



South Carolina Department of Motor Vehicles

Non-Franchised Automobile Dealer Pre-licensing Provider Standards and Deliverables

DE-001 (IS)
(Est. 6/05)

PREFACE:

By means of an override of a Gubernatorial veto, the South Carolina General Assembly has mandated that individuals seeking licensure as a non-franchise/independent automobile dealer must complete an 8-hour pre-licensing educational program. The legislation also provides that the South Carolina Department of Motor Vehicles "shall" promulgate regulations to implement those provisions.

PURPOSE OF THE LEGISLATION:

On a nationwide basis, independent, non-franchised dealers have long supported mandatory education prior to the issuance of a new dealer license. The leadership of independent dealer trade associations have recognized the complexity of this industry and seek to ensure that those seeking to enter the business have some minimum understanding of those complexities. The intent of independent dealer pre-licensing is to focus on the regulatory and compliance issues, both State and Federal, that govern the business of selling motor vehicles.

STANDARDS/DELIVERABLES OVERVIEW:

Recognizing the State and Federal laws and regulations that govern the sale of motor vehicles, the standards and deliverables that follow are the minimum levels that any provider of dealer education must meet. Independent dealer pre-licensing is not nor was it intended to be education in sales, sales management, customer service delivery or other such esoteric topics. The provider must provide focused, legally sound training in as many areas of regulatory compliance as the 8-hour mandated timeframe will allow.

PROVIDERS

Must be a recognized business or school with a presence in the State of South Carolina with demonstrable experience in providing high-level, professional continuing education. Any provider seeking approval must be able to provide tangible evidence that such requirements are met along with course evaluations and critiques from the previous two years and certify instructors credentials.

CURRICULUM REQUIREMENTS

1. Curriculum must include all South Carolina dealer rules and regulations as found in Title 56 of the SC Code of Laws and the SC DMV Dealer/Wholesaler Manual. Must also include training on topics such as sales tax collections, unfair and deceptive trade practices as found in Titles 37, 39 and other applicable sections of the SC Code of Laws. The curriculum must also include detailed training in compliance with the Federal Trade Commission's Used Car Rule, federal privacy protection requirements under the Gramm- Leach- Bliley privacy protection act, the Truth in Lending Act, the Equal Credit Opportunity Act, the USA Patriot Act, cash reporting requirements under Treasury Department rules, and all other legislation whether Federal or State regulating the business of selling and financing motor vehicles.
2. The curriculum noted in #1 above must be distilled and incorporated into a reference/resource manual which shall be provided to each attendee and lend itself to periodic updates ensuring that the information is current and applicable to the dealer's operations. Such a manual must be provided to the Director, SC DMV for approval.
3. All training materials utilized to conduct the 8-hour curriculum must be made available to the attendees via a PowerPoint presentation with worksheet/handouts generated from that PowerPoint presentation provided to each attendee.
4. Any provider of educational services must provide the attendee with legally reviewed and compliant sample forms to ensure that the attendee will understand what documentation is required under State and Federal laws.

INSTRUCTORS

1. Must have a bachelors degree or better. Individuals with acknowledged expertise in the field of regulatory compliance are preferred.
2. Each instructor must have a minimum of 200 documented hours of training on state and federal compliance issues.

ADMINISTRATION

1. The provider must have in place and available phone numbers, fax lines and internet access to the providing organization to allow for a methodology to inquire about and register for the prescribed 8-hour class.
2. The provider must have a proven mechanism in place for registering participants, issuing sequentially numbered and secure certificates of completion or any other such documentation as may be required by the Director of SC DMV. The provider must have the capability to electronically transmit class databases to SC DMV in such fashion as dictated by the Director, SC DMV. Provider must have the capability to issue certificates of completion at the end of each class to each participant unless the individual was a "walk-in" on the date of the class.
3. The provider must be able to maintain all records of class participation and verification of attendance for a minimum of 2 years and such records shall be available on demand and subject to audit by SC DMV with proper notice.
4. Provider must have a staff capable of responding to inquiries, providing information about and registering prospective attendees. This service shall be available during normal working hours.
5. Provider must have approved methods in place to confirm attendee's identity, ensure that each attendee completes the requisite 8 hours and to prevent any efforts at fraud or misrepresentation by any attendee.
6. Provider must conduct at least one pre-licensing training program each month in a central location in South Carolina so to facilitate ease of travel for attendees. This schedule and location must be publicized by the provider with registration information and forms that may be printed off the provider's website.