NHTSA Announces Final Rule on Electronic Odometer Disclosures

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Rule will speed up processing of vehicle sales, help prevent odometer fraud

The U.S. Department of Transportation's National Highway Traffic Safety Administration today announced the publication of a Final Rule establishing standards under which states may allow for odometer disclosures in an electronic format.

Odometer fraud is a Federal crime and NHTSA has required sellers to disclose vehicle odometer readings at the time of sale for decades. However, most vehicle transfers have been subject to a requirement that odometer disclosures be made in a paper format with handwritten names and wet ink signatures.

This Final Rule removes the paper requirement by allowing for electronic disclosure systems that have robust security and authentication. This action also removes the last remaining Federal impediment to paperless motor vehicle transfers.

By removing the paper documentation requirement, today's Final Rule opens the door for state Departments of Motor Vehicles to move toward paperless transactions. Paperless transactions will save time and reduce costs for consumers and industry, create economic efficiencies, and improve security.

"This Final Rule was written after carefully considering comments received from the public, including state motor vehicle departments," NHTSA Acting Administrator James Owens said. "As more records are kept digitally, this rule will allow electronic filing of odometer information. Electronic records are more efficient than paper documentation and are harder to forge, helping to prevent fraud."

Current law does not require odometer disclosure with the transfer of vehicles at least 10 model years old. Due to the current average vehicle age of almost 12 years, an increasingly large proportion of the fleet is subject to a heightened risk of odometer fraud. To accommodate older vehicles, the Final Rule will require odometer disclosures until vehicles are 20 years old, beginning with the 2010 model year.

The Final Rule is available online.

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Contact:

NHTSA

NHTSA Media NHTSAmedia@dot.gov 202-366-9550