

MICHIGAN'S LEMON LAW

Consumer Alert

Most new vehicles are reliable, but some will turn out to be lemons. For those, [Michigan's Lemon Law](#) provides relief if you purchase or lease a defective vehicle. To help you understand your rights under Michigan's Lemon Law, this alert provides answers to common Lemon Law questions.

Questions and Answers About the Lemon Law

Question: Which vehicles are covered by Michigan's Lemon Law?

Answer: The Lemon Law applies to passenger vehicles, sport utility vehicles, pickup trucks, and vans that are purchased or leased in Michigan or purchased or leased by a Michigan resident (regardless of whether the vehicle was purchased or leased in Michigan) and covered by a manufacturer's express warranty at the time of purchase or lease.

The Lemon Law does not apply to motor homes, buses, trucks other than pickups and vans, motorcycles, or off-road vehicles.

Question: What about used vehicles?

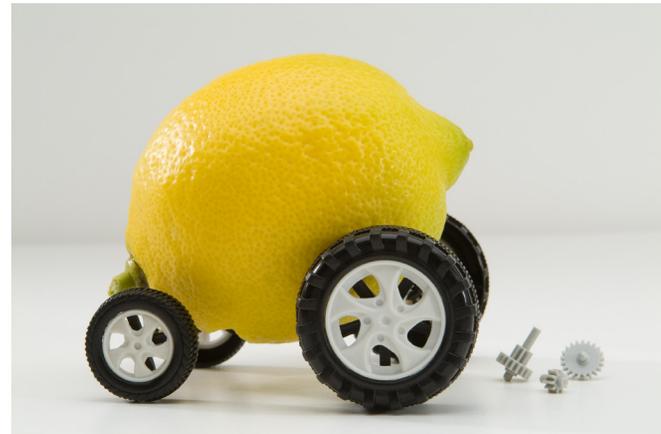
Answer: This is tricky. Generally, the Lemon Law does not apply to used vehicles. But the Lemon Law does apply to a vehicle still "covered by a manufacturer's express warranty at the time of purchase or lease," if the problem is reported to the manufacturer or its authorized dealer within one year from the date of delivery to the *original* purchaser. Thus, the Lemon Law may apply to a "used" vehicle that meets these criteria.

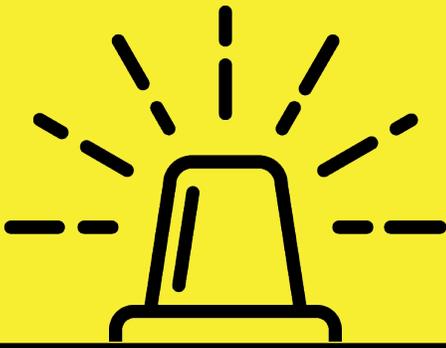
Question: To whom does Michigan's Lemon Law apply?

Answer: The lemon law applies to a person who:

1. Purchases or leases a new motor vehicle for personal, family, or household use and not to sell or lease the new motor vehicle to another person;
2. Purchases or leases less than 10 new motor vehicles a year;
3. Purchases or leases 10 or more new motor vehicles a year only if the vehicles are purchased or leased for personal, family, or household use; or
4. Is entitled to enforce the provisions of an express warranty pursuant to the terms of that warranty.

A "person" under the Lemon Law is a natural person, a sole proprietorship, partnership, corporation, association, unit or agency of government, trust, estate, or other legal entity.





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Question: Under the Lemon Law, do I have a right to return my vehicle within three days of purchase?

Answer: No. Many consumers mistakenly believe that a “cooling off period” that allows you to cancel some written contracts in very limited circumstances applies to all purchases. On the contrary, as a general matter of contract law, consumers do not have the right to cancel a sale of goods or services. To learn more about the limited right to contract cancellation, read the [Attorney General's Consumer Alert, I Changed My Mind - Can I Cancel This Contract?](#)

Some dealers offer extended test drives and allow customers to take vehicles home overnight or for a few days, but that is a promotional tactic and not a matter of contract law.

The remedies provided by the Lemon Law, which include the right to return your vehicle and receive a refund of the purchase or lease price, are not triggered until the vehicle is subjected to a reasonable number of repairs—which will occur well beyond three days after your purchase.

Question: What problems or defects does the Lemon Law cover?

Answer: The Lemon Law covers any defect or condition that impairs the use or value of the new motor vehicle to the consumer or prevents the new motor vehicle from conforming to the manufacturer's express warranty.

The Lemon Law does not cover any defect or condition that is the result of a modification not installed or made by or for the manufacturer, or abuse or neglect of the new motor vehicle, or damage due to an accident occurring after the new motor vehicle's purchase or lease.

Question: What is the first step to recovering under the Lemon Law?

Answer: To recover under the Lemon Law, you must first report the problem to the manufacturer or its authorized dealer within the term of the warranty or one year from the date of delivery to the *original* purchaser, whichever comes first. After receiving timely notice of the problem, the manufacturer or its authorized dealer must repair the problem even if the repair cannot be performed until after the expiration of the manufacturer's express warranty.

Question: What if the problem I reported to the manufacturer or its authorized dealer continues to persist?

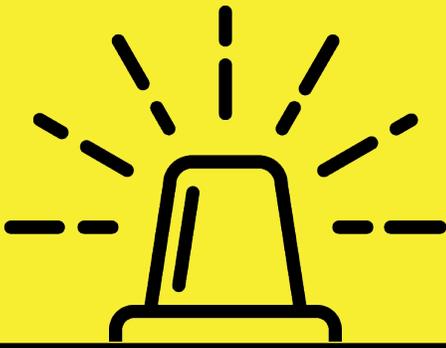
Answer: You may be entitled to a refund of the purchase or lease price or a comparable replacement vehicle if the problem persists after a reasonable number of repair attempts.

Question: What is considered a reasonable number of repair attempts?

Answer: It is presumed that a reasonable number of repair attempts have been taken if one of the following occurs:

(a) The *same* defect or condition continues to exist even though the vehicle has been subjected to repair a total of four or more times within two years of the date of the first attempt to repair the defect or condition; or

(b) The vehicle is out of service because of repairs for a total of 30 or more days or parts of days during the term of the manufacturer's express warranty, or within one year from the date of delivery to the original consumer, whichever comes first. This option does not require the same problem to be the cause of the days out of service.



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Question: My vehicle still isn't fixed after a reasonable number of repair attempts, how do I get a refund or replacement?

Answer: You must give the *manufacturer* one last opportunity to repair the vehicle by giving the *manufacturer* written notice, by return receipt service, of the need to repair the vehicle. Notice can be given at any time after the third attempt to repair the same defect or condition or at any time after the vehicle has been out of service for at least 25 days in a repair facility.

After receiving notice, the manufacturer must notify you as soon as reasonably possible of a reasonably accessible repair facility to take your vehicle to have it repaired. After delivery of the vehicle to the designated repair facility, the manufacturer has five business days to repair the vehicle. If the vehicle is not repaired within five business days, you may receive a comparable replacement vehicle or a refund of the purchase or lease price.

If a manufacturer has established or participates in an informal dispute settlement procedure, the Lemon Law does not apply to any consumer who has not first resorted to such procedure, if the procedure does all the following:

- a. Complies with the Magnuson-Moss warranty—federal trade commission improvement act, Public Law 93-637, 88 Stat. 2183, and 16 C.F.R. 703 (1975);
- b. Requires that the manufacturer be bound by a decision that the consumer agrees to;
- c. Provides that the consumer is not obligated to accept the decision and may pursue the remedies provided by the Lemon Law; and
- d. Requires the manufacturer to begin the process of implementing any final settlement not more than 30 days after the settlement has been reached.

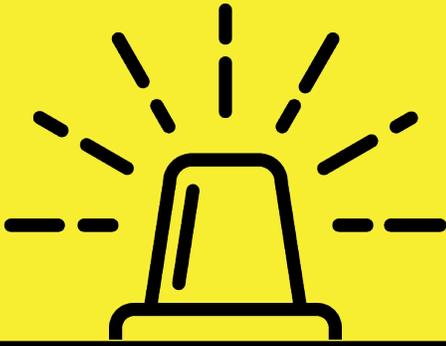
Question: If the manufacturer offers a replacement vehicle, can I demand a refund instead?

Answer: Yes. As the buyer or lessee, you have the right to demand a refund or you may choose to accept a comparable replacement motor vehicle currently in production. If you are leasing the vehicle, and agree to accept a replacement vehicle, the lease agreement cannot be changed, except to substitute the vehicle identification number.

Question: What is considered the purchase or lease price for purposes of a refund under the Lemon Law?

Answer: The purchase price or lease price includes the cost of any options or other modifications installed or made by or for the manufacturer, and the amount of all other charges made by or for the manufacturer, less a reasonable allowance for your use of the vehicle and an amount equal to any appraised damage that is not attributable to normal use or to the defect or condition.

Further, the manufacturer must reimburse you for towing costs and reasonable costs for a comparable rental vehicle that were incurred as a direct result of the defect or condition.



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Question: What should I do to protect my rights under the Lemon Law?

Answer:

- Keep copies of all correspondence to and from the manufacturer and the dealer.
- Keep copies of all work orders for repairs on the vehicle, including the date(s) the work was performed and the mileage on the vehicle at the time of the repair(s).
- Follow all requirements of the warranty, including any requirement that the repairs must be done by an authorized dealer specified by the manufacturer.

The Better Business Bureau's Auto Line

Through its AUTO LINE program, the Better Business Bureau (BBB) has helped almost two million consumers find a solution to their vehicle problems since its inception in 1978. If your auto manufacturer participates in the [BBB AUTO LINE program](#), the BBB can help you negotiate with the manufacturer and, if necessary, hold an arbitration hearing. If your manufacturer does not participate in the AUTO LINE program, the BBB will route your complaint to that manufacturer.

If you have a general consumer problem, or want to file a complaint:

Consumer Protection Division
P.O. Box 30213
Lansing, MI 48909
517-335-7599
Fax: 517-241-3771
Toll free: 877-765-8388
[Online complaint form](#)



Dana Nessel
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