

*Protecting Wisconsin Consumers for 75 Years*

## Vehicle purchasing guide

Buy from a licensed Wisconsin dealer and you are protected by Wisconsin's motor vehicle trade practice law. Dealers follow the law when they advertise, display, and sell vehicles. You will not get the same protection if you buy from a private party.

Expect these advantages when you buy from a licensed dealer:

### Truthful advertising

Expect ads to say what they mean and mean what they say. An advertised price will include all charges you will pay to buy a car (except tax, title, and registration).

If an ad promises you a set price for your trade, you will get that price for a trade of any age, condition, or mileage. You will not have to buy anything to get a gift offered "free" in an advertisement.

### Accurate window labels

#### Manufacturer's Suggested Retail Price Label (MSRP)

You will find the "MSRP" label on the window of any new, executive, or demonstrator car offered for sale. It lists the following:

- Manufacturer's base price

- Standard equipment and manufacturer's optional equipment with prices

- Freight charge

- Suggested retail price

Cars may sell for more or less than the manufacturer's suggested retail price.

#### Dealer supplemental price label

You may also find a dealer supplemental price label on new cars. It lists optional equipment and services the dealer offers or has already installed.

#### Wisconsin buyers guide

Used cars display the Wisconsin buyer's guide which gives the following information:

- How a vehicle was used (private use, business use, lease use, rental, etc.)
- Price
- Title brands (permanent brands that are on the title or will be on the next title)
- Make, year, model, identification number, engine size and transmission type, and whether sold with remaining

manufacturer's warranty, a dealer warranty or "As-Is"

- Description of items dealer inspects
- Condition of the vehicle and its safety equipment, with defects explained

Dealers complete the guide based on a visual inspection and test drive. They must disclose any noticeable defects. However, they are not required to take vehicles apart to check them.

### Warranty information

#### New car warranty

All new cars carry a warranty, usually of at least 12 months and/or 12,000 miles. Tires, battery, and dealer-installed options may have separate warranties that differ in time and mileage. Read any warranties to find out what is covered and for how long, who will honor the warranty, and what you have to do to keep it in effect.

#### A warranty is a promise

A warranty is a seller's promise that a product will perform as intended. The warranty tells what items the seller will pay to fix after the sale and for how long. A vehicle may have a

"manufacturer warranty" that obligates the manufacturer to pay the cost of certain repairs. Or it may have a "dealer warranty" that obligates the dealer to pay. If a car comes with a warranty, you are entitled to get the warranty in writing from the dealership. Read the warranty carefully to learn what is covered, for how long, who pays for the repairs, and what you must do to keep the warranty in effect.

### **Used car warranty**

Some used cars come with a warranty. The Wisconsin buyers guide (used car window sticker) shows whether the used car comes with a "dealer limited warranty," or remaining "manufacturer warranty." If the vehicle comes with remaining manufacturer warranty, consult the warranty book or ask the seller what you need to do to have the warranty transferred into your name.

### **"As-Is"**

Many used cars come with no warranty at all. These cars show "AS-IS - NO WARRANTY" on their window sticker. When you buy a car as-is, the dealer and manufacturer are not responsible for paying for repairs after the sale, even if the car comes with a manufacturer warranty.

### **What to do if your car needs warranty repairs**

If your car needs repairs under a dealer warranty, consult the warranty or selling dealer to find out which repair shops are authorized to do your warranty repairs. If it needs repairs under a manufacturer warranty, you may

take it to any dealer authorized to sell your make of car.

### **Wisconsin's new car lemon law**

The lemon law protects you when you buy or lease new vehicles. It entitles you to a refund or replacement vehicle if, in the first year under warranty, your vehicle has a serious problem the dealer does not repair in four tries, or if it is out of service due to defects for a total of 30 days or more. Save your repair orders. For more information, call the Wisconsin Department of Transportation (WisDOT) dealer section consumer hotline (608) 266-1425 or dealerlicensingunit@dot.wi.gov.

### **Who can you call for help?**

WisDOT's Dealer & Agent Section licenses and regulates dealers and manufacturers and helps resolve disputes about vehicle sales and warranties. Contact the Dealer & Agent Section if you have a complaint against a dealer or manufacturer.

The Dealer & Agent Section will not resolve your lemon law complaint for you, but it will give you more information about exercising your rights under the lemon law.

### **U.S. DOT auto safety hotline**

If you own a car or truck that you feel has a safety defect you should report the problem to the Hotline at the National Highway Traffic Safety Administration (NHTSA) of the U.S. Department of Transportation (DOT).

The U.S. DOT Auto Safety Hotline specializes in gathering

information about safety problems in motor vehicles and equipment and is your chance to help identify these problems which sometimes lead to recalls. The Hotline can be dialed toll free at: (888) DASH-2-DOT or (888) 327-4236 or you can now file your vehicle safety defect report online.

### **A binding contract: You sign, you buy**

Dealers use the "purchase contract" form when selling cars. Read and understand the contract before you sign. Once you and the dealer sign the offer, it becomes a binding contract. The dealer cannot raise the price or sell the car to anyone else. You cannot cancel the contract without a penalty.

The contract should include the following information about your purchase:

- Whether you are buying the car with a warranty or "As-Is".
- Date your vehicle will be delivered.
- Other conditions of the sale.
- Get all promises in writing on the contract.

### **Purchase cancellation**

Many consumers mistakenly believe they have three days to cancel a motor vehicle purchase contract. They do not. The 3-day "cooling off" period only applies to sales the dealer makes away from the dealership – for example, at a mall or fair grounds. If you sign a purchase contract at the dealership it is a binding contract. The dealer may

charge you a penalty if you cancel the deal. By law, the penalty cannot be more than 5% of the purchase price of the vehicle.

If you order a new vehicle to be delivered at a later date and the vehicle is not delivered within 15 days of the anticipated delivery date recorded on the purchase contract, you can cancel the contract without penalty.

If you are unhappy with your purchase, talk with your dealer. Some dealers will make a goodwill adjustment, or even cancel your contract without a penalty in order to satisfy a good customer.

### **Trade-in**

Get the price for your trade-in in writing on the contract. The price will not change unless you put on more miles than agreed to in the contract, remove parts, or damage the car before you trade it in. Protect yourself and the next owner by giving accurate information about your trade-in's mileage and condition, and how it was used.

### **Temporary license plates – Wisconsin's mandatory display law**

State law requires autos and light trucks (8,000 pounds gross weight or less) to display a permanent or temporary plate within two business days of purchase. Your dealer will provide you with a temporary plate good for 90 days if you do not have a plate to transfer. Some dealers offer title and registration services that allow them to give you plates and stickers right away. If you

choose this option you will receive your title sooner than if your dealer mails your application. There is a fee for this service. Also, be aware that:

- Dealer-issued or handmade "License Applied For" plates are not acceptable.
- Driving without plates is subject to a fine.
- If you mailed your application and check for registration and need a temporary plate, bring proof of payment to a DMV service center offering registration services to receive a 90-day temporary plate at no charge.

### **Transferable permanent plates**

If you have current Wisconsin plates from an auto, motorcycle or light truck that you sold, junked or no longer use on public roads, you may transfer them to another vehicle of the same type. Complete a Wisconsin Title and License Plate application, send it with the title and application fees to DMV and keep a copy of the application form in your vehicle. DMV service centers offering registration services provide permanent license plates for a service fee in addition to the application fees.

### **Dealership service fees**

Dealers may charge a service fee for completing inspections and forms required by law. The service fee is a dealership fee, not a government fee, and is not required by law. Service fees reflect the dealer's costs for complying with mandated state and federal laws, and may be

negotiable at some dealerships. You will find any service fee listed on the vehicle window label, and on the motor vehicle purchase contract.

### **Records of the sale**

Your dealer will give you the following documents or copies as soon as you sign them. Save them all:

- Motor vehicle purchase contract.
- Odometer statement from the dealer.
- Window labels.
- Any warranty or service agreement.
- Any finance contract.
- Anything else you sign.

### **Tips for wise car buyers**

- Arrive at the dealership with a clear idea of features and options you want in your car. Magazines like Motor Trend and Consumer Reports discuss features, performance, and quality of new models.
- Read window labels about price and condition. Read the title, odometer statement, and any warranties.
- Test drive the vehicle. Drive it cold and warmed up. Test it at highway and city speeds. The dealer will ask to see your driver's license and may have you take a salesperson along.
- Ask the vehicle's former owner about its condition, mileage, and use. The salesperson will

give you the name and address if you ask.

- Have your own expert check out the vehicle if the dealer allows. Also, if your county requires emission testing, consider having a test done before you buy. The selling dealership's inspection does not ensure the vehicle will pass a state emission test.
- If you order a new vehicle from the factory, test drive and inspect it when it arrives at the dealership. You do not have to accept a vehicle that arrives damaged.
- Protect yourself and the next owner. Tell the true miles and use of your trade-in.
- Get promises in writing on the contract.
- Sign only when you are ready to buy. You may pay a penalty for canceling the contract.
- Keep copies of all documents and anything else you sign.
- Call with questions. Dealer section's consumer hotline (608) 266-1425 or contact dealerlicensingunit@dot.wi.gov.

## Know the risks when dealing online

Countless examples exist of unwary consumers using Internet auto purchase or auction sites which advertise motor vehicles "in excellent condition inside and out" or "spotless...like new".

You may be shocked to receive a vehicle with dents, scratches, rust, or evidence of major repairs

due to major damage. Sometimes the vehicle is never received, and you may be scammed out of all the money you paid.

The Bureau of Consumer Protection reports that an ever-growing number of consumers are being scammed by dishonest auto dealers. Close to home, buyers know or can check out the seller and their reputation. The same cannot be as easily said of internet sellers who often hide their true identity.

When making internet purchases, remember there are risks. Are you willing to chance losing the \$5,000 to \$50,000 you are spending when you purchase a vehicle on the internet?

Most sellers and buyers at online auctions or sites are honest but the Federal Trade Commission reports that auction fraud accounts for approximately 48 percent of online fraud reports. They receive a continual intake of complaints regarding misrepresentation of a vehicle's condition, unsafe cars and stolen vehicles.

The main problem with an internet purchase is that you do not get the opportunity to physically inspect the vehicle before buying it. You will not know the true condition of the vehicle until it arrives (if it does arrive) after you already paid the seller. The Bureau of Consumer Protection warns that internet transactions are "a natural venue for dishonest dealers".

Like any transaction, it is important to inspect the product prior to purchase. In the case of

motor vehicle purchases, it is especially important to have a vehicle you may buy inspected by a qualified mechanic. Many problems can be avoided by this simple practice.

However, it may be difficult to get a vehicle inspected that is advertised on the internet or being auctioned. Services such as Carfax or Autocheck can be used to trace a vehicle's history.

Learn to identify a scam. Red flags that could signal a potential scam are:

- Cars advertised at too-good-to-be-true prices.
- Sellers who refuse to meet offline or prohibit you from inspecting the car.
- Sellers who want you to wire money ahead of time.
- Sellers who say they have to sell the car because they are moving, selling for someone else, or are in the military and are being deployed.

By the time you realize you've been scammed, the scammer has your money and is gone.

## Protect yourself online

If you want to brave the risks of an internet motor vehicle purchase then:

- **Have the vehicle inspected by a qualified mechanic.** Hire a mechanic located near the vehicle to check it out. This will also confirm the identity of the seller and the availability of the vehicle.

- **Ignore “Feedback” ratings.** They can easily be faked. The same individual can gain multiple user IDs and “build” the reputation for his own seller ID. If discovered, the unscrupulous individual simply “closes shop” or disappears – only to resurface in the streets of cyberspace with a new user ID. Try to get a physical address.
- **Save all transaction information.** Sounds like common sense, yet many consumers fail this basic and all-important point.
- **Become familiar with the internet site, auction site and seller.** Find out what protection is offered by the site for buyers. Do not assume each individual site has the same rules as another. Do not bid or purchase until the seller has been thoroughly researched. Be careful, some scammers use fake emails that appear to be from internet sites. In any transaction from these emails, you will not have any of the protections the internet site provides.
- **Using an escrow service.** Do not use an escrow service that the seller insists on. Research and check out the escrow service to determine its legitimacy. Visit its internet site and call its customer service. (If there is not a customer service line or no one can be reached, you may be better off not using the service.)
- **Be extremely cautious when wiring money to someone you have not met.** There is no way to reverse a transfer or

trace the money once it has been collected. Scammers will often take a different listing, and create a fake listing. By asking you to wire money, the scammer is able to take money without providing any ability to identify them.

- **Protect your privacy.** Never provide information such as your social security number, driver’s license number, bank account information or your credit account information until you have researched the seller, escrow or online payment service to make sure that each is legitimate.

### Stay safe online

If you are meeting with a seller to exchange the car, meet in a public place, especially if the deal is for a large amount of money. Do not invite someone to deliver your purchase to your home. Make sure a friend or family member knows where you are going, or consider having someone go with you. Finally, trust your instincts. If you think something seems too good to be true, it probably is.

### For information or help

The dealer section of the DOT licenses and regulates dealers and helps resolve disputes about vehicle sales and warranty.

If you have questions contact the:

**Wisconsin Department  
of Transportation  
Dealer & Agent Section  
4802 Sheboygan Avenue  
Room 201  
PO Box 7909  
Madison, WI 53707-7909**

**E-mail:  
dealerlicensingunit@dot.wi.gov**

**(608) 266-1425**

**FAX: (608) 267-0323**

(Some information taken from WI Dept. of Transportation,  
Division of Motor Vehicles, Dealer & Agent Section)