



PREVENTIVE LAW SERIES

CAR BUYERS' BILL OF RIGHTS



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Buying a used car can be a dangerous undertaking for your pocketbook. You should always consult with an attorney before signing any documents. Fortunately, since July 1, 2006, used car buyers in California have **important rights**. The following is a checklist that you should review and take with you to any dealership before you buy any used car. **Never sign a contract before reviewing it with an attorney first.** If the dealer is not willing to provide you with a proposed contract in writing, walk away! The dealer is probably hiding something.

COOLING OFF PERIOD

There is no automatic "cooling off period" that would let you change your mind after buying or leasing a car. However, California does require a used car dealer to give you a chance to purchase an option agreement to rescind the contract. The dealer can charge you extra money for this option: The maximum charge for a car priced no higher than \$5000.00 is \$75.00; for a car priced at \$5001.00 to \$10,000.00 the maximum cost of the option is \$150.00; for a car priced at \$10,001.00 to \$30,000.00 the option price can be up to \$250.00 and for a car priced at \$30,001 to \$40,000.00 the maximum price of the contract can be up to 1% of the price of the car.

If you buy the cooling-off option, you will have two days (and up to 250 miles) to return the vehicle.

This cooling-off option only applies to used cars with a purchase price of less than \$40,000. It does **not** apply to any motorcycle, recreational vehicle, off-road vehicle, **or any vehicle not purchased primarily for personal or family purposes.**

The dealer must give you a contract that has the VIN of the vehicle, the specific details of how to cancel, the costs of any restocking fee, and the maximum mileage allowed before you cancel. You as the buyer are still responsible for any loss or damage beyond reasonable wear and tear, excluding any defect or mechanical problem that you discovered after you bought the car and that you did not cause.

SINGLE DOCUMENT RULE

Dealers are required to put your entire agreement into just one document, usually called a purchase agreement. Cal. Civil Code § 2981.9. That document must describe the vehicle you are buying, indicate the price of each purchased item and have no added charges without your full notice and consent. The document also must advise you of what your monthly installment payment will be with and without add-on items. Add-on items are items like service contracts, debt cancellation agreements, warranty and service packages, theft deterrent devices, surface protection and a vehicle contract cancellation option agreement.

USED CAR DISCLOSURES

Dealers must tell you about material facts that they know about a used vehicle. They must reveal (if they know it) the fact that the car was in an accident that caused substantial damage; the fact that the car was a rental vehicle; the fact that the car was bought back under the lemon law as a "lemon"; and the fact that the car's odometer has been tampered with. Cal. Civil Code §§ 1750 et seq. In addition, the dealer is required to perform a safety inspection of the vehicle to make sure it can be driven safely. Cal. Civil Code § 1792. A dealer is also prevented from representing that goods or services have characteristics, uses, or benefits, which they do not have, or that a transaction confers or involves rights, remedies, or obligations which it does not have or involve. Cal. Civil Code § 1792.

BUYER'S GUIDE

Dealers must attach a "Buyer's Guide" to all used vehicles that are for sale. The Guide must state the price and any warranty that comes with the car. Dealers must have you sign the Buyer's Guide, and they must also give you a copy of it.

STICKER PRICE

Dealers may not sell a car for higher than the price they have advertised, including online advertisements. Cal. Veh. Code § 11713(a).

RIGHT TO INSPECT

You may ask to have the car inspected by an independent mechanic before you purchase it. **This is a very good idea.** The dealer is required to post a sign in the dealership stating that you may do this. Cal. Veh. Code § 11709.

SMOG CHECK

Before selling you a car, the dealer must make sure that the car passes the California smog test. Cal. Veh. Code §§ 11713(i), 24007(b).

LEGAL ASSISTANCE SERVICES AVAILABLE AT 32ND STREET AND NASNI

A legal assistance attorney is available by appointment Monday through Thursday from 0800 - 1100 and 1300 - 1500, and Friday from 0900 - 1045. Powers of attorney and notaries are available Monday through Friday at the same times. For more information, please contact the Legal Assistance Office, located in Building 56, 32nd Street Naval Station, San Diego, CA, by telephone at (619) 556-2211, or our office at Naval Air Station North Island – Coronado, Building 318 – Second Deck, above the Fleet and Family Support Center, Saufley Road, by telephone at (619) 545-6437.

FEDERAL TRADE COMMISSION

The Federal Trade Commission (FTC) provides education to consumers, and investigates and pursues allegations of illegal business practices. You can file a formal complaint against a business or person on their website, which may lead to detection of patterns of fraud and abuse, an investigation, and ultimately eliminate unfair business practices. The FTC does not resolve individual complaints, but can provide information about what next steps to take. Their website offers information on a wide variety of consumer issues, including but not limited to mortgages, employment, health and fitness, credit, privacy, and identity.

REFERENCES

Federal Trade Commission: (877) FTC-HELP; www.consumer.ftc.gov/features/feature-0009-military-families

- Consumer Information: www.consumer.ftc.gov; (877) FTC-HELP
- File a Consumer Complaint: www.ftccomplaintassistant.gov

California Department of Motor Vehicles: (800) 777-0133; www.dmv.ca.gov

Bill of Rights: www.dmv.ca.gov/pubs/billrights_top.htm

Better Business Bureau San Diego Field Office: (858) 496-2131, www.sandiego.bbb.org

California Civil Code §§ 1750 et seq., 1170, 1792, 2981.9 (2013)

California Vehicle Code §§ 11709, 11713(a), (i), 24007(b) (2013)