



The NAAA Standards Committee has made an adjustment to the *NAAA Arbitration Policy* for flood damaged vehicles.

Effective September 5, 2017 until further notice, Sellers will now be responsible for any/all flood damage disclosures to buyers when selling regardless of sale light which includes the red light.

The time period for Flood Damage via auction inspection is now extended to “30 days from sale date”. The time period for Flood Damage via DMV and/or Insurance company records will remain the same “120 days”.

The NAAA Standards Committee strongly urges all selling and buying clients to inspect the vehicles prior to the transaction to avoid arbitration issues.

As extra protection:

Auto Check will begin sending a special report as of Oct 1, 2017 noting any vehicles that have been titled in a flood impacted zip code in TX. Airport Auto Auction will announce those units as “Titled in zip code -----”

Tips for spotting a FLOOD DAMAGED vehicle:

1. Check the outside body panels for waterlines.
2. Check the carpet, upholstery, and inside doors for mud, dirt, damp feeling and discoloration.
3. Check beneath the vehicle’s carpet to see if the pad beneath the carpet is damp.
4. Check for dirt buildup around seat tracks.
5. Check under the dash and in the glove box for dirt or dampness.
6. Look at the owner’s manual. Check to see if the paperwork was ever wet.
7. Waterlines could be visible inside the car. Look at the seats, inside doors and door jams.
8. Smell the inside of the vehicle. A musty or damp smell can be a good indicator of flood damage. Is there an over powering use of air freshener?
9. Make sure all the dash lights are working properly. Do the turn signals work?
10. Check under the vehicle for corrosion, flaking metal underneath.
11. Check inside the engine compartment for waterlines, dirt, or mud.
12. Are the headlights or taillights fogging?
13. Check the air cleaner for water.
14. Check the oil to see if there’s a copper or milky color which could indicate water damage inside the engine.
15. Look for water in the spare tire compartment.
16. Look inside the trunk for dampness, dirt, or mud.

For more information, refer to the *National Auto Auction Association National Arbitration Policy*, which can be found at www.naaa.com.