

MAGNUSON-MOSS WARRANTY ACT CONSUMER EDUCATION CAMPAIGN



A CAWA
Partnership
with:

- Ca Dept. of
Consumer
Affairs
- Ca Bureau of
Automotive
Repair
- Ca Dept. of
Motor Vehicles

Presented by:

Gary
Conover,
Legislative
Advocate



THE ISSUE: MAGNUSON-MOSS WARRANTY ACT

- Prohibits conditioning warranties on the use of an original equipment part or service
- Most consumers unaware of their warranty rights
- Manufacturers statements sometimes mislead consumers
- FTC Consumer Alert hard to find
- Legislative efforts in other states

THE ACT: 15 USC SEC. 2302

- Prohibition on conditions for written or implied warranty:

No warrantor of a consumer product may condition his written or implied warranty on such product on the consumer's using, in connection with such product, any article or service (other than the article or services provided without charge under the terms of the warranty) which is identified by brand, trade or corporate name.



CAMPAIGN GOALS

- Educate California consumers about their rights under MMWA
- Develop better understanding among state regulators, legislators, legislative staff
- Increase awareness among industry – parts distributors and repair shops
- Expand visibility and access of FTC Consumer Alert



IDEAS INTO ACTION: DEVELOPING THE PARTNERSHIP

- CAWA Govt. Affairs team met with leadership at Bureau of Automotive Repair Summer 2017
- Shared concept about partnership to educate consumers
- Highlighted the necessity for consumer watchdog agency to bring attention to issue
- Concepts were shared, outreach plan developed
- BAR connected CAWA with Dept. Consumer Affairs, Dept. Motor Vehicles for additional education opportunities



RESULTS – WEBSITE LINK

■ Link to FTC Consumer Alert of BAR Website

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If you own a car, you know how important it is to keep up with routine maintenance and repairs. But can a dealer refuse to honor the warranty that came with your new car if someone else does the routine maintenance or repairs?

The Federal Trade Commission (FTC), the nation's consumer protection agency, says no. In fact, it's illegal for a dealer to deny your warranty coverage simply because you had routine maintenance or repairs performed by someone else. Routine maintenance often includes oil changes, tire rotations, belt replacement, fluid checks and flushes, new brake pads, and inspections. Maintenance schedules vary by vehicle make, model and year; the best source of information about routine scheduled maintenance is your owner's manual.

What is a warranty?

Do I have to use the dealer for repairs and maintenance to keep my warranty in effect?

Will using 'aftermarket' or recycled parts void my warranty?

Tips To Avoid Warranty Issues

What is a warranty?

A warranty is a promise, often made by a manufacturer, to stand behind its product or to fix certain defects or malfunctions over a period of time. The warranty pays for any covered repairs or part replacements during the warranty period.

Do I have to use the dealer for repairs and maintenance to keep my warranty in effect?



RESULTS – DCA BLOG POST

■ Department of Consumer Affairs Blog Post



■ BUREAU OF AUTOMOTIVE REPAIR

Get to Know the Federal Lemon Law

by Michelle Cave • February 1, 2018



The Magnuson-Moss Warranty Act (MMWA) also known as the Federal Lemon Law, creates additional protections for consumers. The law applies to transactions on consumer goods valued at more than \$15 that are subject to a warranty. For this blog post, we will focus on how the MMWA relates to new or used cars and trucks.

So, what exactly is a warranty?

A warranty is a promise from the manufacturer or dealership—set by a specific amount of time or vehicle mileage used—that they stand behind their product, and that repairs and replacements will be made to correct specific defects or malfunctions free of charge during the warranty period.

Passed by Congress in 1975 and enforced by the Federal Trade Commission (FTC), MMWA was enacted to protect and empower consumers in the following ways.

First, it ensures that consumers have access to complete information about warranty terms and conditions by requiring manufacturers and car dealerships to clearly disclose any terms of the vehicle warranty to the consumer in clear language before the bargaining process begins, to avoid the appearance of deceptive practices.

Second, the mandate ensures that consumers have access to the resources to compare warranty coverage before buying, thereby providing consumers with the freedom to select a product that best fits their needs which includes price, features, and warranty coverage.

Third, MMWA promotes sales promotion by assuring that consumers can comparison shop. It also promotes healthy competition among manufacturers and dealerships which in turn strengthens incentives for dealerships to fulfill their warranty obligations in a timely manner to meet consumers' needs.

HOW DOES MMWA BENEFIT CONSUMERS?

Many consumers adhere to a misconception that they must return to the same dealership where they purchased their vehicle for routine maintenance such as oil changes, tire rotations, brake replacements, fluid checks and flushes, new brake pads and inspections and repairs, or else the warranty will become null and void. According to the FTC, it is illegal for a dealer or manufacturer to deny a warranty claim or void warranty coverage because maintenance or repairs were performed by someone else, such as the owner of the vehicle, an independent mechanic or chain shop.

Additionally, MMWA makes it illegal for a dealer or manufacturer to void a warranty or deny coverage during the warranty period because aftermarket or recycled parts, which are often times less expensive, were used instead of original equipment manufacturer (OEM) parts for repairs.

There is one exception. The dealer or manufacturer can require the consumer to use select parts if they were provided to the consumer free of charge. Moreover, if the aftermarket or recycled part used in the repair was defective or was not installed correctly and caused damage to a part that is covered by the warranty, the dealer or manufacturer has the right to deny coverage for that part and charge the consumer for subsequent repairs.

However, the burden of proof falls on the dealer or manufacturer to show that the damage was caused by the aftermarket or recycled part before warranty coverage can be denied.

Moreover, MMWA prohibits tying consumers to any specific brand, thereby offering the consumer freedom of choice of where they take their vehicle for repairs and which parts they can select.

Once your vehicle purchase is complete, you can empower yourself by reading your owner's manual thoroughly to be sure you understand the parameters of any existing warranty. The California Department of Consumer Affairs through the California Bureau of Automotive Repair (BAR) has helpful information such as a list of links containing manufacturer specific warranty information and the Top 5 Reasons to Read Your Owner's Manual on their website.

Before having regular maintenance or repairs made to your vehicle, it's best to "check the shop before you shop." Visit the BAR website at www.bar.ca.gov to find a licensed professional repair facility near you.

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RESULTS – DMV VIDEO MESSAGE BOARD

- **Motor Vehicle Network (MVN)** - customized information and entertainment to DMV customers waiting for service, viewed in high-definition on flat screen TVs in waiting rooms in 173 DMV field offices in California.





RESULTS – SOCIAL MEDIA

BAR Info Retweeted



CAWA @CAWAorg · 8 Dec 2017

#CAWA, along with .@CA_DMV .@BARinfo .@DCAnews .@CDInews, plays a critical role in educating the public regarding their #WarrantyRights. Find out about your #WarrantyRights here: bit.ly/2Ao9qNC



BAR Info @BARinfo · 7 Nov 2017

Questions about your auto warranty? Learn your rights bit.ly/MMWarrantyAct #WarrantyRights @CAWAorg



BAR Info @BARinfo · 5 Dec 2017

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MORE RESULTS - IN PROGRESS

- DMV Fairs and Events – distribution of materials
- Presentation at BAR Advisory Group to key industry stakeholders
- Legislative drop to all legislators and staff
- Continued social media and blog posts



NEXT STEPS

- Efforts underway in Nevada and Arizona to conduct similar education consumer campaign
- Continued dialogue with BAR, DCA, DMV to expand outreach and education opportunities into 2018 and beyond
- CAWA pleased with Phase I of partnership and initial results



QUESTIONS?

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