

VEHICLE SALES TO MINORS

SITUATION:

1. A customer wants to purchase a car for their minor (under 18 years of age) son who is 16. He wants the car to be titled in the minor's name.

OR -

2. A customer under the age of 18 wants to purchase a car for cash. He wants the car to be titled in his name.

QUESTION: Can a dealer sell a car to a minor and then have the car titled in the minor's name?

ANSWER:

In situation one, you may sell the car to a parent (sales contract is with parent) and title the vehicle in the name of the minor. There is no prohibition to titling a vehicle in minor's name. However, if there is a lien on the car, the lender must give permission to add the minor's name to the title if it does not appear on the installment payment contract.

In the second situation, you may sell a car to a minor and title the car in the minor's name. However, bear in mind that although the Indiana law governing contracts with minors was repealed, 'common law' would still govern the contract and could render it voidable. If you still wish to sell to a minor, it would be advisable to do one or more of the following:

- require the parent or legal guardian to be present at the dealership at the close of the sale; and
- require the parent or legal guardian to provide a written "parental permission" statement verifying:
 - approval of the vehicle, and
 - approval of the expenditure or purchase.

NOTE: In recent years, the Bureau of Motor Vehicles has vacillated regarding this matter. You may encounter a license branch that may title a vehicle in a minor's name with no problem - or - they may tell you they cannot title the vehicle in a minor's name due to contractual restrictions as BMV considers a title a 'contract' between them & the owner.