

BUYING A USED CAR



**Office of the Staff Judge
Advocate
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Introduction

Americans spend around \$100 billion every year buying millions of used cars. Rules exist to protect you, but common sense and early preparation are essential. Know how much you can spend, have a buying strategy, and budget ample time to look around. This brochure contains some basic information to assist you.

WARRANTIES

As is: when a car is sold “as is,” there is no warranty. If you have problems with the car even moments after you sign the papers, you must pay for the needed repairs yourself. However, a dealer always has a duty to disclose *known defects*, which might affect the safety of a particular car.

Implied warranty: in most states this means that the seller promises that the product will do what it is supposed to do. In the case of a car, it must run. This warranty can be overcome by a written disclaimer.

Warranty of fitness for a particular purpose: this warranty applies when you buy a specific vehicle from a dealer, for a particular purpose or job, the dealer knows of your specific need, and you rely upon his expertise. For example, if you ask a dealer for a vehicle with a heavy duty towing capacity for pulling your boat, the dealer, in filling your request, warrants that the vehicle meets your needs.

Express warranty: if a dealer offers a warranty on a used vehicle, they must fill in the warranty portion of the buyer’s guide that comes with the vehicle. Examine the

warranty carefully before buying the vehicle. Determine what is covered and what is not. The warranty discloses what the dealer really thinks of the vehicle’s condition. If a dealer makes any statement, promise, or representation regarding repairs or warranties that are not written down - get them in writing or forget them! Oral statements made by car dealers are almost never binding and will either be denied later or passed off as mere puffery.

REMEMBER

If you remember nothing else, remember the following:

- Spoken promises are difficult, if not impossible, to enforce. Forget dealer promises unless they are in writing.
- Service contracts are expensive and often offer little protection. Read the terms carefully to decide whether the cost is justified.
- Independent pre-purchase inspections are a good idea. Have a trusted mechanic check the vehicle before you buy.
- Never sign a single document until you are certain you want to buy a specific car. If at all possible, walk away from the dealership for 24 hours before you enter a contract to buy a used car. Few deals are truly too good to pass up.
- The information in this handout is general in nature. It is not to be used as a substitute for legal advice from an attorney regarding individual situations.
- You should also find out what the penalties are for returning the car early. You should expect to pay a substantial

charge if you give up the car before the end of the lease. It is also important to note that the lease may prohibit your taking the car out of the United States. This means that military members who receive PCS orders to an overseas assignment may be forced to turn the car back in and pay a substantial early termination penalty.

READ THE BUYER'S GUIDE

The buyer's guide contains information of critical importance to the car buyer. When a warranty is offered, check whether the offer is full or limited. A full warranty provides the following terms and conditions:

- Warranty service will be provided for anybody who owns the vehicle during the warranty period when a problem is reported.
- Warranty service will be provided free of charge, including costs like returning the vehicle or removing or reinstalling a system covered by the warranty.
- At your choice, the dealer will provide either a replacement or a full refund if the dealer is unable, after a reasonable number of tries, to repair the vehicle.
- Warranty service is provided without requiring you to return a warranty registration card.
- No limitation is placed on the duration of implied warranties.

If any of the above statements is not true, then the warranty is "limited." A "limited" warranty tells you there are some costs or responsibilities the dealer will not assume for systems covered by the warranty.

Check the percentage of the repair cost the dealer will pay. For example, "the dealer will pay 100% of the labor and 100% of the parts."

Check to see if specific systems are covered. The exact systems (the frame and body, the brake system, etc.) covered must be listed. Check the duration of the warranty for each covered system. For example, "30 days or 1,000 miles, whichever occurs first."

UNEXPIRED MANUFACTURER'S WARRANTIES

If the used vehicle is still covered under the terms of the original manufacturer's warranty, the dealer may add the following language in the warranty disclosure space:

**MANUFACTURER'S WARRANTY
STILL APPLIES**

This pamphlet is for basic information on buying a used car as it relates to military personnel stationed in Alaska. It is not intended to take the place of legal advice from a Judge Advocate. There may be important exceptions in some states to the information presented here. Please contact the 354th Fighter Wing Legal Office for questions and further information.

