



Righting Your New Car's Wrongs

Consumer Protection Division, Maryland Attorney General's Office

Your Rights Under Maryland's Lemon Law

If your new car spends more time in the repair shop than on the road, you know you have a problem. In most cases, the manufacturer's warranty that comes with your car will provide the coverage you need to have your car repaired at no cost to you. Your warranty will tell you what parts and systems of your car are covered and for how long. If you need repairs, you must have them done by a dealer, although you do not have to use the same dealer who sold you your car.

In some cases, however, the dealer may be unable to fix your car's problem. If that is the case, you may have a lemon.

Maryland's Lemon Law applies to new or leased motor vehicles (including cars, light trucks and motorcycles), registered in Maryland, that are less than 24 months old and have been driven less than 18,000 miles. The law provides for consumers whose cars meet certain criteria to receive a refund or a replacement vehicle if repair attempts have failed to correct a problem, and the problem substantially impairs the use and market value of the vehicle.

Not all new cars with problems qualify as lemons, but if yours does, you must take ac-

tion quickly to receive relief under the law.

This publication will help you determine whether your car is a lemon, tell you what to do about it, and explain how Maryland's Consumer Protection Division can help.

Is It a Lemon?

Maryland's lemon law applies only to cars, light trucks, and motorcycles that:

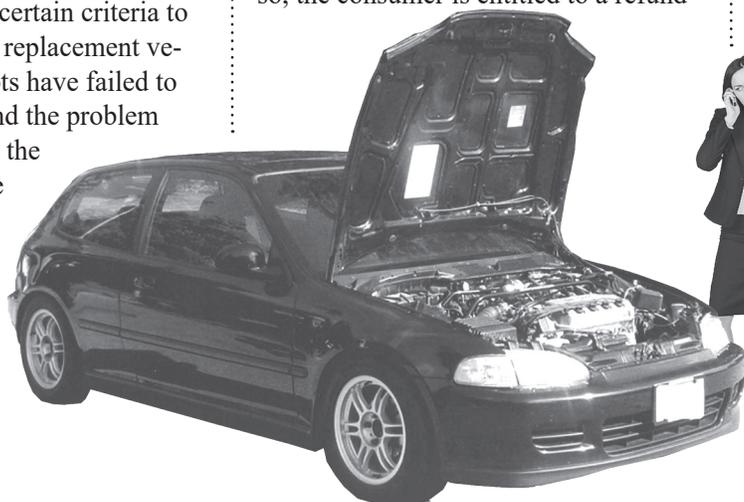
1. Are registered in Maryland, and
2. Have been driven less than 18,000 miles and been owned less than 24 months. (Even if you are not the original owner, the Lemon Law might apply to your vehicle if the original owner purchased it less than 24 months ago.)

The law provides that a dealer or manufacturer must correct a defect within 30 days after the consumer writes to the manufacturer by certified mail. If the manufacturer or dealer is unable to do so, the consumer is entitled to a refund

or replacement vehicle under the Lemon Law if the car has:

- A **brake or steering failure** that was not corrected after the **first repair attempt**, and that causes the vehicle to fail Maryland's safety inspection; or
- Any **one problem** that substantially impairs the use and market value of the vehicle that was not corrected in **four repair attempts**; or
- **Any number of problems** that substantially impair the use and market value of the vehicle that have caused it to be out of service for a **cumulative total of 30 or more days**.

If you suspect your car is a lemon—for example, if the dealer has tried once or twice unsuccessfully to repair the problem and you believe the problem substantially impairs the use and market value of the vehicle — **you should write to the manufacturer immediately**. You do not need to wait until the dealer has made the four repair attempts, or until the car has been out of service for 30 days.



What to Do If Your Car Hasn't Yet Met the Definition of a Lemon

If your car does not yet qualify as a lemon, but is still covered by a warranty and is not working properly, you should take the following steps:

- Contact your dealer and ask to have the problems repaired under the warranty. If your dealer is not cooperating or seems to be unable to correct the problem, contact another dealer who sells the type of car you have purchased. A different dealer may be more successful in dealing with your problem. You should not be charged for this work. Keep copies of all receipts for work done on the vehicle.
- Immediately notify the manufacturer, in writing, of the problem and ask for assistance. Include the year, make, model and Vehicle Identification Number (VIN) of your car and enclose copies of repair orders from the dealer's attempts to repair your vehicle. (See sample letter A.) **Send the letter by certified mail, return receipt requested.** Send a copy of your letter to the Consumer Protection Division with a completed complaint form, which can be found in this publication.
- Once the manufacturer receives your letter, it has 30 days to fix the problem. The manufacturer can authorize the dealer to make the repair.
- Keep copies of all correspondence with the dealer and manufacturer, and keep notes of phone calls, including dates of the calls.

What to Do If Your Car Does Meet the Definition of a Lemon and You Have Not Yet Notified the Manufacturer

If your car is a lemon, you are entitled to a replacement vehicle or the manufacturer must refund the full purchase price minus an allowance for use, not to exceed 15 percent of the purchase price.

If you have not yet notified the manufacturer and you think your car meets the definition of a lemon, you should **immediately notify the manufacturer by letter, sent certified mail, return receipt requested.** (See sample letter B.) Send a copy of your letter to the Consumer Protection Division along with a completed complaint form, and keep a copy for your own files. In your letter, you should:

- List the make, model, year, and VIN of your vehicle.
- Include the name of the dealership from which your automobile was purchased and the date of purchase.
- Describe the problem you are having.
- Describe what you have done to address the problem and include copies of repair orders and dates of repair attempts.

Once the manufacturer receives your letter, it has 30 days to fix the problem. The manufacturer can authorize the dealer to make the repair.

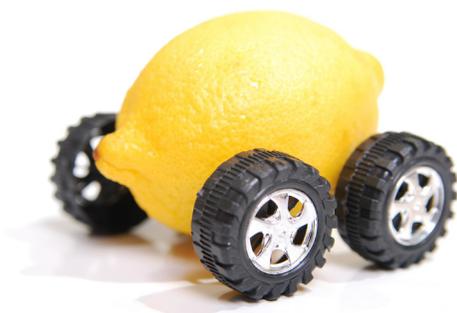
What the Manufacturer Must Do Once It Is Notified About Your Car's Problem

If your car is a lemon and the manufacturer is unable to correct the problem within 30 days of receiving your letter, the manufacturer must repurchase or replace your vehicle. If you previously contacted the manufacturer, you will want to send a follow-up letter by certified mail, return receipt requested, outlining your problem, the steps you have taken to resolve it and what action you want taken. (See sample letter C.)

The manufacturer can replace your vehicle with a comparable one that is acceptable to you, or buy it back, whichever you prefer. The repurchase price you are offered should cover the full purchase price including license fees, registration fees and other similar governmental charges. The manufacturer can subtract up to 15 percent of the purchase price for your use of the vehicle, and a reasonable allowance for damage not attributed to normal wear and tear.

Excise taxes are not refunded by the manufacturer. The Motor Vehicle Administration will return those to you or apply them against your next vehicle. If you have questions about excise taxes, you can call the Motor Vehicle Administration's customer service line at 800-950-1MVA.

If the manufacturer refuses to provide you with a replacement vehicle or refund, or if you need assistance in negotiating the appropriate refund price or replacement vehicle, you may file a complaint with the Consumer Protection Division, and we will contact the manufacturer to assist you in your negotiations. A special complaint form is included with this publication.



Please describe the problem(s) you have had with your new vehicle using the following chart and attach copies of all documents that relate to these problems (e.g., invoices, repair orders, etc.) to this form.

Problem	Date of Repair	Mileage

Have you notified the Manufacturer of the problems? Yes No

If yes: Please attach a copy of your letter to this form.

1. Was the notification sent by certified mail, return receipt requested? Yes No
2. What, if any, response have you received from the manufacturer?
(Please attach any written correspondence)

Please mail your completed form to the Consumer Protection office nearest you (listed on other side).

Sample Letter A

For notifying manufacturer of on-going problems
(Vehicle has not yet met the definition of a “lemon”)

Consumer's Name
Address
City, State Zip Code
Telephone Number
Date

Manufacturer's Name
Address
City, State Zip Code

BY CERTIFIED MAIL

RETURN RECEIPT REQUESTED

Dear Sir or Madam,

I am writing to notify you of the problems I have been having with my *[Year, Make, Model and VIN# of car]* and to request that you correct this problem within 30 days of your receipt of this letter.

I purchased my car from *[Name of Dealership]* on *[date of purchase.]* Approximately *[amount of time after purchase]*, I began having trouble with *[description of problem]*. I took my car back to the dealer for repairs on *[dates of repair attempts]* but, to date, the dealer has been unable to correct the problem. Attached are copies of the repair orders that document the dealership's attempts to repair my car.

This problem substantially impairs both the use and value of my car. Therefore, if you and/or your dealer are unable to correct this problem in a “reasonable number of attempts” as that phrase is defined in Maryland's Automotive Warranty Enforcement Act (Md. Code Ann., Com. Law, §14-1502 (d)), I will expect you to *[repurchase or replace]* the vehicle pursuant to §14-1502(c) of the Act.

Please contact me at the above address or telephone number to arrange a mutually convenient date and time for you to inspect my car and make the necessary repairs.

Sincerely,

[Your Name]

Enclosures

Sample Letter B

Contacting manufacturer for first time if your vehicle is a “lemon” under the lemon law

Consumer’s Name
Address
City, State Zip Code
Telephone Number
Date

Manufacturer’s Name
Address
City, State Zip Code

BY CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dear Sir or Madam,

I am writing to notify you of the problems I have had with my *[Year, Make, Model and VIN# of car]* pursuant to Maryland’s Automotive Warranty Enforcement Act, Md. Code Ann., Com. Law, §14-1501 et seq.

I purchased my car from *[Name of Dealership]* on *[date of purchase.]* Approximately *[amount of time after purchase]*, I began having trouble with *[description of problem]*. I took my car back to the dealer on *[Dates of Repair Attempts]* to have this problem corrected but to date, the dealer has been unable to do so. Thus far, *[my car has been out of service for a total of [number] days / a dealership has attempted to repair this problem [number] times.]* Attached are copies of the repair orders that document the dealership’s attempts to repair my car.

This problem substantially impairs both the use and value of my car. Therefore, unless you are able to correct this problem within 30 days of your receipt of this letter, I request that you *[repurchase or replace]* my vehicle under the provisions of Md. Code Ann., Com. Law, §14-1502.

Please contact me at the above address or telephone number to arrange a mutually convenient date and time for you to inspect my car and make the necessary repairs.

Sincerely,

[Your Name]

Enclosures

Sample Letter C

For contacting manufacturer if your vehicle is a “lemon” under the lemon law
(use if you have already contacted manufacturer by letter at least once)

Consumer’s Name
Address
City, State Zip Code
Telephone Number
Date

Manufacturer’s Name
Address
City, State Zip Code

BY CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dear Sir or Madam,

I am writing to notify you of the continuing problems I have had with my *[Year, Make, Model and VIN# of car]* and to request that you *[repurchase or replace]* this vehicle pursuant to Maryland’s Automotive Warranty Enforcement Act, Md. Code Ann., Com. Law, §14-1501 et seq. As you may recall, I previously notified you of these problems in a letter dated *[date of prior letter]*.

I purchased my car from *[Name of Dealership]* on *[date of purchase.]* Approximately *[amount of time after purchase]*, I began having trouble with *[description of problem]*. I took my car back to the dealer on *[Dates of Repair Attempts]* to have this problem corrected but to date, the dealer has been unable to do so. Thus far, *[my car has been out of service for a total of [number] days / a dealership has attempted to repair this problem [number] times.]* Attached are copies of the repair orders that document the dealership’s attempts to repair my car.

This problem substantially impairs both the use and value of my car. Therefore, I request that you *[repurchase or replace]* my vehicle under the provisions of Md. Code Ann., Com. Law, §14-1502.

Please contact me within 14 days to discuss this matter.

Sincerely,

[Your Name]

Enclosures



The Arbitration Option

All car manufacturers offer some form of complaint resolution procedure. If the manufacturer will not agree to repurchase or replace your car, it may offer to submit your dispute to arbitration. This is an optional procedure; whether or not you use it is your choice. The decision of the arbitrator is binding only on the manufacturer, not the consumer. If you are not satisfied with the arbitrator's decision, you may still file a lawsuit against the manufacturer and take your case to court.

If you plan to submit your complaint to arbitration, here are some steps you should take to prepare:

- Arrange your records in chronological order. Prepare a brief outline summarizing the events. Submit copies of records about your car's problem and a copy of your warranty along with an arbitration application.
- Ask the arbitration program representative to send you copies of all materials submitted in advance by the manufacturer so you can anticipate and respond to its arguments.
- You may want to have an independent automotive expert examine your car. You can submit a written report of the expert's findings to the arbitrator. You will have to pay for the expert, but the report might help you make your case. You can ask the arbitrator to reimburse your expenses in obtaining the report, although you cannot be assured you will be compensated for this expense even if you prevail in the arbitration.



Taking Your Lemon Law Complaint to Court

If you are not satisfied with the results of arbitration, or if you decide not to arbitrate, you have the right to file a lawsuit against the manufacturer of your vehicle. At this point, you should hire a lawyer if you do not already have one. The Maryland Bar Association or your county bar association can refer you to an attorney in your area. **You must file your case within three years from the date the car was delivered to you.**

Warranty Adjustment Programs

When a part has a high failure rate, a car manufacturer will pay for certain repairs even after the original warranty expires. These "warranty adjustment programs" were often referred to as "secret warranties" because the manufacturer would notify dealers about the repairs but not consumers. Under Maryland law, manufacturers must now notify consumers about any warranty adjustment programs and, upon request, provide consumers with copies of the bulletins sent to dealers about the repair program. Although manufacturers often arrange to reimburse dealers for the cost of repairs so that consumers will not be charged, consumers who do pay for repairs covered by the warranty adjustment program should seek reimbursement from the manufacturer.

Consumers may contact the National Highway Traffic Safety Administration (NHTSA) or their car's manufacturer for more information on recalls and technical service bulletins. NHTSA may be reached at <http://www.nhtsa.gov> or toll-free: 1-888-327-4236.

How We Can Help

We hope this information will assist you in resolving the problems you are having with your new car. If at any point in the process you want our assistance, please file the complaint form included in this publication at the office closest to you.

How You Can Reach Us

Attorney General's Offices

Downtown Baltimore
Consumer Protection Division
200 St. Paul Place, 16th Floor
Baltimore, MD 21202-2021

- **Complaints General:**
410-528-8662
(9 a.m. to 3 p.m., M-F)
- Toll-free: 888-743-0023
- TDD for hearing impaired persons: 410-576-6372

Send written complaints to:
Mediation Unit
Consumer Protection Division
16th Floor
200 Saint Paul Place
Baltimore, MD 21202-2021

e-mail: consumer@oag.state.md.us

Branch Offices

- **Cumberland**
301-722-2000
(9 a.m. to 12 p.m.,
3rd Tues. of each month)
- **Frederick**
301-600-1071
(9 a.m. to 1 p.m., 2nd and
4th Thurs. of each month)
- **Largo**
301-386-6200
(9:00 a.m. to 5:00 p.m., M-F)
- **Hagerstown**
301-791-4780
(8:30 a.m. to 4:30 p.m., M-F)
- **Salisbury**
410-713-3620
(8:30 a.m. to 4:30 p.m., M-F)
- **Southern MD, Hughesville**
301-274-4620
Toll-free: 1-866-366-8343