previously done so.
2. You can download the Guide from the government's fuel economy web site at [www.fueleconomy.gov](http://www.fueleconomy.gov) and print copies from the electronic file. This version of the Guide is updated periodically with newly released models and up-to-date fuel cost estimates.

3. If you would like EPA to send you print copies of the Guide, you can order them via the internet at <http://www.fueleconomy.gov/feg/contacts.shtml> or via phone by calling DOE's Clean Cities Technical Response Service at 1-800-254-6735 between the hours of 9:00 a.m. and 7:00 p.m. Eastern time. Orders for the 2013 Fuel Economy Guide are currently being accepted and are available free of charge.

EPA and the National Highway Transportation Safety Administration (NHTSA) recently redesigned the fuel economy and environment labels for new vehicles. Starting with model year 2013, the improved labels must be affixed to all new passenger cars and trucks. For more information, please visit <http://www.epa.gov/otaq/carlabel/regulations.htm>.

### **PHOTOCOPYING MILITARY IDs PROHIBITED**

It is illegal for dealerships to photocopy military identification cards, and doing so can result in a fine, six months in jail, or both. It is within the rights of commercial establishments to request to see military identification and they may note all of the information on it. The military suggests that personnel bring another form of identification with them, such as a driver's license, when making a significant purchase. Under Maine law, photocopying driver's licenses is permitted at dealerships if such a photocopy is part of a significant financial transaction.

### **INCREASES IN DOLLAR THRESHOLDS IN REGULATIONS Z AND M**

The Federal Reserve Board (Board) and the Consumer Financial Protection Bureau (CFPB) announced increases in the dollar thresholds in Regulation Z (Truth in Lending) and Regulation M (Consumer Leasing) for exempt consumer credit and lease transactions. These increases are consistent with the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) amendments to the Truth in Lending Act and the Consumer Leasing Act to adjust these thresholds annually by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers. Transactions at or below the thresholds are subject to the protections of the regulations.

The adjustments to the thresholds reflect the annual percentage increase in the consumer price index as of June 1, 2012 and will **take effect on January 1, 2013**. Based on the adjustments announced, the protections of the Truth in Lending Act and the Consumer Leasing Act generally will apply to consumer credit transactions and consumer leases of \$53,000 or less in 2013. Although the Dodd-Frank Act generally transferred rulemaking authority under the Truth in Lending Act and the Consumer Leasing Act to the CFPB, the Board retains authority to issue rules for certain motor vehicle dealers. Therefore, the agencies are issuing these adjustments jointly.

**MERRY CHRISTMAS AND HAPPY HOLIDAYS**