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PURCHASING A USED MOTOR VEHICLE IN NEW HAMPSHIRE- WHAT CONSUMERS NEED TO KNOW TO AVOID BUYER'S REGRET

Purchasing a car is expensive. Even used vehicles, although more affordable than new, can still cost thousands of dollars. Due to rapid depreciation of vehicles, buying used can make good financial sense. However, a person buying a used car does not have all the protections and assurances that they would receive if they were purchasing a new vehicle. This article outlines some of the primary concerns that consumers should be aware of when shopping for a used motor vehicle in New Hampshire.

If you have questions or concerns about a used car purchase, call the Consumer Protection Hotline for help at (603) 271-3641 or email DOJ-CPB@doj.nh.gov. You may also file a Consumer Complaint with the Consumer Protection and Antitrust Bureau by following the instructions here: <https://www.doj.nh.gov/consumer/complaints/index.htm>.

SALES ARE ALMOST ALWAYS FINAL. DO NOT MAKE A RUSHED DECISION.

New Hampshire does not have a “cooling off” period that allows consumers to cancel a used (or new) car purchase. Once you sign the sale documents, you own the vehicle. You cannot undo the transaction if you change your mind the next day. As with all legal transactions, it is your responsibility to understand what you are signing. Review everything carefully to ensure that you understand the terms of the deal and make sure the paperwork you sign accurately reflects the deal you think you are making.

It is a good idea to bring a family member or friend with you to the dealership to help you review the paperwork before signing. Don't be rushed and don't be afraid to ask questions. If the salesperson asks you to sign purchase documents electronically, ask for a paper copy so that you can meaningfully review all of the terms and conditions. If you have concerns about the condition of a used vehicle, ask if you can have your

mechanic look at the vehicle before you purchase it to make sure you are aware of any existing issues.

HAS THE VEHICLE PASSED A NEW HAMPSHIRE STATE INSPECTION?

Only vehicles that have passed a safety inspection may be driven on New Hampshire roadways. If a vehicle has passed inspection, it will have a New Hampshire safety inspection sticker on the front windshield. If a vehicle does not have a current inspection sticker on the front windshield, it has not passed a safety inspection and may not be driven on New Hampshire roadways. When purchasing a used car, look to see if there is a current inspection sticker on the front windshield and specifically ask if the vehicle has passed New Hampshire safety inspection.

In New Hampshire, it is lawful for a dealer to sell you a car that has not passed a safety inspection. However, the dealer must tell you the car has not been inspected and advise you of your right to have the vehicle inspected (at your expense) and be provided with a list of defects that need to be corrected before the vehicle will pass an inspection. The consumer is required to declare in writing whether they would like to pay for an inspection or waive it.

Think carefully before deciding to waive a pre-purchase inspection. If you waive the inspection, the dealer has no obligation to provide a list of defects, and you are essentially buying the car on the hope that there are no underlying issues. This approach can save you the cost of the inspection but can (and frequently does) lead to significant unexpected repair costs down the road that you will be responsible for. Remember, only vehicles which pass inspection may be driven on New Hampshire roadways. If you are buying an unsafe vehicle without a pre-purchase inspection, you may end up with a car that is undrivable and unreturnable.

Dealers will often inform consumers about their right to an inspection by presenting them with a standard form issued by the DMV called an "UNSAFE MOTOR VEHICLE Form" (RDMV 950). On the form you may either check "Yes" and request a NH Safety inspection be conducted or check "No" and decline a safety inspection. Note that if you check "No", you are agreeing to purchase an uninspected (and unsafe) vehicle. Dealers may slide this document into a larger stack of documents that need to be signed to finalize your purchase. Make sure you don't get signor's fatigue and start signing without carefully reading. Doing so could result in inadvertently agreeing to buy an unsafe vehicle.

DOES THE CAR COME WITH A WARRANTY?

When a consumer purchases a new car, it typically comes with an implied promise – called a warranty - that the car is in good working order and is able to be driven on New Hampshire roads. Often, used cars do not come with any warranties and are "as is" sales.

When you purchase a vehicle “As Is – With All Faults”, it means that you agree to purchase the car in its current condition with all issues and defects. In other words, neither the car manufacturer nor the dealer promises that the car is in good working order. If you purchase a car “As Is”, you are responsible for all future repairs, even if the car breaks down the very next day.

There are two ways you will know if your car is an “As Is” purchase. First, under New Hampshire law, you must be presented with and must sign a separate document that specifically states the purchase is “As Is – With All Faults.” Second, the FTC Buyer’s Guide – which is a form that should be posted in the window of the car, will state the vehicle is sold “As Is.”

If you decide to purchase a vehicle “As Is,” consider asking if you may have your mechanic look at the vehicle *before you purchase it*. Doing so will allow you to know what repairs, if any, will be needed to get the vehicle in good working condition. Remember, if you purchase a car “As Is- With all Faults”, you are responsible to pay for all repairs.

A dealer may not make promises or representations about the existence of a warranty in advertisements or in person, if the car is being sold without a warranty.

IS A SERVICE CONTRACT THE SAME THING AS A WARRANTY?

A warranty is typically offered by the vehicle manufacturer or the dealer and is essentially a promise that the car is in good operating condition. If you buy an older car, the manufacturer’s warranty is likely expired. As an alternative, you may consider purchasing a Service Contract at the same time you are purchasing your used car. When you buy a service contract, the business selling the service contract agrees to reimburse you for labor associated with and/or costs of repairs *that are covered by the contract*. Not all repairs are covered by all service contracts. In other words, if your transmission breaks and transmission parts are not covered by your service contract, you will not be reimbursed.

Sometimes, service contracts have additional requirements to obtain reimbursement such as using a particular garage, or limiting the reimbursable hourly labor rate or requiring preapproval before repairs are completed. Do not rely on a verbal summary of the terms of a service contract. You should read and understand the contract before you sign it.

DOES THE MILEAGE ON THE ODOMETER REFLECT THE ACTUAL MILEAGE?

State and federal laws prohibit tampering with (disconnecting, rolling back) motor vehicle odometers. Make sure the mileage on the vehicle odometer matches the mileage in the paperwork provided. Be wary if the vehicle odometer does not reflect actual vehicle mileage.

OTHER THINGS TO CONSIDER

1. Get educated about the type of vehicle you are interested in, its reliability, typical repairs, and average maintenance costs.
2. Read documents carefully. Do not sign anything you do not understand.
3. Get all promises in writing by the person making the promise and date it.
4. Keep a copy of all signed documents or take a photo of each document after you sign it.
5. Ask the dealer about any recent repairs.
6. Ask the dealer for a printout of the vehicle's ownership and service history – such as CarFax or AutoCheck - or check it yourself online using the VIN number.
7. Take the car for a test drive. Turn everything on and off to make sure it works (heat, air conditioning, windows, radio, horn, etc.).
8. Have your mechanic inspect the car prior to purchase.
9. If you buy a service contract, read the contract carefully to make sure you understand how and where to file a claim.
10. Never feel pressure to close the deal. If there is something you do not understand, walk away.