

# AutoGrade™ - Industry Standard Vehicle Condition Grade

## Defining The Purpose of AutoGrade™

- AutoGrade™ provides consistency of condition grade assessment, across the industry, by removing subjectivity in the condition grade assignment.
- AutoGrade™ is a Manheim developed algorithm that has been made available to the entire wholesale inspection industry via AASC. (US Patent No 8,320,362)
- AutoGrade™ is based on the concept introduced in the NAAA established Condition Grade Scale Guidelines.
- Additionally, extensive research, data analysis, customer and user input has been included to ensure accuracy of a vehicle's calculated condition grade.

## How is AutoGrade™ Calculated?

- AutoGrade™ is a calculation of the overall vehicle condition based on an inspection process that provides a thorough disclosure condition report that captures vehicle conditions, damages and disclosures.
- AutoGrade™ compliant condition reports are written based on an industry standard instruction process to support consistency.
- AutoGrade™ takes into consideration the collective existing and repaired damages captured in the condition report when determining the grade.

## What does impact the AutoGrade™ ?

Item, Damage Type & Damage Severities and their impact on the grading calculations

Major Grade Reductions	Moderate Grade Reductions	Minor Grade Reductions
<ul style="list-style-type: none"> <li>• Hail Damage*</li> <li>• Poor Previous Repairs – Body</li> <li>• Body Damage/Panel replacement *</li> <li>• No Keys Present/Non- Drivable</li> <li>• Structural Damage</li> <li>• Limited Mechanical /Engine Damages**</li> <li>• Fire – Flood – Biohazards</li> </ul>	<ul style="list-style-type: none"> <li>• Glass / Windshield*</li> <li>• Wheel Damage*</li> <li>• Body Damage / Repair*</li> <li>• Tire Replacement Required* (3/32<sup>nd</sup> or less)</li> <li>• Interior Damages*</li> <li>• Damaged / Missing Parts*</li> </ul>	<ul style="list-style-type: none"> <li>• Body Damage / Cosmetic*</li> <li>• Bumpers / Partial*</li> <li>• Tire Wear (4/32<sup>nd</sup> -7/32<sup>nd</sup> )</li> <li>• Acceptable Previous Repairs (per body panel)</li> </ul>

\*Damage Size / Severity / Number of Occurrences per damage line item may have a graduated impact on total grade.

\*\*Please Refer to the "[NAAA Generic Condition Report Position Statement](#)"

## What does not impact AutoGrade™?

Mileage – Odometer Reading	Model Year	Manufacture / Make
Model / Trim Level	Color	Options
Value Add Equipment	Aftermarket Items	MSRP
Announcements	Estimated Repair Costs	

## Q & A

**Q:** Does AutoGrade™ consider the cost of repairs?

**A:** No – Repair labor rates can vary from shop to shop, skewing the grade. AutoGrade™ remains consistent by using the damage descriptions.

**Q:** Does approving repair of high-dollar damage line items impact the grade more significantly?

**A:** Making repairs based on the Major, Moderate, Minor columns above will return the appropriate post-recon grade improvements. Grade is not determined by the price of the repairs.

**Q:** How does AutoGrade™ help a buyer or seller determine the price of a vehicle?

**A:** When AutoGrade™ information is combined with mileage, year, make, model, then used in conjunction with industry valuation tools, the most accurate value can be determined.

For additional information contact your inspection provider or AASC.