



GENERAL CAR BUYING TIPS FACT SHEET



The written terms of the contract govern the sale of a car. While an oral or verbal contract can be binding, the law of contracts states that any writing takes priority over anything spoken. This means that if you verbally agree to something with the salesperson, such as a sales price of \$5,500, but the terms of the written contract differ, such as a sales price of \$6,000, the written terms control. It also means that any oral promises that are not in the written contract may not be enforceable. An oral promise by a new car salesman for ten free oil changes, but a written contract stating one free oil change, means that only one free oil change is guaranteed. For this reason, it is extremely important that the terms of the final, written contract are accurate and complete.

A common myth among car buyers is that there is a “three day” or “72-hour rule,” meaning that you can return the vehicle to the dealer within 72 hours and have the contract set aside. This is not true, however: there is no “three day” or “72-hour rule” on car sales. Once you sign the contract, you are obligated to its terms. Another common myth among car buyers is that there is some sort of hardship protection if an unexpected event occurs. Suppose the buyer’s spouse loses her job, and the family income is cut in half. Or suppose the buyer has a baby, and her ability to pay on her car note is reduced due to the increase in family spending. Isn’t that a hardship that can justify canceling the contract? The answer is no. Since contracts are drafted by the seller or finance company, language that would protect the buyer’s interests is almost certain not to appear in a standard contract.

Most automobiles come with a warranty, which is a contract that sets out the seller’s liability in the event that any mechanical problems develop. An example of warranty coverage might be that the car’s transmission will be repaired or replaced if problems occur during the vehicle’s first 36,000 miles or 36 months of ownership, whichever occurs first.

A new car will always have a warranty. A buyer of a new car needs to read the warranty carefully before purchasing the vehicle to ensure that it provides significant protection. Buyers often also purchase an “extended warranty,” which is an additional contract that will extend the period of protection on covered repairs. For example, an extended warranty might extend coverage on the vehicle’s transmission from 36,000 miles/36 months of ownership to 60,000 miles/60 months of ownership.

A used car may not have a warranty. If there is no written warranty, the vehicle is presumed to be sold “as is.” “As is” means the vehicle comes with no guarantees. If it breaks down a month later, or a week later, or even on the way home from the used car lot, the seller is not responsible. As a result, buyers must be extremely careful when purchasing a used car. Most consumer advocates recommend that an interested buyer

have an independent mechanic check any used vehicle before signing the sales contract.

Make sure that before you sign the final contract on a car sale you fully understand the vehicle's warranty, and that the terms of the contract are accurate and contain all of the agreements between the buyer and seller.

For further information on this subject, the Fort Benning Legal Assistance Division can be reached at 706-545-3281 or 706-545-3282.



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