

New Jersey

Motor Vehicle Lemon Law



Your Road to Relief



973-504-6226 • Lemon Law Unit

www.NJConsumerAffairs.gov/ocp/lemonlaw.htm



Introduction to the

New Jersey **LEMON LAW Unit**

Your Road to Relief - The New Jersey Lemon Law Unit

The New Jersey Lemon Law Unit was formed in 1989 to provide quick relief for consumers who purchase or lease a defective motor vehicle. This guidebook is divided into 2 sections: the New Car Lemon Law and the Used Car Lemon Law. Qualifications for the two laws are different so please read the information carefully and contact the Lemon Law Unit at 973-504-6226 with any questions you may have. Staff members are ready to assist you.

If your Lemon Law application is accepted, your case will be heard before an administrative law judge (A.L.J.) in the Office of Administrative Law (O.A.L.) at one of three locations: Newark, Trenton or Atlantic City. The Lemon Law Unit offers information and application processing only. The Unit does not hear cases or represent you at O.A.L. hearings, which are conducted in a quasi-judicial setting.

Why Choose the Lemon Law Unit

- ***It's Much Quicker!*** - The Lemon Law process has special deadlines it must meet in order to ensure quicker handling of your case. Going to Superior Court could take considerably longer.
- ***An Attorney is Not Required*** - You may choose to have an attorney represent you but it is not required. If you win your case, the manufacturer must pay for any reasonable attorney's fees (New Car Lemon Law cases only).
- ***Cases are Scheduled at Your Convenience*** - Cases are scheduled at a date, time and location that is most convenient for you: Newark, Trenton or Atlantic City.
- ***The Fee is Only \$50*** - There is a \$50 filing fee which is refunded to you if you win your case. (The fee is for New Car Lemon Law cases only)
- ***Lemon Law Staff are Ready to Assist You*** - While the Unit does not provide legal representation, staff are available by phone or email to answer your questions quickly.

Here is What To Expect on Your Road to Relief

- Your Lemon Law application gets reviewed by a Lemon Law staff member for completeness and to determine whether it meets all of the qualifications for a Lemon Law hearing.
- The application is approved, rejected or sent back to you for edits.
- Once the application is approved, a \$50 filing fee is requested. (The fee is for New Car Lemon Law cases only).

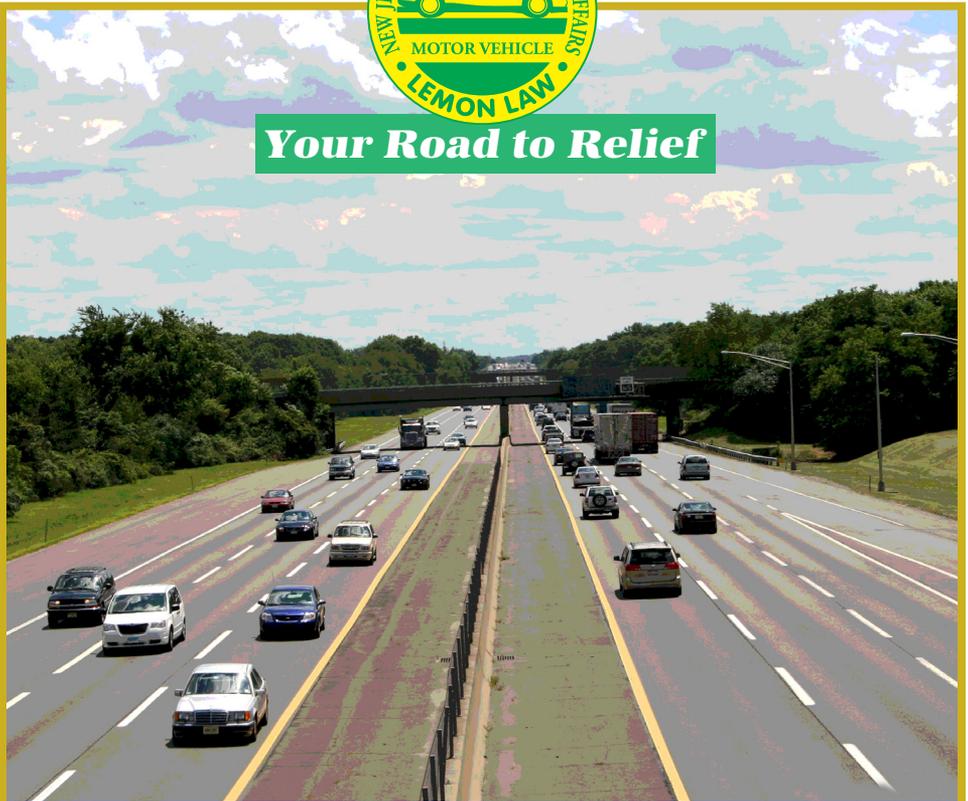


Here is What To Expect on *Your Road to Relief* (continued)

- Once the fee is received for New Car Lemon Law cases, the application is accepted and a copy of the application is mailed to the manufacturer. For Used Car Lemon Law, a copy of the approved application is sent to the dealer.
- You are then contacted to set a hearing date, usually within **20 DAYS** of application acceptance, subject to the days the O.A.L. has available. A copy of the application is then sent to the O.A.L.
- The administrative law judge's Initial Decision is issued within **20 DAYS** of the hearing.
- Within **15 DAYS** of receiving the Initial Decision, the Director of Consumer Affairs will issue a Final Decision. The Final Decision will either adopt, reject or modify the Initial Decision.



Your Road to Relief



New Car LEMON LAW

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Used Car LEMON LAW

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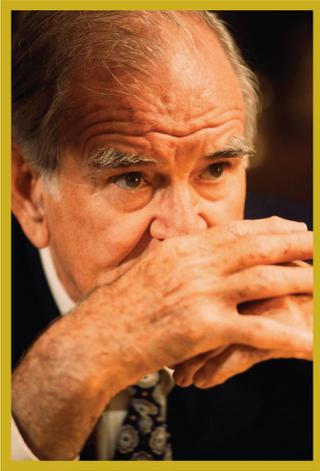
New Car LEMON LAW

New Jersey's New Car Lemon Law protects you when you purchase a new motor vehicle that develops serious warranty defects which the dealer or manufacturer cannot repair. The law covers vehicles during the first two years from the original date of delivery or 24,000 miles - whichever comes first.

To qualify for relief under the Lemon Law, the defect must substantially impair the use, value or safety of your vehicle, or be a "serious safety defect" which is likely to cause death or serious bodily injury if the vehicle is driven.

Does New Jersey's Lemon Law apply to my vehicle?

The Lemon Law covers new passenger motor vehicles and motorcycles which are purchased, leased or registered in New Jersey. The Lemon Law also covers authorized emergency vehicles and motor homes (except the living quarters). If you purchased or leased your vehicle used but it is still under 24,000 miles and under two years from the date of original delivery, you may still qualify under the New Car Lemon Law.



What must I do before I submit a Lemon Law application?

Before you can file a claim under the Lemon Law, you must give the manufacturer one final opportunity to repair the defect. A letter to the manufacturer (not the dealer) must be sent by certified mail, return receipt requested, stating that you may have a claim and that you are giving the manufacturer one last chance to repair the defect. See page 8 for a sample letter that we strongly recommend that you use.

When do I send the certified letter to the manufacturer?

The certified letter may be sent only after you have had at least two repair attempts for the same defect, or 20 cumulative days out of service for one or more defects, and the defect still exists. In the case of a “serious safety defect,” the letter can be sent after a single repair attempt and the defect still exists. The manufacturer must receive your certified letter before the Lemon Law’s term of protection expires: 2 years from original date of delivery or 24,000 miles. You must be under both. Contact the Division of Consumer Affairs’ Lemon Law Unit for the address of the manufacturer’s regional office, to which you should send your letter.

How long should the final repair take?

The manufacturer should be allowed 10 calendar days, following receipt of your certified letter, to repair the vehicle. If the final repair attempt fails to correct the defect, you may complete a Lemon Law application and submit it to the Lemon Law Unit along with a copy of all your documents. **The defect must still exist to apply.**



The Lemon Law does not apply to:

Commercial vehicles and the living quarters of motor homes.

The Lemon Law does not cover defects caused by an accident, vandalism, abuse or neglect. It also does not cover defects caused by attempts to repair or modify the vehicle by a person other than the manufacturer or authorized dealer.

What should I do if I think my car is a “Lemon”?

Tell the dealer about the problem. Make sure the problem is fully described on the repair order. Your repair order should include any charges for parts and labor, a general description of the problem(s), the odometer reading and date when you brought the vehicle in for repair, the odometer reading and date when you picked up the vehicle and a list of the work performed. Keep a copy of all repair orders, receipts and statements. You will need them to apply.

Replacement vehicle

Many Lemon Law cases are resolved through informal settlements with the manufacturer. At any time, the manufacturer may offer to replace your vehicle with another one, but you do not have to accept the offer. If you choose to accept a replacement vehicle and your original vehicle was financed, the manufacturer must make sure the financing is transferred from the original vehicle to the replacement vehicle.

Refund

If you win your case, the manufacturer will be ordered to reacquire your vehicle and issue a refund. Your refund may include, but is not limited to the following:

- the purchase price or leasing costs of your vehicle
- any finance charges
- reasonable attorney fees
- the \$50.00 Lemon Law application fee
- the cost of vehicle repairs
- reasonable costs for a rental vehicle while your vehicle is out of service because of the defect
- expert witness fees
- towing costs.

Reasonable allowance for vehicle use

A “reasonable allowance for vehicle use” will be deducted from your refund. This deduction equals the total purchase price multiplied by the mileage at the time the vehicle was first brought to the dealer or manufacturer for repair of the defect, divided by 100,000 miles.

$$\frac{\text{Total Purchase Price} \times \text{Mileage at First Repair Attempt}}{100,000} = \text{Use Deduction}$$

Here is an example:

Vehicle Purchase Price.....\$19,500
 Mileage at first repair attempt.....9,500

$$\frac{\$19,500 \times 9,500}{100,000} = \$1,853 \text{ (reasonable allowance deduction)}$$

$$\$19,500 \text{ minus } \$1,853 = \$17,647 \text{ REFUND}$$

Other options to resolve your complaint

You may choose to file a private civil action in court to resolve your claim. However, once a civil action is filed or a court decision has been issued, you can no longer use the Lemon Law program.

You may choose to participate in the manufacturer's arbitration program. Not all manufacturers have an arbitration program. You should contact the manufacturer to see if it has one. You may find an arbitration application in the information packet that came with your vehicle. It is usually inside the glove box. You also can get an application by calling the manufacturer's arbitration program. You are not required to use the manufacturer's arbitration program. If you do use it and you are not satisfied with the outcome and have not agreed to a settlement with the manufacturer, you may still file a Lemon Law application.

How do I prepare to file a Lemon Law application?

1. Record and summarize warranty repairs in the order in which they occurred. List each defect separately on your application. Focus on the problem(s) that still exist.
2. Make a copy of all of your supporting documents. They include: the purchase order, the finance or lease agreement, all repair invoices, your certified letter to the manufacturer and the certified mail return receipt, any letters or e-mails between you and the dealer or manufacturer and any other documents which might help support your case. You will also need to submit a copy of your vehicle registration.
3. Though it is not required, consider hiring an attorney to represent you and hiring an expert witness to substantiate your claims. The manufacturer will have legal representation and an expert witness at the hearing. You may also bring other witnesses to the hearing, like friends or family members, who can testify that they have experienced or witnessed the problem.
4. Important: The defect must continue to exist after the final repair attempt in order to apply for relief under the Lemon Law.



Before you file a Lemon Law application, you must have done all of the following:

1. Allowed the minimum number of repair attempts before sending the required certified letter to the manufacturer, allowing for the final repair opportunity; and
2. Sent the certified letter. The letter may be sent only after you have had at least two repair attempts for the same defect, or 20 or more cumulative days out of service to repair one or more defects, and the defect(s) still exist. In the case of a “serious safety defect” likely to cause death or serious bodily injury if the vehicle is driven, the letter can be sent after a single repair attempt and the defect still exists; and
3. Allowed the manufacturer a final chance to repair the vehicle after they receive your certified letter; and
4. Received the certified mail return receipt proving that you sent the final-chance notice to the manufacturer.

What must I do to file an application with the Lemon Law Unit?

1. Contact the Lemon Law Unit to obtain an application or print one out from the Division’s website: www.NJConsumerAffairs.gov. With your completed application, you will need to send the Unit a readable copy of:

- your certified letter to the manufacturer
- the certified mail return receipt
- all repair invoices, including the final repair invoice
- your vehicle registration
- your purchase order
- your lease or finance contract
- any towing or rental car receipts.

2. Complete the application and return it to the Lemon Law Unit at P.O. Box 45026, Newark, New Jersey 07101.



How should I prepare for my O.A.L. hearing?

It is suggested that you consult with an attorney to prepare or present your case in the O.A.L. However, if you decide to present your case on your own, we recommend that you prepare by taking the following steps:

1. Use your Lemon Law application as a guide. The application contains much of the information you will need at the hearing.
2. Organize your records by putting them in chronological order. This will help you present the history of the problem.
3. Prepare an outline of the major points you wish to present.
4. Consider using an expert witness or other witnesses like friends or family members who can substantiate your claim and help strengthen your case.
5. Be prepared to discuss the problem in its entirety. You should:
 - State why you believe your vehicle is a “lemon” and be prepared to explain your reasons before the judge. For example: The defect substantially impairs the use, value or safety of the vehicle. Or, the defect is a “serious safety defect” which is likely to cause death or serious bodily injury if the vehicle is driven.
 - State the specific nature of the defect(s).
 - Restate any conversations with the dealer or manufacturer’s representative.
 - Describe any repair attempts.
 - Prepare a list of questions to ask the manufacturer’s representative.

Initial Decision/Exceptions

If you are not satisfied with the administrative law judge’s initial decision, you are allowed to file what is known as an “exception.” An exception is a written explanation of why you believe that the judge’s decision should not be adopted by the Director of the Division of Consumer Affairs. If you file an exception, it must be received by the Division within eight (8) days from the date stamped on the front of the judge’s decision. The exception is to be mailed to the Director of the Division of Consumer Affairs, c/o the Lemon Law Unit, P.O. Box 45026, Newark, NJ 07101.

If you file an exception to the initial decision, please make sure:

- You have first reviewed the judge’s initial decision carefully.
- Your exception is no longer than three (3) typed pages in length.
- You state any omissions of fact.
- You do not restate the evidence already presented in the initial decision.

Remember, your exception must be received by the Division within eight (8) days from the date stamped on the front cover of the judge’s decision.

Can the Final decision be appealed?

Yes. You and/or the manufacturer can file an appeal in the Appellate Division of Superior Court (609-292-4822) within 45 days of receipt of the final decision.

The Lemon Law protects you against a manufacturer who appeals without good reason. A manufacturer who files an appeal must post a bond equal to the amount awarded to you at the time of the final decision, plus an extra \$2,500 to cover your attorney fees. The bond is payable to you and the amount will be turned over to you if you win the appeal.

What if the manufacturer fails to comply with the final decision?

The manufacturer has 15 days from the date of receipt of the final decision to comply. If the manufacturer fails to comply with the final decision, you should notify the Division of Consumer Affairs' Lemon Law Unit immediately. A manufacturer can be penalized \$5,000 per day for each day it "unreasonably" fails to comply.



Sample Letter

The following is a SAMPLE of the letter you must send to the manufacturer. You MUST fill in the details in parentheses and send your letter by certified mail-return receipt requested.

(Your Name)

(Address)

(Telephone Number)

(The name of the manufacturer)

(The manufacturer's address)

(The date)

“Sample letter to the manufacturer”

To Whom It May Concern:

I believe that my passenger vehicle (or motorcycle) is a “lemon” under the New Jersey Lemon Law (N.J.S.A. 56:12-29 to 56:12-49). I am hereby making a written demand for relief under the New Jersey Lemon Law.

I purchased (or leased) a (state the make, model year and vehicle identification number) on (state the date) from (name the dealership) in (give the city and state). Since I bought (or leased) the vehicle, I have had to return it to the dealership a total of (state the number of times the vehicle was returned to the authorized dealer for repairs) times. My vehicle has been out of service for repairs for a total of (state the total number of calendar days) calendar days. The current mileage on my vehicle is (give current odometer reading).

My vehicle has been in (name the authorized dealership) on the following dates for repair of the following defects:

(Give date(s) vehicle went in and date(s) it came out)

(List the vehicle's problems)

My vehicle is currently experiencing the following problems:

(List the problems)

Since these problems substantially impair the use, value or safety of my vehicle, or the defect is one that is likely to cause death or serious bodily injury if the vehicle is driven, I am hereby allowing you one final opportunity to repair my vehicle. If these repairs are not completed within 10 calendar days of receipt of this letter, I may be entitled to a refund, calculated in accordance with the New Jersey Lemon Law.

I look forward to hearing from you soon. You can reach me during the day at (list phone number with area code) and in the evening at (list phone number with area code).

Sincerely,

(Your name)

Used Car LEMON LAW

What is the New Jersey Used Car Lemon Law?

The Used Car Lemon Law (U.C.L.L.) protects and assists consumers when they purchase used motor vehicles from licensed dealers, and the vehicles develop repeated problems with parts covered under the warranty. The law also requires dealers to provide a limited warranty based on the mileage of the vehicle at the time of purchase. This warranty must be provided at no extra charge and the dealer must repair the problems within the warranty period.



The Lemon Law Unit, which handles your complaint, is part of the New Jersey Division of Consumer Affairs. Procedures for filing an application are very specific. *The Lemon Law Unit offers information and application processing only. The Unit does not bear cases or represent you at hearings. Cases are heard at the Office of Administrative Law (O.A.L.) in a quasi-judicial setting.* Please read this information carefully and contact our staff at 973-504-6226 if you have any questions.

What vehicles are covered under the Used Car Lemon Law?

The law covers passenger vehicles, purchased from a licensed dealer, which are seven (7) model years old or less. The purchase price must be at least \$3,000 and the mileage must not exceed 100,000 miles at the time of purchase. If your vehicle meets these requirements, the dealer is required to provide you with a warranty which shall at least have the following minimum durations:

- If a motor vehicle has 24,000 miles or less on its odometer, the dealer must provide the consumer with a warranty for 90 days or 3,000 miles, whichever comes first.
- If a motor vehicle has between 24,000 miles and 60,000 miles on its odometer, the dealer must provide the consumer with a warranty for 60 days or 2,000 miles, whichever comes first.
- If a motor vehicle has between 60,000 miles and 100,000 miles on its odometer, the dealer must provide the consumer with a warranty for 30 days or 1,000 miles, whichever comes first. *

***NOTE:** In negotiating a better price for the vehicle, consumers may waive their right to a warranty. The vehicle must have more than 60,000 miles on its odometer and the waiver must be in writing.

The written warranty shall require the dealer, upon failure or malfunction of a covered item during the term of the warranty, to correct the malfunction or defect, provided the used motor vehicle is delivered to the dealer, at his regular place of business, and subject to a deductible amount of \$50 to be paid by the consumer for each repair of a covered item.

If the dealer fails to provide the consumer with a written warranty at the time of purchase, the dealer is deemed to have provided that warranty, as specified in the law, unless the consumer has signed a waiver.

What the Used Car Lemon Law does not cover!

- Motorcycles
- Commercial vehicles
- Leased vehicles
- Vehicles still covered by a manufacturer's warranty
- Private sales
- Lessees who buy out their leased vehicles
- Total loss/ salvaged vehicles / flood-damaged vehicles

The Used Car Lemon Law excludes repairs that are covered by any manufacturer's warranty, recall program, misuse, negligence or alteration of the vehicle by someone other than the original dealer. The U.C.L.L. does not cover repairs resulting from collision, abuse, or the consumer's failure to properly maintain the motor vehicle in accordance with the manufacturer's recommended maintenance schedule. It also does not cover defects caused by attempts to repair or modify the vehicle by a person other than the authorized dealer or the dealer's agent.

What vehicle parts are covered by the Used Car Lemon Law?



The written warranty requires the dealer to repair a covered item upon failure or malfunction. Covered items are limited to:

Engine - All internal lubricated parts, timing chains, gears and cover, timing belt, pulleys and cover, oil pump and gears, water pump, valve covers, oil pan, manifolds, flywheel, harmonic balancer, engine mounts, seals and gaskets, and turbo-charger housing. (Housing, engine block and cylinder heads are covered items only if they are damaged by the failure of an internal lubricated part.)

Transmission Automatic/Transfer Case - All internal lubricated parts, torque converter, vacuum modulator, transmission mounts, seals and gaskets.

Transmission Manual/Transfer Case - All internal lubricated parts, transmission mounts, seals and gaskets, excluding a manual clutch, pressure plate, throw-out bearings, clutch master or slave cylinders.

Front-Wheel Drive - All internal lubricated parts, axle shafts, constant velocity joints, front hub bearings, seals and gaskets.

Rear-Wheel Drive - All internal lubricated parts, propeller shafts, supports and U-joints, axle shafts and bearings, seals and gaskets.

Is your vehicle a “Lemon”?

A used motor vehicle is presumed to be a lemon if:

- there have been at least **three** (3) repair attempts on the same covered item, AND/OR
- the vehicle has been out of service for a total of twenty (20) cumulative calendar days for a single problem or a series of problems with a covered item while the dealer is attempting to fix it.

To qualify under the Used Car Lemon Law, **the defect must substantially impair the use, value or safety of the vehicle.**

Getting your vehicle repaired

It is very important that you immediately report any defect or condition directly to the dealer. It is also important to keep all of the receipts from repair attempts and a complete record of all of the meetings or conversations you have had with the dealer.

You have the right to receive a dated, detailed statement each time the vehicle is brought in for repair. This statement should include any charges for parts and labor, a general description of the problem, the odometer reading and date at the time you brought the vehicle in for repair and the odometer reading and date when you picked up the car, as well as a list of all of the work performed. Be sure you are given this information and that you keep it in a file.



How long should the repair take?

The Lemon Law allows the dealer a “reasonable amount of time” to repair or correct the defect. A “reasonable amount of time” means at least three repair attempts for the same defect or a total of 20 cumulative calendar days out of service on a covered item during the limited warranty.

Once repair attempts have been made and the problem or problems still exist, you should contact the Lemon Law Unit’s office to obtain a Lemon Law application. The Unit’s office phone number is **(973) 504-6226**. When you receive the application, be sure to fill it out completely and send a **copy** of every relevant document for review.

IMPORTANT:

The defect must still exist after the final repair attempt in order to apply for relief under the Lemon Law.



Getting your replacement vehicle or a refund

Replacement Vehicle - The dealer may offer to replace your vehicle; however, you do not have to accept the offer. You may refuse the offer of a replacement vehicle and insist on a refund. If the dealer refuses to give you a refund, you can pursue the matter through a Lemon Law hearing in the O.A.L. or through a private court action. If you do accept a replacement vehicle, and the original vehicle was financed, the dealer must make sure the financing is transferred from the original vehicle to the replacement vehicle. It is your responsibility to have the title and registration transferred to your new vehicle.

Refund - If you choose to receive a refund, you will receive the full purchase price of your original motor vehicle, minus a “deduction for personal use.”

Your refund includes the total purchase price of the used motor vehicle, but excludes:

- All sales taxes
- Title and registration fees or any similar governmental charges
- A reasonable allowance for excessive wear and tear
- A deduction for personal use.

Deduction for personal use

The “deduction for personal use” multiplies the total number of miles a used motor vehicle is driven by a consumer from the date of purchase until the time it is repurchased.

For example, if you purchase a vehicle and you drove it 1,000 miles it would be calculated as follows:

1,000 miles x 51 cents = \$510 (This is the amount that will be deducted from the purchase price.)

NOTE: The 51 cents is the standard that the United States Internal Revenue Service uses to calculate mileage usage and is subject to change.

Enforcing your rights

Once you have provided the Lemon Law Unit with your completed application and copies of all of the relevant paperwork, you may seek resolution in one of the following ways:

- Through the Division’s Lemon Law Unit, in conjunction with the Office of the Administrative Law (O.A.L);
- Through the Division’s Alternative Dispute Resolution Unit (A.D.R.), in which both parties agree to participate in an informal settlement discussion with an independent third party;
- Through an independent legal action in the Superior Court of New Jersey; or
- Through the dealer’s informal dispute resolution procedure, if one is available.

Resolution through the Division - If you choose to have your case heard before an administrative law judge (A.L.J.), a hearing will be scheduled at the O.A.L. The Lemon Law Unit does not provide legal representation for you. It is advisable to consult with an attorney since the dealer may have legal representation. Although an attorney is not required, this is a quasi-judicial hearing and, therefore, it may be to your advantage to have one present at the hearing.

IMPORTANT: To qualify for a hearing before an A.L.J., within the dealer's limited warranty period, you must have allowed the dealer at least three (3) chances to repair a covered item AND/OR your vehicle must have been out of service due to repairs for a total of twenty (20) cumulative calendar days.

The Lemon Law hearing process

If the matter is resolved before the hearing, you should inform the Lemon Law Unit of the outcome. If the matter has not been resolved and you choose to proceed with a hearing, you must do the following:

1. Fill out the Lemon Law application and return it to the Lemon Law Unit, along with copies of all of the related papers and correspondence (repair orders, etc.). Do not send the original documents.
2. After receiving your application package, the Lemon Law Unit will review your case to see if it meets the requirements for a Lemon Law hearing at the O.A.L. If so, the Lemon Law Unit will approve your application and send it to the dealer requesting a response within 10 days.
3. If there is no response from the dealer or the problem has not been resolved, you must decide if you want to proceed to have your case heard in the O.A.L.
4. Once the case has been heard at the O.A.L., an initial decision will be issued by the judge within 20 days following the completion of the hearing.
5. The Director of the Division of Consumer Affairs can accept, modify or reject the decision within 15 days. If the Director takes no action, the decision of the A.L.J. becomes final.
6. If the A.L.J. decides in your favor and the Director of the Division of Consumer Affairs agrees, you will receive a refund. You may only use the Lemon Law hearing process once for the same motor vehicle.



Resolution by the dealer

If you decide to use a dispute resolution program available through the dealer or another consumer organization, you may still file a complaint with the Division of Consumer Affairs or an application with the Used Car Lemon Law Unit. Your Lemon Law application may be approved if you have not already signed an agreement with the dealer. Please also keep in mind that any findings made during the proceedings of an alternative program may be used against you in a Lemon Law hearing if you qualify.

Court action

You may choose to file a private civil action in court to resolve your claim. However, once a court decision has been issued, you can no longer use the Division's Lemon Law program. It is also a good idea to consult with a lawyer if you are considering a private court action.



Initial decision/exceptions

If you are not satisfied with the A.L.J.'s initial decision, you are allowed to file what is known as an "exception." An exception is a written explanation of why you believe that the judge's decision should not be adopted by the Director of the Division of Consumer Affairs. If you file an exception, it must be received by the Division within eight (8) days from the date stamped on the front of the judge's decision. The exception should be mailed to the Director of the Division of Consumer Affairs, c/o the Lemon Law Unit, P.O. Box 45026, Newark, NJ 07101.

If you file an exception to the initial decision, please make sure that:

- You have first reviewed the A.L.J.'s initial decision carefully.
- Your exception is no longer than three (3) typed pages in length.
- You note any omissions of fact.
- You do not restate the evidence already presented in the initial decision.

Remember, your exception must be received by the Division within eight (8) days from the date stamped on the front cover of the A.L.J.'s decision.

Can the Final decision be appealed?

Yes. You or the dealer can file an appeal in the Appellate Division of Superior Court.

You have 45 days to file for an appeal in the Appellate Division of Superior Court (609-292-4822).

What if the dealer fails to comply with the final decision?

The dealer has 15 days to comply with the final decision. If a dealer fails to comply, you should notify the Division of Consumer Affairs immediately by calling the Lemon Law Unit. The dealer may be subject to penalties for failure to comply.

Solving problems with a used vehicle – a review

If your vehicle is defective:

- Give your dealer an opportunity to repair your vehicle.
- Keep all of the repair receipts and a complete record of every contact with the dealer.

If substantial defects continue after three repair attempts or 20 cumulative calendar days:

- Contact the Lemon Law Unit to obtain an application. The phone number is (973) 504-6226.
- Complete the application and return it to the Lemon Law Unit along with a **copy** of all of the relevant paperwork.



If you are not satisfied with the outcome of the dealer's dispute resolution program and you have not signed a settlement with the dealer:

- You can still file for a Lemon Law hearing through the Division or file a private civil action in court.

If you use the Division's Lemon Law program and are not satisfied with the Final decision:

- You have 45 days to file for an appeal in the Appellate Division of Superior Court (609-292-4822).

REMEMBER: The Lemon Law does not guarantee success at your hearing. You get the opportunity to present your case before an A.L.J. in a quasi-judicial setting. You must prove your vehicle is a "lemon."

How should I prepare for my hearing?

- 1. Use your Lemon Law application as a guide.** The application contains much of the information you will need at the hearing.
- 2. Bring every written record** pertaining to the dispute, including all correspondence, work orders, receipts and warranties.
- 3. Organize your records** - Putting them in chronological order will help you when you are presenting the history of the problem.
- 4. Prepare an outline** - Outlining the major points you wish to present will help you remember all of the relevant facts.
- 5. Be prepared to discuss the problem in its entirety.**
 - a. State the specific nature of each defect and how it substantially impairs the use, value and/or safety of the vehicle;
 - b. Restate any conversations with the dealer's representative;
 - c. Describe any repair attempts or other actions;
 - d. State your opinion concerning what you think would constitute a fair resolution of the dispute;
 - e. Prepare a list of questions to ask the dealer's representative; and
 - f. Prepare a final summary which should briefly review the facts you have discussed. This summary should include a statement regarding your opinion about a fair resolution of the dispute.

FOR YOUR INFORMATION - Attached are sample copies of forms that you may receive from the dealer when purchasing your used car.

Appendix A - Used Motor Vehicle Limited Warranty - This form provides you with the terms of the Used Car Lemon Law and the warranty that is applicable to your purchase.

Appendix B - "AS IS" Disclosure Form - This form explains what you will be giving up if you purchase your vehicle "AS IS."

Appendix C - Waiver of The New Jersey Used Motor Vehicle Limited Warranty - This form is used when you waive your right to a warranty in negotiating a price for the vehicle. Remember, you can only waive your right to a dealer warranty if the vehicle you wish to purchase has over 60,000 miles on the odometer.

Used Motor Vehicle Limited Warranty

Purchaser (Buyer) Name: _____ Street Address: _____ City _____ State _____ ZIP _____ Telephone Number (with area code): _____ Vehicle purchase date: _____ <div style="display: flex; justify-content: space-between; width: 100%;"> Month _____ Day _____ Year _____ </div>	Dealer (Seller): Year: _____ Make: _____ Model: _____ VIN: _____ (Vehicle Identification Number) Odometer reading: _____ Miles
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Warranty: If used motor vehicle has (check appropriate box):

- 24,000 miles or less, the warranty is 90 days or 3,000 miles, whichever comes first.
- 24,001 to 60,000, the warranty is 60 days or 2,000 miles, whichever comes first.
- 60,001 to 100,000 the warranty is 30 days or 1,000 miles, whichever comes first.

Terms

Dealer agrees to repair or replace any covered part of the above vehicle upon failure or malfunction of a Covered Item specified in 2 below, subject to the following terms, conditions, exclusions and limitations:

1. **Who is covered by the limited warranty?** Only the purchaser named above. The warranty is not transferable to, nor enforceable by, any other person.
2. **What parts of the vehicle are covered by this limited warranty?** Under the law only "Covered Items" which include the following components of a used motor vehicle:
 - a. **Engine** – all internal lubricated parts, timing chains, gears and cover, timing belt, pulleys and cover, oil pump and gears, water pump, valve covers, oil pan, manifolds, flywheel, harmonic balancer, engine mounts, seals and gaskets, and turbo-charger housing, how-ever, housing, engine block, and cylinder heads are covered items only if damaged by the failure of an internal lubricated part.
 - b. **Transmission Automatic/Transfer Case** – all internal lubricated parts, torque converter, vacuum modulator, transmission mounts, seals and gaskets.
 - c. **Transmission Manual/Transfer Case** – all internal lubricated parts, transmission mounts, seals and gaskets, but excluding a manual clutch, pressure plate, throw-out bearings, clutch master or slave cylinders.
 - d. **Front Wheel Drive** – all internal lubricated parts, axle shafts, constant velocity joints, front hub bearings, seals and gaskets.
 - e. **Rear Wheel Drive** – all internal lubricated parts, propeller shafts, supports and U-joints, axle shaft and bearings, seals and gaskets.
3. **What is excluded from this limited warranty?**
 - a. Any and all parts not expressly specified in Part 2 above;
 - b. This written warranty excludes repairs covered by any manufacturer's warranty, or recall program, as well as repairs of a covered item required because of collision, abuse, or the purchaser's failure to properly maintain the used motor vehicle in accordance with the

manufacturer's recommended maintenance schedule. This limited warranty also excludes damage of a covered item caused as a result of any commercial use of the used motor vehicle, or operation of the vehicle without proper lubrication or coolant, or as a result of any misuse, negligence or alteration of the vehicle by someone other than the dealer.

4. What is the dealer's obligation during the term of this limited warranty?
 The dealer or its agent, upon failure or malfunction of a covered item during the term of this warranty, shall correct the malfunction or defect, provided the used motor vehicle is delivered to the dealer at his regular place of business, and subject to a deductible amount of \$50 to be paid by the purchaser for each repair of a covered item. If, within the specific warranty period, the dealer or its agent fails to correct a material defect of the used motor vehicle after a reasonable opportunity to repair, the dealer shall repurchase the used motor vehicle and refund to the consumer the full purchase price, excluding all sales taxes, title and registration fees and any similar governmental charges, and less a reasonable allowance for excessive wear and tear and less a deduction for personal use of the vehicle. "A reasonable opportunity to repair" is defined at N.J.S.A. 56:8-71 as: a.) The same material defect has been repaired three or more times by the dealer or his agent within the warranty period, but the material defect continues to exist; or b.) The used motor vehicle is out of service by reason of waiting for the dealer to begin or complete repair of the material defect for a cumulative total of 20 or more days during the warranty period.

5. **Extension of duration of warranty.**
 The duration of this warranty shall be extended by any time period during which the used motor vehicle is waiting for the dealer or his agent to begin or complete repairs of a material defect of the used motor vehicle.
6. **What are Purchaser's Obligations?**
 To obtain repairs or replacements under the limited warranty, Purchaser must:
 - a. Deliver the used motor vehicle to the dealer at his regular place of business;
 - b. Pay \$50 to the dealer for each repair of a covered item.

I acknowledge that I have read all of the provisions of this limited warranty and fully understand and accept it. I further acknowledge receipt of a copy of this limited warranty.

Date: _____ Purchaser's Signature: _____ Dealer's Signature: _____

“As Is” Disclosure Form

This form applies only to the sale of a used passenger motor vehicle which is seven or less model years old and has more than 60,000 miles but less than 100,000 miles and which the consumer wishes to buy “AS IS” as the result of a price negotiation.

If a used motor vehicle is sold “AS IS,” means a used motor vehicle sold by a dealer to a consumer without any warranty, either express or implied, and with the consumer being solely responsible for the cost of any repairs to that motor vehicle. That means that it is being sold **WITHOUT** the following warranty which is available under the Used Car Lemon Law (N.J.S.A. 56:8-67): 30 days or 1,000 miles, whichever comes first.*

This is the coverage available under the Used Car Lemon Law which is now being waived (given up) by the purchaser:

1. **Parts of the vehicle which are covered by the limited warranty:** Under the law only “Covered Item” which include the following components of a used motor vehicle:
 - a. **Engine** – all internal lubricated parts, timing chains, gears and cover, timing belt, pulleys and cover, oil pump and gears, water pump, valve covers, oil pan, manifolds, flywheel, harmonic balancer, engine mounts, seals and gaskets, and turbo-charger housing; however, housing, engine block and cylinder heads are covered items only if damaged by the failure of an internal lubricated part.
 - b. **Transmission Automatic/Transfer Case** – all internal lubricated parts, torque converter, vacuum modulator, transmission mounts, seals and gaskets.
 - c. **Transmission Manual/Transfer Case** – all internal lubricated parts, transmission mounts, seals and gaskets; but excluding a manual clutch, pressure plate, throw-out bearings, clutch master or slave cylinders.
 - d. **Front Wheel Drive** – all internal lubricated parts, axle shafts, constant velocity joints, front hub bearings, seals and gaskets.
 - e. **Rear Wheel Drive** – all internal lubricated parts, propeller shafts, supports and U-joints, axle shaft and bearings, seals and gaskets.

2. **Dealer’s obligation during the term of the limited warranty:** The dealer or its agent, upon failure or malfunction of a covered item during the term of this warranty, shall correct the malfunction or defect, provided the used motor vehicle is delivered to the dealer, (all repairs must be performed by the selling dealer or its agent) at the dealer’s regular place of business, and subject to a deductible amount of \$50 to be paid by the purchaser for each repair of a covered item. If, within the specific warranty period, the dealer or its agent fails to correct a material defect of the used motor vehicle after a reasonable opportunity to repair it, the dealer shall repurchase the vehicle and refund to the purchaser the full purchase price, excluding all sales taxes, title and registration fees or any similar governmental charges, and less a reasonable allowance for excessive wear and tear and less a deduction for personal use of the vehicle. *A reasonable opportunity to repair” is defined at N.J.S.A. 56:8-7.1 as: a.) *The same material defect has been repaired three or more times by the dealer or his agent within the warranty period, but the material defect continues to exist; or b.) The used motor vehicle is out of service by reason of waiting for the dealer to begin or complete repair of the material defect for a cumulative total of 20 or more days during the warranty period.*

3. **Purchaser’s Obligation:** To obtain repairs or replacements under the limited warranty, Purchaser must:
 - a. Deliver the used motor vehicle to the dealer at its regular place of business;
 - b. Pay a deductible amount of \$50 to the dealer for each repair of a covered item.

If you buy a car “As Is” you will pay the cost of any and all repairs.

Year _____ Make _____ Model _____
 Vehicle Identification Number _____ Odometer Reading _____

Date _____

Purchaser’s Signature _____

Co-Purchaser’s Signature (if applicable) _____

APPENDIX C

Waiver of New Jersey Used Motor Vehicle Limited Warranty

I understand that because the following used motor vehicle is seven or less model years old and has an odometer reading which exceeds 60,000 miles, the dealer is required under the Used Car Lemon Law to give me a 30-day or 1000 mile warranty, whichever comes first. However, after negotiating the price of the vehicle with the selling dealer, I hereby waive (give up) my right to a limited warranty on this vehicle and purchase the vehicle "as is". I understand that because the used motor vehicle is sold "as is," it means that the vehicle is being sold to me by the dealer without any warranty, either expressed or implied, and that I will be solely responsible for the cost of any repairs to it.

By signing this document, I acknowledge that because of the age and mileage of the below described vehicle, I would have been entitled under the law to a 30-day or 1000 mile (whichever comes first) warranty. However, I have voluntarily waived my right to that warranty on the vehicle because I have negotiated a lower price for it without the warranty.

Year _____ Make _____ Model _____

Vehicle Identification Number _____ Odometer Reading _____

Date _____ Purchaser's Signature _____ Co-Purchaser's Signature (if applicable) _____



If you have questions or want more information on your rights under the Lemon Law,
please call or write to:

New Jersey Division of Consumer Affairs • LEMON LAW UNIT

P.O. Box 45026 • 124 Halsey Street • Newark, NJ 07101 • **973-504-6226**

or e-mail: **lemonlaw@dca.lps.state.nj.us**