

Dear Consumer:

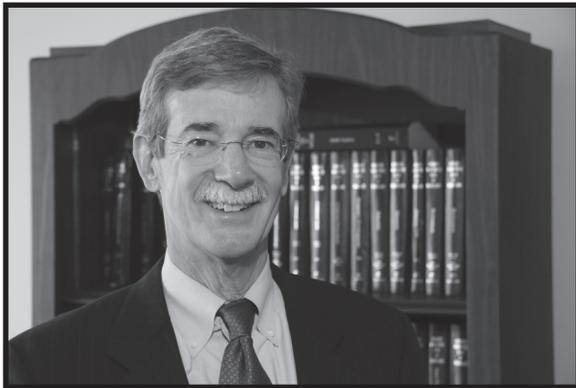
Buying a used car can be a smart decision. You can get many years of service from a used car without having to pay the high price of a new vehicle, the value of which usually depreciates rapidly in the first few years. A used car generally costs less to insure, as well.

However, a used car is still a major expense, and you must shop carefully to avoid being burned. Few consumer transactions generate as many complaints as used car sales.

The best way to avoid problems when purchasing a used car is to learn all you can about its history, condition, warranty coverage, and your legal rights as a buyer. This pamphlet explains the important steps to take when evaluating and buying a used car.



Brian E. Frosh



Helpful Hints to Remember:

Take advantage of publications such as the *Consumer Reports* Annual Car Guide to narrow down the vast number of vehicle choices to a few models you are most interested in. This will reduce the likelihood of an impulse purchase. Remember to check out websites such as www.nhtsa.gov to check on vehicle recall histories. Shop wisely because there is no “cooling off” period after a purchase – a buyer has no right to cancel a car purchase. Also, shop around for financing plans. Ask for information from several banks, and/or your credit union to find the best offer, then compare to the financing offered by the dealership. Also, don’t finance a high-mileage car for more months than the vehicle life expectancy.

When financing a vehicle, you may be asked to sign a document that explains your financing may not be complete when you leave the dealership. In that case, the dealership has 4 days to notify you in writing if the financing is not accepted. If this occurs, you have 2 days to bring the vehicle back and either cancel the sale or arrange for other financing. Should problems arise, contact the Office of the Attorney General at 410-528-8662.

If you discovered a used car deal through an advertisement, the dealer must put the full selling price in the largest font, not including additional taxes, fees or dealer processing charges. The advertised price must be the actual selling price before rebates, trade-in allowances or down payments.

You have two choices: buying the used car from a private party or a dealer. Buying from a private party will usually cost less money and you may be able to have easy access to the vehicle’s history. However, the vehicle is usually sold “as is” so no warranty will be available. Ask for maintenance records, why the vehicle is being sold and who the original owner was. A dealer may be safer because they have their reputation to protect, may offer some sort of warranty program and will take care of all paperwork. However, the vehicle may be more expensive and salesmen are also better at using slick sales tactics.

Don’t buy a car from someone who won’t let you get an outside professional opinion. Ask your own mechanic if there are signs of an accident, and to look for other potential issues such as if the suspension is lacking, if the interior smells musty, if there are leaks, if the engine burns oil and if there is any corrosion under the hood. If the mechanic finds a problem, get a written estimate. This may give you leverage when negotiating a price.

Take the car for a test drive. Spend at least 20 minutes driving over hills, on the highway, and around turns. Try every button and switch.

Do not buy a car without first examining the title. No excuses. In a private party sale, the name on the title should be the same as the seller’s. Make sure all numbers on the title are easy to read. See if there are any alterations. Be suspicious of out-of-state or P.O. box addresses. When buying from a dealer, confirm the mileage reading on the car is close to what the original owner identified.

When signing the contract, make sure to read everything regardless of what the salesperson says. Initial and date all changes, and cross out all blank spaces so nothing can be added after you sign. Include all oral promises. **When the deal is done, don’t leave without a copy of the signed contract.** Be certain the seller completes and signs the disclosure statement, which is found on the back of the Maryland certificate of title.

Understand warranties and service contracts. Find out whether the car will be covered by a written warranty from either the dealer or manufacturer. Look for the “Buyer’s Guide” sticker on the car required by federal law. It will state whether the car is offered “as is” or with a warranty. A used car dealer in Maryland may only sell a car “as is” if it is more than six years old and has more than 60,000 miles. All other used cars sold by the dealer come with an implied warranty, which is like an unspoken promise that the car will function for a reasonable period of time. If it doesn’t, you may be able to make the



dealer pay for repairs if you can prove that the defect existed at the time of the sale.

Service contract. Find out whether it would duplicate any warranty already given, what is covered, if a deductible is required, and if a reputable company backs the contract.

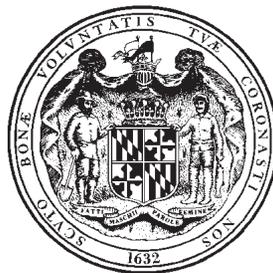
Problems?

If your vehicle acts funny after you buy it from the dealer, take immediate action. Check out your dealer and manufacturer's warranty package or service contract. Contact the dealer; if the salesperson is not helpful, ask for a manager. If the car is still covered by the manufacturer's warranty and the dealer won't make necessary repairs, contact the manufacturer's regional office. If none of this works, send a written complaint to the dealer with copies of all relevant documents. This puts your complaint "on record" in case it turns into a legal situation later on.

Dispute resolution services are available if your attempts with the dealer or manufacturer haven't been successful. There are two options: mediation and/or arbitration. In mediation, a mediator attempts to negotiate a mutually agreed-upon resolution. In arbitration, both parties agree to be bound by the decision of the trained arbitrator.

- The Maryland Attorney General's Consumer Protection Division offers mediation and arbitration services. Call 410-528-8662 or toll-free 1-888-743-0023.
- The Better Business Bureau offers several arbitration programs. Certain automobile manufacturers are pre-committed to its AUTO LINE arbitration service. Call 1-800-955-5100.

If you think your car's odometer has been tampered with, call the Motor Vehicle Administration at 410-768-7050. Call the Attorney General's Office if you are eligible for Maryland's Lemon Law. Although intended for new vehicle purchases, this law is applicable to you if your car was purchased by the original owner less than 24 months ago and has less than 18,000 original miles.



Maryland Attorney General's Office

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Consumer Protection Hotline:
410-528-8662, or
1-888-743-0023 toll free

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A Consumer Guide to Buying a Used Car

