



SOUTH CAROLINA DEPARTMENT OF CONSUMER AFFAIRS
**MOTOR VEHICLE CLOSING FEE CHANGES:
FREQUENTLY ASKED QUESTIONS**

1. What is a closing fee under the new law?

It is a fee charged for all administrative and financial work needed to transfer the motor vehicle to the consumer, person, or entity including, but not limited to, compliance with all state, federal, and lender requirements, preparation and retrieval of documents, protection of the private personal information of the consumer, records retention, and storage costs.

2. Who is required to file a closing fee?

All motor vehicle dealers who want to charge a closing fee on a motor vehicle sales contract after July 3, 2016, must file the proposed maximum closing fee amount on the new form.

3. If a dealer already filed its maximum closing fee this year, does the dealer have to file again?

Yes, if the dealer wants to charge a closing fee on a motor vehicle sales contract after July 3, 2016, the dealer must file on the new form and pay the filing fee.

4. If a dealer already filed its maximum closing fee this year, how long can the dealer charge the current closing fee?

The dealer is not prohibited from charging the dealer's current closing fee on motor vehicle sales contracts entered into on or before July 3, 2016. If a dealer files a new closing fee over \$225.00 before July 3, 2016, and chooses to continue to charge the previously filed fee during the review period, the dealer may be subject to refunds if it is determined that the fee is not reasonable. Dealers may wish to seek advice from an attorney prior to charging a fee filed prior to the new law.

5. Under the new law, what items can be included in a closing fee?

- (a) all administrative expenses, costs, staff, supplies, materials, and financial work needed to transfer the motor vehicle to the consumer and to procure the closing of the motor vehicle transaction;
- (b) all costs for administrative expenses, costs, staff, supplies, and materials necessary by dealer to comply with all state, federal, and lender requirements;
- (c) all costs for administrative costs, staff, and materials needed for the preparation and retrieval of documents;
- (d) all costs for administrative costs, staff, supplies, and materials necessary for the protection of the private personal information of the consumer; and
- (e) all costs for administrative costs, staff, supplies, and materials necessary for records retention and storage costs of such records.

6. Once the dealer files on the new form, can the dealer begin charging the new closing fee?

No. The law still requires that the closing fee be displayed in a conspicuous location in the dealership, must be included in all advertisements, and must be included on the motor vehicle sales contracts. DCA will be issuing revised Certificates upon processing the new forms (see question 8 below).

7. Is there a maximum closing fee amount that is automatically considered reasonable?

When the maximum amount the dealer proposes to charge is \$225 or less, the proposed maximum closing fee amount will automatically be considered reasonable and will not be subject to further review by DCA. *Effective June 22, 2016, complete filings for \$225.00 or less will be processed no later than the next business day after receipt.*

8. How can a dealer get the Certificate as soon as possible?

The dealer will receive an email when the Certificate is ready to download. Please add noreply@scconsumer.gov to your address book, contact list, or safe senders list to ensure the notice does not get blocked or sent to your spam folder.