

MINUTES
AUTO INDUSTRY ENFORCEMENT DIVISION
RULEMAKING WORKING GROUP

Meeting of January 29, 2015
1:00 p.m. – 4:00 p.m.

1881 Pierce St.
Lakewood, CO 80214

Working Group Members Present

Chair: Bruce Zulauf (CDOR – Auto Industry Division)
Co-Chair: Chris Rouze (CDOR – Auto Industry Division)
Matt Heap, CDOR – Auto Industry Division
Michael Dommermuth, Esq. - CADA
Tammi McCoy, CADA,
Todd O’Connell, CIADA
Mary Marvin, CAPSS
Michael McKinnon, Esq. - CIADA
Rick Wynkoop, Esq.
Steve Perkins, Former Board member
John J. Schenden, Former Board member
Randall Cherry, (Colorado Attorney General’s Office)

Director Zulauf, Chair, opened the meeting at 1:10 p.m. and thanked everyone for their participation. Each working group member introduced themselves. Only working group members will participate in the discussion.

The meeting is opened to the public and at the conclusion of each meeting; the public will be given the opportunity to make comments. The posting of the minutes and audio recording of meetings to the website will be forthcoming.

Working Group Meeting Scope – Topics and Discussion

- Financing & Guarantees
- Review of Group’s suggested revisions to Form 2434 (Disclosure form)
- Un-Embedded form 2434 will require new language for regulation
- Discussion of interest rate being consistent with finance agreement
- Discuss whether timelines and rate should be consistent within contract and disclosure form

Ms. McCoy, Ms. Marvin and Mr. Wynkoop submitted proposals in regard to form 2434. Mr. Dommermuth submitted a proposal/position statement on financing and guarantees.

Mr. Dommermuth began the discussion stating that during the last meeting, he sensed that the sentiment of the group was that the moment a retail installment sales contract and purchase agreement is signed, financing is guaranteed. Mr. Dommermuth suggested we work to educate the consumers about spot delivery and how it should work.

Mr. Schenden stated that in regards to dealers notifying buyers about their financing, form 2434 needs clarification pertaining to 10 calendar days versus 10 working days. Ms. Marvin weighed in commenting that the changing of the days would probably mean the form having to be changed again at some point, since the amount of days tend to change quite a bit with the Dealers, the Associations and the MVDB (Motor Vehicle Dealer Board).

Mr. Wynkoop stated that the disclosure form is currently a part of each contract and since it is not possible to know what terms each dealer has in their contract, and since the MVDB has no jurisdiction over consumers, the least amount of verbiage included in the form the better.

Director Zulauf shifted the discussion toward down payment versus deposit. He stated that the MVDB and the stakeholder group have no authority to write a rule defining 6-1-708 and that in 6-1-708 the phrase "down payment" is what is used, not deposit.

Director Zulauf reminded the group that the Division's job is to review the rules. He stressed that if the group feels that a particular rule should remain as is, the Division will present the same to the MVDB for their consideration at the next scheduled rulemaking hearing.

Group took a 10 min. break - Reconvened at 2:15 p.m.

There was a lengthy discussion on how the group needs to proceed. The consensus is:

- The group should have a clear understanding of what the law is governing form 2434 before changing the disclosure form;
- Change verbiage to bold lettering that states signing this document is not guaranteed financing.

Group took a 10 min. break - Reconvened at 3:10 p.m.

Director Zulauf suggested the following:

1. First, gather comments of today's discussion of form 2434 from CADA, Ms. Marvin and Mr. Wynkoop with suggestions on changes to the wording in D and E.
2. The Division will have the Attorney General's office draft the rule and UN-embed the form.

3. The draft will be sent to all group members before the next meeting.
4. Finally, have Mr. Wynkoop put in writing his core concerns.

The 3rd stakeholder meeting is scheduled for Tuesday, February 24, 2015 at 1:00 p.m. – 4:00 p.m. Director Zulauf thanked everyone for their participation and adjourned the meeting at 3:55 p.m.

(Note: The minutes of these rulemaking working groups are very general in nature and only summarize the contents of the meeting. They are not verbatim transcripts and are based principally upon the digital recording of the meeting and upon the later collaboration of staff attendees to ensure that the summary faithfully captures the matters before the working group and the discussion the group had. The digital recording of the meeting is a permanent record of the Division, retained in the electronic filing system of Division, and is available on the Division's website.)