DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814

July 30, 1999

ALL-COUNTY INFORMATION NOTICE NO. I-48-99

REASON FOR THIS TRANSMITTAL

[ ] State Law Change
[ ] Federal Law or Regulation Change
[ ] Court Order or Settlement Agreement
[ ] Clarification Requested by One or More Counties
[X] Initiated by CDSS

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: INTERNET VEHICLE VALUATIONS – THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION (NADA) WEBSITES

REFERENCE: Food and Nutrition Service (FNS) Administrative Notice 99-37

County Welfare Departments are required to use the wholesale (or equivalent) value in determining a vehicle's fair market value (FMV) under MS 63-501.511. FNS has determined that Internet websites may be used in lieu of paper blue books to determine the FMV of licensed vehicles. However, through Administrative Notice 99-37 (enclosed), FNS has given notice that the NADA free website may not be used for vehicle valuation. The NADA fee-based electronic version of its print blue book may continue to be used.

If you have any questions, please contact Ernie Villalobos, Analyst, Food Stamp Bureau, Policy Implementation Unit at (916) 657-1680.

Sincerely,

Original document signed by Suzanne Nobles
On July 30, 1999 for

CHARR LEE METSKER, Chief
Employment and Eligibility Branch

Enclosure

USDA

United States Department of Agriculture
Food and Nutrition Service

Western Region

Reply to Attn of: Administrative Notice 99-37 FS-2-GEN

Subject: Internet Vehicle Valuations - The NADA Website

MAY 27 1999

To: ALL WESTERN REGION FOOD STAMP PROGRAM COORDINATORS

In Administrative Notice 98-69, Valuation of Licensed Vehicles through Internet Websites, we advised that State agencies may use Internet websites in lieu of paper blue books to determine the fair market value (FMV) of licensed vehicles.

At the time we issued the memorandum the National Automobile Dealers Association (NADA), the publisher of the principle paper blue book, did not have a free website. Their website containing information on vehicle valuations was accessible only on a subscription basis. We have been recently advised that NADA now has a free website accessible to the general public. The site only provides retail valuations (low, average, and high). Under 7 CFR 273.8(g), State agencies are required to use the listed wholesale (or equivalent) value in determining a vehicle's FMV. To determine if the low retail value on the NADA free website is equivalent to a vehicle's wholesale value we compared the NADA low retail value with the wholesale or trade-in values listed on other websites for several different vehicles. In every case the NADA low retail was well above the wholesale value on the other websites (as well as the wholesale value in the NADA paper blue book). The differences between the NADA low retail values obtained thorough its free website and the wholesale values from other sources were so significant (in some cases the difference was well over $1,000) that we have determined that **the NADA free website may not be used by State agencies for vehicle valuation.**

In response to another question, State agencies need not factor in the value of options in determining FMV. In fact, 273.8(g) expressly provides that State agencies shall not increase the basic value of a vehicle by adding the value of optional equipment. If condition is required, State agencies should assume average condition and average mileage (approximately 12,000 per year for the first 5 years and 10,000 per year thereafter, if an actual number is required).