Cancellation Option Specifics

If you choose to purchase the contract cancellation option agreement, expect to pay:
- $75 for a vehicle costing $5,000 or less.
- $150 for a vehicle costing $5,001 - $10,000.
- $250 for a vehicle costing $10,001 - $30,000.
- One percent of the purchase price for a vehicle costing $30,001 - $39,999.

If you return the vehicle within the time specified, the dealer may charge a maximum restocking fee of:
- $175 for a vehicle costing $5,000 or less.
- $350 for a vehicle costing $5,001 - $10,000.
- $500 for a vehicle costing $10,001 - $39,999.

Note: The contract cancellation option agreement fee is nonrefundable. However, if the dealer charges a restocking fee, they must deduct the contract cancellation option agreement fee from the restocking fee. If the dealer did not charge for the contract cancellation option agreement and sold or transferred title of the vehicle the buyer used as a down payment or trade-in, the fair market value or value stated in the sales contract must be refunded, whichever is greater.

Contract Cancellation Option Agreement Vehicle Returns

The buyer must return the vehicle:
- To the dealer where purchased by close of business within two days, or within the time-frame allowed by the contract.
- Without exceeding the miles permitted by the contract.
- With all original receipts for the sale and contract cancellation option agreement.

Civil Disputes

When possible, attempt to resolve the problem with the other party or firm. If unable to obtain a resolution, consider contacting a private attorney, the small claims division of your local county court, and a legal aid group for assistance. Refer to the County Government section of your local telephone directory for the county court in your area.

Consumer Alternatives

Many consumers contact their local Better Business Bureau (BBB) to register complaints regarding area businesses. Refer to the Business section of your local telephone directory for the BBB in your area.

For assistance in filing consumer complaints, contact:
- California Attorney General
  - www.oag.ca.gov
  - 1-800-952-5225
- Bureau of Automotive Repair
  - www.smogcheck.ca.gov
  - 1-800-952-5210
- Arbitration Certification Program
  - www.dca.ca.gov/acp/
  - (916) 574-7350
- Consumer Motor Vehicle Recovery Corporation
  - www.cmvrc.org
  - 1-800-961-6175

For help finding the right government agency to assist with your problem, contact:
- California Department of Consumer Affairs
  - www.dca.ca.gov
  - 1-800-952-5210

Disclaimer

This brochure is only a summary of the law and should not be considered the law. DMV, law enforcement, and the courts follow the full, exact language of the law contained in the California Vehicle Code and California Civil Code, available at www.leginfo.gov.

Fast Facts

Car Buyer’s Bill of Rights

What’s Inside:
- Car Buyer’s Bill of Rights
- Consumer Credit Score Disclosure
- Auto Financing Fee Caps
- Purchasing Price Disclosure for Items Included in the Monthly Payment
- Prohibited “Certified” Used Vehicles
- Used Car Buyers
- Cancellation Option Specifics
- Contract Cancellation Option Agreement Vehicle Returns
- Record of Complaint Form
- Verifying a Dealer’s License Status
- Civil Disputes
- Consumer Alternatives
- Disclaimer

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Car Buyer’s Bill of Rights

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Car Buyer’s Bill of Rights

The Car Buyer’s Bill of Rights affects retail vehicle sales by requiring California-licensed car dealers to provide an itemized price list for financial items, such as warranties and insurance, and provide buyers their credit score with an explanation of how it is used. It does not apply to motorcycles, off-highway motor vehicles, and transactions between private parties.

Consumer Credit Score Disclosure

Dealers must provide a “Notice to Vehicle Credit Applicant” written document, in at least 10-point type, separate from the sale or lease document, which states:
• Each credit score obtained and used by the dealer.
• A statement that a consumer report or credit report is a record of the consumer’s credit history and includes information about whether the consumer pays their obligations on time and the amount owed to creditors.
• A statement that a credit score numerical rating is derived from information in a consumer report and can fluctuate over time to reflect changes in the consumer’s credit history.
• A statement that the consumer’s credit scores may affect whether the consumer can obtain credit and the cost of that credit.
• The range of possible credit scores under the model used to generate that credit score.
• The distribution of the consumer credit score used to generate the same credit score provided to the consumer. These credit scores will be presented in the form of a bar graph with a minimum of six bars that illustrate the percentage of consumers with credit scores within the range of scores reflected in each bar, or another understandable graph, or statement informing the consumer how his or her credit score compares to the scores of other consumers. A graph or statement from the person providing the credit score meeting the requirements of this paragraph is acceptable.
• The date the credit score was created.
• The name of the consumer reporting agency or person that provided each credit score obtained and used by the dealer.
• The consumer is encouraged to verify the accuracy of the information contained in the consumer report and has the right to dispute inaccurate information.
• Federal law gives the consumer the right to obtain copies of his or her consumer reports directly from the consumer reporting agencies, including a free report from each nationwide consumer reporting agency once in a 12-month period.
• Contact information for the centralized source from which consumers may obtain their free annual consumer reports.

Auto Financing Fee Caps

If a dealer obtains financing on your behalf, the dealer compensation from the financing institution is limited to no more than either:
• 2 percent of the purchase amount for contracts with a term of more than 60 months.
• 2.5 percent of the purchase amount for contracts with a term of 60 months or less.

This limit does not apply when assignment requires the dealer to bear the entire risk of financial performance for the consumer or when the assignment is more than six months after the date of the conditional sale contract.

Purchase Price Disclosure for Items Included in the Monthly Payment

The dealer must provide a written document with the price of specified items purchased and their effect on installment payments. (California Civil Code §2982)
• Items requiring disclosure include a service contract, insurance product, debt cancellation agreement (“gap” insurance), theft deterrent device, surface protection product, and contract cancellation option agreement.
• No charges may be added to the contract without full disclosure and your consent.
• The document must include the cost of the monthly installment payments with and without items listed.

Prohibited “Certified” Used Vehicles

Used cars advertised as “certified” must meet specific requirements. The dealer must perform a complete inspection of the vehicle and provide consumers with a copy of the inspection report.

Consumers who purchase a used car for less than $40,000 must be offered a two-day contract cancellation option agreement.

Note: There is no “cooling off” period unless you purchase a contract cancellation option agreement.

Exception: The contract cancellation option agreement does not apply to used cars priced at $40,000 or more, new cars, private party sales, motorcycles, off-highway vehicles, recreational vehicles, or vehicles sold for business or commercial use (does not include pickup trucks purchased for personal use).

Increased Consumer Protection

Vehicle was damaged by a collision, fire, or flood unless repaired to safe operational condition prior to sale.

Title was branded as a lemon law buyback, manufacturer repurchase, salvage, junk, nonrepairable, flood, or similar designation.

Vehicle has frame damage or was sold “as is.”

Seller failed to provide the buyer with a complete inspection report of all components inspected.

Used Car Buyers

For more information, visit www.safecar.gov or call 1-888-327-4236.

Dealer’s Free Annual Consumer Reports

Consumers who purchase a used car for less than $40,000 must be offered a free annual consumer report from each nationwide consumer reporting agency once in a 12-month period.

Consumers who purchase a used car for more than $40,000 must be offered a free annual consumer report from each nationwide consumer reporting agency once in a 12-month period.

Items Included in the Monthly Payment

The dealer must provide a written document with the price of specified items purchased and their effect on installment payments. (California Civil Code §2982)
• Items requiring disclosure include a service contract, insurance product, debt cancellation agreement (“gap” insurance), theft deterrent device, surface protection product, and contract cancellation option agreement.
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