

**Colorado Revised Statutes**  
TITLE 6 CONSUMER AND COMMERCIAL AFFAIRS/FAIR TRADE AND RESTRAINT OF TRADE  
ARTICLE 1 COLORADO CONSUMER PROTECTION ACT  
PART 7 SPECIFIC PROVISIONS

**6-1-708. Motor vehicle sales and leases - deceptive trade practice.**

(1) A person engages in a deceptive trade practice when, in the course of such person's business, vocation, or occupation, such person:

(a) Commits any of the following acts pertaining to the sale or lease of a motor vehicle or a used motor vehicle:

(I) Guarantees to a purchaser or lessee of a motor vehicle or used motor vehicle who conditions such purchase or lease on the approval of a consumer credit transaction as defined in section [5-1-301](#) (12), C.R.S., that such purchaser or lessee has been approved for a consumer credit transaction if such approval is not final. For purposes of this subparagraph (I), "**guarantee**" means a written document or oral representation between the purchaser or lessee and the person selling or leasing the vehicle that leads such purchaser or lessee to a reasonable good faith belief that the financing of such vehicle is certain.

(II) Accepts a used motor vehicle as a trade-in on the purchase or lease of a motor vehicle or used motor vehicle and sells or leases such used motor vehicle before the purchaser or lessee has been approved for a consumer credit transaction as defined in section [5-1-301](#) (12), C.R.S., if such approval is a condition of the purchase or lease;

(III) Fails to return to the purchaser or lessee any **collateral or down payment** tendered by such purchaser or lessee conditioned upon a guarantee by a motor vehicle dealer or used motor vehicle dealer that a consumer credit transaction as defined in section [5-1-301](#) (12), C.R.S., has been approved for such purchaser or lessee, if such approval was a condition of the sale or lease and if such financing is not approved and the purchaser or lessee is required to return the vehicle;

(b) Fails to disclose in writing, prior to sale, to the purchaser that a motor vehicle is a **salvage vehicle**, as defined in section [42-6-102](#) (17), C.R.S., or that a vehicle was repurchased by or returned to the manufacturer from a previous owner for inability to conform the motor vehicle to the manufacturer's warranty in accordance with article [10](#) of title [42](#), C.R.S., or with any other state or federal motor vehicle warranty law or knowingly fails to disclose in writing, prior to sale, to the purchaser that a motor vehicle has sustained material damage at any one time from any one incident.

(2) For purposes of this section, if a motor vehicle or used motor vehicle dealer **guarantees financing** and if approval for financing is a condition of the sale or lease, such motor vehicle or used motor vehicle dealer shall not retain any portion of such purchaser's down payment or any trade-in vehicle as payment of rent on any vehicle released by such dealer to such purchaser pending approval of financing even if such dealer has obtained a waiver of such purchaser's right to return a vehicle or has contracted for a rental agreement with such purchaser.