

### **President's Message**



**Greetings Fellow HIADA** Members,

We had another outstanding HIADA meeting in May, and many thanks to the Rodeo Auto Sales Team for your participation on the panel. The meeting featured the panel from Rodeo Auto, along with an open Q&A We are actively recruiting HIADA members session with all dealers participating. There was a wealth of information shared, and many different viewpoints and methods on all sides of the sales-related topics.

Next, I will mention upcoming events here, so you can plan your schedules accordingly.

- Our monthly HIADA Chapter meeting on June 13th features Sergeant Schlosser from the **Houston Police Department Auto** Theft Vehicle Fraud Unit. He will present on the latest trends and various means to help prevent fraud at your dealership.
- The **NIADA** conference is June 19th-22nd at the Wynn in Las Vegas. The hotel is only \$174 per night. Early bird registration is still open for the conference at \$495. Sugar Ray Leonard will be the keynote speaker.

### HIADA LOCAL CHAPTER NEWS

May 2023, Volume 6, Issue 9

• The **TIADA Conference and Expo** is the following month, from July 23rd-25th. TIADA is returning to the beautiful JW Mariott Hill Country Resort. Early registration (DISCOUNT) ends on June 23rd.

I will repeat this call to action from last month: HIADA is forming committees to help better serve our association moving forward.

These committees will focus on the following areas:

- Education
- Membership
- Outreach (philanthropy)
- Social

and Associates to serve on these teams and help shape the future of the HIADA.

If interested in participating, please reach out at our next meeting or by contacting any Board Member.

**HIADA Local Chapter Meeting** Tuesday, June the 13th:

### **Saltgrass Steakhouse**

1803 Shepherd Dr Houston, TX 77007 6:00-7:00 pm Networking 7:00-9:00 pm Meeting

### **Rob Edenfield**

Mi Pueblo BRP





### **Diamond Sponsors**







**Coming Up** June 13 **HIADA Local Chapter** Meeting

6:00 PM - 9:00 PM Saltgrass Steakhouse

### **Welcome Our Newest** Members!

Julz Motors **Country Auto Sales** 





Platinum Sponsors:



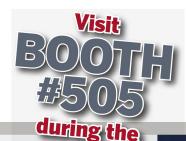


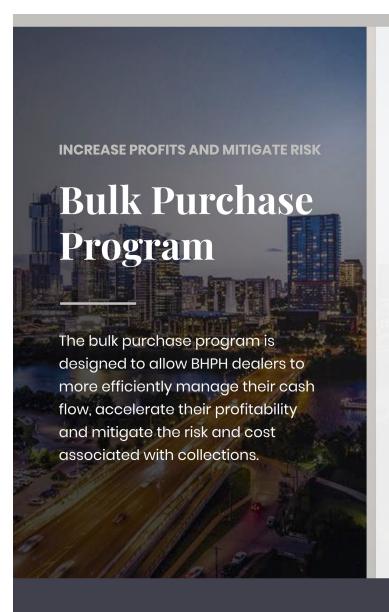




TEAS

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## **Dealer Advantages**

- Accelerate profitability
- Mitigate charge off expense
- Lower collection costs
- Increase operational efficiencies
- Minimize and manage capital exposure associated with debt
- 5 day funding in most cases
- TDS servicing and support

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### **Compliance Corner**

### **Duty to Disclose Known Vehicle Defects**

TIADA's Compliance Consultation Service (CCS) received a call from a dealer who asked whether a dealer is required to notify potential buyers that a vehicle may be subject to an airbag recall. The answer is no, disclosure is not required by law, but it is a very good idea.

A dealer has a duty to disclose any known issue or defect that might affect the merchantability of a vehicle. This includes, but is not limited to, damage sustained in a prior collision (even if repaired), flood damage, and whether the vehicle is subject to an open safety recall. The key word is "known." It is impossible to know, for example, whether an airbag is defective without deploying the airbag. A dealer can only disclose that information of which he or she has knowledge. You cannot disclose something that you do not know is wrong.

The association recommends that dealers run the VIN for all vehicles in their inventory through the NHTSA.Gov lookup tool at the time of closing a sale. Vehicle history databases are updated constantly, so the information you pull before bidding on a vehicle at auction may not be complete by the time you sell that vehicle. Print out the results and have the customer sign and date the document. Other items that a dealer might have a customer sign include any reports that the dealer received about the vehicle from an auction and any vehicle history report(s) that the dealer obtained. Finally, consider including an Airbag Disclosure and/or a Known Defects Disclosure form as a regular part of your sale documents. Click the links below for examples of each:



- Airbag Disclosure Form
- Known Defects Disclosure Form

Keep copies of any signed vehicle reports in the deal jacket. Following these recommendations can go a long way toward demonstrating that a dealer made a good-faith effort to disclose the most accurate vehicle history and recall information available at the time of sale.



### **Board Members**

### President Rob Edenfield

Mi Pueblo BRP

### Chairman of the Board April Hanson

Coast to Coast Motors

### Vice President Edgar Rodriguz

Rodeo Auto

### Vice President Rick Maroney

Maroney Auto Sales

### Vice President Al Gharatappeh

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# Texas Legislature On the Verge of Ending Vehicle Safety Inspections

House Bill 3297, introduced by Rep. Cody Harris, has successfully passed the Texas House and Senate vote. The bill is expected to be signed by Governor Greg Abbott, and would effectively put an end to safety inspections while converting the existing \$7.50 inspection fee into a new charge during vehicle registration.

Certified vehicle inspectors are expressing deep concerns about the possible consequences of removing safety inspections. They highlight the fact that, even without inspections, the state would continue to collect fees from drivers. Supporters of the bill argue that safety inspections burden car owners without offering substantial benefits.

However, inspectors strongly believe that eliminating safety inspections poses risks to both drivers and other road users. They emphasize that unsafe vehicles endanger not only their occupants but also the general public.

Another significant issue that has emerged is the prevalence of fraud within the inspection program. A thorough investigation by NBC 5 uncovered widespread cheating, with estimates suggesting that as many as five million cars in Texas have undergone fake inspections.

As the discussions continue, it remains uncertain whether any amendments will be made to extend the timeline for the elimination of safety inspections.

HIADA and TIADA will be monitoring this situation, so stay tuned for any potential updates to this and all other bills moving through the Legislative Session.



July 23-25, 2023
"A Dealer-Driven Event"
JUNE 23: EARLY BIRD DEADLINE

Register Today!