



Regulated Industries Complaints Office

235 S. Beretania Street, Ninth Floor

Honolulu, Hawaii 96813

cca.hawaii.gov/rico

Avoiding Flood Damaged Cars

In Hawaii, flood damage can be the furthest thing from a consumer's mind, but with the potential for hundreds of thousands of flood damaged vehicles entering the U.S. market, even in the sunshine state, buyers need to be aware. Sellers who did not have car insurance may fix up a car and try to get what they can. And, because newer cars have more electronics, they're more susceptible to water damage. According to some experts, about half of flood-damaged cars are resold. While it's not illegal to sell a flood-damaged car, both parties should be made aware of the car's history.

If you're looking to buy a car, here is a list of helpful tips to get you started...

Look. Run the car, including the air conditioner and heater. Headlights, taillights, and instrument panels may appear foggy if water has accumulated inside. Open all doors and check for corrosion where the door meets the body, use a mirror to check the undercarriage of the car, and check seat rails and springs for rust. If carpeting or upholstery doesn't match the age of the car, ask why.

Touch. Check hard to reach spots, like engines and trunks, for water lines, residual mud, or debris; remove the spare tire and check in the base of wheel wells for debris or moisture.

Smell. Flood damaged vehicles can smell of mold or mildew. Experts say it can be difficult to completely get rid of mold and mildew smells. The best way to test is to sit inside for a while with the vehicle's doors and windows tightly closed. A strong smell of cleaning chemicals or air freshener may be masking a less agreeable odor.

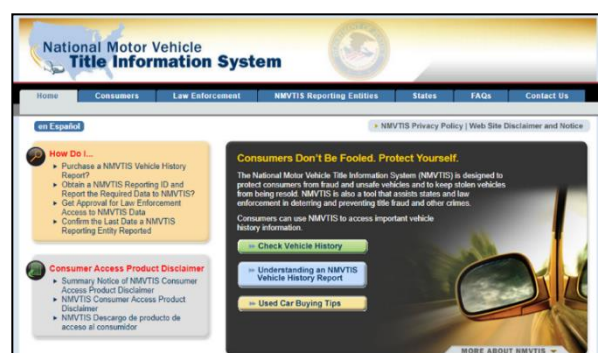
Listen. Working electronics in cars are more important than ever before. Listen for unexpected sounds, including a sound system that is stat-icky or distorted. You can even very carefully and gently bend any electrical wires under the dash to see if they're brittle.

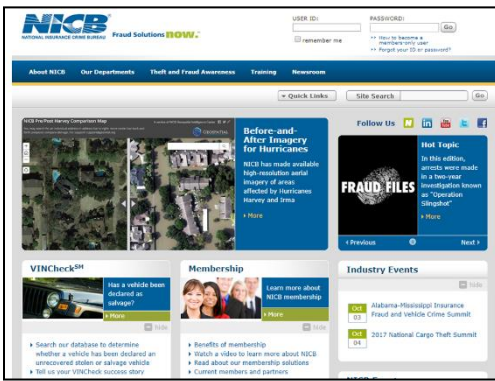
...AND DO YOUR HOMEWORK.

Ask to see title and registration. A title or vehicle registration may be "branded." Types of brands include "salvage," "rebuilt," or even "flood" depending on the state or local municipality the vehicle came from.

Check the VIN. Vehicle identification numbers (VIN) are unique to the car and is like the car's fingerprint. An unscrupulous seller may switch a VIN to hide a car's history. On most cars, the VIN will be on the driver's side dashboard. Look for other VIN stickers (common areas include in the door jamb of the driver's side door, on the engine, inside the hood, or in the glove compartment) and make sure the VIN numbers are the same.

Once you have the VIN, use online resources to check it out. VINCheck is a free public service offered by the **National Insurance Crime Bureau**, and may tell you if a car has ever been declared as "salvage" or a total loss. The website is www.nicb.org/vincheck.





The **National Motor Vehicle Title Information System** database works to prevent stolen vehicles from being resold. The website is **www.vehiclehistory.gov**. Both services are free, but information on these websites may not be comprehensive and database checks may not be enough.

Consider having a licensed mechanic check the vehicle over. Be sure to ask the mechanic to look for water lines and to inspect the engine compartment, trunk, brake and wheel components for debris, salt, or other signs of flooding. (The mechanic may need to remove the wheels to do so.)

GOT LICENSE? In Hawaii, both motor vehicle dealerships and salespeople who sell motor vehicles, must be licensed. If you've responded to an advertisement and the seller has several cars for sale, but doesn't have a car lot or a showroom, he or she may be an unlicensed motor vehicle dealer or salesperson. Unlicensed motor vehicle dealers may flip as many as 20 cars a year, buying them cheap, fixing them up, then selling them for a profit. An unlicensed individual may also pose as the car's owner to get around state law requirements that limit the number of cars an individual can sell without a license.

CHECK LICENSING. If you're buying from a used car business or lot, make sure the lot is licensed and that the person you're dealing with is a licensed motor vehicle salesperson.

If you're buying from an individual, get as much information as you can and be wary if:

- The vehicles are for sale by the roadside, in vacant lots, or at shopping centers.
- The same phone number is listed for multiple vehicles in the newspaper or on Craigslist.
- The seller insists on a cash payment.
- The seller can't show you the car's title or offers to register the car for you.
- The seller admits he/she is a dealer but says it's a personal vehicle.

Buying from an unlicensed person may increase your risk of being unable to transfer a title. And, what may look like a great deal could be a previously totaled vehicle or one with a "rolled back" odometer. While an unlicensed person may not disclose this information, a licensed dealership will provide you with a written disclosure of any material mechanical defects that are known to the dealer.

Protect yourself by doing your homework and getting as much information about the car and the seller as possible and be sure to check complaint history information with RICO, especially if the person you're dealing with doesn't have a license. Useful links:

- www.consumerreports.org/buying-a-car/beware-the-flood-of-flood-cars
- www.samarins.com/check/simplecheck.html
- www.popularmechanics.com/cars/how-to/a70/1272386

RESOURCES

The Department of Commerce and Consumer Affairs (DCCA) and its Regulated Industries Complaints Office (RICO) offer tools, tips, and services you can use to check out an individual or business.

Checking out a licensee or business on these sites isn't a guarantee, but it's a good step to take that can help you to determine if the licensee or business is qualified to handle your particular job. It's also one of several steps you can take to protect yourself against unscrupulous or unqualified people. Go to: cca.hawaii.gov/businesscheck.

For information about filing a complaint or to report unlicensed activity, call RICO's Consumer Resource Center at **(808) 587-4272** or visit us online at cca.hawaii.gov/rico. To call Oahu-RICO, dial the following toll-free numbers: Kauai 274-3141, extension 74272; Maui 984-2400, extension 74272; Big Island 974-4000, extension 74272; Molokai and Lanai 1-800-468-4644, extension 74272, followed by the # sign.

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