



BUYING A USED CAR AFTER A NATURAL DISASTER



Cars that are damaged by flood water and totaled by insurance companies should be sold as salvage or for parts and not resold to the public. Unfortunately, some flood-damaged vehicles may end up with businesses that will clean them up cosmetically, offer them at auction, re-title them, and sell them to unsuspecting buyers.

Being submerged in flood water, even for brief periods of time, can damage a car's electrical system, on-board computer systems, and safety equipment such as anti-lock brakes and airbags. Today's cars typically contain a dozen or more computer systems, which can be adversely affected after being submerged in water. Damage to the car can appear well after the water dries.

If you are in the market for a new or used car, here are some ways you can protect yourself from unknowingly buying a flood-damaged car:

- **Take it to a Reputable Mechanic Before You Buy.** Before you buy a car, always take it to a reputable independent mechanic for an inspection. Ask the mechanic to check for possible flood damage. To find a reputable mechanic, ask friends or family for references and cross-reference the mechanic's company or name with the Division of Consumer Affairs' Buyer Beware List, which can be found at http://www.tn.gov/consumer/documents/BuyerBewareList_039.pdf and www.bbb.org (The BBB of Middle Tennessee's online check can be found at <http://nashville.app.bbb.org/search>).
- **Be Wary of Sight-Unseen Online Car Purchases.** Be wary of buying something as expensive as a car over the Internet, if you and your mechanic cannot get a chance to see the vehicle and actually conduct a test drive in it.
- **Safely Examine the Car for Flood Damage Yourself.** Check for telltale signs of water damage such as: a smell of mildew in the car, or a strong deodorant smell that may be used to try to cover the smell up; a water line along the upholstery, carpet, or door panels, in the engine compartment or trunk; signs of moisture in the dashboard; mud or sand in crevices or in the carpet; and electrical problems, such as a power window that works poorly. Look carefully at seat-belt retractors, door speakers, and spare-tire nooks. Look for rust on the inside of the car, under the carpet, and under the car. Inspect interior upholstery including door panels for signs of fading. Check for rust on screws in the console, the inside portion of the roof, or other places where water would not normally reach. Without touching anything, carefully inspect the electrical wiring system, looking for rusted components, water residue, or corrosion. If you know where they are and can safely do so, inspect alternator crevices, behind wiring harnesses and around the small recesses of starter motors, power steering pumps, and relays.

- **Consider Purchasing a Vehicle History Report Once You Know Its Limits.** Consider purchasing a vehicle history report from one of the companies that offer this service online, to see whether a flood-damaged title has been issued for the car. **However,** please be aware that most reporting agencies **do not possess** information from every state or from every insurance company. Also remember that databases are only as good as the information that is reported to them. In other words, these databases will not capture car damage that an owner has intentionally has not reported.
- **Insist on Seeing a Valid Car Title.** Insist on seeing the vehicles existing title. If the owner or dealer will not show you the title, walk away. Ask about "damage disclosures" at dealerships. Have your insurance agent run the Vehicle Identification Number through the National Insurance Crime Bureau, which has compiled a database of vehicles affected by some natural disasters.
- **Ask the Dealer or Seller.** Dealers and sellers in Tennessee should disclose water damage in vehicles. If you feel that the dealer or seller won't give you a straight or definitive answer as to whether the car was flood damaged – walk away. If they tell you it does not have water damage get it in writing.
- **File a Complaint With MVC and DCA If You Do Unknowingly Purchase a Flood-Damaged Car.** If you do accidentally purchase a flood-damaged car, file a complaint with the state Motor Vehicle Commission and the Division of Consumer Affairs.

The Motor Vehicle Commission Online Complaint Form can be found here:

http://tn.gov/commerce/boards/mvc/OnlineComplaint_mvc.shtml

You can file an online complaint with the Division of Consumer Affairs at:

<http://www.tn.gov/consumer/consCompFrm.shtml>

The Tennessee Attorney General's Office and the Division of Consumer Affairs work to prevent unfair and deceptive business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. To file a complaint or get more information on consumer issues, contact the Tennessee Division of Consumer Affairs • 500 James Robertson Pkwy • Nashville, TN 37243-0600 • Telephone 615-741-4737 • 800-342-8385 • Fax 615-532-4994 • or file a complaint online at: <http://tn.gov/consumer/complaint.shtml#>.

For other disaster-related tips, visit <http://www.tn.gov/attorneygeneral/cpro/flood.htm>.