

CAR BUYER'S RIGHTS



What to know **BEFORE** you buy

Buying a car is one of the most important and most expensive decisions most of us have to make. There is certainly no shortage of vehicles available, but buyers must know what to look for, what to ask and what rights they have.

NEW CARS

Buying from a Licensed Dealer

When you buy from a licensed Florida dealer, Florida's motor vehicle laws protect you. Dealers must follow the laws when they advertise, display and sell vehicles. When a licensed dealer places an ad, the advertisement must disclose all charges you are expected to pay, except sales tax, tag and title fees, which the dealer must collect up front from the purchaser. Florida law requires the dealer to apply for title and registration in the name of the purchaser within 30 calendar days from date of delivery.

New Vehicle Warranty

New cars carry a manufacturer's warranty, which will vary in months and/or miles. Some dealers offer extended warranties. The manufacturer or insurance company will sell the warranties. The Florida Department of Financial Services regulates warranties that insurance companies offer. Tires, battery and dealer-installed options may have separate warranties that differ in time and mileage. Read all warranties to find out what it covers, for how long, who will honor the warranty and what you must do to keep it in effect.



Florida's New Car Lemon Law

Florida's Lemon Law applies to new or demonstrator motor vehicles or new or demonstrator recreational vehicles sold or long-term leased in the state. When consumers buy or lease a new or demonstrator motor vehicle, they must receive from the selling dealer or lessor the Consumer Guide to the Florida Lemon Law. The publication explains consumer rights, gives steps to follow to resolve problems and contains a toll-free number for the Lemon Law Hotline and a form the consumer can use to notify the manufacture of chronic defect and time out of service repair. To obtain a Consumer Guide to the Florida Lemon Law, or to speak with someone about the Lemon Law, consumers in Florida may call the Lemon Law Hotline at (800) 321-5366 or (850) 488-2221 for consumers outside of Florida between the hours of 8:30 a.m. to 4:30 p.m. (Eastern Time). [Click here for more information.](#)

USED CARS

There is no Lemon Law for used cars in Florida.

With the average price of a new car increasing every year, it is not surprising that the fastest growing segment of the auto industry is the used car market. Buying a car that is just a year or two old can save thousands of dollars over the price of a new model, especially as the prices of new cars increase. The biggest advice is to Do Your Homework. Motor vehicle laws and warranties differ for used cars. Many reputable dealers sell used cars and will give you an honest deal. However, buyers do not have the same protections as they do for new cars under the motor vehicle laws of Florida.

Where to Buy

A used vehicle is a major purchase and requires comparison shopping for price and value to find the best deal. Many sources are available for today's purchaser:

- new car dealers
- used car dealers
- rental car companies
- leasing companies
- private individuals

Car Dealers

New car dealers generally keep only the best cars and usually inspect them thoroughly. Consider buying from a dealer who handles the particular brand of vehicle that you are interested in buying. Look for a full service department and a well-stocked supply of parts. Dealers may offer a parts and labor warranty. Be sure to visit several automobile dealerships.

AS-IS or Warranty

Federal law requires all dealers to post a buyers guide in the window of each vehicle they offer for sale. The buyers guide notifies the buyer that there is a warranty or that the vehicle is being sold AS-IS with no warranty of any kind.

In the case of an AS-IS sale, once you drive the vehicle from the dealership, it belongs to you despite any problems the vehicle may have. If the vehicle breaks down after only a few minutes of leaving the dealership, the repairs are YOUR responsibility.

Sometimes the most important difference between vehicles is not under the hood

or in the extra equipment offered, but rather it is tucked away in the product packaging - the warranty card. While you may think nothing will ever happen to your newly purchased vehicle, problems will surface. The better the warranty, the less you will pay for those unexpected repair bills.

When comparing warranty policies, longer is better. However, be cautious of policies that are too long or have unrealistic requirements -- the company may not be around later when the vehicle needs service.

Be sure to ask:

- Are all the parts covered?
- Is there a co-payment?
- Am I required to have repairs done only at selected garages?
- Must I account for normal service?
- Can I choose the repair shop, or does the policy designate specific certified repair shops? (Important if you live some distance from where you expect to take your vehicle for repairs and services.)
- If misused, is the warranty completely void on all covered items?



Keep your warranty safe. A good place to keep it is with receipts. Make a copy, and keep it in a separate location. Some companies are lax, while others require you to have the original warranty with you when they perform repairs. Be sure to be specific in following the manufacturer's warranty requirements.

The Magnuson-Moss Warranty Act of 1975 requires that warranties be available for reading before purchase. Unfortunately, some companies do not comply with the requirement. No reputable

dealer runs afoul of this law, but their administrative procedures for providing the information are sometimes incomplete. Under the federal law, you can sue based on breach of express warranties, implied warranties or a service contract.

The bottom line is that you should read warranties carefully, especially the fine print. Be sure to obtain copies of the documents you sign. Be sure that any other papers you sign match what you agreed to.

Remember, there is no warranty or agreement unless it is in writing and signed by all parties. Get in writing any promises made.

Private Individuals

Private individuals are another source to consider when purchasing a used vehicle. Keep in mind that a private party may not necessarily offer a better deal. One benefit is that the potential buyer can meet the seller face to face and inquire about any mechanical problems, the principal driver, why the owner is selling the vehicle and maintenance records.

When purchasing a vehicle from a private individual, there are no warranties of any kind. It is strictly buyer beware. In addition, the buyers will have to provide their own financing for the vehicle or pay cash.

When buying a used motor vehicle from anyone other than a licensed reputable dealer, be cautious.

- Check the vehicle identification number (VIN) to ensure it appears the same on the title certificate as it does on the vehicle.
- Visit www.flhsmv.gov and verify the vehicle information with the VIN number.
- Check the vehicle's doors and ignition locks to ensure they have not been tampered.
- Check windows for signs of break-ins, such as tool marks, chipped glass, windows that do not properly close or have the original glass. Check windows for an etched VIN, which should match the public VIN.
- Verify the seller's telephone number. Unlisted numbers or pager numbers are difficult to trace should problems arise with the vehicle.
- Determine why the owner is selling the vehicle. Pay attention to the seller's reason for selling. Inconsistencies can indicate illegal sales.
- Check the vehicle's title certificate for evidence of erasures or other signs of tampering. Is the vehicle titled in the seller's name?
- Verify the seller's information on their driver license to ensure it matches the name on the title certificate. Do the signatures match?
- Have the vehicle inspected by a reputable mechanic.
- Remember, an advertised price will not include sales tax or tag and title fees. Expect to pay the fees to the county tax collector's office when you transfer ownership.

YOU HAVE DECIDED ON A CAR – NOW WHAT?

You Sign, You Buy –The Contract

Dealers use a purchase contract form when selling vehicles. Read and understand the contract before you sign. Once you and dealer sign the offer, it becomes a binding contract. The dealer cannot raise the price or sell the vehicle to anyone else. You cannot cancel the contract.

The contract should include the following information about your purchase:

- Whether you are buying the car with a warranty or AS-IS.
- Date your vehicle will be delivered.
- Other conditions of sale – Get all promises in writing on the contract.
- Itemized list of costs including tax, title and registration fees.

Note: *Administrative fees, courier fees, processing fees, handling fees and get-ready fees, often charged by dealers and printed on the buyer's order are not official fees. They are a profit for the dealer and are negotiable.*

No Three-Day Right to Cancel

Many consumers mistakenly believe they have three days to cancel the purchase contract. There is no cooling off period under Florida law.

Trade-Ins

Get the price for your trade-in in writing on the contract. The price will not change unless you put more miles on the car than agreed to in the contract, remove parts or damage it before trading it in. Protect yourself and the next owner of the car by giving accurate information about your trade-in's mileage and the nature of its use.

Signing the Contract

Under no circumstances should you sign any blank forms. Obtain copies of all signed paperwork involved in the sale at the time of preparation. Do not lose control of your trade vehicle's title.

In many cases, once a deposit is made, if the customer changes his/her mind and decides not to purchase the vehicle, the decision can result in a lost deposit. Make sure that your receipt and or contract specify a refundable deposit. Be sure that you understand all the terms of the contract.



Contracts are often written pending credit approval. The purchaser usually deposits a credit application fee and leaves with the vehicle, and the dealer begins processing the credit application. If the lending institution denies the credit application, the dealer may process the application with another lending institution but at a higher interest rate. Again, ensure that you get everything (agreed interest rate and terms, and terms if denied credit) in writing. If you have any questions about whether a dealership has a license to finance vehicles, check with the Florida Office of Financial Regulation.

After purchasing the car, have the seller write a receipt marked Paid in Full. The receipt should include the make, model and vehicle identification number of the car, the seller's name, the buyer's name and the amount paid.

Tax, Tag and Title

Dealers can charge only the actual amount of fees paid for tax, tag and title transfer. Generally, the tax, tag and title fees are not included in the contract. However, some dealers will charge a processing or handling fee. If they do, they must disclose it separately. Again, make sure you understand all the terms of the contract.

A licensed dealer is required to apply for a tag and title within 30 days. If a dealer issues a second temporary tag, the consumer should start asking questions. If the dealer issues a third temporary tag, the consumer should contact the Division of Motorist Services immediately, as this is a violation of Florida Statutes and falls under Division of Motorist Services jurisdiction.

Be sure you have proof of insurance. Florida law requires all vehicles licensed within the state to have insurance. Without this proof, the dealer cannot complete the transfer of title and registration into the consumer's name.

Proof of Ownership

As the buyer, you should ask to see the title after you have agreed on terms and prices. Florida has been a title state since 1923, but the motor vehicle laws in other states or countries may require different documentation as proof of ownership. If the seller does not have a valid title, check with your local tax collector's office or regional office for specific instructions. It is important that you compare the VIN on the vehicle to the VIN on the title. They must match.

The owner will complete the Transfer of Title by Seller section on the front of the title certificate and give it to the buyer. The buyer must complete an Application for Certificate of Title with/without Registration form, attach this to the title, and take it to their local tax collector's office to transfer the title into their name.

Recording the Mileage

Space for the odometer disclosure reading is included on Florida titles. The odometer reading at the time of purchase will be required on your title application. Both the buyer and seller must acknowledge odometer disclosures on title transactions. Vehicles 10 model years old or older are exempt.

Removing the Plates

When motor vehicles are sold, the seller must remove the license plate from the vehicle. The seller may then transfer this plate to a new or replacement vehicle.

Applying for Title

Once the front of the title certificate is completed, the buyer must take it to your local tax collector's office to register the vehicle and apply for a title in your name. This must be done within 30 calendar days to avoid a late transfer penalty fee. If you



borrowed money to buy the car, the Division of Motorist Services will issue the title in your name reflecting a lien. After the buyer pays off the loan, the lien holder must mark the lien "satisfied." The Division of Motorist Services also requires the lien holder to send a Satisfaction of Lien to the division. The lien holder must complete and file a satisfaction notice within 10 days of satisfaction.

If you are titling your vehicle in another state, you will need to contact that state for proper titling procedures. You may purchase a Temporary Tag at your local tax collector's office that will be valid for 30 days so that you may legally drive the vehicle to that state. You must pay a Florida Sales Tax when purchasing the temporary tag.

Meeting Insurance Requirements

When applying for a vehicle registration (license plate) you must show proof that you have PIP (Personal Injury Protection) and PDL (Personal Damage Liability) insurance with a Florida insurance company for the vehicle. The exception is Florida residents on active military duty stationed outside the state of Florida.

License Plates and Registrations

Tax collector offices in all 67 counties issue license plates and registrations certificates. The registration taxes are based on the weight of your vehicle. If you have a valid license plate, you may request to have it transferred to your new vehicle. Personalized and specialty license plates are available for additional fees.

The operator must possess the registration certificate for a motor vehicle while the vehicle is in use. The state requires most owners to renew their registrations during the 90 days prior to the owner's birthday. Exceptions will be noted on the registration certificate.

Fees and Taxes

Florida law requires fees from the buyer for registering and titling a vehicle in Florida. The buyer also must pay sales tax and use tax. The local tax collector's office can help you determine what fees are required.

VIN Inspection

If the vehicle was not titled previously in Florida, the owner must complete a Vehicle Identification Number and Odometer Verification. The form requires verification by the owner and one of the following:

- Florida DHSMV Compliance Examiner/Officer
- Licensed Florida Motor Vehicle Dealer
- Florida Notary Public
- Police Officer

Duplicate Title

If you have lost or misplaced your title, you may apply for a duplicate at any county tax collector's office. Bring proper identification and your current registration. The tax collector's office may ask you to verify that you want the duplicate sent to a different address.



LINKS TO USEFUL RESOURCES IN PURCHASING VEHICLE IN FLORIDA

Florida Attorney General

Lemon Law

<http://myfloridalegal.com/pages.nsf/Main/a5101364b15502a85256cc9005da68a>

Department of Highway Safety and Motor Vehicles
Buying or Selling a Car in Florida Brochure

Odometer Fraud Brochure

<http://flhsmv.gov/dmv/80008.pdf>

Car Buyer's Guide Brochure

<http://flhsmv.gov/dmv/84043.pdf>

Buying or Selling a Car

<http://flhsmv.gov/dmv/80007.pdf>

Motor Vehicle Check

<https://www6.flhsmv.gov/DLCheck/main.jsp>

DHSMV Complaint Form

<http://flhsmv.gov/dmv/forms/BRE/84901.pdf>

DHSMV Safety Tips

Dealer Gone Out of Business?

Nontraditional Vehicles: What You Need to Know Before You Buy

<http://www.flhsmv.gov/safetytips/NonVeh.htm>

Buying a Vehicle on the Internet

<http://www.flhsmv.gov/safetytips/BuyingVehOnline.htm>

National Automobile Dealers Association Web site

<http://www.nada.org/>

