



**State of Louisiana**  
LOUISIANA MOTOR VEHICLE COMMISSION

Bobby Jindal  
Governor

Lessie A. House  
Executive Director

May 8, 2015

**Bulletin #B-2015-003**

**TO: All Vehicle Dealers**

**FROM: L. A. House, Executive Director**

**RE: Common Errors in Sales Transactions**

As you may be aware, the Louisiana Motor Vehicle Commission has been conducting reviews of dealers sales transactions and have found certain common errors. Please be governed accordingly by the following.

- On cash sales a dealer shall not collect mortgage or UCC-1 fees.
- The waste tire fee shall not be collected on the sale of a used motor vehicle.
- The mortgage fee and waste tire fee collected, when appropriate, shall be disclosed on the proper forms.
- If fees are combined, you must set forth how the amount was determined.
- Required disclosures not being made to the consumer.
- In a consumer credit sale, you must disclose to the consumer the amount and identity of each item, fee, or charge that is included in the cash price and the amount deferred under the transaction, e.g., Certificate of title \$18.50, State handling fee \$8.00, UCC1 Lien recordation \$15.00. This may be done either in the contract or in a separate writing furnished to the consumer.<sup>1</sup>
- Any overcharge must be refunded to the consumer. Under no circumstances can an underpayment be used to create a "wash," e.g., Overcharge \$50.00 on sales tax; Undercharge \$50.00 on another item.
- If you charge a documentary fee as provided for in LSA-R.S. 6:969.18(A)(2)(a) you must include the disclosure as required by LSA-RS:6:969.18(A)(2)(b)<sup>2</sup> in your sales documents.

We also recommend that a copy of the certificate of registration be maintained in the deal jacket.

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<sup>1</sup> LSA-R.S. 6:969.18 F. The seller in a consumer credit sale shall disclose to the consumer the amount and identity of each item, fee, or charge that is included in the cash price and the amount deferred under the transaction. Such disclosure shall be made in conformity with 12 C.F.R. 226.18(c)(1). Disclosures may be made either in the contract or in a separate writing.

<sup>2</sup> LSA-R.S. 6:969.18 (2)(b) When a seller, who may also be an extender of credit, charges a fee pursuant to this Paragraph, a written disclosure shall be provided to the consumer stating the amount of the fee collected pursuant to this Paragraph, along with the following statements in conspicuous type: **"This fee is authorized by R.S. 6:969.18(A)(2). It is not a mandatory state fee. The seller, who may also be an extender of credit, may charge the fee for credit investigation, compliance with federal and state law, preparation of the documents necessary to perfect or satisfy a lien upon the objects sold, and any other functions incidental to the titling of the retail sale."** The disclosure shall be printed on the bill of sale, buyer's order, or sales contract which is signed by the buyer and retained by the buyer and seller.