

Why so many forms ...

Vehicle transactions have become very complicated, demanding our unwavering attention to detail. Most forms are required to fulfill Massachusetts and federal laws. Others are often necessary for accounting, financing, or manufacturer rebate reimbursement or notification.

Privacy ...

Dealers must collect non-public, personal information that may be required as a result of processing the sale or lease. They must comply with federal and state laws designed to protect that information once it passes from you to the dealer's hands.

It's the Massachusetts Way ...

Dealers abide by a strict code of ethics designed to reinforce their commitment to you, our valued customers. Dealers share an interest in creating consumer laws that keep customers' satisfaction high and the industry healthy. For that reason, MSADA dealer member companies have joined the Legislature and state agencies in creating strict laws regarding vehicle sales.

Peace of Mind ...

Massachusetts dealers must comply with strict requirements established by their franchisor manufacturers regarding financial stability, proper dealership facilities, record-keeping and more. Comprehensive professional standards offer you the peace of mind that dealership staff have the knowledge they need to do business the right way.

ON EVERY TRANSACTION, all car and truck dealers must comply with federal and state laws, rules, and regulations specific to motor vehicles, which are implemented and enforced by these federal and state agencies:

**National Highway Traffic Safety Administration
Federal Trade Commission
Federal Reserve Board
U.S. Internal Revenue Service
U.S. Environmental Protection Agency
Federal Bureau of Investigation
U.S. Drug Enforcement Administration
U.S. Customs Service
U.S. Financial Crimes Enforcement Network
U.S. Department of Labor, Occupational Safety & Health Administration
U.S. Immigration and Naturalization Service
U.S. Office of Foreign Assets Control
Federal Highway Administration
Federal Motor Carriers Administration
U.S. Research and Special Products Administration
Massachusetts Office of the Attorney General
Massachusetts Executive Office of Energy and Environmental Affairs
Massachusetts Executive Office of Transportation and Public Works, including the Registry of Motor Vehicles
Massachusetts Department of Public Safety, including the State Police
Massachusetts Department of Consumer Affairs and Business Regulation
Massachusetts Department of Revenue
Massachusetts Department of Labor
Massachusetts Division of Insurance
Massachusetts Division of Banks
Massachusetts Department of Environmental Protection, including the Vehicle Inspection and Maintenance Program**



Dealerships

AND DOCUMENTARY PREPARATION FEES



Why a Doc Prep Fee?

The Documentary Preparation Fee, also known as the “doc prep fee,” is allowed by Massachusetts law to be collected from vehicle purchasers by Massachusetts dealers. The fee is charged to offset the costs incurred by the dealership in processing various paperwork associated with a sale or lease that are separate from those paid to acquire the vehicle.

The doc prep fee recognizes some of the costs related to a dealer’s compliance with federal and state laws and regulations that provide for safety, consumer protection, anti-theft measures, vehicle history checks, notifications, certifications, and official filings.

Regulations and Responsibilities... Massachusetts’s dealers take them seriously

Dealers must prepare and process many documents on each sale or lease transaction. Collection of the doc prep fee consists of passing on to the customer the costs incurred in doing the following: preparing a P&S, an appraisal document, odometer statements, insurance verifications, etc.; storing or archiving documents; and personnel and computer costs associated with these tasks.

However, the costs related to financing for the deal (i.e. obtaining and processing credit applications, processing the retail installment sale contract, etc.) by law cannot be included in the doc prep fee.

Not all transactions involve the same services, but all transactions must meet many legal requirements as detailed in the documents provided to the customer.

Actual expenses incurred and recovered through the documentary preparation fee, as well as the size of the fee, may vary by dealer, location, and transaction.

Customers must be aware that no portion of the dealer’s doc prep fee is required by or remitted to any state or federal agency.

Further, the doc prep fee has nothing to do with the Title Preparation Fee, which is stated as a separate line item on the sales contract. (It is capped by law at \$5.)

Dealer’s Responsibilities Include:

- ⇒ Check vehicle safety, history, and titles
- ⇒ Provide full condition information on the window label
- ⇒ Discover and disclose accurate vehicle mileage
- ⇒ Check for recalls on used vehicles where required
- ⇒ Complete required forms and contracts that protect your interests
- ⇒ Comply with consumer paperwork laws
- ⇒ File and clear liens
- ⇒ Keep your information private and secure
- ⇒ Fulfill vehicle emissions laws
- ⇒ Pass along manufacturer information, including warranty policies
- ⇒ Distribute state Lemon Law notices
- ⇒ Process rebates on your purchase
- ⇒ Keep you informed of your rights and obligations
- ⇒ Keep important records of your purchases
- ⇒ Purchase required forms and supplies
- ⇒ Maintain appropriate technology to process your paperwork faster
- ⇒ Train staff to carry out laws that protect you
- ⇒ Maintain professional and statutory licenses, and complete necessary education and training sessions, that ensure quality service

The lists of rules and regulations and administrative responsibilities contained in this brochure are not meant to be comprehensive or exhaustive but are, instead, used for explanatory and illustrative purposes only.