

Should I get a mechanic to look at the car I want to buy?

Yes! Before you buy a used car, get it inspected by an independent, trusted technician.

✓ Today's cars are full of sophisticated electronics. It takes a professional to spot serious problems.

✓ Car Talk's Mechanics Files (www.cartalk.com/content/mechx) may help you find a qualified technician. It costs about \$100 for an inspection. This good investment can save you aggravation and expense.

✓ If the seller tries to talk you out of getting your own inspection, walk away.

Existing consumer protections

You have many rights under other laws that protect consumers, including:

✓ The state "lemon law," which gives you the right to a refund or replacement if your new or used car with a factory warranty has serious defects.

✓ The right to have a copy of the contract in the language you used to negotiate the purchase, with all terms and conditions filled in, before you sign it.

✓ Legal relief if you were cheated, deceived, or defrauded. Consult a consumer attorney and report your problem to your district attorney or other resources listed in the "Questions and complaints" section.



Smart Moves!

Sally Smart buys a good-looking used car "as is." Sally Smart makes a smart move—she decides to pay \$30 for the return option.

The next day, she takes the car to a trusted mechanic who tells her the car needs expensive repairs.

What does Sally Smart do?

Sally Smart makes another really smart move! She returns the car to the dealership before her return option expires. Sally asks her sister to follow her in another car.



Sally gets a receipt showing she returned the car within the two-day period. She pays a \$200 restocking fee and gets a ride home with her sister. Two days later, Sally takes a taxi to the dealership and gets her downpayment returned and her loan cancelled.

Sally knows she doesn't have the right to another return option from the same dealership. So she finds another used car in good condition at another dealership for a lower price.

How much does Sally Smart save?

Although Sally Smart pays \$375 for the return option, restocking fee, inspection and taxi ride, she saves \$3,000 in repair costs.

What's the verdict?

Sally Smart is a really smart car buyer! She took the time to learn about her rights and protect her investment.

Note: *If the salesperson lied about the car's condition, Sally should see an attorney.*

Questions and complaints

Consumers for Auto Reliability and Safety-CARS (www.carconsumers.com) is the leading consumer watchdog group working to improve California car buyers' rights. Write to CARS at 1303 J Street, Suite 270, Sacramento, CA 95814. For frequently asked questions and answers about the new law, visit CARS' website.

Consumer Action (www.consumer-action.org) is a consumer watchdog group that works to educate the public about their rights as consumers. Hotlines in English, Spanish and Chinese: 415-777-9635 (San Francisco), 213-624-8327 (Los Angeles).

California Attorney General (www.ag.ca.gov) Assistance and guidance in filing consumer complaints. 800-952-5225

California Dept. of Consumer Affairs (www.dca.ca.gov) The department will help you find the right government agency to assist with your problem. 800-952-5210

National Association of Consumer Advocates-NACA (www.naca.net) Lists attorneys who specialize in representing consumers. Some are willing to talk with potential clients for free. 202-452-1989

An important note

This guide is a general overview of The Car Buyer's Bill of Rights—not legal advice. If you need legal advice, please consult an attorney. Changes in the law may affect the information in this guide.

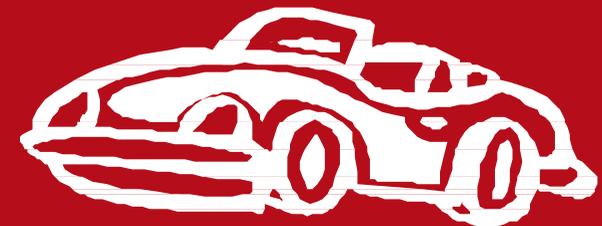
About this publication

This publication was created by Consumers for Auto Reliability and Safety (CARS) and Consumer Action. CARS' participation was made possible by a grant from the California Consumer Protection Foundation. Consumer Action's participation was funded by a Griego v. Rent-A-Center Class Action Settlement cy pres grant.

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California Car Buyer's

Bill of Rights



Free consumer information from
CARS and Consumer Action

California car buyers have important new rights beginning July 1, 2006. The Car Buyer's Bill of Rights will change the way millions of cars are bought and sold in California.



The new law applies to motor vehicles bought in California from a dealer for personal, family or household use, including cars, minivans, SUVs and trucks.

The new law **does not** cover private sales between individuals, leased autos, vehicles purchased or registered in another state, commercial vehicles, recreational vehicles and motorcycles.

Used car protections

Two-day return option on used cars. You can purchase a two-day return option on used vehicles that cost \$40,000 or less.

Never buy a car if you feel you are being pressured. But if you choose to buy a used car at a dealership, you can protect yourself by getting a return option. The dealer can charge you for this option.

- Tip:** You can get the option for any reason, such as:
 - ✓ You did not get the car inspected yet by your own trusted technician.
 - ✓ You are buying the car "as is."

If you get the option, you can return the vehicle by the deadline for **any** reason.

Returning a car under the option

Dealers can charge buyers for the return option—and a restocking fee if you return the car. (The chart on this page shows the most you can be charged.)

To return the car, you must:

- ✓ Drive the vehicle fewer than 250 miles. Exception: If the dealer gives you written permission to drive it farther.
- ✓ Return the vehicle within two days. Exception: If the dealer gives you written permission to have more time.
- ✓ Make sure the vehicle is in the same condition it was when you bought it. Exceptions: Reasonable wear and tear. Defects or problems you didn't cause.

✓ Make copies of the contract and other purchase documents because you are required to deliver your originals to the dealer. Keep your copies in a safe place.

✓ Return the vehicle and the original paperwork in person before the date and time noted on your contract.

✓ Sign the written notice of cancellation the dealer provides and keep your copy.

Take good care of the car and don't speed or abuse it. When you return the car, the dealer is allowed to charge you for damage you caused to the vehicle. To protect yourself from false claims, photograph the car inside and out before you drive it away.

If the dealer refuses to accept the vehicle when you return it within two days, make a note of the date, time and mileage on the vehicle. Then seek legal advice.

Trade-ins

If you get the return option, the dealer must keep your trade-in until your return option

Tip: Some auto dealers may offer the return option and restocking fee for a lower price, or even for free.

✓ Shop around and negotiate to get the best protection for the price.

Price of the vehicle	Return option charge	Restocking fee	Balance due
Maximum price covered by the law is \$40,000	Any charge must be deducted from the restocking fee.	This is the maximum the dealer can charge.	Restocking fee minus return option charge
\$5,000 or less	\$75	\$175	\$100
\$5000 to \$10,000	\$150	\$350	\$200
\$10,000 to \$30,000	\$250	\$500	\$250
\$30,000 to \$40,000	1% of purchase price (\$300 to \$400)	\$500	\$100 to \$200

Tip: Don't get stuck buying an even worse car from the same dealer.

✓ The dealer does **not** have to offer you the return option on the next car you buy from the same dealership.

✓ If possible, take a witness with you when you return the car.

✓ Arrange for a ride home from the dealership, or take a taxi.

expires. If your trade-in is sold early, the dealer must give you the car's fair market value or the price listed in the cancellation agreement, whichever is more. But the dealer does not have to give you your old car until **two days after** you return the car you just bought.

'Certified' used cars

Dealers call used cars that have been inspected by a mechanic "certified pre-owned vehicles." They can't advertise or sell certain problem cars as "certified."

However, these cars could still have a variety of serious, expensive problems, so you should have even a "certified" used car inspected by your mechanic before you buy.



Buyer disclosures

Under the new law, auto dealers must give you in writing:

✓ The price of the vehicle without extra options and add-ons.

✓ The specific price for add-ons like anti-theft devices, fabric protection, extended service contracts and "gap" insurance. These "extras" are often overpriced and unnecessary.

✓ A copy of your credit score if you are getting a loan. This score is a financial "report card" based on the way you handle your loans and credit. A good credit score usually means you can get the lowest interest rates.

Limit on interest rate 'markups'

Most auto lenders pay dealers a hidden fee to offer you a higher interest rate than you deserve based on your credit history. This extra interest is called a "markup," extra profit that is split between the dealer and the lender.

The new law limits the "markup" amount dealers can get. Dealers may not receive more than 2.5% from lenders for arranging financing if your car loan is up to 60 months long, or 2% if it is longer.

Tip: To get the best rate on a car loan, check with banks, credit unions or online lenders before you shop for a car.

✓ Dealers advertise "0% financing" but often charge consumers a higher rate.

✓ A lower interest rate can save you \$2,000-\$10,000 or more in finance charges over the life of the loan.