

BUYING A USED CAR



**Office of the Staff Judge
Advocate
Eielson AFB, Alaska**

354 FW/JA

**Legal Assistance & Preventive
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Pamphlet Series**

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INTRODUCTION

The Used Car Rule, formerly known as the Used Motor Vehicle Trade Regulation Rule, has been in effect since 1985. It requires car dealers to display on used cars offered for sale a window sticker called a “Buyers Guide”, containing warranty and other information. One of the principal goals of the Used Car Rule is to prevent oral misrepresentations and unfair omissions of material facts by used car dealers concerning warranty coverage. To accomplish that goal, the Rule provides a uniform method for disclosing warranty information on the “Buyers Guide.”

LEMON LAWS

Most lemon laws apply only to new cars, although some also apply to used cars, motorcycles, off-road vehicles, mobile homes and leased cars.

BUYERS GUIDE

The Buyers Guide discloses whether the dealer offers a warranty and, if so, its terms and conditions, including the duration of the coverage, the percentage of total repair costs the dealer will pay, and which vehicle systems the warranty covers. In states that do not permit sales of used cars “as is”, or without warranties, dealers must display an alternative version of the Buyers Guide.

The Buyers Guide **MUST** disclose:

- Make, model, year, and VIN
- Name and address of dealer (or other party who will accept complaints)

- A warning that all promises from dealer should be in writing because spoken promises are hard to prove
- The meaning of the term “As Is”
- Clear disclosure of warranty coverage, either
 - As Is – No Warranty
 - Warranty
 - Implied Warranties Only (If the dealer chooses not to disclaim them or state law prohibits them from doing so.)
- Availability of Service Contracts
- A suggestion to the consumer to ask the dealer whether a pre-purchase independent inspection is permitted.
- On the back, a list of the 14 major mechanical and safety systems of a car and a partial list of defects likely to occur within those systems in used cars

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

When shopping for a used car, please 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.

FULL WARRANTY

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."

This pamphlet provides basic information on buying a used cars. It is not intended to take the place of legal advice from a Judge Advocate. Please contact the 354th Fighter Wing Legal Office for questions and further information.



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