



### DAMAGE DISCLOSURE STATEMENT

Please read the information on the reverse side before completing this form.

I \_\_\_\_\_ (seller) hereby certify that the following damage disclosure statement is true and correct for the following described motor vehicle: \_\_\_\_\_ year, \_\_\_\_\_ make, \_\_\_\_\_ VIN.

#### SECTION 1.

The seller must complete Section 1 if any of the following conditions apply:

- the Iowa title is not available;
- the face of the seller's Iowa title contains no indication that the vehicle was previously salvaged, titled as a salvage, rebuilt, or flood and the seller knows or reasonably should know that the vehicle was previously salvaged, titled as a salvage, rebuilt, or flood in another state;
- the motor vehicle is a new vehicle sold in Iowa with 1,000 miles or less that has sustained damage exceeding 50% of its fair market value.

1. I have knowledge the motor vehicle is now or was previously titled as salvage, rebuilt or flood in this state or any other state:  
 Yes  No.
2. If you answered "No" to question #1, complete the following:  
I have knowledge that, prior to or during the time I owned the motor vehicle, it sustained damage for which the cost of repair exceeded 50% of the fair market value before it became damaged.  
 Yes  No
3. I have knowledge that the current motor vehicle certificate of title shows that there was prior damage to the motor vehicle:  
 Yes  No.

#### SECTION 2.

The buyer must complete this Section if:

- The vehicle was purchased from a non-resident.  
OR
- The vehicle was acquired through a transfer by operation of law (see page 2).

1. I have knowledge the motor vehicle was previously titled as salvage, rebuilt or flood in this state or any other state.  
 Yes  No.
2. If you answered "No" to question #1, complete the following, unless you are surrendering a foreign salvage title or equivalent:  
I have knowledge that, prior to or during the time I owned the motor vehicle, it sustained damage for which the cost of repair exceeded 50% of the fair market value before it became damaged.  
 Yes  No.

#### SIGNATURES

\_\_\_\_\_ Date

\_\_\_\_\_ Seller's Signature

\_\_\_\_\_ Date

\_\_\_\_\_ Buyer's Signature

The seller does not need to sign if Section 2 has been completed. This form must be given to the buyer and surrendered to the County Treasurer when making application for title. WARNING: A person who knowingly makes a false damage disclosure statement commits a fraudulent practice.

## INFORMATION

**The damage disclosure statement is required for all motor vehicles except:**

- Motor trucks and truck tractors with a gross vehicle weight rating of 16,000 pounds or more.
- Vehicles more than seven model years old.
- Motorcycles.
- Motorized bicycles.
- Special mobile equipment.
- New motor vehicles with a true mileage of 1,000 miles or less, unless the vehicle has sustained damage for which the cost of repair exceeds 50% of the fair market value of the vehicle.

**Damage** - Damage must be disclosed if it exceeds 50% of the fair market value of the motor vehicle before it became damaged. The amount of damage shall be based on estimates of the RETAIL cost of repairing the vehicle, including labor, parts, and other materials if the vehicle has not been repaired; or on the ACTUAL RETAIL cost to repair, including labor, parts, and other materials if the vehicle has been repaired. All repair charges, including sales tax, must be included.

**EXAMPLE:** A vehicle had a retail value of \$22,000 at the time it was damaged and the cost to repair it was \$13,000. The cost to repair is more than 50% of the retail value of the vehicle at the time it was damaged. Therefore, the "Yes" box in Section #1, Question #2 must be checked.

**Fair Market Value** - refers to the average retail value found in the "National Automobile Dealers Association (NADA) Official Used Car Guide". NADA guides may be available through a library, insurance agent, auto dealer, or at <http://www.nadaguides.com/>.

**Transfers by operation of law** include the following:

- Inheritance
- Devise or bequest
- Dissolution decree
- Order in bankruptcy
- Insolvency
- Replevin
- Foreclosure or execution sale
- Abandoned vehicle sale
- Artisan's lien sale
- Landlord's lien
- Storage lien
- Repossession

**Sellers:** You are required to provide this separate damage disclosure statement to the buyer at or before the time of sale of the vehicle.

**Dealers, wholesalers, and recyclers:** You are required to maintain copies of damage disclosure statements for five years. If you received this separate damage disclosure statement from a prior owner and you did not obtain a new title in your name, you are required to give this separate damage disclosure statement to your buyer.