

◀ IMPORTANT UPDATE ▶

The attached Dealer Letter has been updated. Refer to the details below.

DATE	TOPIC
1/24/2019	Sample Owner Letter has been attached.

The most recent update in the attached Dealer Letter will be highlighted with a red box.

Please review this notification with your staff to assure that all relevant personnel have been briefed regarding this subject.

Thank you for your cooperation.

Original Publication Date: December 18, 2019

To: All Toyota Dealer Principals, General Managers, Service Managers, and Parts Managers

SAFETY RECALL J07 (Interim Notice J17)**Certain 2019 Model Year Corolla Hatchback
Potential Loss of Power While Driving
NHTSA Recall No. 18V-901**

Model / Years	Production Period	Approximate Total Vehicles	Approximate Stop Sale Dealer Inventory
2019 Corolla Hatchback	Early August 2018 – Mid-October 2018	3,400	1,181

**STOP! DO NOT SELL NEW VEHICLES IN DEALER INVENTORY.***Refer to Dealer Inventory Procedures section for more details.*

On December 19, 2018, Toyota filed a Defect Information Report (DIR) with the National Highway Traffic Safety Administration (NHTSA) informing the agency of our intent to conduct a voluntary Safety Recall on 2019 model year Corolla Hatchback vehicles.

Condition

In the involved vehicles, there is a possibility that a part (the torque converter) in the Continuously Variable Transmission (CVT) could fail. Under certain conditions this could result in a loss of motive power. Loss of motive power while driving at higher speeds could increase the risk of a crash.

Remedy

Toyota is currently preparing the remedy. When available, the remedy will involve replacement of the transmission and torque converter with new parts not affected by this condition, **FREE OF CHARGE** to the customer.

Covered Vehicles

There are approximately 3,400 vehicles covered by this Safety Recall. Approximately 260 vehicles involved in this Safety Recall were distributed to Puerto Rico.

Owner Letter Mailing Date

Toyota will begin to notify owners via first-class mail by mid-February.

Toyota makes significant effort to obtain current customer name and address information from each state through industry resources when mailing owner letters. In the event your dealership receives a notice for a vehicle that was sold prior to the Safety Recall announcement, it is the dealership's responsibility to forward the owner letter to the customer who purchased the vehicle.

Please note that only owners of the covered vehicles will be notified. If you are contacted by an owner who has not yet received a notification, please **verify eligibility by confirming through TIS prior to performing repairs**. Dealers should perform the repair as outlined in the Technical Instructions found on TIS.

Dealer Inventory Procedures

New Vehicles in Dealership Inventory

There are approximately 1,181 vehicles in new dealer inventory as of December 18, 2018.



Under Title 49, Section 30112 of the United States Code, a dealer cannot sell, offer for sale, or introduce or deliver for introduction in interstate commerce a new motor vehicle when it is aware that the vehicle does not comply with an applicable Federal Motor Vehicle Safety Standard or contains a defect related to motor vehicle safety. Further, 49 Code of Federal Regulations §577.13 requires us to provide the following advisory: It is a violation of Federal law for a dealer to deliver a new motor vehicle or any new or used item of motor vehicle equipment (including a tire) covered by this notification under a sale or lease until the defect or noncompliance is remedied.

Toyota reimburses dealers for flooring costs associated with new vehicles held in dealership inventory until the recall remedy becomes available. Toyota provides these flooring reimbursements at 60 day intervals. Toyota reserves the right to withhold or charge-back any flooring reimbursement funds that may have been paid to the dealer if it determines that a new vehicle subject to a safety recall was sold without first being remedied.

Vehicle Safety Recall completion should always be verified through TIS. We request your assistance to ensure involved vehicles are identified and not delivered prior to performing the remedy.

NOTE: Dealers can identify if any of their new and used inventory has any open campaigns in the Vehicle Inventory Summary available in Dealer Daily (<https://dealerdaily.toyota.com/>). The Vehicle Inventory Summary may take up to 4 hours to populate information for newly launched campaigns.

Inspection Reminder Mirror Hang Tags for Covered Vehicles in New Dealer Stock

To easily recognize vehicles involved in this Safety Recall, each dealership should utilize Inspection Reminder Hang Tags. Inside the vehicle's glove box are stickers containing the VIN. Apply one of these stickers to the hang tag and install the hang tag in the vehicle. A sample copy of the Inspection Reminder Hang Tag has been included for your reference.



NOTE: Dealerships can order hang tags from the Material Distribution Center (MDC).

Part Number	Description	Quantity
00411-140003	Inspection Mirror Hang Tag	25 Per Pack

Pre-Owned Vehicles in Dealer Inventory

Toyota typically requests that dealers **NOT** deliver any pre-owned vehicles in dealer inventory that are covered by a Safety Recall unless the defect has been remedied. In this case, until remedy parts are available, delivery of a pre-owned vehicle is acceptable if disclosed to the customer that the vehicle is involved in this Safety Recall and that the remedy is currently being prepared by Toyota.

Toyota expects dealers to use the attached Customer Contact and Vehicle Disclosure Form to obtain vehicle buyer information. Dealers are expected to provide a copy of the completed form, along with the most current FAQ, to the vehicle buyer. Toyota and the dealer may use this information to contact the customer when the remedy becomes available.

Keep the completed form on file at the dealership and send a copy to quality_compliance@toyota.com. In the subject line of the e-mail, state "Disclosure Form J07/J17" and include the VIN.

NOTE: Dealers can identify if any of their new and used inventory has any open campaigns in the Vehicle Inventory Summary available in Dealer Daily (<https://dealerdaily.toyota.com/>). The Vehicle Inventory Summary may take up to 4 hours to populate information for newly launched campaigns.

Toyota Certified Used Vehicle (TCUV)

The TCUV policy prohibits the certification of any vehicle with an outstanding Safety Recall, Special Service Campaign, or Limited Service Campaign. Thus, no affected units are to be designated, sold, or delivered as a TCUV until all applicable Safety Recalls, Special Service Campaigns, and Limited Service Campaigns have been completed on that vehicle.

Toyota Rent-A-Car (TRAC) & Service Loaners

Toyota requests that dealers remove all TRAC and Service Loaner vehicles from service that are covered by a Safety Recall unless the defect has been remedied.

Customer Handling

Customer Contacts

Customers who receive the owner letter may contact your dealership with questions regarding the letter and/or the Safety Recall. Please welcome them to your dealership and answer any questions that they may have. A Q&A is provided to assure a consistent message is communicated.

Customers with additional questions or concerns are asked to please contact the Toyota Customer Experience Center (1-888-270-9371) - Monday through Friday, 7:00 am to 7:00 pm, Saturday 7:00 am to 4:30 pm Central Time.

Media Contacts

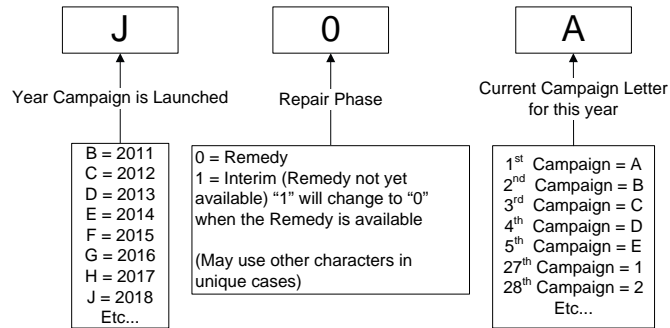
It is imperative that all media contacts (local and national) receive a consistent message. In this regard, all media contacts must be directed to Tania Saldana (859) 815-9968 in Toyota Corporate Communications. Please do not provide this number to customers. Please provide this contact only to media.

Loaner Vehicle Reimbursement Procedure

For customers who have experienced the condition or are uncomfortable driving their vehicle while Toyota prepares the remedy, a loaner vehicle or alternative transportation through Toyota Rent-A-Car can be claimed for \$35 per day. Toyota is currently preparing the rental vehicle op codes. The Dealer Letter will be updated when these op codes are available. Please hold claim filing until that time.

NOTE: Rental invoice *MUST* be attached to all rental claims. These claims may be subject to debit if rental invoice is not attached.

Campaign Designation / Phase Decoder



Examples:

C1B = Launched in 2012, Interim Phase, 2nd Campaign Launched in 2012
 E0A = Launched in 2014, Remedy Phase, 1st Campaign Launched in 2014
 J0A = Launched in 2018, Remedy Phase, 1st Campaign Launched in 2018.

Please review this entire package with your Service and Parts staff to familiarize them with the proper step-by-step procedures required to implement this Safety Recall.

Thank you for your cooperation.
 TOYOTA MOTOR SALES, U.S.A., INC.



SAFETY RECALL J07 (Interim Notice J17)

Certain 2019 Model Year Corolla Hatchback Potential Loss of Power While Driving – Torque Converter Malfunction

Frequently Asked Questions

Original Publication Date: December 18, 2018

Q1: What is the condition?

A1: In the involved vehicles, there is a possibility that a part (the torque converter) in the Continuously Variable Transmission (CVT) could fail. Under certain conditions this could result in a loss of motive power. Loss of motive power while driving at higher speeds could increase the risk of a crash.

Q1a: What is the function of the torque converter?

A1a: The torque converter is a part that transfers engine power from the engine to the transmission.

Q2: Are there any warnings that this condition exists?

A2: No. However, if the condition occurs, a noise may be heard from the transmission.

Q3: What is Toyota going to do?

A3: Toyota is currently preparing the remedy, and owners of all involved vehicles will receive direct notification via first-class mail by mid-February. When available, the remedy will involve replacement of the transmission and torque converter with new parts not affected by this condition, FREE OF CHARGE to the customer.

Q4: Which and how many vehicles are covered by this Safety Recall?

A4: There are approximately 3,400 vehicles covered by this Safety Recall.

Model Name	Model Year	Production Period
Corolla Hatchback	2019	Early August 2018 – Mid-October 2018

Q4a: Are there any other Lexus/Toyota/Scion vehicles covered by this Safety Recall in the United States?

A4a: No. There are no other Lexus/Toyota/Scion vehicles covered by this Safety Recall in the United States.

Q4b: Why is CH-R not involved in this Safety Recall in the United States?

A4b: CH-R is involved in other regions, but not the United States, because the transmission equipped in CH-R vehicles in the United States do not use the affected torque converters.

Q5: Why is my 2019 model year Corolla Hatchback not included in this Safety Recall?

A5: Only certain 2019 model year Corolla Hatchback vehicles were equipped with a CVT containing an affected torque converter.

Q6: How does Toyota obtain my mailing information?

A6: Toyota uses an industry provider who works with each state's Department of Motor Vehicles (DMV) to receive registration or title information, based upon the DMV records. Please make sure your registration or title information is correct.

Q7: What if I have additional questions or concerns?

A7: If you have additional questions or concerns, please contact the Toyota Customer Experience Center at 1-888-270-9371 Monday through Friday, 7:00 am to 7:00 pm, Saturday 7:00 am to 4:30 pm Central Time.

TOYOTA

This notice applies to your vehicle:
[VIN]

INTERIM NOTICE

We are currently preparing the remedy. We will notify you again when the remedy is available.

IMPORTANT SAFETY RECALL (*Interim Notice*)

Certain 2019 Model Year Corolla Hatchback Vehicles Potential Loss of Power While Driving NHTSA Recall No. 18V-901

Dear (customer's First/Last name)

This notice is sent to you in accordance with the National Traffic and Motor Vehicle Safety Act. Toyota has decided that a defect, which relates to motor vehicle safety, exists in certain 2019 model year Corolla Hatchback vehicles.

You received this notice because our records, which are based primarily on state registration and title data, indicate that you are the current owner.

What is the condition?

In the involved vehicles, there is a possibility that the torque converter in the Continuously Variable Transmission (CVT) could fail. Under certain conditions this could result in a loss of motive power. **Loss of motive power while driving at higher speeds could increase the risk of crash.**

What will Toyota do?

Toyota is currently preparing the remedy. When available, the remedy will involve replacement of the transmission and torque converter with new parts not affected by this condition, **FREE OF CHARGE** to the customer

This is an important Safety Recall.

We appreciate your patience while we prepare the remedy.

You will receive a second owner notification letter when the remedy is available.

If the condition occurs, you may hear an abnormal noise from the transmission.

If the vehicle is experiencing the condition described and you are unable to drive the vehicle to the dealership, please contact your local authorized Toyota dealer who will arrange for vehicle pickup.

What if you are not the owner or operator of this vehicle?

If you are a vehicle lessor, Federal Law requires that any vehicle lessor receiving this recall notice must forward a copy of this notice to the lessee within ten days.

If you know the current owner or operator, please forward this letter to them.

What should you do?

We appreciate your patience while we prepare the remedy. We will notify you again when the remedy is available.

Your local Toyota dealer will be more than happy to answer any of your questions.

- ✓ To find a dealer near you, visit www.toyota.com/dealers.
- ✓ For more information on this and other Safety Recalls, including Frequently Asked Questions, visit www.toyota.com/recall. Input your full 17-digit Vehicle Identification Number (VIN) noted above to review information specific to your vehicle.
- ✓ If you require further assistance, you may contact the Toyota Customer Experience Center at 1-888-270-9371 Monday through Friday, 7:00 am to 7:00 pm, Saturday 7:00 am to 4:30 pm Central Time.

If you would like to update your vehicle ownership or contact information, you may do so by registering at www.toyota.com/owners. You will need your full 17-digit Vehicle Identification Number (VIN) to input the new information.

If you believe that the dealer or Toyota has failed or is unable to remedy the defect within a reasonable time or without charge, you may submit a complaint to the Administrator, National Highway Traffic Safety Administration, 1200 New Jersey Avenue S.E., Washington, D.C. 20590, or call the toll free Vehicle Safety Hot Line at **1-888-327-4236 (TTY: 1-800-424-9153)**, or go to <http://www.safercar.gov>.

We have sent this notice in the interest of your continued satisfaction with our products. We sincerely regret any inconvenience this condition may have caused you.

Thank you for driving a Toyota.

Sincerely,

Toyota Motor Sales, USA

SAMPLE

CUSTOMER CONTACT & VEHICLE DISCLOSURE FORM

This form is not applicable for new vehicles in dealership inventory and TCUV units.

This vehicle is involved in a Safety Recall. At this time, remedy parts are not available and the remedy has **NOT** been performed. I understand that the vehicle will need to be returned to an authorized Toyota dealer to have the remedy performed at **NO CHARGE** when the remedy is available.

Customer Signature _____

Toyota recommends that you register with the Toyota Owners Community at <http://www.toyota.com/owners/> and regularly check recall applicability using www.toyota.com/recall or www.safercar.gov. You will need to input your 17-digit Vehicle Identification Number (VIN).

VIN

Campaign Code

Model _____ Model Year _____

Customer Information

Customer Name _____	Customer Email _____
Customer Address _____	Home Phone # _____
_____	Mobile Phone # _____
_____	Date _____

Please provide this information so that Toyota or your dealer can notify you when the remedy becomes available. This information will only be used for campaign communications. If you'd like to update your preferred contact information in the future, visit www.toyota.com/ownersupdate or contact us at 1-888-270-9371.

Dealer Information

Dealer Name/Address _____	Dealer Code _____
_____	Dealer Phone Number _____
_____	Dealer Staff Name _____
_____	Dealer Staff Signature _____