



MANAGING VEHICLES WITH MOLD

NAAA Auction Standards

Overview

- The “biohazard” disclosure is often required with the “Flood Damage” disclosure due to water ingress and the subsequent mold growth.
- As per the Centers for Disease Control’s (CDC) website referencing mold:
 - *“Mold can cause many health effects. For some people, mold can cause a stuffy nose, sore throat, coughing or wheezing, burning eyes, or skin rash. People with asthma or who are allergic to mold may have severe reactions. Immune-compromised people and people with chronic lung disease may get infections in their lungs from mold. There is always some mold around. Molds have been on the Earth for millions of years. Mold can get in your home through open doors, windows, vents, and heating and air conditioning systems. Mold in the air outside can be brought indoors on clothing, shoes, bags, and even pets. Mold will grow where there is moisture, such as around leaks in roofs, windows, or pipes, or where there has been a flood. Mold grows on paper, cardboard, ceiling tiles, and wood. Mold can also grow in dust, paints, wallpaper, insulation, drywall, carpet, fabric, and upholstery.”*
 - This is a basic overview of mold as it relates to the vehicles being processed through auto auctions.

Detection Methods

- With any vehicle inspection, safety comes first.
- The appropriate use of personal protective equipment (PPE) is required.
- While inspecting physically, the following macro indicators should trigger a deeper dive into the specifics of both flood damage and possible mold growth:
 - Presence of moisture in vehicle
 - Strong musty smell inside vehicle
 - Spots of various size and color of mold in and/or on both interior & exterior of vehicle
- If you see or smell mold, you should not remove it.
- Document in your inspection notes and take pictures if possible.



Disclosure Requirements



Unfortunately, the vehicles received by auto auctions have been *potentially* already subjected to wear and tear (both normal or excessive) that affects the condition prior to the auction sale.



“Flood Damage” and “Biohazard” requires disclosure (seller to would-be buyers) when attempting to sell at an auction.



The presence of mold is considered a biohazard due to the adverse effects it has on humans and animals.



The recommended disclosure for a vehicle with a significant presence of mold is “biohazard”.

Remediating Mold in Vehicles

- Biohazard as a disclosure requires a disclosure regardless of cleaned or not.
- Use trusted 3rd party companies that specialize in hazardous material remediation
- From household methods, specialized chemicals by the multitude of companies that produce cleaning chemicals along with the various processes, safety comes first. Protecting the integrity of the vehicle's substrate is a fast second!
- Be sure to test any/all chemicals and processes in small sample areas.
- Familiarize yourself with the material safety data sheets and the recommended procedures from the chemical manufacturer.
- Testing for colorfastness is a key concern when working with color safe bleaches and other chemicals.
- Be mindful of the substrate and methods of abrasion. Burning cloth seats (brushes) and dulling of color on the trim and moldings (abrasion and/or chemical) is common.



Prescriptive Advice



- Please adhere to all recommended safety precautions!
- Manage up! Make sure the decision to brand a vehicle with the biohazard disclosure is appropriate! Engage all stakeholders involved.
- A general rule of thumb is if the vehicle has Certified remediation of mold is possible from a multitude of vendors. A disclosure will still be required.
- Mark the vehicle physically (typically on all door glass, windshield and backglass) to make everyone aware of the vehicle's issues.

**NATIONAL AUTO AUCTION
ASSOCIATION**

Managing Vehicles at Auto Auctions

Mold and Biohazard

Requires Disclosure
Regardless of cleaned or not, "Biohazard" requires a disclosure by seller to would-be buyers.

Truly Biohazard?
Be sure to inspect the entire vehicle for mold prior to branding the vehicle. Follow the flood damage inspection to help guide the inspection for any/all mold. Use proper PPE when inspecting!

Remediation is Possible
Use companies that specialize in the remediation of mold and other hazardous issues. They can certify the vehicle cleaned to help minimize potential losses.

Visual Cues!
Be sure to mark the vehicle physically to inform everyone of the vehicle's status to prevent any exposure. Use the vehicle's door glass, windshield and backglass to help inform.

Use the Policy!
Stick to the latest version of the NAAA Arbitration for guidance both Pre & Post Sale for buyers and sellers.

Dividends Are Your Friend
Dividend-paying stocks aren't immune from declines, but they do offer a degree of insulation that others don't. A word of warning though – rich dividends that look too good to last often don't.

Source: <https://www.cdc.gov/mold/default.htm>



References

- <https://www.cdc.gov/mold/basics.htm>
- Matt Arias, AVP Operations America's Auto Auction & Co-Chair Auction Standards
 - Matt.arias@americasautoauction.com