

AUTOMOTIVE INDUSTRY TRADE PRACTICES

Reference: 37 Pa. Code §§ 301.1 - 301.5 (2002)

Pennsylvania Administrative Code, Title 37, Part V, Sections 301.1 - 301.5

Updated: September 13, 2002

What are my rights under the Automotive Trade Practices Code?

1. The dealer must inform you if any of the following conditions exist on a used car:
 - a. Frame bent, cracked, or twisted.
 - b. Engine block or head cracked.
 - c. Vehicle unable to pass State inspection.
 - d. Transmission damaged, defective or so deteriorated as to require replacement.
 - e. Vehicle flood damaged.
 - f. Differential damaged, defective or so deteriorated as to require replacement.
2. A salesman is prohibited from making a representation or statement of fact, in an advertisement or sales presentation, if he knows such statement is false or misleading, or if he does not have sufficient information upon which a reasonable belief in the truth of the statement could be based.

What is meant by "AS IS" on the car purchase agreement?

In commercial practices, the term "AS IS" is frequently used in situations where a business is selling old equipment for scrap. The seller of the equipment lists the equipment "AS IS" so that the scrap buyer has no expectation of the equipment working; the equipment is suitable only for being melted down for recycling purposes, or will only be functional after significant repairs are made by the buyer.

The meaning behind "AS IS" does not change when you buy a used car. "AS IS" means that the salesman makes no promises about the quality or reliability of the car. If

the salesman uses the term "AS IS," the sales contract, receipt, agreement or memorandum must contain the following statement:

"THIS MOTOR VEHICLE IS SOLD AS IS WITHOUT ANY WARRANTY EITHER EXPRESSED OR IMPLIED. THE PURCHASER WILL BEAR THE ENTIRE EXPENSE OF REPAIRING OR CORRECTING ANY DEFECTS THAT PRESENTLY EXIST OR THAT MAY OCCUR IN THE VEHICLE."

If you decide to buy a car "AS IS," you must pay for all repairs that are required even if problems occur the moment you drive the car off the dealership parking lot.

To protect your interests when buying a used car, we suggest you use the form shown on the following page.

Pursuant to 37 Pa. Code § 301.2(5), the seller or his authorized representative, warrants that the following vehicle:

_____, is roadworthy.

The following defects are known to exist in said vehicle at this time, and are so indicated by the seller's and buyer's initials in the space provided.

- _____ (i) Frame bent, cracked or twisted.
- _____ (ii) Engine block or head cracked.
- _____ (iii) Vehicle unable to pass State inspection.
- _____ (iv) Transmission damaged, defective or so deteriorated as to require replacement.
- _____ (v) Vehicle flood damaged.
- _____ (vi) Differential damaged, defective or so deteriorated as to require replacement.

Other defects which the seller or his authorized representative know to exist in said vehicle at this time are:

1. I, _____, the buyer, understand that this vehicle is being sold without any warranties, other than those stated above. I also understand that I will bear the entire expense of repairing or correcting any defects that presently exist or that may occur in the vehicle.

-or-

2. The salesperson has promised to correct the following defects:

Seller's or Authorized
Agent's Signature and Date

Buyer's Signature and
Date

What consumer protection laws govern car repairs?

1. A repairman shall not state that repairs are necessary or desirable when such is not, in fact, true.
2. A repairman shall not conspicuously display:
 - a. The customer's right to have replaced parts returned to him.
 - b. Whether a supplied part is new, used, or rebuilt.
 - c. The conditions under which a shop may impose daily or hourly storage charges, and the amount of the charges.
 - d. The charge for providing an estimate or diagnosis.
3. A repairman will complete necessary repairs within 24 hours of delivery of the vehicle unless the customer is informed of and consents to the delay.
4. A repairman will promptly remedy at no charge a service performed by it on the customer's vehicle which was not performed in a skilled or workmanlike manner; provided the customer promptly brings the matter to the attention of the repair shop.

What happens if you are told "satisfaction guaranteed or your money back" in an advertisement or sales presentation?

The use in an advertisement or sales presentation by a motor vehicle manufacturer, dealer, or repair shop of the term "satisfaction guaranteed or your money back," "free trial period," or other similar phrases when the advertiser or salesperson does not intend to promptly make a full refund or fails to make a full refund within a reasonable period of time, not to exceed five days. Reasonable limitations on such offer must be clearly and conspicuously disclosed at the time of making the offer.