

USED CAR SALES CONSUMER GUIDE

The New York City Department of Consumer Affairs

Make sure the used car dealer is licensed by the NYC Department of Consumer Affairs

There's a lot you can learn about the used car buying process.

All used car dealers in New York City are required to have a valid license from the New York City Department of Consumer Affairs (DCA). All auction houses must also have a Consumer Affairs license. The license should be prominently displayed at the dealership.

While a license is no guarantee of the business practices of the dealer or auction house, it will help the DCA to assist you with any complaints you may have. Check the dealer's complaint history and whether the license is current **before** making your purchase. Call the Citizen Service Center at **3-1-1** or **212-NEW-YORK** outside the City for information.

Carefully decide your needs and budget

Before you start to shop, think carefully about what you are looking for. How large a car do you need? How old a car are you willing to buy, both in years and in mileage? How important is fuel economy or the car's appearance?

Be honest with yourself about your budget. In adding up the costs, consider not only the purchase price, down payment, and monthly payments, but also insurance costs, parking, and projected repair and maintenance costs.

You can get a good deal on a used car by buying from an individual, particularly from the original owner. But you may get stuck if there is a problem with the car.

Check your local bookstore or public library for a "how to" guide about purchasing a car, such as the material published annually by *Consumer Reports*.

Spend some time shopping around. Only then will you be in a position to make an offer on the car that is really what you want. Don't be pressured by salespersons who say, "This deal is only good if you take it now."

Examine the used car carefully

Before purchasing, be sure to have the car examined by a mechanic or diagnostic center of your choice.

When you inspect a car, look beyond its appearance. Focus on:

- the condition of the engine
- signs of excess wear and tear — has the odometer been rolled back?
- uneven wear on tire
- evidence that the car has been in an accident

Always test drive the car **before** purchasing it.

At the point of buying a particular car, take it to your mechanic or an independent diagnostic center for a thorough examination. The National Highway Traffic Safety Administration warns consumers **never** to buy a car without a diagnostic inspection. If a dealer won't allow an independent inspection, **walk away**. If you buy a car at an auction house where independent inspections and test drives are not permitted, you are likely to lose out.

Check all paperwork

Pay attention to the paperwork in a used car deal. Read every single document. Don't buy a car "as is," and don't let the dealer rush you. Get a receipt for any payments and a completed Bill of Sale upon transfer of the car. Look for the *Used Car Buyer Guide*, which a dealer must post on every displayed car. The guide describes your warranty rights. Make sure the dealer gives you a copy of any warranty. Watch out for "shared protection warranty plans," which require additional payments. These plans provide limited coverage at a high price.

If you are financing your car, be sure that you know the interest rate, monthly payment, and other terms. Insist on a copy of anything you sign, on the spot. Do not sign any papers with blank spaces in them — the dealer could fill these in later with new clauses. Ask the dealer to tell you, **in writing**, the car's mileage, particularly if the odometer only has space for five digits. Compare this mileage to the mileage on all transfer documents. If the dealer doesn't know the mileage or states that the odometer does not accurately reflect the mileage, then you should probably walk away from the deal.

Keep records in case your used car has mechanical problems

Don't wait to protect your rights. Keep records of any problems, as well as receipts from repair shops or the dealer's mechanic. **Upon purchase, verify the car's condition by a professional diagnostic inspection.** As soon as a problem develops, return immediately to the dealer for a repair. Document your efforts to have repairs done. If you have a basis for filing a complaint against the dealer under the Lemon Law (see below), or the dealer failed to provide you with a roadworthy car, do not wait to file the complaint. Delay will only make it more difficult for you to obtain a satisfactory resolution.

Buying or leasing?

The choice between leasing and buying depends on what's most important to you. If you want lower monthly costs and like driving a new car every two or three years but are willing to pay more over the long haul to get those benefits, then lease. If you want to be able to pay off your vehicle, be payment-free for a while, and drive it for a long time — but are willing to make higher payments for four or five years — then you should buy.

The used car "Lemon Law"

Used car buyers in New York State are protected under a "lemon" law requiring dealers to provide written warranties on used cars selling for \$1,500 or more, with mileage of less than 100,000 miles.

The law covers used car purchases and leases from New York dealers and auction houses on cars primarily used for personal purposes. It does not apply, however, to used motorcycles, motor homes, off-road vehicles, or used car purchases from private individuals.

Used cars must be roadworthy

Used car dealers must honor a warranty for a given number of miles, based on the car's mileage at the time of purchase. The warranty covers the engine, transmission, drive axle, brakes, radiator, steering, and alternator:

Mileage	Warranty
0-36,000	90 days or 4,000 miles
36,001-79,999	60 days or 3,000 miles
80,000-100,000	30 days or 1,000 miles

If a dealer can't repair a defect after three tries, the consumer has the right to request a refund or replacement.

If the dealer refuses, you have several options. If the dealer belongs to one of the dealer-sponsored arbitration programs, in which the arbitration is non-binding, you must either go through that program or the New York State Used-Car Lemon Law Arbitration Program where the arbitration is binding.

*Where to get
help*

If you are in a dealer-sponsored arbitration but are still dissatisfied, you may then go to the State Program, or may sue in court. If a dealer is not part of a dealer-sponsored program, you can participate in the state arbitration program, or sue in court.

Even when a car is not covered by the Used-Car Lemon Law because the price is under \$1,500 or it has 100,000 miles or more, State law still requires used car dealers to certify that the car was inspected and that it is fit and roadworthy. A dealer cannot legally sell a car "as is."

If you purchase an un-roadworthy car from a dealer, and the dealer refuses to fix the problems to your satisfaction, you should file a complaint with the Department of Consumer Affairs and the Department of Motor Vehicles. Include copies of the car's diagnostic inspection with your complaints.

To check if a used car dealer, auction house or auctioneer is licensed by the Department of Consumer Affairs, call the Citizen Service Center at **3-1-1** or **212-NEW-YORK** outside the City.

To file a "Lemon Law" complaint, contact the New York State Attorney General's Office at **(212) 416-8345**.

To file a complaint against a used car dealer, auction house or auctioneer, download a complaint form at **www.nyc.gov/consumer**. You can also file by sending the details of your complaint in writing to the Department of Consumer Affairs, Consumer Complaints Division, 42 Broadway, New York NY 10004.

Write the New York State Attorney General's **Office of Public Information, New York State Department of Law, 120 Broadway, New York, NY 10271** for a detailed brochure on New York's Used-Car Lemon Law and Arbitration Program. To participate in the Lemon Law Arbitration Program, write to the Office of the Attorney General at the above address for a "Request for Arbitration" form. Return the completed form to the Attorney General's office, Attention: Used-Car Lemon Law Arbitration Unit.

*Michael R.
Bloomberg
Mayor*



*Jonathan
Mintz
Commissioner*

The New York City Department of Consumer Affairs fosters a marketplace that consumers can trust and in which honest businesses can thrive.

If you would like more information about the work of the agency or our new strategic initiatives, please call 3-I-I or contact:

The New York City Department of Consumer Affairs
42 Broadway
New York, NY
10004-1617

www.nyc.gov/consumers

New York City employees are not allowed to ask for or accept anything of value, such as money, gifts, or tips for doing their job. To report corruption, call the NYC Department of Investigation at (212) 825-5904 or visit www.nyc.gov/doi.