



Buying a Used Car

Before you buy a used car, truck, van, or motor vehicle, you need to do some homework. Other than a house, a car may be the biggest thing you'll ever buy.

How are used cars sold?

Used cars are sold many ways. They are sold by new car dealers, used car dealers, rental car companies, and leasing companies. You also can buy a used car from a private individual. Your legal rights depend on who sells you the car.

What are my legal rights in a dealer sale?

Dealers and companies do not have to give you a "three-day right to cancel," as some buyers might think. Before you buy from a dealer or company, ask about the return policy, get it in writing, and read it carefully.

Dealers and companies must post a "Buyer's Guide" on every used car offered for sale. Anyone who sells fewer than six cars a year doesn't have to post a Buyer's Guide. The Buyer's Guide must tell you the following things:

- Whether the car is being sold "As Is" or with a warranty.
- If you have a warranty, what part of the repair costs the dealer will pay.
- That spoken promises are hard to enforce.
- To get all promises in writing.
- To keep the Buyer's Guide after the sale.
- A list of 14 major defects to look for in used cars.
- That you may have the car inspected by your own mechanic.

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Get the original Buyer's Guide posted in the car, or a copy. It is part of your contract. It controls over anything else.

What are my legal rights to get the title in a dealer sale?

Under Virginia law, a motor vehicle dealer must provide you with a title within 60 days of purchase. If not, you can cancel the sale, return the vehicle, and get your money back.

What must a dealer do if the sale is "As Is"?

If the dealer or company offers a car "As Is," they must check the "As Is - No Warranty" box on the Buyer's Guide. If this box is checked but there is a promise to repair the car or cancel the sale if you're not satisfied, be sure the promise is written on the Buyer's Guide. If not, you will have a hard time enforcing any promises.

In Virginia, if a dealer sells a car "As Is," they must give you another statement about an As Is sale. This must be on the front of your buyer's order. It must say the following things. "I understand that this vehicle is being sold AS IS with all faults and is not covered by any dealer warranty. I understand that the dealer is not required to make any repairs after I buy this vehicle. I will have to pay for any repairs this vehicle will need."

In an "As Is" sale, if you do not get the AS IS statement on the front of your buyer's order, and do not get the Buyer's Guide, you have 30 days to cancel the sale. In this case, you may return the car and get back most of the payments you made.

What must a dealer do if the sale is not "As Is"?

If you do not get the AS IS statement on the front of your buyer's order, and do not get the Buyer's Guide, the dealer has given you an "implied warranty." This is an unspoken and unwritten promise from the seller to the buyer. There is no set time period for an implied warranty.

What types of implied warranties are there?

The most common implied warranty is the "warranty of merchantability." This is a promise that the product will do what it is supposed to do. This promise applies to the basic functions of a car. It does not cover everything that could go wrong.

Problems after the sale don't necessarily prove the seller didn't keep the promise of the warranty of merchantability. You must prove the problem existed at the time of sale.

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A less common implied warranty is the "warranty of fitness for a particular purpose." This occurs when you buy a product based on the seller's statement that it is suitable for a particular use.

If you have a written warranty that doesn't directly cover your problems, you still may have coverage through an implied warranty. When a dealer gives you a written warranty, you automatically get the implied warranty.

What types of written warranties are there?

If you have a written warranty, you may have a full warranty or a limited warranty. Either warranty may cover all or some of the car. Most used car warranties are limited. A full warranty means the following things:

- Anyone who owns the car during the warranty period may get warranty service.
- Warranty service is free.
- If the car cannot be fixed after a reasonable number of times, you may get a replacement or refund.

If any of these statements doesn't apply, you have a limited warranty. A limited warranty must tell you the following things:

- The portion of the repair costs for parts that the dealer will pay.
- The portion of the repair costs for labor that the dealer will pay.
- The parts and systems of the car that are covered.
- The time or mileage limit for each covered system. For example, 30 days or 1,000 miles, or whichever comes first.
- Whether there is a deductible, and if so, how much.

Does the inspection certificate give me any legal rights?

In Virginia, a dealer must have a current motor vehicle inspection certificate before selling a used car. However, the inspection certificate does not create a warranty. A dealer who does not have the inspection certificate may have broken the law. However, this may not give you any legal rights against the dealer.

What are my legal rights in a private sale?

You also can buy a used car from an individual. Private sellers usually don't have to use the Buyer's Guide. Private sales usually do not come with implied warranties. Most private sales are "as is."

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What should I do when I buy a used car?

Whether you buy a used car from a dealer or an individual, learn as much as you can about the car before you buy. Follow these tips:

- Look closely at the inside and outside of the car.
- Use an inspection checklist.
- Test-drive the car under varied road conditions. Test-drive on hills, highways and in stop-and-go traffic.
- Ask for the car's maintenance and repair record.
- Talk to the prior owner.
- Have the car inspected by a mechanic of your own choosing – one not connected to the seller.

How can I pay for a used car?

You can pay for a used car two ways. You can pay in full, or you can finance over time. If you finance over time, the total cost of the car increases. This is because you also are paying for the cost of credit. This includes interest and other loan costs.

If you finance over time, be sure you read, understand, and agree with everything on all of the papers, before you sign anything. The papers should tell you the following things:

- The exact price you are paying for the car.
- Any down payment or trade in.
- The amount you are financing.
- The finance charge (the dollar amount the credit will cost you).
- The annual percentage rate (APR), which is the rate of interest stated as a yearly rate.
- The number and amount of payments.
- The total of all the payments over time, including principal, interest, and other charges.
- The date the payments are due.
- The total sales price (the sum of the monthly payments, plus any down payment or trade in).

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