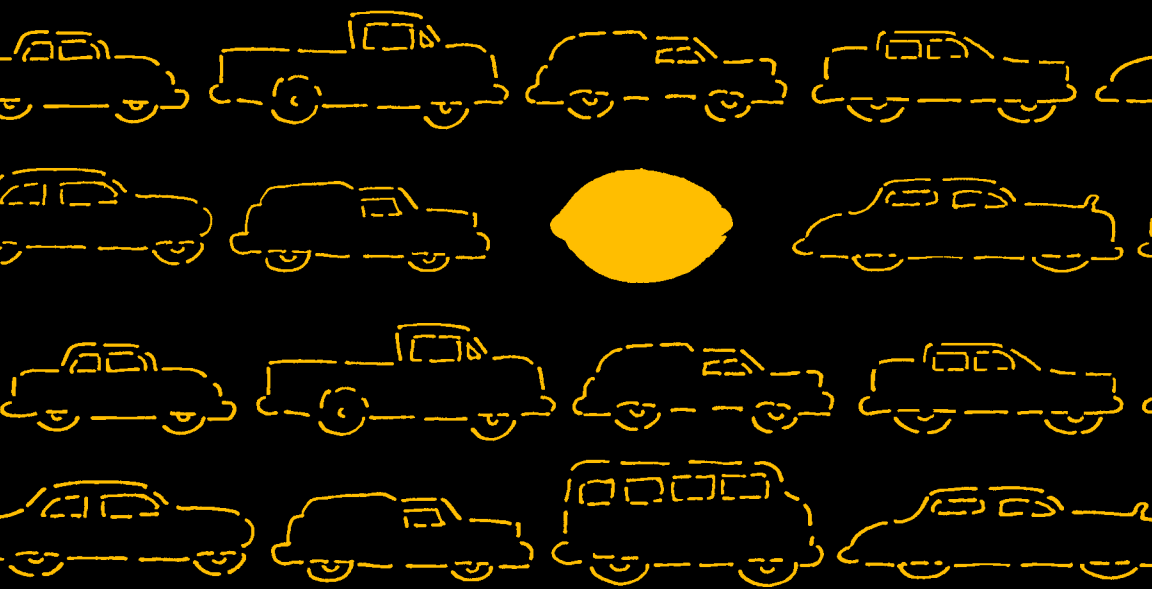


# Lemon-Aid for Consumers



State of California  
Gray Davis, Governor

State and Consumer Services Agency  
Aileen Adams, Secretary

Department of Consumer Affairs  
Kathleen Hamilton, Director  
2000



## Contents

<b>California's Lemon Law</b> .....	<b>1</b>
<b>California's certified arbitration programs</b> .....	<b>3</b>
<b>What is arbitration?</b> .....	<b>4</b>
<b>Steps to take if you think you have a lemon</b> .....	<b>4</b>
<b>If arbitration is for you</b> .....	<b>5</b>
<b>Advice for consumers</b> .....	<b>7</b>
<b>Where to find help if you have vehicle problems</b> .....	<b>8</b>
<b>Repair record</b> .....	<b>9</b>

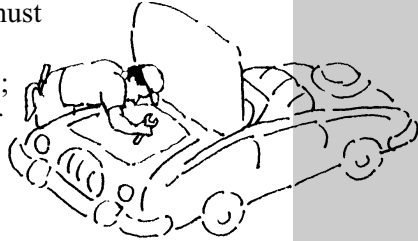
You can request this booklet free of charge by calling the Department of Consumer Affairs' toll-free telephone number, (800) 952-5210.

January 2000 • [www.dca.ca.gov/acp/](http://www.dca.ca.gov/acp/)

Printed on recycled paper.

## California's Lemon Law

California's consumer warranty law requires the manufacturer of a new motor vehicle leased or sold with a manufacturer's written warranty to repair the vehicle during the warranty period so that it conforms to the warranty. The vehicle may be a car, van, truck, or the chassis and cab portions of a motorhome, and must have been bought or used primarily for personal, family, or household purposes; or, the vehicle may have been bought or used for business and personal, family, or household purposes by a person, including a partnership, limited liability company, corporation, association, or any other legal entity, to which not more than five motor vehicles are registered in this state. The law applies to new and used vehicles that are covered by the original manufacturer's warranty.



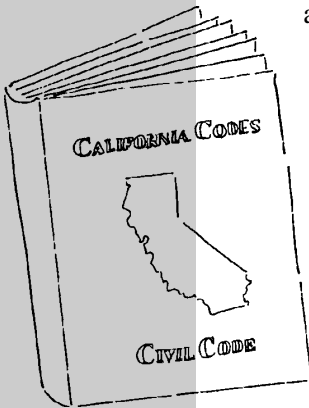
If the manufacturer or dealer cannot fix the vehicle to conform to the warranty within a “reasonable” number of repair attempts during the entire period that the warranty is in effect, the California “Lemon Law” requires the manufacturer to replace the vehicle or reimburse the buyer or lessee for its purchase price, whichever the consumer prefers. However, the Lemon Law does allow the manufacturer to recover a mileage offset for the consumer's use of the vehicle prior to the first repair attempt.

In addition, the Lemon Law presumes that a vehicle is a “lemon” if all of the following criteria are met:

1. The manufacturer or its agents have made four or more attempts to repair the same problem, **or** the vehicle has been out of service for more than 30 days (not necessarily all at the same time) while being repaired for any number of problems.
2. The four repair attempts or 30 days out of service have occurred **within 18 months** of the vehicle’s delivery to the consumer or **18,000 miles** on the odometer, whichever occurs first.
3. The problems are covered by the warranty, substantially reduce the vehicle’s use, value or safety to the consumer, and are not caused by abuse of the vehicle.
4. If required by the warranty materials or by the owner’s manual, the consumer has directly notified the manufacturer about the problem(s).

If all of these criteria are met, it is **presumed** that your vehicle is a lemon. However, this is a **rebuttable presumption**, and the manufacturer is entitled to prove that no problem exists, that a reasonable number of repair attempts has not been made, or that the problem does not substantially impair the vehicle’s use, value, or safety.

Note that if the manufacturer provides a certified arbitration program, the buyer or lessee must submit the dispute to the program before he or she can use the Lemon Law presumption in a lawsuit against the manufacturer. (See page 3 for a list of manufacturers’ certified programs.)



---

The Lemon Law presumption is found in California Civil Code Section 1793.22.

# California's Certified Arbitration Programs

In California, some manufacturers voluntarily seek certification of their arbitration programs from the Department of Consumers Affairs' Arbitration Certification Program.

These state-certified arbitration programs hear and render decisions about consumers' warranty problems with their vehicles. The Arbitration Certification Program monitors these programs for compliance with state and federal laws and investigates consumer complaints about their operations. **The Arbitration Certification Program does not review programs' decisions.**

Certified Arbitration Program	Manufacturers Represented
<b>BBB Auto Line</b> 4200 Wilson Boulevard, Suite 800 Arlington, Virginia 22203-1804 (800) 955-5100	AM General (Hummer), General Motors (includes Buick, Cadillac, Chevrolet, GMC, Geo, Pontiac, Oldsmobile), Honda/Acura, Hyundai, Isuzu, Nissan/Infiniti, Porsche, Land Rover, Rolls Royce/Bentley, Saab, Saturn, Volkswagen/Audi.
<b>Customer Arbitration Board</b> P.O. Box 1424 Waukesha, WI 53187-1424 (800) 279-5343	DaimlerChrysler (includes Dodge, Eagle, Jeep, Plymouth)
<b>Dispute Settlement Board</b> P.O. Box 5120 Southfield, Michigan 48086-5120 (800) 688-2429	Ford (includes Lincoln, Mercury)



## NOTE:

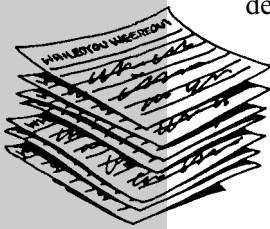
Some manufacturers that do not have state-certified arbitration programs in California include: Alfa Romeo, BMW, Daewoo, Daihatsu, Ferrari, Jaguar, Kia, Lexus, Lotus, Mazda, Mercedes Benz, Mitsubishi, Peugeot, Subaru, Suzuki, Toyota, Volvo, Yugo.

Please check your owner's manual and warranty materials to determine if your vehicle's manufacturer offers an arbitration program.

## What is Arbitration?

Arbitration is a dispute resolution process by which warranty disputes between manufacturers and consumers are resolved by neutral arbitrators. Some of the advantages of arbitration are:

- It is free;
- Decisions are rendered within 40 days after the program receives your application;
- State-certified arbitration programs allow oral presentations, which are open to observers;
- State-certified arbitration programs allow a 6-month grace period to file a claim after warranty expiration if the problem occurred during the warranty period;
- Decisions are binding on the manufacturer, but not the consumer. The consumer can accept or reject the decision; and
- If you reject the decision, you can still pursue your rights in court, including small claims court. However, you should consider consulting an attorney before taking this step.



## Steps to Take If You Think You Have a Lemon:

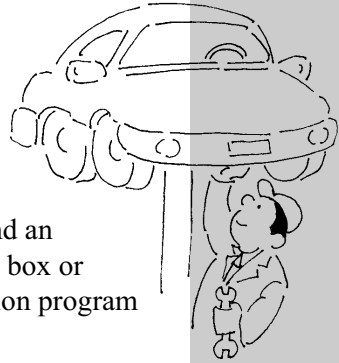
1. Consult your warranty booklet.
2. Attempt to resolve the problem with the dealer.
3. Contact the manufacturer or its representative directly. In some cases, you may be required to directly notify the manufacturer of the need for further repairs. Send letters by certified mail, keeping a copy and the certified mail receipt.
4. You may pursue arbitration if you think you meet the following requirements:
  - The specific problem is covered by the manufacturer's warranty (disputes over extended warranties and service contracts are not arbitrated by manufacturers' programs);
  - You have notified the manufacturer directly about the problem;

- The problem substantially reduces the use, value, or safety of your vehicle;
- The problem has not been satisfactorily repaired; and
- The manufacturer has an arbitration program.

## If Arbitration is For You

Once you've determined that you would like to pursue arbitration, your next step is to file an application and make some necessary preparations:

- Fill out and file an arbitration application, clearly stating what the problem is and what result you seek from arbitration. You may find an application in the materials inside your glove box or obtain one by calling the appropriate arbitration program (see page 4).
- Review your application to ensure it is legible and complete prior to mailing.



## Gather information

- Contact the manufacturer and request any technical service bulletins that might relate to your vehicle problem.
- Contact the National Highway Traffic Safety Administration, 400 Seventh Street, S.W., Washington, D.C. 20590 Auto Safety Hotline at (800) 424-9393 for any safety recall information. Find out if there have been similar problems reported that indicate a pattern of problems with your model vehicle.
- To help verify the problem, especially if it is intermittent, submit signed statements or affidavits from certified mechanics and individuals who have ridden in your vehicle and experienced the problem (for example, family or carpool members).

## Organize paperwork

- Record and summarize warranty repairs in chronological order, using the form provided on page 11. Focus on problem(s) that substantially impair the use, value, or safety of the vehicle. Do not list service orders that reflect only scheduled maintenance work.
- Make copies of the purchase order and finance/lease agreement, all repair and service orders, correspondence between you and the dealer or manufacturer, and any other documents such as signed statements that might help support your case. Do not use a highlighter pen on repair orders because it will blacken highlighted information when repair orders are copied.



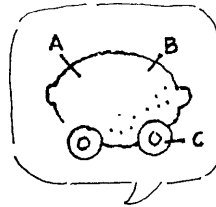
## Practice your presentation

- If you plan to make an oral presentation at your hearing, organize and write down the main points of your argument, emphasizing those problems which substantially impair the use, value, or safety of the vehicle. Minor adjustments are necessary to most new vehicles and mentioning insignificant problems will divert attention from your main concerns. Rehearse your presentation.
- While the total number of days that a vehicle has been out of service can be relevant to show that the manufacturer has enjoyed a reasonable opportunity to repair the vehicle, arbitrators, in rendering their decisions, tend to focus on those problems that remain unrepaired. If the manufacturer has repaired some problems so that the vehicle presently conforms to the terms of the warranty, arbitrators generally will not order the manufacturer to replace or repurchase the vehicle for such past concerns. Accordingly, focus on those problems which the dealer or manufacturer has not satisfactorily repaired and state clearly what relief you seek from the arbitrators.
- Remember that these arbitration programs address only warranty issues. For punitive damages and/or consequential damages you should use the court system.



## Advice for Consumers:

- Do not abuse the vehicle.
- Service and maintain your vehicle according to the manufacturer's recommended maintenance schedule (read the warranty and owner's manual). Keep a service record and retain all receipts for maintenance performed on your vehicle.
- Describe the problem when you take the vehicle in for service—don't diagnose it—making sure any repair order reflects the problem(s) you are experiencing with your vehicle, the mileage on the odometer at the time of repair, and the dates the vehicle was in the repair shop.
- Make sure that an authorized dealer performs all warranty repairs. Remember, you must give the manufacturer or its agents a "reasonable" opportunity to make needed repairs.
- Make sure a repair attempt is documented with a repair order, even if no repairs are made.
- Keep copies of all service records and repair orders.
- Record all contacts with the dealer or the manufacturer's representatives, noting the date and person contacted. Keep notes about telephone calls, letters, or personal discussions you have had regarding your vehicle's problems.
- Notify the dealer immediately if repair attempts are not successful.



## Where to Find Help if You Have Vehicle Problems

Problem/Service Needed	Organization to Contact
<b>Information on California's Lemon Law and arbitration</b>	<b>Department of Consumer Affairs</b> Arbitration Certification Program 401 S Street, Suite 201, Sacramento, CA 95814 (916) 323-3406 or (800) 952-5210 <a href="http://www.dca.ca.gov/acp/">www.dca.ca.gov/acp/</a>
<b>Manufacturer's or dealer's failure to honor the warranty, extended warranty, or service contract underwritten by the manufacturer</b>	<b>Manufacturer or dealer</b> , by certified mail (check the owner's manual for manufacturer's address)  <b>Local Department of Motor Vehicles (DMV)</b> Bureau of Investigations (check the white pages of your telephone book)  <b>New Motor Vehicle Board</b> 1507 21st Street, Suite 330, Sacramento, CA 95814 (916) 445-1888  <b>Local county consumer affairs office</b> (check the white pages of your telephone book)
<b>Dissatisfaction with repairs or dispute over repair invoice</b>	<b>Department of Consumer Affairs</b> <b>Bureau of Automotive Repair</b> (800) 952-5210 • <a href="http://www.smogcheck.ca.gov">www.smogcheck.ca.gov</a>
<b>Fraud or other questionable conduct</b>	<b>New Motor Vehicle Board</b> (see above) <b>DMV Bureau of Investigations</b> (see above) <b>Local District Attorney's Office</b> <b>Office of the Attorney General</b> , Public Inquiry Unit 1515 K Street, Sacramento, CA 95814 (916) 322-3360 or (800) 952-5225 <a href="http://www.caag.state.ca.us">www.caag.state.ca.us</a>
<b>Register a safety complaint or obtain recall information</b>	<b>National Highway Traffic Safety Administration</b> 400 Seventh Street, SW, Washington, DC 20590 <a href="http://www.nhtsa.dot.gov">www.nhtsa.dot.gov</a>  <b>Auto Safety Hotline</b> (800) 424-9393  <b>Center for Auto Safety</b> 2001 S Street, N W, Suite 410, Washington, DC 20009 (202) 328-7700
<b>California lawyer who specializes in Lemon Law and warranty disputes</b>	<b>Check your local yellow pages</b> at the beginning of the "attorneys" listing for lawyer referral services or call the State Bar Association at (415) 538-2000 to obtain the name of the certified lawyer referral service nearest you.
<b>Other Lemon Law information</b>	<b>Consumers for Auto Reliability and Safety (CARS)</b> 926 J Street, Suite 523, Sacramento, CA 95833-1945 (530) 759-9440
<b>Service contracts underwritten by a private company</b>	<b>State Department of Insurance</b> 770 L Street, Sacramento, CA 95814 (800) 927-4357 <a href="http://www.insurance.ca.gov">www.insurance.ca.gov</a>





California Department of Consumer Affairs  
401 S Street, Suite 201  
Sacramento, CA 95814