


Massachusetts
Consumers'
Coalition



CAR SMART



A Consumer's Guide
to Buying, Leasing
and Repairing a Car
in Massachusetts





CAR SMART

4th Edition

by
Massachusetts Consumers' Coalition

**A Consumer's
Guide to Buying,
Leasing and Repairing
a Car in Massachusetts**

TABLE OF CONTENTS

Chapter 1: DOING YOUR HOMEWORK

Select Your Car's Features	1
Calculate Your Budget	2
A Reality Check –the Price of Gasoline	2
Decide on A Make And Model	4
Collect Price Information	4
Research Models and Prices on the Web	5
Consider Whether To Buy New or Used	5
Decide If You Will Purchase or Lease	6
Know the Difference Between a Used Car Dealer and a Private Party Seller	7
Read the Auto Ads Carefully	9
Avoid “Auto Brokers”	10

Chapter 2: INSPECTING THE CAR

Assess the Car	11
Test-Drive the Car	13
Obtain a Mechanic's Opinion	14
Verify a Used Car's History	15

Chapter 3: MAKING THE DEAL

Use Good Negotiating Skills	18
Consider Which Extras to Buy	21
Finance Options	23
Understand the Cost of Credit	24
Leasing Your Car	26
Understand the Cost and Terms of a Lease	26
Understand the Sales or Lease Contract	28
Buying a Car Over the Internet	31

Chapter 4: COMPLETING THE PURCHASE

The Importance of Car Titles	34
Registry Requirements	37
Taxes and Other Expenses	37
Insurance	38
The Safety and Emissions Test	39

Chapter 5: HANDLING PURCHASE PROBLEMS

How to Reject the Car for Immediate Problems	41
Lemon Aid Law	43
How to Revoke Acceptance	45
New Car Lemon Law	45
Other New Car Lemon Remedies	47
Used Vehicle Warranty Law	50
Private Party Sales Under the Warranty Law	53
Implied Warranties	53
Problems with the Odometer Reading	54
How to Undo the Deal	55

Chapter 6: HANDLING REPAIR PROBLEMS

Basic Auto Repair Rights	57
Bring Your Car to the Garage	58
Assess the Repairs	60
Solve Auto Repair Problems	61

Appendices:

A-1 Doing Your Homework Checklist	65
A-2 Inspecting a Car Checklist	66
A-3 Making the Deal Checklist	69
A-4 Leasing Checklist	70
A-5 12 Simple Tips	73
A-6 Automobile Resources on the Internet	75
A-7 Helpful Contacts	77
A-8 Car-Buying Glossary	86

IMPORTANT NOTE:

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is provided with the understanding that neither the publisher, sponsors, nor authors are engaged in rendering legal advice. If legal advice is required, the services of a competent professional should be sought. The opinions and strategies suggested herein are those of the authors and do not necessarily represent those of the sponsors or the publisher.

© Massachusetts Consumers' Coalition September, 2006

WHY CONSUMERS SHOULD READ THIS GUIDE

A car is one of the biggest, most important purchases you will make, second only to buying a home. The headaches from an unwise purchase can be equally large.

This is why the Massachusetts Consumers' Coalition put together the first edition of **CAR SMART** in 1993. The third edition was posted on the Coalition's web site in both English and Spanish to expand the public access to the advice in the booklet. See: www.massconsumers.org. The three editions published to date have guided thousands of consumers through the process of finding and buying a car, obtaining satisfactory repairs, and protecting their rights in car-related matters.

This fourth edition of **CAR SMART** includes some expanded information about **buying a car over the Internet and new information on the importance of fuel efficiency**. The Coalition is partnering with the Consumer Federation of America to educate the public about the need to make fuel efficiency a paramount consideration in the vehicle buying process. Some helpful tips are included in this new edition. If more and more consumers make **fuel efficiency** a top consideration in their buying and driving habits the auto industry will respond by developing more fuel-efficient vehicles. We urge all consumers to be smart – reduce gasoline consumption by making informed fuel-efficiency choices.

We highly recommend that you read this booklet to make yourself “car smart”.

Happy Motoring!

Paul Schlaver, MCC Chair
Diane Lawton, MCC Vice-Chair
Jeanne Foy, MCC Secretary
Paul Schrader, MCC Treasurer

Acknowledgments

This publication of the fourth edition of **CAR SMART** would not have been possible without the generous support of a financial grant from the Massachusetts Attorney General's Office and also for the grants in recent years from the Consumer Federation of America to the **Massachusetts Consumers' Council, Inc.**, the non-profit 501(c)(3) educational arm of the Coalition.



Doing Your Homework

Cars are major investments. We depend on them to get us to school or work, to the doctor's office or the grocery store, as well as to take us on vacations. Before you buy or lease a car, you should consider:

- ❁ What kind of vehicle fits your needs;
- ❁ What features or options you want;
- ❁ How much you can afford to pay;
- ❁ Which cars have the best ratings for reliability, safety and fuel efficiency;
- ❁ Whether to buy a new or used car, or to lease;
- ❁ Whether to buy or lease from a dealer or buy from a private seller.

Select Your Car's Features

Cars come in different sizes: full, mid-size, compact, subcompact, minicompact, and two-seaters. There are also small pickup trucks, full-size trucks, vans, minivans, and special purpose vehicles like sport utility vehicles. Generally, larger vehicles use more fuel than smaller ones, but they may be safer in collisions. Sports utility vehicles (SUVs) are known to use more fuel.

Think about the size of your family, whether you are likely to carry passengers often, and the age of those passengers. If you are going to be transporting your elderly parents, you do not want to buy a small sports car. Do you want two doors or four? Are you interested in multiple airbags for added safety? Do you need a four-wheel drive vehicle because you live on a steep country road? Or do you want a car that gets great gas mileage because you frequently drive in stop-and-go city traffic?

Calculate Your Budget

Make a list with two columns: things you definitely want (for instance, automatic transmission or air conditioning), and things you want if you can afford them (like a sunroof or CD player).

Make a second list for your budget. How much money can you afford to spend, and what will your expenses be? Write down your net income after taxes and payroll deductions and fixed expenses, then determine how much cash you have to buy a car outright or to use as a down payment to either buy or lease a car, and what you would be able to afford in monthly loan payments.

You may also want to check with your bank or credit union to find out if you would be eligible for a loan. The lender can help you calculate how much you can afford to spend. Shopping for interest rates now will help you quickly arrange the most favorable financing when you are ready to buy. It is wise to have your financial package ready **BEFORE** you begin negotiation on the car.

Do not forget that you will have other car related expenses: sales tax of 5% in Massachusetts, registration and title fees, annual excise tax, and insurance. Estimate those amounts and add them to your budget figures. (You can get information on these costs from the Registry of Motor Vehicles, your city or town clerk, and your insurance agent.)

You will also have to pay for fuel and regular maintenance for the car. The U.S. Department of Energy publishes an annual guide that shows the estimated miles per gallon to operate a car under both highway and city driving conditions. For a free copy, you can call 1-800-363-3732 (see www.fueleconomy.gov). Consider your use of the vehicle. Maintenance costs can include oil, engine coolant, windshield washer fluid, belts, plugs or ignitors each year, to name just a few items. As cars become more complex, you may be able to do only minimal maintenance by yourself. Consider tire mileage and battery life, too, for periodic costs. Remember — preventive maintenance, even with labor costs, is much cheaper than waiting until a problem develops.

A Reality Check – the Price of Gasoline

Any research, budget planning or decisions as to make and model of automobiles, purchased, must take into consideration the fuel efficiency you can expect with your specific vehicle choice and whether you can afford the ongoing expenses to use it. The price of fuel has more than doubled since the 2001 edition of this booklet was published.

No one predicts that the average 2001 price for gasoline will ever reappear.

Consumers must factor in ALL the costs of owning or leasing a vehicle. This list might include the cost of the monthly payments; the cost of insurance, excise taxes, parking, ongoing maintenance as well as occasional surprise repairs, and now the GASOLINE factor. A vehicle getting a “fair” 20 MPG and driven 15,000 miles in a year can easily cost you \$2,400 per year for fuel or \$200 a month!

Smart consumers seek cars that maximize fuel efficiency and comparison shop within the class of car they are considering. More and more consumers are choosing hybrid automobiles that switch between gasoline and electric power at appropriate intervals to save fuel costs. Given rising gas prices consumers should make the average mile per gallon rating of each vehicle the first number to consider rather than looking at the number of seconds it takes to go from zero to 60 mph. The result could cut your annual gasoline cost in half, or actually cost you what the 20mpg car cost you in 2001.

Some consumers are even considering the most dramatic option, namely to not even own an automobile or certainly not add a second vehicle to the family burdens. Many consumers now commute and travel by carpool. Not only does carpooling allow consumers to travel inexpensively, but emissions are significantly reduced with more carpooling. The use of public transportation for commuting to jobs, vacations and even non-essential travel is on the increase throughout the country, especially where good public transportation systems are present. Alternatives such as zipcar®, which was started in Cambridge Massachusetts, are steadily expanding in major urban areas. zipcar® is an Internet based car rental system that lets you rent a vehicle for as little as an hour at a time and has strategically place vehicles throughout urban areas within walking distances to the members of this service.

A car buyer's best defense against rising gas prices is to shop carefully. Consumers in the used car market place must be especially wary of discounted prices for SUV's or other car models with the poorest mileage ratings. You might be able to afford this bigger car because the price is so low, but can you afford to keep filling the tank with gasoline? The trade-in value of your “gas hog” vehicle may be much less now than a few years ago.

CAR SMART advocates fuel efficiency and encourages you to review the check list in the appendices on tips for

saving fuel by changing your driving habits and by improved maintenance of your vehicle. **See appendix A-5** Following these guidelines will save you money and help our vulnerable world in the face of global warming and our country's risky dependency on imported oil.

Decide on a Make and Model

When you have some idea what features you are looking for and how much you can afford, do some research to narrow your choices to the makes and models you are most interested in.

CONSUMER REPORTS and auto magazines such as MOTOR TREND publish articles that compare different new and used cars. There are also books published yearly that rate the design, comfort, safety, reliability, price, and repair costs of various cars. You can find these publications at bookstores or your local library.

You can also find out whether particular cars have been recalled for safety defects by calling the National Highway Traffic Safety Administration (NHTSA) toll-free: 1-800-327-4236 (see www.nhtsa.dot.gov).

Collect Price Information

Price information is available from a variety of sources. In addition to price comparisons in books and magazines, CONSUMER REPORTS, the American Automobile Association, and other organizations offer pricing services from which you can purchase information about dealers' costs for specific makes and models of new cars.

If you are shopping for a used car, or you want to know how much your trade-in is worth, the National Automobile Dealers' Association (NADA) publishes monthly used car ("blue book") and older used car ("orange book") price guides (see Appendix A-6 & A-7). They show the average trade-in and retail values of cars, as well as an estimate of the dollar amount that banks will loan toward the purchase of the used car (usually about 80% of retail value). There are also formulas for deducting from the value for high mileage, or adding to the value for low mileage.

You can also look at newspapers to find the advertised prices of cars you are interested in.

Knowing the price ahead of time not only helps you determine what you can afford, but also gives you an advantage when negotiating with the seller.

Research Models and Prices on the Web

The vast majority of websites, offering cars for sale, including manufacturers' sites, will not allow you to buy a new car on-line directly. Instead, these websites can provide you with information about vehicle makes, models and option packages, as well as details about the price of vehicles. Eventually the on-line process will send you to the nearest dealership to complete the purchase transaction.

The Internet also can arm you with information about new car prices that can help you negotiate a better deal with the seller. Many websites list the "dealer invoice" for various new vehicles. This is the approximation of what the dealer paid the manufacturer for a new car. This information is critical for negotiating a fair purchase price. But, be aware that a "dealer invoice" price listed on a website may not always be accurate. Some manufacturers offer dealers rebates, holdbacks and other financial incentives at various times to increase the sales of particular cars. To be sure you are getting an accurate approximation of the dealer's cost, use more than one website for finding car prices, and understand the criteria each website uses to calculate this cost.

This same rule applies to pricing for used (pre-owned) cars. Understanding the actual value of a used vehicle is important for getting a fair deal. Carefully examine any vehicle pricing guide that a website offers. Vehicle pricing guides use different criteria to compute a particular make and model's value. Some guides only list an estimated average retail price of a vehicle. Others provide information on a vehicle's estimated trade-in value and price if bought from a private party seller.

**Use CAR SMART'S
Automobile Resources
On The Internet
See page 75**

Consider Whether to Buy New or Used

The decision to buy or lease a new or used car depends on how much you can afford, whether it is your only form of transportation or a second car, how long you plan to keep it, how much driving you do in a year, and other personal factors. New cars should be free of defects and run well for years.

They come with much longer standard warranties than used cars do. Used cars may need more costly repairs much sooner, depending on the mileage and how they have been maintained, but they cost less to purchase and insure.

Decide If You Will Purchase or Lease

Dealers and manufacturers are increasingly advertising leasing as an alternative to buying cars and consumers are increasingly choosing the lease option. Some advantages to leasing are:

- ❁ The down payment or other upfront costs are less than in a car purchase;
- ❁ Your monthly payments are usually less than with a car loan;
- ❁ For most leases, you do not have to worry about reselling the car later. When you return the vehicle at the end of the lease you are only responsible for any end of lease charges.

On the other hand, there are also disadvantages to leasing:

- ❁ You pay a significant amount of money to use the car during the lease but it is not yours at the end (unless you have and exercise an option to buy the car which may cost you more than buying the car at the outset);
- ❁ If you lease a used vehicle and there are persistent defects, the leased vehicle is not covered by the used car lemon laws;
- ❁ There may be limits to how many miles you can drive the car during the lease term. If you exceed these miles, you will pay a penalty. If the mileage allotment is not sufficient you should negotiate a higher allotment;
- ❁ If you want to end the lease before it expires, there are substantial early termination penalties;
- ❁ You may be responsible for an additional payment at the end of the lease for excessive mileage, or if the lease company determines there is excessive wear and use, or damage to the vehicle.

New leased cars usually carry the manufacturers' warranties. Used leased cars may not carry any manufacturer's warranty coverage. You should check with the manufacturer to verify the length and scope of your coverage.

While the federal Consumer Leasing Act and Federal Reserve Regulation M require that information about the costs, responsibilities, and terms of the lease be spelled out in the contract, you should read and understand the full lease agreement before signing it (see www.bos.frb.fed.us/pubs/leasing).



Make sure you know whether you are buying or leasing a car, and ask the dealer to explain any terms or conditions that you do not clearly understand.

Even in a lease, you negotiate the “sale” price of the car — the price upon which, along with the car's residual value, your lease payments are based. The negotiating skills discussed later are also important in obtaining a lease.

Know the Difference Between a Used Car Dealer and a Private Party Seller

When you are deciding who to buy a car from, ask yourself:

- ❁ Is it a fair price? If it is too low or high, why?
- ❁ Is the car in good condition, or does it need work?
- ❁ What are the seller's warranty responsibilities?
- ❁ Does the seller have repair facilities?
- ❁ Is the seller's location convenient?
- ❁ What is the reputation of the seller?

Private Sales

Private sellers may charge less than dealers for used cars because they do not have salespeople or mechanics to pay, and they do not have the same warranty responsibilities. Always have a trusted mechanic look at any used car you consider buying.

Private sellers are liable to return your money under the “Lemon Aid Law,” (see page 43) if the car fails inspection within 7 days of purchase and the estimated cost of performing the needed repairs is more than 10% of the car's purchase price.

You can also demand a refund under the Used Vehicle Warranty Law, if within 30 days after you purchase the car, you can prove that a private seller knew something was seriously wrong with the car and acted in bad faith by not telling you (see page 55). Since that is hard to prove, it is often difficult to get your money back from a private seller. Additionally, private parties are not required to repair the cars they sell.



For advice on private sale contracts, see page 53.

Dealers

Anyone who sells or negotiates the sale of more than 3 cars a year is legally considered a car dealer.

In used car sales, dealers must give written warranties of 30, 60 or 90 days, depending on the mileage at the time of purchase. While there are some exceptions to this rule (see page 50), dealers are not allowed to sell a car "as is." It is always a good idea to have a trusted mechanic look at any used car you are considering buying.



Remember, even if defects are covered under warranties, some dealers are more willing to solve problems than others, and some service departments are better than others.

You may also use the Federal Trade Commission's "Buyers Guide" stickers on the windows of used cars. These inform you whether there is a specific dealer's warranty, or if the cars come with "implied warranties" only (see page 53).

Find out if there have been consumer complaints about the dealership and how they have been resolved by contacting your local consumer office, the Attorney General's Consumer Complaint and Information Section: (617) 727-8400, and the Better Business Bureau. Don't wait until after you have purchased a car to learn that the dealer has a poor record of customer satisfaction.



The legal rights described in this booklet apply to cars bought in Massachusetts, not in other states.

Read the Auto Ads Carefully

Advertisements on television, radio or in the newspaper can be confusing, since the information may be incomplete or difficult to take in all at once.

According to the Attorney General's auto regulations (940 Code of Massachusetts Regulations 5.02), the prices that car dealers advertise must include charges for freight and handling, and vehicle and document preparation. Advertised prices do not reflect taxes, the cost of title preparation, and charges for assistance in registering a car.



Car ads often give the monthly loan or lease costs, but the total price may be in much smaller print. Do not shop for a car based only on the monthly cost; always be aware of the full price of the transaction.

Dealer ads for used cars must identify them as former demonstrators, taxis, police cars, lease or rental cars (sometimes called program, fleet, or executive cars) if the dealer knows or should know their histories. Used cars must have stock numbers that individually identify the advertised car.

If limited quantities of the car are available at an advertised price, that must be clearly disclosed. Prices must include all standard equipment unless otherwise stated. Any expiration dates or other conditions for advertised prices must also be included — for instance, if a buyer needs to pay a certain amount down in order to buy the car at the advertised price.



Be wary of ads that say “dealer’s cost” or “invoice prices.” These claims are often false, since the dealer may be getting money back from the manufacturer through rebates, “holdbacks” or promotional fees. Remember that the advertised price is just a starting point in your negotiations.



Be suspicious of classified ads for cars that look like private sales but turn out to be from dealers. The dealers may be trying to escape their warranty obligations.

Avoid “Auto Brokers”

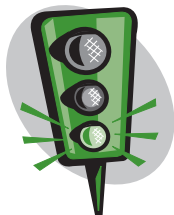
In the last few years, as many people have experienced financial hardships, ads have begun to appear offering help to those who cannot afford to continue to make their car payments, or those whose poor credit histories prevent them from getting financing to purchase cars.

“Auto brokers” say they can help by taking the cars that people can no longer afford off their hands, and arranging for other people to purchase them.

In most cases, when you have a loan or a lease on a car, your contract prohibits you from transferring the vehicle to someone else without the lender’s or lessor’s permission. In illegal auto brokering deals, that consent is never requested or obtained.

As the original loan holder you are still liable if the payments are not made or the car is damaged, even though the car is no longer in your possession. As a new buyer you should realize that the car will never really be yours, even if you make all the remaining payments, since you are not the buyer or lessee of record. In some cases, the car may actually be considered stolen!

And because the “buyers” cannot register and insure the car in his/her own name, he/she may be operating on the original owner’s registration or insurance, or breaking the law by driving without any registration or insurance.



Inspecting the Car

Assess the Car

Before buying a car, inspect it. When buying a used car, you want to inspect it to see if there is any hidden damage or if it is older than it appears. When buying a new car, you want to see if it was damaged or vandalized while being shipped to the dealer or on the lot.

Be prepared to get a little dirty when doing an inspection. Dress in work clothes, and bring a flashlight, a magnet, work gloves, and a rag for wiping.

The Body

Whether it is new or used, you should take a careful look at the exterior of the car. Is there paint on the moldings or trim, and does the color look different in some places? Is the paint peeling? Are the windows and trim intact? Are the door seams straight? Do the fenders line up? Are there ripples in the body as you look down the length of the car? Take a magnet and run it over the car's body to check for filler. (The magnet will not stick.)

Try the doors, windows, and trunk lid to see if they fit tightly. Look for rust. These things can indicate whether the car has been damaged and repaired.



Even new cars may have been damaged or vandalized while in transit or on dealers' lots.

If the car is used, check the suspension by pushing the body down at each corner. Does the car “bottom out,” or bounce excessively which may mean that the shock absorbers or struts are bad?

Look at the tires. Are they all the same type (radial or bias)? How worn are they, and are they worn evenly? On a used car with low mileage, excessive wear may be a sign of odometer tampering. Uneven wear could be due to serious mechanical or body problems.

Look for Leaks

Lie down and, using your flashlight, look underneath the car. Check for puddles or dripping under the car. They could be signs of oil, transmission, coolant, or other fluid leaks. Also check to see if anything is hanging loose or is disconnected. While you are down there, wipe your finger on the inside of the tail pipe. Light, dry soot is acceptable; damp grime or oil may mean trouble.

Inside the Car



On a used car, a sticker may be on the inside edge of the driver's side door or the upper left hand corner of the windshield showing where and when the car was last serviced and the mileage at that time.

Now try out the front and the back seats of the car. If it is a used car, you may want to check under the floor mats and the rug in the trunk for rust or signs of welded patches. Holes due to rust or big cracks in the body may make the car unsafe to drive.

Turn the ignition on, but not to the starter position. Do the warning panel lights come on? Be suspicious if you are told that a light is just burned out. Do the headlights and blinkers work? How about the horn and the wipers? Check the radio, cassette and/or disc player to see if they work.

Signs of Odometer Tampering

Look at the odometer for these signs of tampering:

- ❁ It shows a different amount of mileage than you were told the car had or that appears on the paperwork;
- ❁ It seems like very low mileage considering the car's age or condition. Most vehicles used for personal use should average 12,000 - 15,000 miles per year;
- ❁ The numbers do not line up in a straight line;
- ❁ There are streaks of color running horizontally through the numbers;
- ❁ The gas and brake pedals seem very worn for the low mileage on the odometer.

Check the Oil and Exhaust

When you are looking at a used car, check the oil while it is cold to see if it is the right color and at the right level. If it is too dark and looks burned, or it is thick as molasses, there may be a major engine problem. Now start the engine. Does it start up right away? Does it sound smooth or choppy? Accelerate the engine quickly a few times. Does it jump or run roughly? A whining noise can indicate worn or slipping belts.

Leave the car idling while you get out and look at the exhaust. If there is blue smoke, it may be burning oil. Black smoke may be unburned fuel. Excessive steam can be a sign that coolant is leaking.

Other Items to Check

Does the car sound too loud? There could be a leak in the exhaust system. Does the heater work? It is a necessity in New England, but if you are buying a car in the summer, you may not discover that you have a problem until the winter. If the car has air conditioning, try it, even if it is January. Test all systems including power windows, electric seats and alarms. Do not wait until your warranty has expired to find out that something does not work.

Test-Drive the Car



You cannot really tell if you like a car or how it operates without taking it for a test-drive. If the seller will not let you drive the car, find another seller.

Now it is time to take the car for a spin. If you can, drive a route that allows you to go uphill, around corners, over some bumps, and on a stretch of highway.

Does the automatic transmission shift smoothly or jerk abruptly into gear? Are there loud clunks when you shift from drive to reverse (with your foot on the brake)?

If it is a manual transmission, does it shift with ease or difficulty? Put the emergency brake on and engage the clutch slowly in each gear. Does the car stall quickly, or is the clutch disc slipping? Do you hear any clanking or grinding noises?

How do the brakes feel? Does the brake pedal go down to the floor, or do the brakes lock up? Any squeaks or squeals?

When you go uphill, are there any knocks, rattles, or deep engine noises? Does the car have enough power?

As you go downhill, slow down and then punch the gas pedal and look in the rear view mirror. Is there any blue smoke?

How is the steering and handling? Does the car pull to one side or another? Go over some bumps to see if the car bottoms out or jolts too hard. On the highway, the ride should be quiet and smooth. When you come to a stop, does the engine idle roughly, or stall out?

After the Test Drive

If you have test driven a used car, keep it running when you get back from the test drive and check the transmission fluid. It should register at the correct level on the dipstick and be a clear, reddish color. If this is too dark, thick, or gritty, there may be a transmission problem.

For cars with power steering, you may want to check that fluid as well. Look for leaks in the engine compartment or under the car.

Open the glove compartment and search under the seats for any old repair slips. They can provide you with useful information about where the car was serviced, what work has been done and the mileage at the time of servicing.

Now shut off the engine. Walk around the car and kick the tires. (You have been wanting to do this all along.) While you are at it, smell for any sign of hot brakes, and see if the engine overheats once the fan and water pump are turned off.

Obtain a Mechanic's Opinion



Do not take the seller's word that any problems you may notice are minor, or that everything is fine.

Whether you are buying from a dealer or a private seller, have the car checked out by a trusted mechanic at a regular repair shop. There may be a small charge for this service, but it can save you some major headaches and expenses later, especially if you are buying from a private seller, who has no automatic warranty repair responsibility.

Have the mechanic:

- ❁ Do a compression check on the engine;
- ❁ Check the ball joints, differential (if there is one), tie rods, oil pressure, and ignition system;

- ❁ Look at the coolant for signs of oil leaking in;
- ❁ Evaluate the battery and charging system;
- ❁ Pull at least one front and one rear wheel to look at the brakes;
- ❁ Put the car on a lift to look at the underside for leaks, loose connections, or body problems;
- ❁ Check the hoses and fluids;
- ❁ Take the car out for a drive to note any strange sounds, vibrations, or other symptoms of trouble;
- ❁ Check the emissions.

Some garages have computer equipment that can help to diagnose the mechanical condition of the car.



When you are selecting a repair shop, ask for references from friends, and look for the “ASE” symbol, indicating that the mechanics have been certified by the National Institute for Automotive Service Excellence.

Finding out about any mechanical or structural problems may influence how much you are willing to pay for the car or whether you want to buy it at all.

Verify a Used Car’s History



Confirm the accuracy of the odometer reading and find out more about the car’s condition and repair history by contacting the previous owner before you make the purchase. Massachusetts law requires a dealer to disclose to you the previous owner’s name and address (if known) if you ask for this information.

Watch Out for Former Lemons

It is possible that the used car you are looking at on a dealer’s lot or at a private seller’s home may be a former new or used car “lemon.” How do you know?

New cars that were originally bought in Massachusetts and that were returned to the manufacturers under the New Car Lemon Law (see page 45) can only be resold by dealers in this state if:

- ❁ There is a Resale Vehicle Notice on the right front window of the car disclosing that it is a former lemon;
- ❁ The buyer signs a copy of the notice;
- ❁ The dealer gives the buyer a copy of the signed notice and of any resale notices previous buyers have signed;
- ❁ The dealer keeps copies of the notices for four years.

There are, however, some large loopholes in the law. New cars that were purchased in other states and returned under their lemon laws do not have to carry resale notices. There is another good reason to look at a car's title before you buy the car. Some states "brand" the titles of former new car lemons, however Massachusetts does not.

If a manufacturer was not ordered to take a car back through the Massachusetts arbitration program or a court hearing, but agreed to buy the car back voluntarily, the car does not have to be labeled as a former lemon.

Also, cars that are returned to dealers under the Used Vehicle Warranty Law (see page 50) are not required to display "lemon" notices to tip off the next buyer.

If you are interested in a used car that was a returned lemon it is always a good idea to talk to the previous owner. Ask the previous owner:

- ❁ If the mileage on the car is correct;
- ❁ Whether the car was involved in an accident and if the damage was repaired;
- ❁ About any defects and the repair history of the car;
- ❁ Why the car was traded in or returned to the manufacturer or dealer.

If you are buying a car from a private seller, he or she may not know the previous owner. You should at least ask how long that person has owned the car, whether there have been any defects or accident damage, what repairs have been made, and why it is being sold now.



A car dealer must tell you if a used vehicle was a former demonstrator, taxicab, police car, lease or rental car, a total loss in an accident, or submerged in water, if the dealer has or should have that knowledge.

Get Recall Information

You may also want to find out if there have been any recalls on the used car you are considering. You can find out this information by calling the Auto Safety Hotline operated by the National Highway Traffic Safety Administration. The toll-free number is: 1-888-327-4236 (see www.nhtsa.dot.gov).

If you are taking the car to a mechanic to have it checked out prior to your purchase, give the mechanic the information about any recalls on the car. If the defects have not already been corrected, contact the manufacturer to see if you qualify for free repairs. This is especially important when you are buying a car from a private seller, whose responsibility is much more limited than a dealer's.

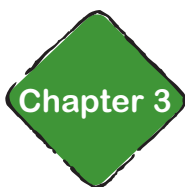
There may also be "service bulletins," which are not official recalls but internal memos from manufacturers to dealers about defects. You are entitled to information from a dealer or the manufacturer about any written notices concerning the existence of defects, even if you are not the original owner of the car.

CARFAX, a Helpful Research Tool

Research the vehicle's title history through CARFAX—to do this, you will need the vehicle's "VIN"—vehicle identification number. Examine the vehicle's history as it may have been in an area of the country where floods or other problems that may not be readily evident occurred.



Remember, doing your homework before you buy a car may save you a lot of grief afterwards.



Making the Deal

Use Good Negotiating Skills

Once you know which car you want, it is time to talk to the dealer about price. Some people enjoy negotiating; others would prefer to avoid it. You can save yourself hundreds, even thousands of dollars by following a few basic negotiating rules:

- ❁ Know in advance how much you can afford and what the car is worth;
- ❁ Check the NADA “Blue Book” for used vehicle values for comparable used vehicles. Check Edmunds and other authorities on new vehicle values;
- ❁ Shop around beforehand for financing;
- ❁ Remember that the dealer is a business person, not your friend;
- ❁ Put everything you agree to in writing;
- ❁ Do not be afraid to ask questions if something is not clear;
- ❁ Walk away from high-pressure sales tactics or deals that seem dubious for any reason.

Understanding the Buyer’s and Seller’s Interests

Whether you are negotiating with a private seller or a dealer, remember that the seller’s main interest is to sell you the car for the highest price possible. On the other hand, your interest is to get the best car you can for the least amount of money.



Always focus the conversation on the car and the price.

Maintaining a healthy distance between you and the seller is important. Questions about your family, job, or other personal information may not be just an attempt at friendly conversation; the seller may be trying to determine how much you are willing to pay and make you less likely to ask the right questions about the car.

Be especially careful if you are buying from a friend, a relative, or a friend of a friend. Just because you know someone does not guarantee that the person is knowledgeable or will be truthful about the car's condition.

Making Your Offer

Dealers will often bring up financing, trade-ins, or rebates early in the negotiation, then raise the price of the car to compensate for any price reductions. If you have your financial package already in place through your pre-planning you can begin to negotiate the car price first. Do not let questions about financing or trade-ins enter the price negotiation. Also, never give the seller your bottom line right away or act as though you love the car — your bargaining advantage will instantly vanish.



Do not be afraid to ask the dealer to throw in extras as part of the deal, like a spare tire, a free extended warranty, or upgraded equipment.

You should make the first offer, regardless of what the dealer is asking for the car in the ad or on the sticker. Based on the price guides you have consulted and the ads in the local newspaper, make an offer that you think is reasonable based on the dealer's cost, not on the sticker price. But leave yourself some room for negotiating.

If the dealer does not accept your initial offer, ask for a counteroffer — do not let the dealer make you raise your initial offer without getting a counteroffer first.

The general rule of thumb is to raise your first offer by no more than half of the difference between that and the dealer's counteroffer, but use your judgment. The most important thing to remember is not to raise your offer too quickly.



A dealer may say that a price is only good that day, but often that is not true. It is not uncommon for the dealer to call you back with a better offer later.

Your best negotiating tool is your ability to walk away. If you think the price is too high, or the dealer is not willing to give you the information you want, or you feel like you are under too much pressure, get up and leave. You can always return later, and it may increase your bargaining power to let the dealer know that you are looking at other cars and have found a better price elsewhere. Do not leave a deposit “to hold” the car. It is not easy to retrieve deposits.



Do not negotiate on the basis of the monthly payment amount — that just distracts you from focusing on the total purchase price. Lower monthly payments — payable over a much longer period — may result in paying much more than the vehicle is worth.

Be Aware of Dealer Negotiating Strategies

Dealers have developed elaborate strategies to give them advantages in negotiating:

The salesperson tells you that the manager must approve your offer and leaves you for several minutes.

This is done to make you anxious about getting the car and give you the impression that your offer is too low.

To counteract this strategy, ask to talk to the manager directly, or go for a walk. If you begin to act disinterested, the salesperson will come back more quickly. And if you are waiting with a friend, do not talk about the deal while the salesperson is gone. The walls may have ears to hear what you are saying about the price.

The salesperson leaves and another salesperson takes over the discussions. Or a second sales person joins the first to talk to you.

This may be an attempt to start the negotiations over again after you have already made some headway or to increase pressure on you. Insist on finishing the negotiations with the original salesperson and/or the manager. And remember that your best defense against high pressure sales tactics is to leave.

The dealer tells you to take the car home “on the spot,” before you have committed yourself to the deal or while the loan application is still pending.

If the loan does not go through or the dealer tries to

change the terms of the contract, you may feel obligated to keep the car because it is already in your possession. Since the car cannot be insured or registered in your name until the deal has been completed, there could be problems with liability if you are cited for a traffic violation or involved in an accident, or if the car is stolen or vandalized.



Do not take physical delivery of a car until everything has been agreed on and the paperwork has been finalized.

It is against the law for you to use dealers' license plates, except for a test drive. If the dealer suggests this to you, or refuses to show you the car's title, walk away — fast! Under state law and regulation, the dealer must deliver the title to you, or to the lender, when you take delivery of the car. No title is a red flag — the car may still have unpaid loans on it, or other problems, such as a lost title. Find another car!

Consider Which Extras to Buy

Not only are you negotiating the base price of a car, but in a dealer sale there may be factory or dealer-installed options to discuss. You do not have to take extras you do not want, and you should remember that the prices for extras are negotiable.

Options and Add-Ons

Some dealers try to require buyers to purchase equipment or other extras as a condition of the sale. This practice, known as “option packing,” is illegal in Massachusetts. You should be able to order a new car with any of the features you want, depending on what options and combinations of options are available from the manufacturer.

Options that come from the dealer, such as rust-proofing, paint sealant, fabric protection, extended service contracts, and theft deterrent devices are big profit-making items. They may not be necessary or worth what the dealer is asking. For instance, most new cars already come with manufacturer's guaranties against premature rusting or defective paint. Similarly, it may not make much sense to have a used car rust-proofed, since it may already be rusted.



Look into how much these options would cost if you bought them elsewhere before you decide whether to purchase them from the dealer.

Extended Service Contracts

Extended service contracts, also called extended warranties, are options that may cover certain repairs for a longer time or more fully than the manufacturer's or dealer's standard warranty. They vary in price, length of coverage, number of miles, and parts and labor that are covered.



Not all extended service contracts are the same. Be sure to determine exactly what is covered before you decide whether to purchase an extended service contract.

Extended service contracts may duplicate much of the coverage you already have from the dealer or manufacturer. There are usually many restrictions, limitations, and exclusions for coverage. When you are considering an extended service contract:

- ❁ Evaluate the cost. Many contracts are expensive, \$1000 or even more;
- ❁ Determine how long you plan to keep the car and how likely it is that you will need repairs within the covered period;
- ❁ Assess whether the manufacturer's or dealer's warranty already provides the needed coverage;
- ❁ Be aware that there is usually a deductible, ranging from \$25 to \$100, that you must pay toward each covered repair;
- ❁ Review the contract, not just a brochure summarizing the warranty, to see exactly what is covered and what is not;
- ❁ Check to see what you have to do in order to get warranty service. For instance, is the warranty company available toll-free, 24 hours a day, to respond if you need emergency repairs?

Sometimes extended warranties do not cover certain parts if they failed because of problems with other parts that are not covered in the contract. Also, "diagnostic" services necessary to determine what is wrong with the car may not be covered.

There may be unreasonable requirements for you to furnish proof of regular maintenance before problems will be covered. In some cases, payment will be made directly only to

“participating” repair shops. You may have to pay the bill yourself and then seek reimbursement from the warranty company.



Extended warranties are not considered to be insurance policies under Massachusetts law.

Usually extended warranties are administered by “third party companies,” not the dealers or the manufacturers. Because the warranties are not insurance, they are not backed by any fund to protect consumers if the warranty company goes out of business. In that case, it may not be possible to get repairs covered or payment for the warranty refunded.

Another thing you should be aware of is that most extended warranties can be canceled at any time for a refund pro-rated according to how much time has gone by. Be aware that sometimes the refund is calculated on the amount that the dealer gave the company for the contract, not the amount you paid the dealer.

It is not uncommon for dealers to double the cost of extended service contracts when they are sold to consumers. Because it is so profitable, the dealer may try to pressure you to buy a service contract. Be aware that a dealer cannot force you to buy one as part of the sale.

Finance Options

If you take out a loan for a car, you will generally pay a percentage of the car’s cost up front as a down payment. Lenders usually require a down payment for two reasons — to demonstrate your commitment to the deal, and to instantly address the fact that the car’s retail value is higher than its wholesale re-sale value.

Lenders have specific guidelines to tell them how much you can really afford — information that is useful to you when you are car-hunting. Here are some of the things they look at:

- ❁ Your payment history on other financial obligations;
- ❁ More than one year at the same job;
- ❁ No more than half of your gross income committed to fixed expenses, such as rent, loans and other credit cards.

Some lenders may put different emphasis on each of these factors, so always check with more than one lender if you have problems in any of these areas. Truthfully explain any difficulties in the past.

If you have already shopped around for financing, you know whether the bank or credit union is willing to lend you money, how much you can borrow, and at what rate. Having that information enables you to act quickly to clinch the deal. If you are looking at cars on dealers' lots, you can compare the financing they may offer to what you can get on your own.



When the dealer gets the financing for you, he or she usually gets a percentage point or two of the loan rate from the lender as profit.



You may be able to get a better rate yourself. On the other hand, you may need the dealer's help if you have poor credit and cannot find a lender to give you a loan.



Be wary of ads or dealer statements that "all credit applications will be accepted." Even though a dealer advertises that all credit applications will be accepted, it does not mean that all applications will be approved or will be approved at an interest rate you can afford. You should also be wary of ads offering financing even if you have "no credit, slow credit, or bad credit." The dealer may be able to get you financing, but it may be at a high interest rate or on other terms that will be difficult for you. For the same reason, be wary of finance companies that offer loans to high risk individuals who are not considered for loans by banks.

Understand the Cost of Credit

Federal and state law requires the lender to clearly disclose all the costs and terms of financing to you in writing before you sign the loan agreement. Read the information carefully, looking for these items:

-  Sale price of the car;
-  Amount of that sale price that you are borrowing (called the principal);

- ❁ Annual percentage rate (interest rate);
- ❁ Total amount of finance charges you will pay for the loan;
- ❁ Total loan amount (principal plus interest);
- ❁ Schedule of payments (amount per month, number of months, dates payments are due).

You may also be responsible for late fees or costs of collection if you do not pay on time! Those terms should all be spelled out in the finance agreement.

Whether you are obtaining financing through the dealer or directly from a lender, compare the monthly payment amounts and the total cost to your own budget calculations — you know best how much you can afford. If a lender or dealer tries to get you to pay more than you feel comfortable paying, back off. You may want to borrow less or try someone else.



Remember that loans are usually set up so that in the beginning, more of your payment is applied to interest than to principal.

Car loans have also gotten longer — although 3 years used to be common, loans now may be written for 4-6 years. What will the car be worth at the end of that time? Will it last that long? Not without maintenance!

When you take out a loan the lender owns the car, not you. If you lose your job, suffer a disability, get hurt in an accident, or otherwise cannot make your monthly payments — you risk having the car repossessed. When your car is repossessed it is taken back by the finance company.

If you fall behind in payments and the car is repossessed, or you sell the car before the time set for the loan to end — you may not get enough money in resale to pay off the loan, leaving you on the hook for the difference. So when financing a car purchase, ask yourself:

- ❁ How long do I plan to keep the vehicle?
- ❁ What is the largest down payment I can afford to make in order to reduce the amount I am borrowing? A large down payment will reduce the amount financed and your monthly payment.
- ❁ What is the lowest interest rate I can get?

- ❁ What is the most I can afford to pay each month to pay off the loan as quickly as possible?

Credit Insurance

The dealer or lender may ask you if you want to purchase credit life or disability insurance. These types of credit insurance cover the loan payments if you die, or become ill or disabled, but they usually only pay for limited periods of time, not indefinitely.

You cannot be required to buy credit insurance when you get a loan. You may already have coverage through your own life insurance or adequate savings to cover your payments in an emergency. Credit insurance is an additional expense, and it is even more expensive if you are paying finance charges on it. So think carefully about whether it makes sense to buy credit insurance.

Leasing Your Car

Leasing provides consumers with an alternative to financing the purchase of an automobile. When you lease a car, you are paying to use the car for a period of time. During the term of the lease, you do not own the car even though you are usually responsible for maintaining and insuring the car. Though leasing is not for everyone, it does provide an alternative to financing if you do not have a lot of money for a down payment, you know how many miles you will be driving over the lease term, and your budget only allows for a low monthly car payment.

Understand the Cost and Terms of a Lease

Federal laws and regulations require the lessor (the company leasing the car to you) to clearly and conspicuously disclose a number of important leasing terms to you before you sign the lease agreement. (See the informative brochure published by the Federal Reserve Board, called: “**Keys To Vehicle Leasing: A Consumer Guide.**” www.federalreserve.gov/pubs/leasing/ for more information, or call the Boston Federal Reserve Bank for a copy at: 617-973-3000). As with any contract or important document, you should take time to carefully read the entire lease agreement and make sure you understand the terms.

Specific terms must be disclosed in the lease agreement, separated out from the other lease contract terms. They must appear in a document that you can take with you:

- ❁ An itemized list of the amount due at lease signing;
- ❁ The number, amount, and due dates or periods of payments and the total amount of all payments due during the term of the lease;
- ❁ The total amount of other charges itemized by type and amount that are not included in periodic payments, such as a disposition fee;
- ❁ The total amount you will pay by the end of the lease;
- ❁ A step-by-step illustration of how your periodic payment is calculated including disclosure of the gross capitalized cost (the negotiated value of the car and any items paid over the lease term), the capitalized cost reduction (the down payment, including rebate and/or trade in value) and the rent charge (comparable to the finance charge in a financed sale);
- ❁ A disclosure that you may have to pay a substantial charge, up to several thousand dollars, if you end the lease early;
- ❁ A notice of the standard that will be used for determining whether or not the car is subject to an excessive wear and use charge at the end of the lease. The lease must also specify the amount or method of determining any charge for excess mileage;
- ❁ If there is an option to purchase the car at lease end, the document must disclose the purchase price or the method for determining the purchase price at lease end.

Other disclosures need not be separated out, so you will have to look closely at the entire lease agreement for them. The lessor must disclose, among other terms, any conditions under which either you or the lessor can terminate the lease and the amount of (or description of the method for determining the amount of) any early termination penalty you will have to pay; a statement of who is financially responsible for maintenance of the car during the lease term; a statement of the standards that the lessor will use to determine whether an excessive wear or use charge will be imposed at the end of the lease; and information about any penalties for default, delinquencies or late payments.

The required disclosures should give you enough information to compare lease offers. If you decide to lease a car, it is always wise to compare all the lease terms to determine which lease is best for you. Though one lease may have a lower monthly payment, it may be for a longer term, requiring you to pay more over the life of the lease.

Understand the Sales or Lease Contract

When you buy or lease a car, there should be a written contract spelling out all of the terms between you and the seller or lessor.



Do not sign any document that has blank spaces on it. Fill everything in, or write “not applicable” in the spaces. You must be given a copy of the finance or lease agreement you sign — this is separate from the motor vehicle purchase agreement.

Private Party Contracts

In a private sale, you do not need an elaborate contract. However there should be a bill of sale, which may be typed or handwritten, that includes:

- ✿ The date of the sale;
- ✿ The year, make, mileage, and vehicle identification number of the car (this can be found on the title or on the top of the dashboard);
- ✿ The odometer reading;
- ✿ The amount of money paid and method of payment (cash or check);
- ✿ Any special conditions or promises;
- ✿ A list of any serious defects that the seller knows about;
- ✿ The seller's and buyer's names, addresses, and phone numbers, and their signatures.

Make sure that the name on the title is the same as the name of the seller.

All sellers must disclose the actual mileage of the cars. The seller must indicate on the title if the odometer has rolled over and started again at zero, or if the mileage displayed on the odometer is not accurate.



Do not accept a title from the seller if the mileage is not filled in and/or the title is not signed.

Deposits in Private Sales

When you give a private seller a deposit to hold a car for you, do not assume that you can get your money back if you change your mind. If the seller agrees to refund your deposit, get it in writing.

Dealer Contracts

Dealers use forms called “Motor Vehicle Purchase Agreements.” While these are fairly standard, they are not always identical, so it is important for you to read the contract and understand all of its terms. You may be worn out after tough negotiations, but do not be rushed or intimidated into signing the contract before you have had a chance to read it.



Once you and the dealer sign the contract and you receive a copy of it, you are both bound by that agreement.

Before you sign on the dotted line:

- ❁ Read the contract carefully, preferably by yourself and not while the dealer or salesperson is sitting there. If you prefer, ask if you can take it home to read. If the dealer refuses that should caution you about engaging in further dealings with the dealer;
- ❁ Make sure you understand everything. If something is not clear or you think it is incorrect, ask the dealer;
- ❁ Do not be afraid to say you want something changed if it does not accurately reflect the verbal agreement;
- ❁ Make sure everything is included.

If the deal was supposed to include a free service contract, is that noted in the contract? If the deal is contingent on (depends on) your ability to get financing, or on the financing being available at a certain rate, does it say that? If the dealer agreed to make particular repairs before you take the car, are they listed? Make sure that all the terms that you have negotiated and agreed to are listed on the contract.

Document Fees

The amount that the dealer can charge you for helping to prepare the title paperwork is set by Massachusetts law at \$5. However, there is no limit set by law to how much can be charged for other services, such as preparing the finance agreement, getting the registration application stamped by your insurance agent, or going to the Registry of Motor Vehicles for you.

When you see unspecified “document fees” on the contract, do not be shy about questioning fees and asking for an itemization. While dealers may be justified in asking for some compensation for this work, the fees are often very high. Try to negotiate a lower fee.



You may be able to save some money by going to your insurance agent and the Registry of Motor Vehicles Office yourself, if you have the time.

Deposits in Dealer Sales

You may be asked to leave a deposit to hold a car, even before you have agreed on all the details or your financing has been approved.

You should be aware that the dealer may not be required to return your deposit if you decide to cancel the deal and if:

- ❁ You and the dealer have signed the contract and;
- ❁ The contract has a special section on the front page, clearly blocked-off, that states the circumstances under which your deposit will be kept and;
- ❁ The specific dollar amount is filled in and;
- ❁ You initial that clause, separately from your signature at the bottom of the contract.

Do not place a deposit on a car unless and until you are serious about buying the car.



Make your deposit as small as the dealer will accept in case you have to forfeit it.

The Buyer's Right to Cancel

While there is no automatic cooling off period for canceling a motor vehicle purchase agreement, in some situations the buyer does have the right to cancel the contract and receive a full refund of any money paid:

- ❁ When the contract has not yet been signed by an authorized dealer representative;
- ❁ If the agreement was "contingent" on getting financing or on other terms that did not occur after reasonable attempts to fulfill them;
- ❁ When the dealer attempts to deliver a car that does not conform to the contract;
- ❁ If the dealer fails to deliver the car within the time period specified in the contract or, if no time was promised, within 8 weeks (unless the delay is caused by acts beyond the control of the dealer and manufacturer).

If you order a car and it arrives with options you do not want or without a promised feature, you can cancel the contract, or you can negotiate a new agreement, if you like. If repairs were promised on a used car before delivery and they are not made, you do not have to take the car.



Remember, once the car is registered in your name, it is much harder to cancel the contract and get your money back.

Buying a Car Over the Internet

The Internet can be a useful tool for car shopping but requires even more care. For many years, millions of motorists have turned to the World Wide Web to research car models and prices. In recent years consumers have used the Internet to negotiate the actual purchase of a car, and even arrange for delivery of it to them. The risks can be high, though, when you make an expensive purchase of a used vehicle on-line with a seller in another state. Successful complaint resolution let alone legal jurisdiction gets complicated. Consider the following suggestions when using the Internet for car shopping.

Purchasing a Vehicle on the Web

If you are buying a used car your Internet research can arm you with direct leads to used car sellers, both individuals and licensed dealers, and you can complete the negotiations in person. Yet, the Internet also can allow the entire transaction to be completed on-line, via an auction site, a used car dealer's site, or a private seller posting his vehicle for sale; and the purchase completed with terms negotiated via Internet and telephone discussions. All that is left is to arrange for delivery or to pick up the vehicle.

Some car buyers travel to the seller's location to physically inspect the vehicle and if satisfied, bring it back home. This may be smart and even worth the cost of a one-way plane ticket, especially as it will allow you to test drive the vehicle, and arrange for an independent mechanic to inspect it for you. Some auction-focused web sites allow competitive bidding for vehicles or straight set priced transactions. eBay, and similar sites, have some built-in protections such as a way to learn about the reputation of the seller based on other transactions, and also an opportunity to use an escrow payment system to protect against non-delivery or misrepresentations about the features or functions of the vehicle. Be aware, however, that some sellers may post praise for themselves by using other identities, so take recommendations with the proverbial "grain of salt."

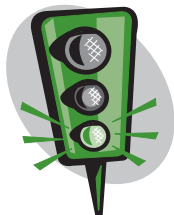
Many, many "brick and mortar" car dealers are using the web to attract sellers who might be seeking a particular make, model, and color, thus, drawing from a much wider geographic reach for customers. In these instances the transaction is usually completed in the traditional way, with a visit to the dealership to purchase the automobile

To protect yourself when buying a vehicle over the Internet, keep the following tips in mind:

- ❁ Verify the seller's identity before you do business with him/her. Identify the company or private party seller's name and the city location and physical street address, and phone number;
- ❁ Check out the seller's reputation. Contact the Office of the Attorney General and the Better Business Bureau in your state and in the seller's state to see if the seller has a history of complaints. Be aware that a seller with no complaints does not guarantee that the seller is legitimate.

- ❁ Research the vehicle's title history through CARFAX—to do this, you will need the vehicle's "VIN"—vehicle identification number; Examine the vehicle's history as it may have been in an area of the country where floods or other problems that may not be readily evident occurred;
- ❁ Carefully examine car. If you are knowledgeable examine it yourself or have an independent mechanic or trusted friend check it out. If possible—test drive it;
- ❁ Do not rely on one photo, but seek more shots of the interior, under the hood; etc.;
- ❁ Understand the terms and conditions of the sale. Ask how and when the car will be delivered, and find out about the seller's return policy. Is the seller a licensed dealer and if so, does his state require certain warranty protections for the consumer-buyer? Will the dealer honor those warranty protections for you?
- ❁ Get written information about any warranties offered or required on the vehicle. Ask about procedures for dealing with any needed repairs or other problems that may arise.
- ❁ Talk to your insurance agent to see if there are procedures so you can arrange coverage if you want to go pick up the car and drive it home before you register it. Ask what the insurance agent's "blue book" estimates as its worth. Check on anticipated insurance costs before you commit to buying the vehicle – many a deal involving a "cool car" can become a problem if an inexperienced purchaser does not know what to budget in advance for both the vehicle and the insurance for it;
- ❁ Don't pay for the car via a wire transfer or provide your checking account information for an electronic transfer...use a check or credit card; or better yet, put the payment in escrow until you have the car and are sure it is what you expected;

As a general rule, if you buy a vehicle over the Internet from an out of state seller, in most circumstances Massachusetts's consumer laws will NOT apply to the sale.



Completing the Purchase

The Importance of Car Titles

The “certificate of title” is the document that states who owns the vehicle. **Before** you agree to purchase or lease a used car, ask to see the title and examine it closely. Do not buy or lease a car if the seller cannot produce the title. This is a red flag indicating the possibility that the car may not be paid for yet, or that it is being sold or leased without the owner’s permission.

If you are buying from a private seller, the name on the title should be the same as the name of the seller. If it is not, ask why not, and find out whether the seller is authorized by the actual owner to sell the vehicle.

In a dealer sale or lease, the name on the title may be the former owner’s or the dealer’s. If title is in the dealer’s name, ask why. The car may have been brokered to that dealer by another dealer, who decided not to sell it for some reason, or the car may have been bought at an auction. If the previous owner’s name does not appear on the title, it is much more difficult to trace the history of the car.

When you examine the title:

- ❁ Check to see that the numbers are clear, not written over or altered;
- ❁ Compare the mileage listed on the title to the miles that appear on the odometer — if the number of miles on the car is less than the mileage on the title, the odometer may have been spun back;
- ❁ Make sure there is no “lienholder” listed on the title. The lienholder (a bank, credit union or finance company) holds title until all payments are made;
- ❁ Look at the Vehicle Identification Number (VIN) — the 17 digit/letter listing on the small metal plate you can see through the driver’s side of the

windshield or look on the driver's side door post — and compare it to the listing on the title. If they do not match, the title does not belong to that car. Note that if a state issued a replacement VIN to a salvage or previously stolen vehicle, the front driver's door hinge post will have the two letters of the state name and 6 digits.

Under the Attorney General's Motor Vehicle Regulations, you must receive the title (or it must be sent to the lienholder) on the date of delivery. Dealers may sometimes have trouble getting title to a car on which they are paying off a previous owner's loan. Do not take delivery of a car without title — this may mean the car has an unpaid loan in another state, or other problems, which may take time to resolve. A missing title is a red light. Do not take the car home.



Do not allow a dealer to let you drive on dealers' plates until the title comes in. Do not agree to keep re-dating the paperwork until the title is available.

If the dealer is selling you a vehicle for which he does not have a title, it may be weeks or even months before you can register the vehicle. You should take back your old car until the title arrives (or cancel the deal).



You must apply for a new title within 10 days of purchase.

Salvage Title

If you see the word "SALVAGE" on a title, be very wary. Salvage titles must be issued when an insurance company has declared a vehicle to be a total loss due to fire, vandalism, collision, theft, flood, or any other cause.

A "salvage" classification is permanent and always remains a part of the vehicle history. "Salvage" may be modified by the word "reconstructed" if it has been repaired or rebuilt and undergone an inspection by the Registry of Motor Vehicles. However this inspection is only to ensure that no stolen parts were used in the reconstruction, not that the vehicle is safe and roadworthy. To determine road-worthiness, you must take the vehicle to an authorized inspection station and undergo the combined safety and emissions inspection required each year. It is also advisable to take the vehicle to a mechanic you trust before you commit to buying it.

You cannot register a vehicle with a salvage title, without applying for a “reconstructed” or “recovered-theft” title, after undergoing the salvage title inspection process.



Total losses from out-of-state may not have salvage titles — another good reason to trace a car’s history and have the car checked by a mechanic.

Anyone who “reassembles” a vehicle by welding the frames or unit bodies of two or more vehicles together must also apply to the Registry for an inspection, in order to get a “reconstructed” title for the vehicle. The component vehicles need not have been total loss salvage vehicles. You may thus see a “reconstructed-salvage” title or merely a “reconstructed” title. Both indicate that the vehicle has been inspected for use of stolen parts, but do not indicate an inspection for safety or roadworthiness.

The best advice is to steer clear of salvaged or reconstructed vehicles. However, if costs dictate that you purchase one of these vehicles, be certain to have a qualified mechanic and inspection station thoroughly inspect and test the vehicle before you commit to buying it.

Auctions, Salvage Vehicles, “Consignment” Sales, Used Vehicle “Leases”

Although the used vehicle warranty law states that anyone who sells more than 3 vehicles in a calendar year is a “dealer” for purposes of providing warranties to consumer buyers, unscrupulous dealers persist in trying to get around providing the appropriate warranties. They will hold “auctions,” sell reconstructed salvage vehicles “as is,” offer vehicles “on consignment” on behalf of a friend/relative or as a so-called “lease.” In these cases the consumer pays weekly or biweekly as much or more money than he or she would pay if the vehicle was sold with or without an option to purchase at the end of the “lease,” all without used vehicle warranties. The selling dealer is responsible for honoring any warranty. A dealer that displays a car on “consignment” from another dealer, or a private party, should purchase the vehicle from the owner before selling it to you. The title will be assigned from the consignor, but you will be able to obtain warranty coverage from the dealer whose lot it was displayed on. If you see such a “deal,” steer clear of it. It is difficult to fight battles against such dealers,

who are obviously trying to avoid their obligations under the law. Vote with your feet and your dollars, and go elsewhere.

Registry Requirements

Once you have made your deal and taken care of any financing arrangements, the car is yours. However, you still need to do a few things, by yourself or with the dealer's help, before you hit the road. To find out what the Registry of Motor Vehicles requires visit the RMV's web site at: www.massrmv.com. The web site also contains the address of the nearest Registry branch office. You can also refer to a copy of the Registry of Motor Vehicle's Driver's Manual – also available at any Registry branch.

Applying For Registration And Title

To register the car in your name, you need: the bill of sale or motor vehicle purchase agreement; the previous title to the car signed over to you (for a used car) or the certificate of origin (for a new car); and a stamp on your registration application certifying that you have insurance. Do not make any changes to the title.

There are fees for registering the car (or transferring the registration from one car to another) and applying for a title in your name. Visit the Registry of Motor Vehicles web site at: www.massrmv.com for the current fee amounts. After you apply for registration and title, you (or your lienholder if you have financing) will receive the new title in the mail.

When the car is registered, you will get license plates, or if you are transferring your registration from one car to another, you will attach your old plates to the new car and get a new registration card. See the requirements for transferring a registration on the Registry's web site at: www.massrmv.com. The registration card will come with stickers that must be attached to the license plates indicating when your registration expires.

Taxes And Other Expenses

Remember that you must also pay sales tax when you register the car. It is 5% of the purchase price or, if you bought the car from a friend or relative for a price lower than its book value, you will be charged 5% of the "trade-in" book value. If you want, you can give the dealer the money for your registration, title and sales tax, and the dealer will pay the Registry for you. Keep in mind that you will probably have to pay the dealer an extra fee for that service.

You will also get a bill later from the city or town you live in for excise tax, which is a yearly assessment based on the value of the car. All of these costs should be figured into your budget when you are buying a car.

Insurance



Motor vehicle insurance is mandatory in Massachusetts — you cannot legally register or drive a car without it.

Talk to an insurance agent about your options for coverage. Some basic levels of insurance are required, but you may want to get more than the minimum.

For instance, for a new or late-model car, you may want to have coverage for repairs or replacement if you are in an accident that was your fault. You also have the choice of limited collision or comprehensive coverage, which includes fire damage, theft, and vandalism. Buying expensive coverage for an inexpensive car may not make sense. If you financed or leased the car, the lender or lessor may require you to carry expanded (and more expensive) insurance coverage.

You also have your choice of deductible---the amount you pay out of your pocket before the insurance company pays. The higher your deductible, the lower your insurance cost, but you need to consider how much you can afford to pay toward repairs or another car if you are in an accident.

Ask your insurance agent about discounts for anti-theft devices, taking a driver's training course, having more than one car insured by the same company, or having a car with airbags or automatic seat belts. Keep in mind that some cars cost more to insure than others because they are considered "high theft vehicles" — attractive to thieves. Get a list of high theft cars from your insurance agent **before** you buy a car.

You must get a "physical damage" inspection when you insure a used car. Your insurance agent can give you a list of inspection locations. This inspection, which is separate from the safety and emission test, is done to document any preexisting damage to the car.

If you are in an accident later, the insurance company will not pay to repair damage that existed when you bought the car. And it will not honor any claim for accident damage to the car if you didn't have the insurance inspection done. There is no charge for this inspection.



For a free copy of the state sponsored insurance brochure, “Smart Choices,” contact your insurance agent.

The Safety and Emissions Test

Whether you buy a car in a private sale or from a dealer, you need to get it inspected by a state-licensed inspection station within 7 days of registering it. This is true even if there is an unexpired inspection sticker on the car.



Both car dealers and private sellers are supposed to remove old inspection stickers from cars after they have been purchased to force buyers to have cars inspected.

Often dealers will offer to inspect the cars themselves or to arrange for inspection elsewhere. It is a good idea to take the car to an independent inspection station yourself so that you can be sure you are getting a thorough, objective inspection. Do not let someone inspect the car who may allow marginal items such as worn tires, bad ball joints, or soft brakes to slide by. The inspection station must also check the lights, horn, emergency brake, directional signals, and the body for severe rust, as well as testing the emissions.



To find an inspection station in your area, call the toll free hotline at 1-877-387-8234 or visit the Enhanced Emissions and Safety Test web site at: www.vehicletest.state.ma.us

In October 1999, the Enhanced Emissions and Safety Test was adopted to comply with federal requirements to help clean the air. Under this program, registered motor vehicles are required to be inspected each year for safety and every other year for emissions. These inspections are conducted at licensed stations across the state. Stations are easily located because they display the official sign. You can find them by calling the toll free number or using the web site listed. As a general rule, vehicles with even-numbered model years receive emissions tests during even numbered calendar years and odd-numbered model years receive emissions tests during odd-numbered calendar years. The annual fee is \$29.00. While the safety test is required every year, vehicles

which are model year 1983 or older will not be required to have an emissions test. New cars will also be exempt from the emissions test for their first 2 years.



Safety and emissions tests must be conducted within 7 days of registration of a vehicle, regardless of the calendar/model year. Driving any motor vehicle without a valid inspection sticker is a traffic violation and can result in a fine and affect your insurance rate.

If your motor vehicle passes the inspection, a sticker will be affixed to the lower right inside windshield of your vehicle. This sticker is valid for 1 year. If your vehicle fails the inspection, you will receive a “reject” sticker.

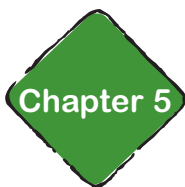
If the problem is safety related, you must have the problem fixed immediately. You are not allowed to drive the vehicle until the safety issue is resolved.

If the problem involves vehicle emissions, you have 60 days to correct the problem and resubmit your vehicle for inspection. For more details call toll free **1-877-387-8234** or visit the web site at **www.massrmv.com**



Under certain circumstances, you have the right to return a car to the seller if the car fails inspection (see page 43). If you purchased the car from a dealer and it fails inspection you also have the option of having the dealer repair it under warranty so that the car is safe and passes inspection (see page 44).





Handling Purchase Problems

How to Reject a Car for Immediate Problems

You have done your homework, carefully selected the car, paid for it, and you are ready to drive it away. You expect to have many years of driving satisfaction and few problems. But here are some examples of problems that may come up immediately and suggestions for how to resolve them:

Problem #1:

In the excitement of taking delivery of your new car, you did not notice that the dealer provided you with a car which has a beige fabric interior although you ordered a car with brown leather seats. You discover this problem after you drive out of the dealership.

Solution:

Immediately drive back to the dealership to point out the problem. (Your purchase agreement specified that the seats were supposed to be leather.) If the dealer refuses to take the car back or agree to some other solution that you may suggest, such as an adjustment in price, consider formally “rejecting” the vehicle. Under state law, you can reject goods that do not conform to the contract if you do so immediately. You may want to hire a lawyer to write a proper letter of rejection. You should not exercise ownership over the car after you have formally rejected it.

Problem #2

Three blocks from the dealership, on your way home, the car dies. The dealer tows the car back, and notes that a major problem has developed which needs to be fixed.

Solution

Consider “rejecting” the car, as explained in Problem #1. If it is a new car, you might want to contact the regional office of the manufacturer. (Consult your owner’s manual for this information.) Sometimes manufacturers’ representatives can help to resolve problems quickly by offering replacement vehicles. If it is a used car, you may want to have it towed to an official inspection station to obtain a “rejection sticker.” Cars that will not run automatically fail inspection because they are unable to pass the safety and emissions test. This can be especially helpful if you purchased the car from a private seller, who has no repair responsibilities (see page 53).



There is no three-day right to cancel a car contract for any reason. You need other grounds to cancel.

Most car purchasers will not experience immediate problems. To be prepared for any trouble you may have with the car later:

- ❁ Read the warranty and any additional service contracts you may have purchased so you understand any steps you must take to keep those protections in place or to get warranty service;
- ❁ Read the owner’s manual to determine what routine maintenance procedures you must follow;
- ❁ Put your purchase contract, finance documents, owner’s manual and all warranties in a safe place.

Remember, you must get your car inspected by an official inspection station. For your own protection, arrange for the inspection yourself; do not let the seller do it. Have the vehicle inspected within 7 days of purchase.

The next sections will explain the steps you can take if your newly purchased car turns out to be a “lemon.”

Lemon Aid Law

If you have problems with your car soon after purchasing it from a dealer or a private party the state Lemon Aid Law (Massachusetts General Laws Chapter 90, section 7N), could be a lifesaver.

The law allows you to demand your money back if the car fails inspection **within 7 days of purchase** and repairs necessary to make it pass are estimated to cost more than 10% of the purchase price, **REGARDLESS OF WHETHER THERE IS ANY WARRANTY OR THE SELLER HAS PUT “AS IS” ON THE BILL OF SALE.**




The time periods and other requirements of this law are very strict. Do not miss a deadline or you could miss out on a refund.

To get a refund under the Lemon Aid Law:


- ✿ The vehicle must receive a rejection sticker within seven (7) calendar days of purchase. Note that this law requires you to have the vehicle inspected within 7 calendar days of purchase to claim any rights under the lemon aid law — but another state law **requires** you to have the vehicle inspected within 7 calendar days of the date of first “registration” — which may be the 7th day following the purchase. Protect your rights and have the vehicle inspected within 7 days of the purchase date.
- ✿ You must get a written statement from the garage showing the date the car was rejected, why it failed, what repairs are necessary (remember, only inspection-related defects count) and how much they would cost (it must be more than 10% of the purchase price to return the car for a refund);
- ✿ The statement must be signed by the inspector;
- ✿ You must physically return the vehicle to the seller within 14 calendar days of purchase, along with a copy of the statement from the inspection station and a letter from you demanding your money back under this law.


If the car is rejected because of body problems but the inspection station does not do body work, get a statement documenting that the car failed and why, and a separate estimate from a body shop showing what it would cost to fix the problem.

 **Take a friend or relative along as a witness when you return the vehicle. (You will need a ride home, anyway.)**

If the seller refuses to take the car back, both you and your witness should go to a notary (you can find one at a bank, city or town hall, or insurance agency) and sign a statement indicating that on that date you attempted to return it, but the seller refused. Whether you leave the car on the seller's land is your decision. Remember, the car remains legally your property, and you will be responsible for any damage to it. Do not drive the car with the rejection sticker except to get it home or to a repair shop.

There is no specific time limit for the seller to give your money back. If a car dealer refuses to make reasonable arrangements for a refund, you can file a complaint with the consumer agency in your area, or you can sue the seller, regardless of whether it is a dealer or a private party. Small Claims Court handles disputes up to \$2000; if the purchase price was more, you should consult with an attorney.

 **You cannot force the seller to repair the car under the Lemon Aid Law, but you and the seller can come to an agreement concerning repairs, if you choose. In most cases, it is better to cancel the deal if the car is defective soon after purchase. Get any agreement you make in WRITING.**

 **A free fact sheet about the Lemon Aid Law can be obtained from the state Office of Consumer Affairs (see Appendix A-7).**


How to Revoke Acceptance

If a new car develops problems after purchase, you probably will not be able to get an immediate refund or replacement. Under state law, a buyer can “revoke acceptance” of any product if defects are discovered that cause it to be “substantially impaired.” However, this is a difficult argument for consumers to make without the assistance of an attorney. Contact a lawyer if your problem does not fit under one of the specific auto lemon laws and you want to “revoke acceptance” under this general legal principle.

New Car Lemon Law

Consumers who have serious problems with new cars they purchase or lease from Massachusetts dealers may be protected by the New Car Lemon Law (Massachusetts General Laws Chapter 90, section 7N-1/2). The law provides that:


A consumer can demand a refund or replacement by the manufacturer if the vehicle has a defect which substantially impairs its use, market value or safety and which has not been repaired after a reasonable number of attempts during the “protection” period.

 **Auto homes, off-road vehicles, and vehicles used primarily for business purposes are not covered by this law, but motorcycles are.**

Period of Protection

One year or 15,000 miles from the date of delivery (whichever comes first)

All of the required repair attempts (except the “last chance”) must occur during the first year or 15,000 miles from the date of delivery. For demonstrators, the time begins when they are first put into service, not when consumers buy them.

 **Be sure to get a copy of the repair order each time you bring your car for service, even if it is under warranty, and even if the problem is only checked and no repairs are actually made.**

Reasonable Repair Attempts

3 times for the same substantial defect or symptom, or a total of 15 business days in the shop for any defect(s) which alone or in combination, substantially impair the vehicle

After you have given the dealer a “reasonable” number of repair attempts, the manufacturer has a “last chance” to fix the car.



To notify the manufacturer, send a letter by certified mail, return receipt requested. Give a history of these pairs, explain what still needs to be fixed, and state that you are giving the manufacturer one last chance to fix the car.

The manufacturer has 7 business days from receiving your notice to make the last chance repair.

If the final repair is unsuccessful or the manufacturer fails to make it, you can file for state certified arbitration up to 18 months after purchase.

How do you know if the problems with your car are “substantial defects” covered under the New Car Lemon Law?

Covered Defects

Problems which individually or in combination substantially impair the vehicle’s

Use, Market Value or Safety

Obviously, if the car will not start, its use is substantially impaired. But other types of problems, such as intermittent stalling, may be considered to substantially impair a vehicle’s use or safety. To show substantial impairment of market value, the defect(s) must reduce the current resale price by at least 10%, or the cost of repairing the defect(s) must be estimated to be at least 10% of the current value.

If you have given the manufacturer and dealer the required number of chances to fix the vehicle and it is still defective, your car enters “lemonhood” and you are entitled to a refund or replacement. Notify the manufacturer in writing that this is the case.



You can always demand a refund if you meet the law's requirements, but you cannot demand a replacement. If you request a replacement, many manufacturers will agree.

Your refund should include sales tax, finance and Registry charges, rental expenses and towing, but costs such as attorney's fees and consequential damages are not reimbursable. There will also be a deduction for the number of miles you put on the car. To calculate the deduction, divide the original purchase price by 100,000 and multiply the resulting figure by the number of miles you have put on the car. For leased vehicles, divide the amount of payments made under the lease to date by 100,000, and multiply the resulting figure by the number of miles you have put on the car.



If you are offered a replacement car instead of a refund, there is no mileage deduction unless you agree to one as part of a settlement with the manufacturer.

If the manufacturer refuses to buy back a car that you believe has met the requirements of the lemon law, you can request state-certified arbitration through the Office of Consumer Affairs. As of the date of publication *CAR SMART*, there is no charge for arbitration.



Arbitration requests must be received by the Office of Consumer Affairs within 18 months of delivery of the car.

For more details about the New Car Lemon Law and the arbitration process, you can obtain a free pamphlet from the Office of Consumer Affairs (see Appendix A-7).

Other New Car Lemon Remedies

Manufacturer-Sponsored Arbitration

Some manufacturers, such as Ford Motor Company, have their own arbitration programs. While these programs do not apply the standards of the Massachusetts Lemon Law, they can be helpful, especially if your problem does not fit under the lemon law criteria. Typically, complaints are heard by a neutral hearing officer or a panel, and the manufacturer is required to comply with any decision made in the

consumer's favor. Also some manufacturers participate in the Better Business Bureau's Auto Line program. Call 1-800-955-5100 to determine if your car is eligible.

Manufacturers' Warranties and Extended Service Plans

Defects may be covered by the manufacturer's warranty or an extended service contract that you purchased. Read the terms of the plan carefully. Most warranties and service contracts require consumers to contact a specific office for authorization before any repairs are made. If the manufacturer or warranty company says that the problem is not covered, ask why.

The dealer or manufacturer may disagree with you about whether a problem does in fact exist. In that case, get a "second opinion" from a competent, independent mechanic.

If you have an extended service contract, the warranty company may require you to pay to have the problem diagnosed by a repair shop before a decision is made as to whether the problem will be covered.

Consumers generally do not know enough about cars to argue about what repairs are necessary or if they fit within the terms of the warranties or service agreements. A trusted, reputable mechanic may be able to translate "car talk" into plain language and give you the information you need to successfully make your case.

Secret Warranties

Manufacturers will sometimes repair defects that are not covered by warranties, or defects that occur after the normal warranty periods have expired, on the basis of goodwill. In some cases manufacturers have "secret warranties" that only dealers know about under which they will cover specific problems without publicly acknowledging that the problems exist or issuing a formal recall.

If you have a problem that you feel is unusual given the mileage and maintenance record of the car, check with a local dealer to see if there are any technical bulletins or internal memos regarding the problem. Even if there are not, ask if the dealer is willing to contact the manufacturer on your behalf. Dealers can be good allies if they agree that the problems should be covered by the manufacturer. If you are turned down by a dealer, you can contact the manufacturer directly to try to change the decision.

Are You the Only Person with This Problem?

Sometimes it helps to have information to prove that you did not cause the problem with the car and that other owners are having the same difficulties. Where can you get this documentation?

The Center for Auto Safety, a non-profit consumer advocacy group, tracks secret warranties and patterns of car defects. Send the Center a letter describing the problem with your car (including the year, make, model, vehicle identification number, mileage, and a specific description of the defect), along with a self-addressed, stamped business-sized envelope. The Center will send you free advice and a list of reports and information packets that are available. There are small fees for the materials (see resource listing in Appendix A-7).

Recalls

The National Highway Traffic Safety Administration (NHTSA), a federal agency, can tell you if there has been a recall or service bulletin on your car, filed by the manufacturer. Contact NHTSA to find out about pending investigations, crash test results, and rating of new tires. There is no charge for this information. You can also give NHTSA information about your own problem. Although the agency does not contact manufacturers about individual complaints, it does track complaints. If there are complaints from other people about the same car problem, you can get a detailed printout by calling NHTSA at **1-888-327-4236** or through the web site: **www.nhtsa.dot.gov**.

Leased Car Lemons

Under the federal Consumer Leasing Act, lessors are required to disclose in writing whether the standard warranties are available from the manufacturer or whether warranties are provided by the leasing company. The manufacturers' warranties usually apply to new leased cars, but the coverage, requirements, and length of coverage may vary. Be sure to ask about this before you lease.

I'll See You in Court

If problems with a new car you purchased or leased are not resolved through your own efforts, mediation or arbitration, you can always sue to try to get your money back or for reimbursement for repairs. In some cases, it may make sense to sue both the manufacturer and the dealer or lessor.

Small Claims Court currently handles disputes up to \$2000, and does not require using an attorney. For a pamphlet about Small Claims Court, contact the Attorney General's Consumer Complaint & Information Section, or Office of Consumer Affairs (listed at the end of this booklet). For problems involving larger amounts of money, you will need an attorney. You can get names from your local bar association or the Massachusetts Bar Association Lawyer Referral Service: **1-800-392-6164**.



The Center for Auto Safety may be able to provide you with information about class-action suits where you can join with other consumers experiencing the same problem.

Used Vehicle Warranty Law

Under the Used Vehicle Warranty Law (Massachusetts General Laws Chapter 90, section 7N-1/4) consumers who buy used cars from Massachusetts dealers that cost \$700 or more and which have less than 125,000 miles on the odometer must be given specific warranties. You should be aware that the Used Vehicle Warranty Law does not apply to the leasing of a used car.



This law does not cover motorcycles, mopeds, dirtbikes, auto homes, off-road vehicles, and leased cars.

Used Car Law Warranty Periods

Initial Mileage	Warranty Period*
0-39,999 miles -	90 Days or 3750 miles
40,000 - 79,999 miles -	60 Days or 2500 miles
80,000 - 124,999 miles-	30 Days or 1250 miles

*whichever comes first

During the warranty period, the dealer is responsible for the full cost of parts and labor for any defect(s) that impairs the use or safety of the car. However, the warranty may provide that the consumer will pay a TOTAL of no more than \$100 for covered repairs during that period. The specific amount, if any, must be written in the warranty.

✓ **This \$100 maximum “deductible” is not “per repair” but is the total that the consumer can be asked to pay during the warranty coverage period.**

✓ **If the dealer fails to give you a copy of the correct warranty at the time of purchase, you are still covered and the warranty period does not begin to run until you are given the proper warranty document.**

The law requires the dealer to refund your purchase price if after a reasonable number of repair attempts for covered defects during the warranty period, the vehicle still has problems that impair its use or safety.

Reasonable Number of Repair Attempts

3 times for the same defect, or 11 business days in the shop for one or more defects

✓ **Unlike the New Car Lemon Law, defects do not have to be “substantial.” The Used Vehicle Warranty Law covers only use or safety defects and not problems that affect the vehicle’s value. Be sure to get a copy of your repair order each time you bring the car in, even if a problem is only checked and no work is done. You may need it later to prove you gave the dealer a reasonable number of chances to fix your car.**

You must keep an accurate record of the number of days your vehicle was in the shop, and the date your warranty expires. Not all days in the shop count against the dealer; there are some “grace periods” while waiting for parts. Your warranty is automatically extended by the number of days in the shop.

If you have given the dealer a reasonable number of repair attempts during the warranty period, and your car still has a

problem that affects its use or safety, you are entitled to your money back. Your refund includes some costs and excludes others:

Refunds Under the Used Vehicle Warranty Law

INCLUDED COSTS

purchase price
finance and insurance
towing/rental charges
registration fees

EXCLUDED COSTS

attorney's fees
sales tax
excise tax
conseq. damages

In addition, there is a flat 15 cents per mile deduction for every mile put on the car from the day of delivery.



Even if your used car has not yet met the requirements for “lemonhood,” the dealer has the right to buy it back, rather than making the repairs.

If your car meets the requirements of the Used Vehicle Warranty Law, write to the dealer demanding a refund under this law.

State-Certified Used Car Arbitration

If the dealer refuses to refund your money, you can apply for an arbitration hearing through the Office of Consumer Affairs within six months of taking delivery of the car. As of the date of publication of **CAR SMART**, there is no charge for arbitration.

IMPORTANT CAUTION:

Unfortunately, while the majority of car dealers abide by the terms of the law, not all do. Some consumers who have won their arbitrations have found that the dealer still refuses to make the required refunds. In these cases, the consumers may have to sue to try to get their money.



Consumers do not have to go through arbitration first. They always have the option of suing, either instead of arbitration, or if they are not satisfied with the arbitrator's decisions.

Private Party Sales Under the Used Vehicle Warranty Law

The Used Vehicle Warranty Law contains a special provision for private sales. There are no required warranties, or minimum price or maximum mileage restrictions. The law gives buyers the right to demand refunds if they discover defects that impair the safety or **substantially** impair the use of their cars within 30 days of the sale. However, a buyer has the difficult burden of proving that the seller knew about the defects and failed to disclose them at the time of purchase.



It is always a good idea to find out where the seller had the car serviced when you buy it — that way you may be able to determine if the seller was made aware of any problems previously.

Remember, if you buy a car from a private party the seller has no liability for repairs. However, even if the private party sells the car “as is,” you may still be covered under the Lemon Aid Law or this provision of the Used Vehicle Warranty Law.

For more details about the Used Vehicle Warranty Law, you can get a free pamphlet from the Office of Consumer Affairs (see Appendix A-7).

Implied Warranties

Another law, the “implied warranty of merchantability,” applies when you buy or lease a car from a dealer. Regardless of the sale or lease price or the amount of mileage at the time of sale, you can argue that the car should function for its intended purpose for a reasonable period of time — or the dealer has to make it right.

If you buy or lease a used car from a dealer and the engine seizes within a few days, you may be able to require the seller to repair it or refund your money. How long your implied warranty rights last depends on your specific situation: how much you paid for the car, how old it is, how many miles are on it, how serious the problem is, and how soon the problem became apparent. Courts interpret the law on a case-by-case basis. Generally, however, it is not unreasonable to argue that any car should function properly for at least 30 days.



Dealers cannot sell or lease a car “AS IS,” no matter how much the car costs or how many miles are on it.

Problems with the Odometer Reading

Sometimes after consumers buy cars, they suspect that the mileage on the odometer may not be correct. If the odometer is not working properly, or if the car seems to need repairs prematurely, or if old paperwork is discovered with higher odometer readings, these may be indications that the odometer has been “spun” or reset, or was disconnected for a while.

How can you tell if the mileage is incorrect? It may not be easy. Ask your mechanic to look for signs of tampering. You can also pay a small fee for a title search through the Registry of Motor Vehicles, which will provide you with copies of past titles. If after doing this detective work you believe that the mileage is wrong, what can you do about it?

Odometer tampering is a violation of both state and federal law. If you can prove that the seller spun or reset the odometer, you can sue for \$1500 or three times the amount of your damages, whichever is greater, along with court costs and attorney fees. There are also criminal penalties for odometer tampering.

You should report evidence of possible odometer tampering by car dealers to the Attorney General’s Office. That agency does not handle complaints regarding private sales. And unless you can document through paperwork or other evidence who tampered with the odometer it may be difficult to win an individual lawsuit to recover damages under the state odometer tampering law.

There is another legal theory that you can try to use to resolve odometer problems. A car seller must certify that the mileage is correct or that the true mileage is unknown.

If the mileage has been certified as correct and it turns out to be wrong, the consumer can argue that the seller created an “express warranty” about the number of miles on the car. Under general warranty law, sellers must stand behind any guarantees they make and are liable to consumers for damages if they do not.

Therefore the buyer can attempt to return the car for a refund or obtain an adjustment in the price based on the argument that the incorrect mileage is a breach of the seller’s express warranty and that the fact that the car has more mileage substantially impairs the car’s value.

How to Undo the Deal

When the seller agrees (or is ordered by an arbitrator or a court) to buy back the car under the Lemon Aid Law, the Used Vehicle Warranty Law, the New Car Lemon Law, or any other statute, how do you undo the deal?

If the car has not been registered yet, it is simple — you return the vehicle to the seller and get the amount of refund provided under the law, or an amount you agree to. If there is a previous title and it has already been signed over to you, you will have to return the title to the seller with a notarized statement including the date, the vehicle year, make, model, identification number, mileage, names and addresses of the buyer and seller, and an explanation that the purchase has been canceled. You should also contact the lender immediately to stop any loan that is being processed.

Once the car has been registered, its return is more complicated. If it is a new car and the deal is being canceled within a few days of purchase, you can withdraw the application for title by calling the Title Division of the Registry of Motor Vehicles at **617-351-9000**.

For used cars, or new cars that are returned after more time has elapsed, you can speed up the process of getting the new title by calling the Registry at the number above. Once the new title is sent to you (or the lender), you sign it over to the seller. If you have obtained a loan to pay for the car, contact the lender to coordinate the exchange of title and the pay-off.

Do not forget to cancel the insurance. If you plan to purchase another car right away, you can leave the registration in effect and transfer it to the next car. If there is going to be a delay, or if someone else wants to buy and register the car you have returned, you should cancel the registration at the local Registry office.



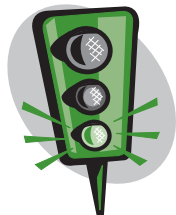
Under the New Car Lemon Law and the Used Vehicle Warranty Law, your refund includes registration and title fees. The New Car Lemon Law also entitles you to a refund of your sales tax. Under the Lemon Aid Law the seller or manufacturer is not required to refund these costs.

You can apply for a partial refund of your registration fee through the local Registry office. The Registry also has the forms for applying for the return of your sales tax from the Department of Revenue. Follow the directions on the forms carefully, and remember that there is a 180-day time limit.

IMPORTANT NOTE:

If you are returning a car under the Used Vehicle Warranty Law and the seller deducts from the purchase price for mileage, you cannot get your sales tax back. Sales tax is only returned by the state when the full payment is refunded. Since the law does not require the dealer to refund the sales tax, you may lose the sales tax in that instance.






Handling Repair Problems







What do you do when your car will not start, or the muffler falls off, or you start hearing a strange noise from the engine?

If the car is still under a warranty – manufacturer’s new car warranty, the dealer’s used car warranty, or an extended service plan you purchased – contact the dealer or the warranty company as soon as possible to arrange for service.

 **Even if you are out of town when the car needs repair, call the manufacturer, dealer or warranty company and find out how to get repairs.**

Basic Auto Repair Rights

The Attorney General’s Auto Sales and Repair Regulations (940 Code of Massachusetts Regulations 5.00) give you basic rights:

-  To a written estimate before repairs are made, unless you sign a specific waiver stating a maximum cost;
-  To know if there will be any charge for diagnosing your car problem;
-  To be contacted before any work is done if the repair cost cannot be determined immediately;
-  To be asked to authorize any additional repairs that are found to be necessary as the work progresses;
-  Not to be charged more than \$10 over the estimate, unless you are contacted and approve the higher amount;
-  To get back your old parts;

- ❁ To receive an itemized bill listing all parts and labor, unless work is done based on a flat rate posted in the shop;
- ❁ Not to be charged for unnecessary repairs, or for repairs that were not made;
- ❁ To expect that ads for repairs will include the total charge for the work;
- ❁ To same-day repairs, unless you agree to a longer period;
- ❁ To know in advance if there will be any storage charges;
- ❁ To have shoddy repair work corrected at no charge.

Bring Your Car to the Garage

No matter whether you are bringing a car in for routine maintenance or for a specific problem, or whether the repair is covered by a warranty or you are paying for it out of your pocket, there are some tips to help make the repair transaction go smoothly.



Find a good, honest, competent mechanic.

The best referrals are from friends or family members who have been satisfied dealing with the shop. Contact your local consumer office, the Attorney General's Consumer Complaint & Information Section, and the Better Business Bureau to check the complaint history of the garage. Also, look for the "ASE" symbol, which indicate that mechanics have been tested for competency to make certain types of repairs. Be sure that your mechanic is qualified to do the specific work you need.



Be aware that warranty work may have to be done by authorized repair shops.



Describe the problems you are noticing in as much detail as possible.

What does it sound like, or how does it feel? Do you see any smoke, leaks, or other visible signs of trouble? When does the problem occur — all the time, just when the car is hot or cold, intermittently, only when it rains? Make sure everything you ask to be checked is written down, or hand the mechanic a list.



Get a written estimate.

If the problem and the cost cannot be determined when you bring the car in, make sure that the mechanic has the telephone number where you can be reached to let you know what's wrong and how much it will cost to fix before they begin making the repairs.



You must be told up-front if there will be any charge to diagnose your car's problem, and repairs cannot be made without your specific authorization. You can, however, give the mechanic the OK to do any work necessary up to a certain dollar amount without being contacted first.



Find out the garage's payment requirements before you leave the car.

Some will not take checks, others may not let you use credit cards. Mechanics have liens on the cars they have repaired and do not have to release them without first being paid.

If you question the diagnosis, get a second opinion. This may be difficult if your car will not run, although you can always pay to have it towed somewhere else if you want confirmation of what the mechanic is telling you. Mechanics may disagree about whether and what repairs are needed, but by getting a second opinion consumers are less likely to be sold work that was unnecessary.



Ask for the old parts back.

You are entitled to the old parts back if you request them, and often the only way that you can tell whether the repairs were necessary is by having another mechanic test the old parts. However there may be a fee for keeping certain parts that the garage could have turned in to a rebuild company for credit. Make the request to keep them before the repairs are made.

Assess the Repairs


When you pick your car up, do not leave the garage until you:

-  **Look carefully at the work order or receipts.**

All parts and labor must be itemized separately unless the garage charges a flat fee for that repair. Flat fees should be clearly posted in the shop. Be sure the work order is fully filled out including the date, mileage on your vehicle, the make and model and a description of what was done. Be aware that fees are often set using an industry guide book known as a flat-rate manual. These set estimated hours for repairs, which may not reflect the actual number of hours the vehicle is in the shop. For example one repair might make doing another repair take less time (for example, with the engine dropped, several repairs can be done at once.)


-  **Ask questions about anything you do not understand before you pay!**

If necessary, ask to speak with the service manager and/or mechanic who worked on your car. Make a thorough visual inspection of the work that was done if you can.

-  **Give the car a good test drive, and return to the shop immediately if the problem still exists or you notice anything else wrong.**

-  **Save all repair receipts.**

You must be given repair orders for any repairs made in Massachusetts. Documentation, including records of maintenance work such as oil changes, may be helpful if a mechanic is trying to diagnose a problem or you have to document the car's repair history.

-  **Do not forget that you may be able to get useful information about a car's problems from the previous owner, the dealer or manufacturer, the National Highway Traffic Safety Administration, or the Center for Auto Safety (see Appendix A-6 & A-7).**

Solve Auto Repair Problems

Even if you followed all of this advice, it is possible that you could have a dispute with the repair shop. Here are some examples of problems and strategies for solving them:

Problem #1

You receive an estimate of \$200 for specific repair work, but when you return to pick up your car, the bill is \$400 and additional work was done that you never authorized.

Solution

Try to discuss the problem with the manager of the repair shop. The auto regulations say that you should not have to pay more than \$10.00 over an estimate and that you cannot be charged for unauthorized repairs. But a compromise may be the most practical solution if the extra work was clearly needed and the additional cost is not excessive.

If no agreement can be reached, you may have to pay the charges to get your car back and then contact your local consumer program or the Better Business Bureau for assistance in getting reimbursement.



If you pay the bill with a credit card, you can dispute the charges in writing with the card issuer.

Problem #2

You bring your car into the shop because the car stalls. After repairs are made, you discover the car still stalls.

Solution

Sometimes car problems are difficult to pinpoint, even for competent mechanics. The work may not be performed properly, the problem may be misdiagnosed, or a replacement part may be defective. Contact the shop immediately. Repairs which were not performed properly should be redone at no charge to you. And you cannot be charged for unnecessary repairs.



You cannot simply go elsewhere and then expect the first shop to reimburse you for the second bill — give the mechanic a chance to explain and to make good on the repairs.

Sometimes a repair shop refuses to do follow-up or corrective repairs, claiming that nothing is wrong or that the problem is unrelated to the previous work. This could be true, but since most consumers are not mechanics, it is hard to know for sure. You may need the opinion of another mechanic.

Problem #3

You buy a used engine at a junkyard and pay a mechanic to install it for you. After the work is done, you find that the engine has a serious problem. The engine is guaranteed and the junkyard will give you another one, but you need to pay for the labor to take the bad one out and put the new one in.

Solution

It is a gamble when you buy a part from one place and hire someone else to install it. You can try to make the argument that the junkyard should be liable for your additional labor costs resulting from the engine being bad, but it may be difficult to win. If you bought the engine from the installer, you would have a better chance of arguing that the shop should stand behind both the part and the labor.



Rebuilt parts are less risky than used ones, but they are generally more expensive.

Problem #4

You bring your car in for transmission repairs and while it is at the shop, someone backs into it. Now your car has a big dent.

Solution

Auto repair shops are responsible for any damage their employees may cause — for instance, if the upholstery is stained by grease or the dashboard is broken when the mechanic attempts to remove it. But in the case of the dent, the garage may not be liable, unless you can show that the garage was negligent by parking your car someplace where it was likely to be hit.

Ask the garage owner if there is insurance to cover the damage; if not, and if you believe that the shop is responsible, you can sue for any damage that your own insurance will not cover.



CFA Mileage Rating Scale

Over 40 MPG	~	Excellent
30-39 MPG	~	Good
20-29 MPG	~	Fair
under 20 MPG	~	Poor

Be Efficient Save Fuel!



CAR SMART

4th Edition

Appendices

- A-1 Doing Your Homework Checklist**
- A-2 Inspecting a Car Checklist**
- A-3 Making the Deal Checklist**
- A-4 Leasing Checklist**
- A-5 Gas Saving Tips**
- A-6 Automobile Resources
on the Internet**
- A-7 Helpful Contacts**
- A-8 Car-Buying Glossary**



Doing Your Homework Checklist

Things to keep in mind before you buy or lease a car:

- Select your car's features - Consider vehicle's fuel efficiency rating.
- Calculate your budget.
- Narrow your choice of vehicle make and model.
- Consider whether to buy new or used.
- Determine if you will purchase or lease - carefully weigh the pros and cons.
- Research price information for the vehicle you have chosen.
- If buying or leasing from a dealer, check the dealer's complaint history.
- Carefully read the auto advertisement for all disclosures.



Inspecting a Car Checklist

Here are signs that a car has been damaged:

- Moldings or trim have paint on them. The paint is uneven or peeling.
- Windows and trim are not intact.
- Door seams are not straight. Fenders do not line up.
- The body is rippled as you look down the length of the car. Check this with a magnet. Run the magnet over the car's body. The magnet will not stick to filler.
- The doors, windows and trunk lid do not fit tightly.
- There is rust.

Here are ways to check if a car is in poor condition:

- The suspension is weak. Test this by pushing the body down at each corner. If the car does not bounce back up the shock absorbers or struts may be bad.
- The tires are of different types. The tires are worn unevenly. A lot of wear on a used car with low mileage may be a sign of odometer tampering.
- There are puddles or dripping underneath the car. Parts under the car are hanging loose or disconnected.
- The tail pipe contains damp grime or oil. Check this by wiping your finger on the inside of the tail pipe. Light, dry soot is acceptable.

- There are signs of rust or welded patches under the floor mats and the rug in the trunk.
- When you turn the ignition on, but not to the starter position, the warning panel lights do not come on.
- The oil is too dark and looks burned, or it is very thick.
- The engine does not start up right away or it sounds choppy. Accelerate the engine quickly. The engine should not jump, run roughly or whine.
- Exhaust burns blue smoke (may be burning oil) or black smoke (may be unburned fuel).
- Exhaust system sounds too loud.

Here are ways to check for odometer tampering:

- The mileage on the odometer is different from what you were told the car had or what is documented on the paperwork.
- The mileage seems very low considering the age or condition of the car.
- The odometer numbers do not line up in a straight line.
- There are streaks of color running horizontally through the numbers on the odometer.
- The gas or brake pedals seem very worn for the low mileage on the odometer.

When you test drive the car, here are signs that the car may be a poor choice:

- When the engine shifts gears (automatic transmission) the car jerks. There are loud clunks when you shift from drive to reverse (with your foot on the brake).
- When you use the gear shift with a manual transmission, it is stiff and hard to move.
- When the emergency brake is on and the clutch slowly engaged in each gear, the car stalls quickly, the clutch disk slips or you hear clanking or grinding.
- When you brake, the pedal goes all the way to the floor, locks up and/or squeaks or squeals.

- When you go uphill, the car seems to lose power and/or knocks, rattles or the engine makes deep noises.
- When you steer, the car pulls to one side. When you drive on the highway, the ride is noisy and rough.
- When you come to a stop, the engine idles roughly and/or stalls out.

Before you purchase or lease a used car get a mechanic to:

- Do a compression check on the engine.
- Check the ball joints, differential (if there is one), tie rods, oil pressure, and ignition system.
- Look at the coolant for signs of oil leaking into the coolant.
- Evaluate the battery and charging system.
- Pull at least one front and one rear wheel to look at the brakes.
- Put the car on a lift to look at the underside for leaks, loose connections and body problems.
- Check the hoses and fluids.
- Take the car out for a drive to note any strange sounds, vibrations, or other symptoms of trouble.
- Check the emissions.





Making the Deal Checklist

Things to keep in mind before you buy or lease a car:

- Inspect the car carefully.
- Always test drive the car.
- Have a trusted mechanic inspect any used car.
- Check the history of any used car and ask to see the title.

Things to keep in mind when negotiating the best deal:

- Negotiate the price of the car first. Discuss trade-in value after you have agreed on the price for your new car.
- Do not negotiate based on the monthly payment amount.
- Review extended service contracts or warranties to determine coverage restrictions and limitations.
- Read and understand the purchase or lease agreement.
- Do not sign anything with blank spaces.
- Put everything that you and the seller agree to in writing.
- Do not take physical delivery of the car until all paperwork and financing have been finalized.





Leasing Checklist

Things to keep in mind when you are deciding whether or not to lease a car:

- How much money do I have for a down payment?
- How much money will I need to pay at the beginning of the lease? (Even if the lease is a “zero down” offer, you may still have to pay the first month’s payment, a security deposit, and/or an acquisition fee. These up-front amounts may add up to several hundred dollars or more depending on the value of the vehicle.)
- How much can I afford for a monthly payment?
- How many miles do I drive in a year? (If you drive more than the number of miles allotted under your lease, you will usually have to pay an excess mileage fee at the end of the lease.)
- Am I the type of person who likes to be in a new car every 2-4 years?
- Am I going to want to buy the car at the end of the lease? (If you think you will want to buy the car at the end of the lease, consider buying the car up front. You will likely pay less to buy the car up front than you would to lease it and then buy it at lease end.)

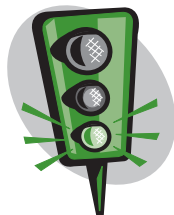
Things to keep in mind when negotiating your lease:

- Have I negotiated the capitalized cost (the value of the vehicle at the beginning of the lease) of the vehicle? Just as you would negotiate the purchase price of a car, you should also negotiate the capitalized cost.
- Does the lease contract reflect the trade-in, rebates, and down payment paid up-front (if applicable)? These amounts should be deducted from the capitalized cost or credited toward the other amounts you owe at lease signing.

- Do I understand how my monthly payments have been calculated?
- Who is responsible for paying for repairs during the lease period? Is there a manufacturer's warranty covering the vehicle during the lease period?
- Have I can negotiated the mileage allotted under the lease?
- How much insurance coverage is the leasing company requiring me to carry on the car? Is this more than my current coverage, and can I afford this level of coverage?
- How will I be billed for annual excise tax on the car? Will the leasing company forward the bill to me or will the tax be rolled into my monthly payments?
- Will I pay for "gap coverage" on the car or is there a "gap waiver" provision in the lease? Do I understand what the gap coverage or gap waiver will cover in the event of an accident involving my car or the theft of my car? (Gap coverage would pay for the difference between the payoff from the insurance company and the amount due under the lease contract. A gap waiver releases you from responsibility for any difference between the payoff from the insurance company and the amount due under the lease contract not including your deductible and any past due amounts you may owe under the lease. You may still be responsible for early termination penalties.)
- Do I understand how the early termination penalty will be calculated if I end the lease early? (Ask the dealer to compute how much you would owe if you ended the lease after a year.)
- Do I understand how "excess wear" will be determined at the end of my lease and how much I will be charged for it?
- Do I understand what, if any, payments I may be required to make at the end of the lease? (For example, you may be responsible for a disposition fee if you do not buy the car at the end of the lease.)
- Do I want to buy the car at the end of the lease? (If you think you might want to buy the car you should negotiate up-front the purchase option price of the car.)

Things to keep in mind at the end of the lease:

- Have I stayed within the mileage allotted under the lease? If not, how much will I owe in excess mileage fees?
- Is there any damage to the car that would be considered “excess wear” under the lease agreement? (If there is, you should get an estimate for the repairs before you return the car so you have an idea of how much it should cost to make the repairs. You may also want to consider getting the repairs done before you return the car.)
- Did I pay a refundable security deposit at the beginning of the lease? (If you did, and there are no excess wear or mileage fees owed to the leasing company, you should get the security deposit back at the end of the lease.)



12 Simple Tips to Reduce the Consumption of Gasoline and save you money from CFA*

1. **Check Your Air Filter:** A clean air filter by itself can improve mileage as much as 10%.
2. **Straighten out:** Have your alignment checked. Not only does poor alignment cause your tires to wear out faster and result in poor handling; but also your engine has to work harder which reduces your fuel efficiency by 10%.
3. **Tune Up:** A properly tuned engine can improve mileage by 4%, that's the equivalent of 10 cents per gallon. **
4. **Pump 'em Up:** Make sure your tires are properly inflated. This could save you the equivalent of 7 cents a gallon.
5. **Check your Cap:** A broken or missing gas cap hurts your mileages and harms the environment by allowing gas vapors to vaporize.
6. **Lose Weight:** For every 100 pounds you carry around in your trunk you lose 1 to 2% in fuel efficiency.
7. **Don't Speed:** For every 5 mph you reduce your highway speed you can reduce your fuel consumption by 7% or 17 cents per gallon.
8. **Drive Smoother:** The smoother you accelerate and decelerate, the better your mileage. A smooth foot can save you 33% on the highway and 5% around town.
9. **Foot Off:** Don't ride with your foot on the brake—it wears out your brakes and can cost you 7 miles per gallon.

10. **Don't Idle:** An idling car gets 0 miles per gallon. If you are stopped and waiting for more than 30 seconds and not in traffic turn off your engine.
11. **Combo:** Combine your trips. Short trips can be expensive because they involve a "cold" engine. A cold vehicle gets 30-40% of the mileage it gets at full efficiency.
12. **Be a Regular:** Don't use high octane gasoline. Check your owner's manual. Using 87-octane gas will save you an average 10 cents per gallon.

*Consumer Federation of America (CFA) is a non-profit association of almost 300 pro-consumer groups, with a combined membership of 30 million, which was founded in 1968 to advance the consumer interest through advocacy and education.

**The savings assumptions here are based on gasoline costing \$2.42 per gallon, but now are considerably more and will increase as the price of gasoline continues to rise.



Automobile Resources on the Internet

Car shopping, research, and even filing complaints have been made a lot easier by the many consumer resources available on the Internet. Below are some of the most useful web sites you can visit. The following hyperlinks are posted on the Massachusetts Consumers' Coalition

web page at: www.massconsumer.org/autoresources.html

GENERAL RESOURCES

[Automobile Information Center](#)

[Car Talk](#) -fun radio show and car resources

[JD Power](#) -ratings of cars

[Motorist Assurance Program](#)

CAR BUYING

[Car and Driver Buyer's Guide](#)

[CARFAX](#)

[Carpaint Buying Guide From Microsoft](#)

[Cars.com](#) -Comprehensive Pricing Resource Buy/Sell

[Finds You Cars & Dealers](#)

FUEL EFFICIENCY/ENVIRONMENTAL FRIENDLY

[EPA Fuel Efficiency Report](#)

[EPA Green Vehicles Report](#)

[Fuel Cost Travel Calculator \(AAA\)](#)

[Green Car Journal](#)

CAR COMPLAINTS

AUTOCAP: Dealers' Assn (NADA) complaint handling program

Better Business Bureau Auto Line
(mediation/arbitration with some manufacturers)

Search For Car Recalls, Complaints, Technical Service Bulletins

CAR LEASING

Federal Reserve Regulation M

Lease Guide

CAR LEMON LAWS

Massachusetts Office Of Consumer Affairs

CAR PRICES (Retail and Wholesale)

Edmund's New And Used Car Guide

Kelley Blue Book

NADA Price Guides

CAR REPAIRS

Technical Service Bulletins From NHTSA

CAR SAFETY/RECALLS

Insurance Institute For Highway Safety

Kids Safety in Cars

National Highway Traffic Safety Administration (NHTSA)

For additional Internet resources with ongoing additions and updates, please refer to the Consumer Automobile Resources page of:
www.consumerworld.org/pages/auto.htm

DISCLAIMER

The Internet sites listed as resources in **CAR SMART** are included because of the helpful and relevant information they contain. Some are commercial sites that promote purchases of services or publications and/or contain opinionated information. Inclusion in this list does not in any manner constitute endorsement of the opinions or products offered in the web sites by the authors of **CAR SMART** or its financial sponsors.



Helpful Contacts

Massachusetts Registry of Motor Vehicles (RMV)
25 Newport Avenue Extension
Quincy, MA 02171-1748
617-351-4500
(from the 339, 617, 781, 857 area codes)
or
800-858-3926
(from the 351, 413, 508, 978 area codes)
www.massrmv.com

RMV staff members in the Customer Phone Information Center are available from 9 a.m. to 7 p.m., Monday through Friday. You can request forms to be mailed, book a driver's license road test, provide change-of-address information or change-of-vehicle-garage location, conduct business transactions using a MasterCard, VISA or Discover Card You can renew a registration, pay a moving violation fine (e.g. speeding ticket, etc.), order a copy of your driving record, order a duplicate of your license (photo-image type only), pay license suspension reinstatement fees, order a duplicate vehicle registration or even request a vanity license plate.

The RMV's *Driver's Manual* (available online at the RMV website) is an invaluable resource for Massachusetts drivers. It contains:

- ❁ Information you will need for obtaining a learner's permit and driver's license, including converting a license from another state or country;
- ❁ Explanation of various penalties for both in-state and out-of-state motor vehicle violations;
- ❁ Definition of at-fault accidents/violations and how these "surchargeable" events can affect your driving record and result in a loss of license;

- ❁ Description of how alcohol and drug abuse by a driver can result in the loss of driving privileges;
- ❁ Discussion on how the failure to pay moving violation fines, parking violations, fines for the abandonment of a motor vehicle, excise taxes, child support and outstanding court warrants can result in the non-renewal of a license;
- ❁ Explanation of the rules of the road and driving safety;
- ❁ Guidance on what to do in special driving situations, such as emergencies and accidents;
- ❁ Advice on what to do if you are stopped by a police officer;
- ❁ Information on the registration process, renewals, duplicate registrations, transferring a registration to a newly acquired vehicle from your present vehicle, policies for new residents, and obtaining disabled plates or placards;
- ❁ Requirements for vehicle inspections, the Lemon Aid Law and basic title transactions;
- ❁ Information on the Safe Driver Insurance Plan under the Merit Rating system and the effect on your insurance premiums by surchargeable incidents
- ❁ A listing of all Registry of Motor Vehicle branches and their office hours.



Massachusetts Office of Consumer Affairs

10 Park Plaza, Suite 5170

Boston, MA 02116

(617) 973-8787 (888) 283-3757 (toll free, Mass only)

www.mass.gov/consumer

Offers general advice on consumer problems; referrals to other agencies for complaint mediation; free brochures on the Lemon Aid Law, the Used Vehicle Warranty Law, the New Car Lemon Law, consumers' auto repair rights, Small Claims Court. Administers the state's new and used Lemon Law arbitration programs; call for an application or download application online.

Massachusetts Office of the Attorney General
Consumer Complaint and Information Section
One Ashburton Place
Boston, MA 02108
(617) 727-8400
www.mass.gov/ago

Information on businesses' complaint histories, general advice on consumer problems, referrals to local consumer offices or other agencies for complaint mediation or arbitration.

Local Consumer Programs:

Work in cooperation with the office of the Attorney General; mediate complaints on assorted consumer issues; **CAR SMART** and other consumer brochures available at no cost. Every city or town in Massachusetts is served by one of the offices listed below. If it is not clear which office serves your location, call 617-727-8400 and ask the Attorney General's hotline staff.

Berkshire County Consumer Advocates, Inc.
Pittsfield (413) 443-9128

Bentley Consumer Action Line
Brockton (800) 273-9494

Cambridge Consumers' Council
www.cambridgema.gov/Consumer
Cambridge (617) 349-6150

Consumer Assistance Council, Inc.
www.consumercouncil.com
Hyannis (508) 771-0700
(800) 867-0701 (Mass only)

Fall River Consumer Service Program
Fall River (508) 324-2672

Greater Lawrence Community Action, Inc.
www.glcac.org/consumer.htm
Lawrence (978) 681-4990

Northwestern District Attorney/Franklin County
Greenfield (413) 774-5102

**Consumer Protection Program Haverhill Community
Action, Inc.**

Haverhill (978) 373-1971

MASSPIRG Consumer Action Center

www.masspirg.org

Weymouth (781) 335-0280

Medford Consumer Advisory Commission

Medford (781) 393-2460

Mayor's Office of Consumer Affairs & Licensing

Boston (617) 635-3834

Consumer Assistance Office of Metro West, Inc.

Natick (508) 651-8812

Middlesex Community College Law Center

Lowell (978) 656-3342

Newton-Brookline Consumer Office

Newton (617) 796-1292

Norfolk County District Attorney's Office

Dedham (617) 769-6118

Northwestern District Attorney/Hampshire County

Northampton (413) 586-9225

Revere Consumer Affairs Office

Revere (781) 286-8114

South Shore Community Action Council

Plymouth (508) 747-7575

x225 or 226

Mayor's Office of Consumer Information

Springfield (413) 787-6437

Molly Bish Center at Anna Maria College

Worcester (508) 849-3274

More Helpful Contacts

AARP Driver Safety Program

601 E St. N.W.

Washington, D.C. 20049

1-888-227-7669

www.aarp.org/families/driver_safety

Offers an 8-hour classroom course that helps older drivers improve skills and avoid traffic accidents and violations. Older Driver Skill Assessment and Resource Guide available free by mail.

American Automobile Association (AAA)

Southern New England (Rockland Branch Office)

900 Hingham Street

Rockland, MA 02370

(781) 871-5880

www.aaa.com

Offers members and consumers online car care, car reviews, and auto pricing service.

Better Business Bureau, Inc.

(Eastern Massachusetts, Maine and Vermont)

235 West Central Street, Suite 1

Natick, MA 01760-3767

(508) 652-4800

www.bosbbb.org

Better Business Bureau of Central New England, Inc.

339 Main Street

Worcester, MA 01608

1-866-566-9222

www.worcester.bbb.org

**Better Business Bureau of
Central New England, Inc.**
(branch of Worcester)
333 Park Street, Suite A
West Springfield, MA 01089
1-866-566-9222
www.springfield-ma.bbb.org

Reports on businesses; brochures on auto-related topics; general advice on consumer problems; mediation of individual complaints; arbitration on behalf of certain dealers and manufacturers. Regional toll-free number for BBB Auto Line arbitration program: 800-955-5100.

Center For Auto Safety
1825 Connecticut Ave., NW
Suite 330
Washington, DC 20009-5708
www.autosafety.org

Offers advice on auto problems; reports and information packets on specific defects; and referrals to class action suits or other avenues of redress.

Consumer Reports
101 Truman Avenue
Yonkers, NY 10703-1057
www.consumerreports.org

Reports on new and used cars, minivans, pickups, and SUVs. Publishes annual auto issue that includes new model ratings and profiles, crash test results, reliability records, and best and worst used car lists. Offers detailed pricing information through their New Car Price Service and Used Car Price Service.

Federal Reserve Bank of Boston
Consumer Regulations, Bank Examination Dept.
600 Atlantic Avenue
Boston, MA 02106-2076
(617) 973-3000
www.bos.frb.org/consumer/index.htm

Answers questions pertaining to the Federal Reserve System's consumer protection regulations, including regulations governing credit and leasing transactions. Handles complaints against state member banks of the Federal Reserve System. Free copies of the consumer regulations and related publications are available upon request.

Federal Trade Commission
CRC-240
Washington, DC 20580
(877) 382-4357
www.ftc.gov

Provides publications on: leasing cars; car financing scams; octane ratings; vehicle repossession; credit; auto service contracts. Most are free; write for publications list.

Massachusetts Bar Association Lawyer Referral Service
20 West Street and 73 State Street
Boston, MA 02111-1218 Springfield, MA 01103
(617) 654-0400 (Boston)
(866) 627-7577 (Mass only)
www.massbar.org/lawhelp

Provides referrals to consumers seeking the assistance of a lawyer.

Massachusetts Consumers' Coalition
c/o Cambridge Consumers' Council
831 Massachusetts Avenue
Cambridge, MA 02139
(617) 349-6152
(617) 349-6148 (fax)
www.massconsumers.org

Publisher of **CAR SMART**, a coalition of consumer groups and agencies concerned with protecting consumers and ensuring fairness in the marketplace.

Massachusetts Division of Insurance

One South Station

Boston, MA 02110-2208

(617) 521-7794

www.mass.gov/doi/consumer

Regulates all aspects of the insurance business. Provides information and assistance on insurance related problems.

National Automobile Dealers' Association (NADA)

8400 Westpark Drive

McLean, VA 22102

(800) 252-6232

www.nadaguides.com

Publishes official used car guide that provides projected regional values for the following categories: average retail price; average loan value; and average trade-in or wholesale value.

National Highway Traffic Safety Administration (NHTSA)

400 7th Street, S.W.

Washington, DC 20590

(888) 327-4236

www.nhtsa.dot.gov

Maintains a hotline for reporting or obtaining information on auto safety problems. Reports on recalls and service bulletins. Provides free guides on: tire grading; auto crash results; fuel economy; odometer laws; and printouts detailing other people's problems with the same make and model vehicle.

National Institute for Automotive Service Excellence

101 Blue Seal Drive, SE., Suite 101

Leesburg, VA 20175

1-888-ASE-TEST

www.asecert.org/tips/tipsformotorists

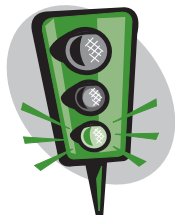
Provides free consumer brochures on: communicating with mechanics; choosing repair shops; getting cars ready for summer heat or winter cold; and keeping cars tuned up and running well.

U.S. Department of Energy
Energy Efficiency and Renewable Energy
Inquiry and Referral Service
656 Quince Orchard Road, Suite 500
Gaithersburg, MD 20878
1-877-336-3463
www.fuleeconomy.org

Provides a free gas mileage guide, energy and conservation information for car owners.

Consumer Federation of America (CFA)
1620 I Street, NW, Suite 200
Washington DC 20006
202-387-6121
www.consumerfed.org

CFA is an advocacy, research, education and service organization. A major current focus is to encourage fuel efficiency and thereby reduce our dependency of imported oil.



Car-Buying Glossary

Auto broker: Someone you can hire to help you shop for a car. An auto broker may work for a handful of dealers or a single dealer.

Blue Book: The National Auto Dealers' Association's Used Car Book, listing estimated used car prices based on model, make, year and mileage. The pocket-sized "Blue Book" is actually orange.

Buyer's Guide: A double-sided form that the dealer fills out to tell you whether or not the vehicle comes with a warranty, and, if so, what the warranty includes. The Federal Trade Commission requires all dealerships to display the Buyer's Guide in the vehicle's window.

Credit life insurance: Your finance company may require this. It ensures that the finance company loaning you money to buy your car will be among the first creditors paid if you should die before you pay off your car loan.

Credit disability insurance: Your finance company may require this along with credit life insurance. It ensures the finance company loaning you money to buy your car will be among the first creditors paid if you become disabled and unable to work to pay off your car loan.

Dealer: A car dealer is anyone who sells more than three cars in a 12-month period. A dealer must be licensed and abide by all laws that apply to dealers, including the state's Used Car Warranty Law.

Dealer invoice: This is often represented as the price the dealer pays the manufacturer for the car. However, holdbacks and other incentives almost always reduce the dealer's cost.

Deductible: A car warranty usually specifies a "deductible" amount, an amount you must pay whenever you have a warranted part on your car repaired.

Depreciation: The reduced value of a car after you buy it. A brand new car can lose or "depreciate" between several hundred and several thousand dollars in value the minute you drive off the dealer's lot.

Extended warranty: This is also referred to as a service contract. It is an option you may purchase on a new car and some used cars. The extended warranty should cover car repairs over a longer period than the manufacturer's warranty, which comes with the car. Beware that it is a high-profit item for a dealer. Check to see exactly what it includes, and remember that you can negotiate the price.

Holdback: An amount the manufacturer pays the dealer each time the dealer sells its make. Also referred to as a "kickback."

Lemon Law: Massachusetts Lemon Laws requires that a car seller repair or replace a motor vehicle with defects or problems covered under the warranty, which the vehicle owner reports within the warranty period. Read about the laws in Chapter 5 to see if they apply to your car.

Leasing: This is like long-term car rental. You make monthly payments for the opportunity to drive a car, but the leasing company owns it.

Options: These are extras you can have added to a standard vehicle, and usually come in packages. They often include air bags, anti-lock brakes, power locks and windows, rear wiper, rear defroster, and such comfort items as velour or leather seat coverings.

Prior salvage: If a car was totaled and then rebuilt, the car's title must be marked "salvage." After being rebuilt it may not be as structurally sound as another car.

Recall: If a car model has a defect, a manufacturer may issue a “recall” notice, meaning that the defect will be fixed at the manufacturer’s expense.

Repossession: If you do not make your car loan payments, you risk having your car “repossessed” or taken back by the lender that gave you the loan. Always contact the lender immediately if you are not going to make a monthly payment. The lender may be willing to work with you to set up a payment plan.

Service contract: Also called an “extended warranty,” it supplements the manufacturer’s warranty which comes with a vehicle you purchase. A service contract is a high-profit item for the dealer. Make sure it offers substantially more coverage than the standard warranty.

Title: The title shows a vehicle’s ownership history. It is important to check the title of a used car and to contact past owners listed to verify the mileage and inquire about the car’s maintenance.

Used Car Warranty Law: A state law that protects used car buyers. It says that used car dealers must provide basic warranty coverage for most used cars and small trucks sold to Massachusetts buyers. Read more about the law in Chapter 5.

Warranty: All new and many used cars come with warranties. A warranty offers a guarantee that certain mechanical and body parts will be repaired if they are not in proper working condition. The warranty is typically limited, so find out what the limitations are.





CFA Mileage Rating Scale

Over 40 MPG	~	Excellent
30-39 MPG	~	Good
20-29 MPG	~	Fair
under 20 MPG	~	Poor



Printed on 15% post-consumer recycled paper