

HOW TO PROTECT YOURSELF WHEN BUYING A USED CAR

BEFORE YOU BUY A USED CAR, YOU SHOULD ALWAYS:

1. If you have Internet access, check our website for advice on the steps to take.
2. Understand that if you will be buying the car on credit, you are shopping for two things: a car and a loan. Both have significant cost. It is best to obtain loan pre-approval at a credit union or bank before shopping for a car. Then you know the interest rate for which you qualify to compare with the dealer's rate.
3. Get a copy of your credit report. Get any errors corrected. This substantially affects the interest rate you will be charged if buying on credit.
4. Test-drive the car and take it to a trustworthy mechanic for an opinion before buying the car.
5. Make sure you understand the documents you are signing. Are you buying the car or leasing the car? What is the total cost of the car? What are the monthly payments and what are the extra charges by the dealer? Have you shopped around for the best price and terms?

Nothing protects you more than taking these steps.

DOES THE DEALER HAVE TO TELL ME IF THERE IS SOMETHING WRONG WITH THE CAR?

Under a law passed by the 1997 Nevada Legislature, before a used car dealer may sell a car with 75,000 miles or more, the dealer must conduct a reasonably thorough inspection of the vehicle's engine and "drive train" and disclose to you in writing any defects known or which were discovered during the inspection. See NRS 482.36661.

The drive train of the vehicle includes the transmission, drive shaft, torque converter, differential, universal joint, constant velocity joint, and all other systems components that transfer power from the engine to the wheels.

If the dealer does not inspect and disclose defects of the vehicle with an odometer reading exceeding 75,000 miles, it is safest not to buy. You may report the dealer's failure to the Nevada Department of Motor Vehicles (DMV) which has the power to fine the dealer up to \$2,500 and to make the dealer provide warranties on all future car sales after three (3) substantiated complaints.

The dealer also has a general common law duty to exercise reasonable care in inspecting vehicles offered for sale for the purpose of detecting defects that would make the vehicles dangerous. If you discover you were sold an unsafe rebuilt wreck that the dealer did not disclose to you, contact an attorney.

It is a deceptive trade practice for the dealer to knowingly make a misrepresentation of material fact or to knowingly fail to disclose a material fact. Obviously, such matters are difficult to prove and typically lead to a lawsuit. To protect yourself, get anything important in writing. If the dealer will not put it in writing, do not buy the car.

It is best to have another person present as a witness to your conversations with the dealer. You should read all documents before signing and insist that any spoken promises about the car's condition or the dealer's obligation to repair defects are placed in writing. If the dealer will not put his promises in writing, the promises may not be enforceable by a court.

If you suffer any damages because of the dealer's failure to inspect and/or disclose defects, you may be able to sue the dealer as a victim of consumer fraud to recover damages. See NRS 41.600. If your claim is less than \$10,000, you may file in small claims court without an attorney. Legal Aid Center of Southern Nevada conducts a class to teach you how to represent yourself in small claims court.

<https://www.lacsn.org/events-calendar/event/small-claims-class>

WHAT CAN I DO IF MY CAR BREAKS DOWN OR NEEDS REPAIR AFTER I BUY IT?

Whether or not the dealer has any responsibility to repair your vehicle often depends upon whether the vehicle is covered by a warranty. Warranties may be "express" (meaning that the terms are spelled out by the dealer to you usually in writing) or "implied" (meaning that a law imposes or implies a warranty even when the dealer does not give one). Dealers often attempt to sell a vehicle "as is" (meaning there are no implied warranties).

In an express warranty, a dealer lets you know exactly what types of repairs are covered, how long the warranty lasts and the costs covered. For example, a dealer may agree to cover one-half of the costs of necessary repairs to the engine and drive train for the first 1,000 miles or 30 days following purchase, whichever comes first.

Under the federal Magnuson-Moss Warranty Act, express warranties must be clearly disclosed and must state:

- who can enforce it
- what is covered (i.e., what parts, service, etc.)
- how long it lasts
- the consumer's duties
- whether any informal dispute or settlement mechanisms are available
- whether implied warranties are limited
- any rights under state law
- whether a warranty card must be returned

Unless disclaimed with clear language, such as “as is” or “with all faults,” a used vehicle is sold subject to two warranties that are implied by the law. They are the Implied Warranty of Merchantability and the Implied Warranty of Fitness for a particular purpose.

A car is merchantable if it is of minimally adequate quality at the time of sale and is fit for the normal use of a car, (i.e., driving on the roads). This warranty may be waived if you inspect the car and buy it anyway.

The law also implies a Warranty of Fitness for a particular purpose. If the seller has reason to know the purpose for which you are buying your vehicle (i.e., to get to and from work) and that you are relying on the seller’s skill and judgment in helping you select a car to fit that purpose, then you may be covered.

A seller may have a defense to any of your breach of warranty claims if you did something to cause the problem with your vehicle. If for example you wreck it, fail to change the oil, take it “off road,” fail to keep coolant in the radiator, etc., you may be held responsible for problems.

TO FILE A COMPLAINT CALL

Better Business Bureau: 702-320-4500

Consumer Protection Division: 702-486-3132

District Attorney’s Office: 702-671-2500

DMV Compliance & Enforcement: 702-486-4368



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