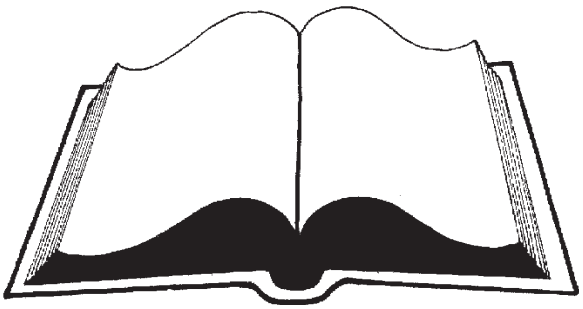
STATE OF CALIFORNIA

DEPARTMENT OF MOTOR VEHICLES

LESSON PLAN GUIDELINES

FOR

USED VEHICLE DEALER EDUCATION PROGRAMS



A Public Service Agency

OL 2000 (REV. 12/2007) **WWW**

LESSON PLAN GUIDELINES FOR USED VEHICLE DEALER EDUCATION PROGRAMS

Introduction

A. The lesson plan must include a minimum of 360 minutes for pre-licensing instruction, and 240 minutes for continuing education instruction, excluding registration, breaks, and lunch.

B. The lesson plan shall make use of forms, textbooks, workbooks, videos, tests, or other teaching aids approved by the department.

C. Each lesson plan submitted for department approval shall provide sufficient detail to allow the department to adequately review the course for content, method of instruction and amount of instruction time. It should be balanced as to provide a good overview of the subject matter pertinent to the operation of a used vehicle dealership and the bulk of the lesson plan should be a program of original composition.

Note: It is inappropriate to substitute copied material for the detailed course contents.

D. The lesson plan should contain enough detail to explain **WHAT** will be covered, **WHY** it needs to be covered, **HOW** it will be covered, and **WHEN** it will be covered.

E. The lesson plan shall either follow the format of this outline or include a detailed index indicating where each topic and sub-topic matching this outline can be found.

1. WHAT will be covered is the content of the course and sets forth what is to be taught in sufficient detail for an inexperienced instructor to conduct a thorough class. This information is usually in detailed outline form, but other formats may be used.
2. WHY is the topic important to the student(s). This is easier to understand if stated at the beginning of each segment of instruction.
3. HOW the material will be covered will enable the department to determine, to some degree, the effectiveness of the course. The use of a variety of techniques, using a variety of supplemental materials is encouraged. The following are some common ways of covering the material:
   - Lecture (normally the predominant portion)
   - Films
   - Workbooks
   - Written correspondence
   - Demonstration
   - Discussion
   - Test and review
   - Forms
4. WHEN each topic is covered; indicate the time devoted to each topic.

F. All subject matter identified on the attached lesson plan outline is to be thoroughly discussed.

G. Continuing education should be more than a condensed version of the pre-licensing curriculum. Providers are expected to incorporate new and innovative ideas into their curriculum (i.e. ethics, insurance, new technologies, etc.).

H. The department will survey course attendees and monitor curriculum content based on this guide**.**

The lesson plan shall address, but not be limited to, all of the following topics/sub-topics.

1. California Civil Code, Chapter 2B (commencing with Section 2981) of Title 14 of Part 4 of Division 3, relating to motor vehicle sales finance
2. Vehicle History Disclosure Requirements
3. Motor Vehicle Financing
4. Truth in Lending
5. Sales and Use Tax
6. California Vehicle Code, Division 12, (commencing with Section 24000) relating to equipment of vehicles
7. Advertising
8. Odometers
9. Vehicle Licensing and Registration
10. Branch Locations
11. Unlawful Dealer Activities
12. Air Pollution Control Requirements
13. Regulations of the Bureau of Automotive Repair (BAR)
14. Handling, Completion, and Disposition of Departmental Forms
15. Basic Licensing Requirements of Dealer
16. Use of Special Plates
17. Federal Buyers Guide
18. Stolen Vehicle Prevention
19. DMV Enforcement Actions
20. Warranties

LESSON PLAN OUTLINE

1. **California Civil Code, Chapter 2B (commencing with Section 2981) of Title 14 of Part 4 of Division 3, relating to motor vehicle sales finance**
   - Conditional sales contract in writing
   - Contract cancellation, 2-day cooling off period (Car Buyer's Bill of Rights)
   - All costs and terms of payment
   - Written disclosure for after market add-on items (Car Buyer's Bill of Rights)
   - Signatures of the buyer and the seller
   - Copies must be furnished to buyer
   - Conditional sales contract required for cash sales (Car Buyer's Bill of Rights)
   - Autobroker sales, vehicle delivery and return option (Car Buyer's Bill of Rights)

2. **Vehicle History Disclosure Requirements**
   - Return option contract (Car Buyer's Bill of Rights)
   - Condition of vehicle
   - Known damage
   - Odometer replacement
   - Previous rental or taxi
   - Previous law enforcement vehicle

3. **Motor Vehicle Financing**
   - Terms of financing
   - Allowable interest rates
   - Computation of interest and conversion to Annual Percentage Rate (APR)
   - Computation of monthly payments
   - Cap on finance mark-up rate (Car Buyer's Bill of Rights)

4. **Truth in Lending**
   - Disclosures
   - Disclosure of credit scores (Car Buyer's Bill of Rights)
   - Contract not executed
   - Breach of conditional sales contract
   - Repossession
   - Spanish contracts
   - Dealer carrying the contract
   - Defaults on contract
   - Documentation (DOC) preparation fee

5. **Sales and Use Tax**
    - Collection of taxes
    - How to compute tax
    - What is taxable
    - Board of Equalization (BOE) Permit)
6. **California Vehicle Code, Division 12 (commencing with Section 24000), relating to equipment of vehicles**
    - All safety equipment must be in compliance with Division 12
    - Clarification of what is considered Division 12 equipment
    - Division 12 safety equipment cannot be waived
7. **Advertising**
    - All media methods
    - Disclosure as a dealer in all forms of advertisements
    - Vehicle identified by VIN
    - All terms of sale specified
    - Certified used vehicles (Car Buyer's Bill of Rights)
    - Illegal use of coupons or simulated checks
    - Withdrawal of advertisement after vehicle sold
    - Advertised price must be honored if buyer is not aware of advertisement
8. **Odometers**
    - Must be in working condition at time of sale
    - Illegal to rollback
    - Required notification when repaired
    - Odometer disclosure by legal owner of repossessed vehicle
9. **Vehicle Licensing and Registration**
    - Types of California titles
    - Transfer requirements
    - Secure Power of Attorney
    - Signature requirements on documents
    - When registration fees required
    - Transfer fees required
    - Time requirements for transfer
    - Administrative Service Fees (ASF, penalty fee for violation of Section 4456.1 CVC)
    - Out-of-state deliveries
    - One Trip Permits
    - Quick titles
    - Refund of excess fees

10. Branch Locations

- When required
- When not required
- Application and fees required
- Temporary branch locations
- Application and fees required

11. Unlawful Dealer Activities

- Misuse of, or permitting unlawful use of, special plates
- Lending dealer supplies, and permitting misuse of license or books
- Unlicensed location
- Failure to pay Administrative Service Fee (ASF)
- Submission of dishonored check to department
- Failure to transfer title
- Employing unlicensed salesperson
- Bait and switch
- Bird dog fees
- Confidential dealer computer records

12. Air Pollution Control Requirements

- Smog test required prior to a vehicle being offered for sale
- Smog requirements when vehicle is sold at wholesale
- Dealer allowed to charge $50 for a smog test

13. Regulations of the Bureau of Automotive Repair (BAR)

- When a dealer must register with BAR

14. Handling, Completion, and Disposition of Departmental Forms

- Report of Sale required
- Storage and security of Reports of Sale
- Completion of Report of Sale
- Five day dealer notice
- Window copy of Report of Sale
- Submission of Report of Sale and other documents to the department
- Penalty Fees/Administrative Action for late submission of Report of Sales and other documents to the department
- Ordering Report of Sales and using the appropriate Inventory Order Post Card

15. Basic Licensing Requirements of Dealers

- Form requirements
- Additional documents/permits required as part of the application package
- Bond requirements
- Required fees
- Renewal requirements
- Name and address change requirements
- Office requirements
- Posting of business hours and days of operation
- Display requirements
- Sign requirements
- Notices required to be posted at dealer's place of business CVC 11709.1 and 11709.2
- Automatic cancellations per Section 11721 CVC

16. Use of Special Plates

- Who can/cannot use dealer plates
- When to use dealer plates
- Proper placement of dealer plates

17. Federal Buyers Guide

- Federally mandated program
- Requirements for display
- Buyer must sign
- Buyer receives a copy

18. Stolen Vehicle Prevention

- Indicia verification

19. DMV Enforcement Actions

- Administrative
- Criminal
- Civil
- Additional misdemeanor violations (Car Buyer's Bill of Rights)

20. Warranties

- Lemon Law
- Service Agreements


THE GREAT SEAL OF THE STATE OF
EUREKA
CALIFORNIA


UNION LABEL