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?

SallySmart 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 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


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

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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 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.

### Price of the vehicle

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

### 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.