

# Tips on Buying a Used Car



consumer *brief*

The purchase of a used car can be a high-cost consumer transaction. Here is what you should know before making your purchase.

## THE USED CAR LEMON LAW

If a New Jersey dealer sells you a used car that is defective, you may be eligible for relief under the Used Car Lemon Law. The law requires the dealer to provide a limited warranty if the car is – not more than seven (7) years old; has less than 100,000 miles; the price is over \$3,000; and/or the car has not been declared a total loss by an insurance company. If the car has 60,000 miles on its odometer and the consumer wishes to waive the warranty to negotiate a better price, the consumer must sign a form that he/she is buying the car without a warranty. The warranty covers certain components of the engine, transmission and the front – or rear-wheel drive. If you have experienced three (3) repair attempts on a covered item within the dealer's warranty period, you may qualify for a Lemon Law hearing. The duration of the dealer's warranty to which you are entitled depends on the car's mileage at the time of sale. See the information below.

Vehicle Mileage	Duration of Dealer Warranty
Less than 24,000 miles.....	90 days or 3,000 miles *
24,000 miles to 60,000 miles.....	60 days or 2,000 miles *
60,000 miles to 100,000 miles.....	30 days or 1,000 miles *

Please call the Division's Lemon Law Unit at 973-504-6226 for all of the details. A Lemon Law booklet and an application to begin the Lemon Law process can be mailed to you upon request.

\* Whichever comes first

## THE USED CAR BUYER'S GUIDE

Look for the Buyer's Guide in the window of the vehicle you're considering buying. The law requires that it be posted in plain view on or in the car being offered for sale. The guide informs the buyer about the conditions of the warranty, if one exists, or if the car is being sold "AS-IS." Cars sold "AS-IS" do not come with any warranty, either expressed or implied. The guide will disclose if there is any remaining manufacturer's warranty on the vehicle, and if an extended service contract is available. A copy of the guide should be given to you at the time of purchase.

## FINDING THE BEST PRICE

You should always shop around and negotiate for the best price. Visit several dealerships and don't be in a hurry. Used car pricing guides may be found at your local library, bookstore or even online. A current guide will tell you the used car's retail or trade-in value. You may also be able to find a good deal from a private seller, but keep in mind that those cars do not come with any warranty and are not subject to the Used Car Lemon Law.

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## **DO I HAVE THREE DAYS TO CANCEL?**

**No.** You do not have three (3) days to automatically cancel a contract for a new car or a used car once you sign for it at the dealership. This is a common misconception.

## **UNLAWFUL PRACTICES**

The law says that it is an unlawful practice for a dealer to engage in the following conduct:

- To misrepresent the mechanical condition of a used car.
- To fail to disclose any material defect (subject to a warranty) in the mechanical condition of the used car which is known to the dealer.
- To fail to disclose the existence and terms of any written warranty or service contract.
- To misrepresent the terms of any written warranty or service contract.

## **BEFORE YOU BUY A USED CAR**

If you cannot have a mechanic examine the car for you prior to your purchase, here are some things you should do:

- Always test drive the car. Listen for noises. Make sure all of the gauges work.
- Check to see that the oil, transmission and radiator fluid are clean and that the containers for each are full.
- Check for signs of leakage under the car where it has been parked on the lot.

- Check to see that all lights, air conditioning and electronic systems are operational.
- Look for signs of water damage on the headliner (the fabric which lines the interior roof) and on the carpet. Lift up the floor mats and also check inside the trunk.
- Check for signs of prior accident damage such as body panels that are misaligned or over-sprayed with paint. The Consumer Fraud Act states that in any advertisement, it is unlawful for a dealer to fail to disclose that the used car has been previously damaged and that substantial repair or body work has been performed (in excess of \$1,000) which is known or should have been known by the advertiser. The Division strongly recommends that you obtain a vehicle history report from the dealer or get one on your own before you buy.
- Look for excessive or unusual tire wear which may indicate an alignment problem and remember to check to make sure that the car has a properly inflated spare tire in case of an emergency.
- Remember that you are entitled to a copy of everything you sign.
- Consider financing options through your bank or credit union.
- If you don't like the deal being offered or feel pressured –WALK AWAY.

**You can e-mail the Lemon Law Unit at [lemonlaw@dca.state.nj.us](mailto:lemonlaw@dca.state.nj.us)**

### **Division of Consumer Affairs**

973-504-6200 • 800-242-5846 (toll free within New Jersey)

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