contract BEFORE SIGNING IT to see how much you’re paying for each item and in total. The “Car Buyer’s Bill of Rights” requires that dealerships fully disclose to you the cost of these items, including your monthly payment with and without the “extras.”

AFTER YOU BUY A CAR
Once you sign the contract, you are legally obligated to make the payments (assuming, of course, that you didn’t purchase a contract cancellation option or, if you did, you didn’t exercise it during the two-day cancellation period.) You are not free to simply turn in your car to the dealership if you no longer can afford it or want it. Even if the car has been repossessed AND YOU NO LONGER HAVE THE CAR, you may still owe payments according to your contract. Your car HAS BEEN REPOSESED and the finance company is asking for continued payments on the loan, get legal advice immediately!

If later you end up selling the car privately, make sure you and the buyer complete the necessary Department of Motor Vehicles (DMV) paperwork to transfer ownership. You must complete and mail to the DMV the “Notice of Transfer and Release of Liability.” Otherwise, YOU, not the buyer, may STILL be liable for parking and traffic violations, unpaid registration and other expenses. (See the DMV phone number and website under IMPORTANT RESOURCES REGARDING CAR PURCHASES.)

SOME LEGAL RIGHTS AND OBLIGATIONS TO REMEMBER
If the sales negotiations are in Spanish, Chinese, Vietnamese, Tagalog, or Korean, you have the right to see a draft of the contract in that language before you sign anything.

You are entitled to a vehicle purchase contract that is COMPLETELY FILLED IN before you sign it.

If you have a dealership warranty or the remainder of a manufacturer’s warranty, the dealership must repair any problems that the warranty covers. If you bought the car AS IS, you are usually responsible for paying for any necessary repairs. If you purchased a service contract, the defect may be covered by the contract or the dealership may be responsible. Consult an attorney regarding any disputes.

NEVER co-sign on a car loan, unless you are prepared to pay the entire loan back yourself. If the borrower falls behind in payments, the creditor has the right to try to collect the debt from you, and you may be taken to court to force you to pay. If the lawsuit against you is successful, YOUR wages may be garnished and the debt put on YOUR credit record.

IMPORTANT RESOURCES REGARDING CAR PURCHASES
Consumer Reports magazine in libraries, bookstores or by internet subscription at www.consumerreports.org (for checking reliability ratings of various car models)
Kelley Blue Book in libraries, bookstores, or online at www.kbb.com (for checking “blue book” value of the vehicle you are considering buying as well as of your trade-in vehicle)
California State Automobile Association (”AAA”) (800) 652-1158, www.csaac.com (for vehicle inspections at the “AAA” facility in Santa Clara or other locations) You can also check the yellow pages, under the “Automobile Diagnostic Service” section, to find businesses that provide this service.
CARFAX www.carfax.com (to order vehicle history reports)
Department of Motor Vehicles (800) 777-0133, www.dmv.ca.gov (to locate offices, schedule appointments, learn more about the “Car Buyer’s Bill of Rights,” obtain the form to release your liability when you sell a car privately, etc.)

Department of Consumer Affairs www.dca.ca.gov (to download publications and information about various automobile issues, including the “Car Buyer’s Bill of Rights.” This website also provides information on how to contact the Bureau of Automotive Repair, which mediates consumer disputes with auto repair dealers and smog check stations)

Technology Credit Union (800) 553-0880, www.tecetu.com (one of several credit unions available to anyone who lives, works, attends school, or worships in Santa Clara County)
District Attorney Consumer Protection Unit (408) 792-2880 (For mediation assistance in consumer disputes with businesses)
Katharine & George Alexander Community Law Center 1030 The Alameda, San Jose, CA 95126 (408) 288-7030, www.scu.edu/law/kgaecl. (free legal advice at Consumers’ Rights clinics)
To download this brochure as well as other informative Law Center publications, go to http://www.scu.edu/law/kgaecl/publications.html

Disclaimer
This brochure provides general information about purchasing a car. It is not legal advice. Should you have a particular legal issue regarding a car purchase, please contact an attorney or the Katharine & George Alexander Community Law Center (KGA-CLC). The KGA-CLC does not warrant that the information in this brochure is necessarily current, though it was at the time of publication in February 2007. However, the law does change and any changes could affect the information we have included. Please see our website for the updated brochure for the most current information.

General Information
The Katharine & George Alexander Community Law Center (KGA-CLC) educates law students in accordance with the legal profession’s highest ethical standards while serving those in need with competence, conscience and compassion through pro-bono legal representation, advice and education. All services are free and limited to low-income persons.

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Tips for Buying a Used Car at a Dealership
1030 The Alameda
San Jose, CA 95126
Phone (408) 288-7030
http://www.scu.edu/law/kgaecl

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BEFORE YOU BUY
Ask friends which cars and car dealerships they recommend. Check auto and consumer magazines, such as Consumer Reports, at your local library or on the internet for information on the reliability of various models. Check the “blue book” value of the car model you are considering buying as well as of your trade-in vehicle. (See IMPORTANT RESOURCES REGARDING CAR PURCHASES on reverse, under Kelley Blue Book). Make sure you will be able to afford your car payments. Take into consideration additional expenses for maintenance, repairs, insurance, fuel, registration, etc.

SHOP AROUND! Visit several dealerships. Don’t make a commitment after only visiting one dealership.

If you will be financing the vehicle, compare financing terms at various financial institutions, such as credit unions and banks, as well as at dealerships. Unless you have excellent credit, however, going through dealerships for financing will likely cost you more than using credit unions or banks. CONSIDER JOINING A CREDIT UNION if you are not already a member. There are several credit unions available to anyone who lives, works, attends school, or worships in Santa Clara County. (See the contact information for Technology Credit Union under IMPORTANT RESOURCES REGARDING CAR PURCHASES).

Have your financing in place BEFORE you begin negotiations. Negotiating takes patience and time. Don’t feel pressured to rush into making a decision. Avoid bringing children to the dealership so you can focus on making a good decision. Take someone with you whose experience and judgment you trust.

No matter how friendly the car salesperson may be, this person is NOT your friend — his or her job is to try to sell you a car! Be “all business” in your discussions and be alert to tricks to make you feel like you have to buy a car before you are ready. REMEMBER, you always have the right to walk away from a deal you’re not ready to make a binding legal commitment that you may later regret!

If the sales negotiations are in Spanish, Chinese, Vietnamese, Tagalog, or Korean, INSIST on your right to see a draft copy of the contract in that language before you sign anything. Then compare the numbers written in the blanks in both the draft and English contracts to make sure they are the same. Also, make sure that the blanks are COMPLETELY FILLED IN before you sign the contract.

CONTRACT CANCELLATION OPTION?
With a few exceptions based on vehicle type and cost, the California “Car Buyer’s Bill of Rights” allows buyers purchasing a used vehicle from a dealership for consumer usage to buy a two-day sales contract cancellation option. This law allows you to return the vehicle within the two-day period for any reason for a full refund of your down payment and the cancellation of your loan. You are limited as to how many miles you can drive the vehicle during the cancellation period, although the limit can’t be less than 250 miles. Also, you must return it in the same condition as when you got it, allowing for normal wear and tear. HOWEVER, to obtain and exercise this option, you will have to pay between $100 and $250, depending on the cost of the vehicle purchased. If you thoroughly checked the vehicle beforehand (through an inspection by a mechanic or a diagnostic service), you may want to avoid this extra expense. (To find out more about the contract cancellation option and the “Car Buyer’s Bill of Rights,” including the provisions dealing with vehicles that can’t be advertised as “certified,” price disclosure requirements about service contracts and other “extras,” etc., go to the DMV internet address listed under IMPORTANT RESOURCES REGARDING CAR PURCHASES.)

RESPONSIBILITY FOR REPAIRS — GETTING A WARRANTY OR BUYING “AS IS”?
If you buy the vehicle without purchasing the two-day sales contract cancellation option or if you buy the option but don’t exercise it within the two days, your responsibilities with respect to necessary repairs will depend on whether you bought the vehicle with a warranty or “AS IS.” If you have a dealership warranty or the remainder of a manufacturer’s warranty, the dealership must repair any problems that the warranty covers. If you bought it “AS IS,” you are usually responsible for paying for any needed repairs. (NOTE: As discussed in the following section, be careful about buying service contracts and other expensive “extras.”) However, if you did buy a service contract with an “AS IS” vehicle, there is an implied promise from the dealership that the vehicle is reasonably fit for driving. Therefore, even if the service contract you bought does not cover the defect, the dealership MAY be responsible for making repairs. You should consult an attorney regarding any disputes in such cases.

SHOULD YOU BUY “EXTRAS”?
BE CAREFUL about buying expensive “extras,” such as dealer insurance or the various car “protection packages.” Car insurance is usually cheaper from private insurance companies, especially if you shop around. “Protection packages” are almost always overpriced and are often almost worthless (e.g., “extended warranties,” “service contracts,” “rust protection packages,” etc.) If you do decide to purchase “extras,” carefully review the