

NAAA

Flood Damage

Supplemental Information

Flood Damage Specifics

- ✦ Floods and flash floods happen in all 50 states.
- ✦ Flash floods often bring walls of water 10 to 20 feet high.
- ✦ A car can easily be carried away by just two feet of flood water.
- ✦ Hurricanes, winter storms and snowmelt are common (but often overlooked) causes of flooding.
- ✦ New land development can increase flood risk, especially if the construction changes natural runoff paths.
- ✦ Where are these vehicles now?
- ✦ Use NAAA Flood Policy as a guide!

Flood Damage Specifics (continued)

“Because the stigma of flood damage is somewhat permanent and is so damaging to the overall value of the vehicle, it is vitally important that a systematic and complete inspection be performed by personnel qualified to appropriately evaluate each condition in the context of the total condition and history of the vehicle.” (NAAA)

NAAA Recommended Water/Flood Damage Policy

- ★ This policy is a recommendation only.
- ★ Its adoption by NAAA members is strictly optional.
- ★ Vehicles are frequently exposed to moisture during their ordinary operation, maintenance, and reconditioning.
- ★ Occasionally, such exposure may leave residual marks or indicators similar to those left by exposure or immersion of the vehicle in floodwater.
- ★ In determining what conditions require disclosure or in arbitrating vehicles for flood exposure/damage it is critical that the **total condition** of the vehicle be considered.

ARBITRATION INSPECTION

A complete inspection of the vehicle should include a VIN history check, and may involve contacting previous owners where warranted. Some conditions that may indicate possible flood damage are:

- ★ Strong musty odor in interior or luggage compartment. *
- ★ Surface rust under dash or seats on unfinished steel brackets, frames or springs. *
- ★ Dampness in seat cushions, headliner, visors, and other upholstered components. *
- ★ Mud, silt or sludge build-up in wheel wells, inside bumpers, hinge boxes, door openings/sills, door drain holes, under carpets or luggage compartment floor mats. **
- ★ Surface rust on underbody components, brake rotors/drums, exhaust system, pinch welds, brake lines, chassis components. ***
- ★ Mud or sludge build-up inside door panels, behind luggage compartment side walls, beneath dash, inside glove box, etc.
- ★ High water marks on door panels, upholstery, trunk interior, or head or tail light lenses.
- ★ The deposit of debris such as silt, grass, and small twigs.
- ★ Accumulation of silt/rust inside major mechanical components.
- ★ Extremely rusty wiring harness, fuse boxes, etc.

ARBITRATION INSPECTION *(continued)*

**Some carpets and upholstery are badly stained or soiled. This may require hard scrubbing with hot water and strong chemicals during the detail process. In this event excess water and chemicals may be used and these conditions may be present. These signs alone are not proof of flood damage. In many cases carpet wetness or dampness and odors in the trunk area and interior are misdiagnosed as flood damage.*

***Many vehicles are operated on unimproved, dirt and gravel roads. Many are subjected to off-road conditions. Thus mud, silt, and sludge build-up may be normal and should not in itself be considered flood damage. Interior dust and dirt accumulated during normal operation may become muddy during the detail process.*

****Light surface rust is common on exposed metal surfaces and is not sufficient alone to prove flood exposure. The absence of rust on exposed metal should also be considered, although not conclusive, as evidence of no flood exposure.*

DISCLOSURE NOT REQUIRED

No disclosure is required nor is arbitration allowed for the following types of water exposure, provided that none of the components outlined below are damaged:

- ✦ Rain, snow or sleet due to open windows, doors or tops or leaking seals.
- ✦ Car wash or rinse water.
- ✦ Carpet or upholstery shampooing or cleaning.
- ✦ Stream, pond, puddle or floodwater that does not rise above the rocker panel or otherwise enter the passenger compartment.
- ✦ Stream, pond, puddle or floodwater that enters the luggage compartment, but does not damage any electrical components (such as lighting or wiring harness) or does not enter the passenger compartment.

DISCLOSURE REQUIRED

Disclosure is required and arbitration shall be allowed under the following conditions:

- ✱ The title has been correctly branded indicating flood history of the vehicle
- ✱ Any of the following components have been damaged due to immersion:
 - Front or rear lighting or wiring harnesses
 - Engine and its major components
 - Transmission and differential
 - Dash instrument panel and wiring
 - Passenger seat cushions
 - Power seat or window motor
 - CD changer or other major sound system components

RECOMMENDED DISCLOSURES

The recommended disclosure is:

★“Flood Damage”

- This declaration should be made whenever a condition exists indicating existing or repaired water/flood damage requiring disclosure.
- This vehicle should be sold **AS IS**.
- The declaration is required even if the vehicle is sold **AS IS**.

Inspection Variables

- ★ Actual flood damage
- ★ Vehicles driven “Off Road” (Unimproved Roads)
- ★ Recon/Detailing (Clean-Up)



Indicators...

- ✦ Interior odors, musty smell
- ✦ Inspect under dash for surface rust on unfinished stamped steel brackets (light rust may be common to your area)
- ✦ Inspect under seats for surface rust on unfinished steel seat springs, frames and brackets.
- ✦ Rust in cigarette lighter and socket
- ✦ Fully extract seat belts and retractable shoulder harnesses inspecting for silt accumulation and/or water stains on belt material and/or odors
- ✦ Water lines in fabric and insulation material
- ✦ Extensive rust
- ✦ Water lines in interior carpet, seatbelt
- ✦ Rust on metal parts under seats or dash
- ✦ Water plugs in floor or trunk that have been removed

Indicators (continued)...

- ✦ Sand or mud on engine, transmission, suspension, lights, carpet, etc.
- ✦ Moldy or musty smell in interior
- ✦ Water lines on firewall, interior carpet material and/or exterior
- ✦ Pull up carpet section and inspect for silt and flood debris. (Dirt or Dust is not an indication of flood damage.)
- ✦ Inspect wire harness for an accumulation of silt. Peel back black rubber grommet in A and B pillars and inspect for silt and flood debris.
- ✦ Inspect wire connections for corrosion and rust
- ✦ Remove interior door panel and inspect for silt and flood debris inside door
- ✦ Title discrepancy/brand indicating: “flood damage” or “water damage”

Is it really damaged by a flood?

- ★ A work truck or a vehicle used on dirt roads may show some signs of the water lines you must look further for more indicators.
- ★ A flood-damaged vehicle should have most of these signs to be classified as such.
- ★ A vehicle that has only a few signs may simply be “water damaged”.
- ★ Dirt and rust under hood and underbody is not a strong indicator for flood damage.

Is it really damaged by a flood? *(continued)*

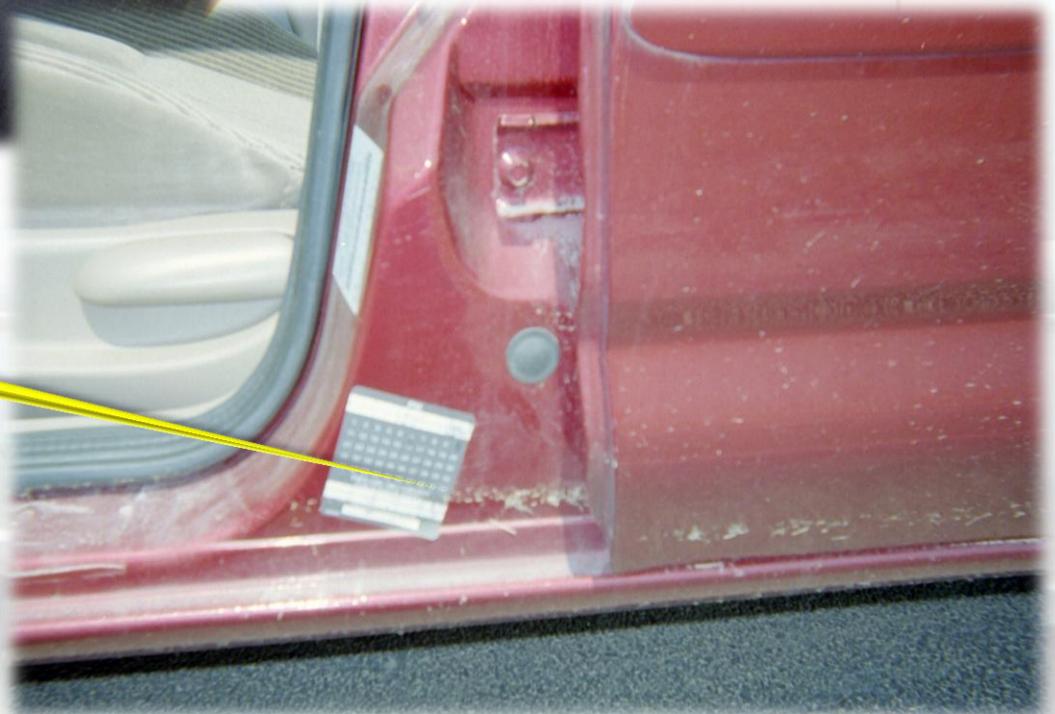
Heavy details

- ✦ During dealer detail, some carpets are badly stained and soiled.
- ✦ This requires hard scrubbing with hot water and strong chemicals.
- ✦ In the event excess water and chemicals are used, the following observations may be present:
 - Interior odors, musty smell
 - Surface rust under dash on unfinished stamped steel brackets
 - Surface rust under seats on unfinished steel seat springs, frames and brackets
 - These signs in and of themselves are not an indication of flood/water damage.



**Dried flood Debris
sticking to parts**

Water Lines





Some evidence is very obvious!

Damaged or worn seals or evidence of flood?



***Open window, detailed
vehicle or flood damage?***

***Inspect all areas
objectively. Not all
indicators are obvious...***





Carpet may require removal, inspect jute fabric and wiring!

Silt is difficult to clean and is a strong indicator!





Surface rust is common but the example below is considered excessive. Be mindful of the origin of the vehicle as excessive might be common to that area.



Open window, detailed vehicle or flood damage?



Always inspect the trunk!



QUESTIONS?

Please submit feedback or questions to NAAA.