

# Used Car Information Act

# What is the Used Car Information Act?

The Used Car Information Act:

- Establishes standards for the sale of used motor vehicles.
- Dictates dealer disclosure standards on used cars.
- Mandates the types of warranties that must be offered to a consumer.

**Compliance with the provisions of the Used Car Information Act is a license requirement for Maine Dealers.**

# The Used Car Information Act applies to:

- USED automobiles and trucks with a gross vehicle weight of under 10,000 lbs.

**A used motor vehicle means a motor vehicle that has been registered at least once or is not covered by a manufacturer's new car warranty.**

# The Used Car Information Act does not apply to:

- New vehicles (Never titled or registered)
- Trucks over 10,000 lbs.
- Motorcycles
- Trailers
- Equipment

# Who is Considered a Dealer Under the Used Car Information Act?

"Dealer" means and includes a natural person, firm, corporation, partnership and any other legal entity that is engaged in the business of selling, offering for sale or negotiating the sale of used motor vehicles, except auction businesses licensed by the Secretary of State and includes the officers, agents and employees thereof.

"Dealer" also includes, but is not limited to, persons licensed to engage in the business of selling, offering for sale or negotiating the sale of used motor vehicles in states other than this State, finance companies and banks, except when the finance company or bank engages in the wholesale sale of a repossessed vehicle through an auction business licensed by the Secretary of State or to a vehicle dealer licensed by the Secretary of State, car rental companies and insurance companies that sell or transfer title to used motor vehicles within the State at licensed auction locations in this State or by any other means.

**All out-of-state dealers that sell vehicles at Maine auctions are subject to the provision of the Used Car Information Act.**

# Exceptions to the Used Car Information Act

The Used Car Information Act does not apply to:

Motor vehicles sold, offered for sale or transferred for parts or scrap and not for transportation if that purpose is conspicuously written in the contract as follows: "This vehicle is sold for parts or scrap and not for transportation."

Motor vehicles sold, offered for sale or transferred by a lessor to that vehicle's lessee or to an employee of the lessee, provided that any lessee who is otherwise a dealer, as defined in section 1471, subsection 2, is required to comply with the terms of this section in connection with any such sale or transfer to a person other than that lessee.

# Used Vehicle Buyer's Guide

- Is required to be affixed to all used motor vehicles offered for sale.
- Is a combination of Disclosure and Warranty Statement.
- Is a unique document to the State of Maine and governed by the standards established in Secretary of State Rule Chapter 104. Use of a buyer's guide that does not meet the provisions of Maine Rules is not valid.
- Is the most important document the dealer has for protection if it is completed accurately and all known information about the vehicle is disclosed.
- Is required to be signed by the consumer and the carbon copy must be included in the dealer's records for five years following the sale.

# Used Vehicle Buyer's Guide Display Standards

Before you offer a used vehicle for transfer or sale to a consumer or another dealer, you must prepare, fill in as applicable, and display on that vehicle a "Buyer's Guide" as required by Secretary of State Rule 104.

You must use a side window to display the buyer's guide so both sides of the form can be read, with the title "Buyer's Guide" facing to the outside.

Both sides of the buyer's guide must be fully completed before displaying the vehicle for sale.

You may remove a form temporarily from the window during any test drive, but you must return it as soon as the test drive is over.

# USED CAR INFORMATION ACT WINDOW STICKERS

(Front Side)

### USED VEHICLE BUYER'S GUIDE

**IMPORTANT:**  
Spoken promises are difficult to enforce. Ask the dealer to put all promises in writing. Keep this form.

Chevrolet	Camaro	2005	C11W33JK23433W9
Vehicle Make	Model	Year	Vin Number
GHI 8902345SS890			

Dealer Stock Number (Optional) \_\_\_\_\_

PRIOR USE:     PERSONAL:                     OTHER: RENTAL

HOW ACQUIRED:     TRADE IN:                     OTHER: AUCTION

MECHANICAL DEFECTS IF ANY KNOWN: NEW CLUTCH INSTALLED 1/12/2008

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PRIOR SUBSTANTIAL DAMAGE TO BODY OR ENGINE IF ANY KNOWN: NONE KNOWN

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**Important:** these are the only problems known to the dealer. Ask if you may get an independent inspection before purchase.

**WARRANTY OF INSPECTABILITY**  
STATE LAW REQUIRES THAT THIS VEHICLE MEETS STATE INSPECTION STANDARDS AND HAS A VALID INSPECTION STICKER ISSUED WITHIN 60 DAYS OF THE SALE OF THIS VEHICLE.

**NO EXPRESS WARRANTY EXCEPT THAT VEHICLE MEETS STATE INSPECTION STANDARDS**  
You will pay all costs for any repairs not related to meeting state inspections standards. Regardless of any oral statements about the vehicle, the dealer accepts no responsibility for repairs except those necessary to pass state inspection.

**DEALER EXPRESS WARRANTY**

FULL     **LIMITED WARRANTY:** The dealer will pay 100% of the labor and 100% of the parts for the covered systems that fail during the warranty period. Ask the dealer for a copy of the warranty document for a full explanation of warranty coverage, exclusions, and the dealer's repair obligations. Under Maine law, "implied warranties" may give you even more rights and cannot be limited by the dealer while this express warranty is still in effect. For each repair the buyer will pay a deductible of \$\_\_\_\_\_

SYSTEMS COVERED:	DURATION:
<u>MANUAL TRANSMISSION</u>	<u>1 MONTH (30 DAYS) OR</u>
	<u>1,000 MILES.</u>
	<u>WHICHEVER OCCURS FIRST</u>

**SERVICE CONTRACT:** A service contract is available at an extra charge on this vehicle. Ask for details as to coverage, deductible, price, and exclusions. If you buy a service contract within 90 days of the time of sale Maine "implied warranties" cannot be limited by the dealer and may give you additional rights.

**IMPLIED WARRANTY**

YES     NO     LIMITED TO DURATION OF EXPRESS WARRANTY

Maine's implied warranty law may give you additional rights. If the vehicle is still within its useful life and has not been abused, you may have the right to have the dealer repair defects in materials or workmanship that were not apparent when you bought the vehicle. Or you may be able to return the car if the dealer promised you it was fit for a particular use and it was not.

**IMPORTANT INFORMATION**

\* PRIOR OWNER'S NAME AND ADDRESS IS AVAILABLE FROM THE DEALER UPON REQUEST.  
\*\* SEE THE BACK OF THIS FORM FOR ADDITIONAL INFORMATION, INCLUDING A LIST OF SOME MAJOR DEFECTS THAT MAY OCCUR IN USED MOTOR VEHICLES.

Dealers must disclose this information even if they have *fully repaired* the damage.

"Substantial collision damage" must be disclosed if it cost \$2,000 or more to repair; non-collision damages or defects must be disclosed if they were so significant they would cause the buyer to not purchase the vehicle or pay less.

Your *best protection* in buying a used car: have an independent evaluation!

Cars sold for transportation must be able to pass state inspection. And they *must* have new inspection stickers not more than 60 days old.

Remember: state inspection standards do not cover engine problems. Consider bargaining with the dealer for an *express warranty* that provides protection if the engine breaks down.

If the dealer provides you with a limited Express Warranty, then the dealer must also provide you with an Implied Warranty that lasts as long as the Express Warranty.

# USED CAR INFORMATION ACT WINDOW STICKERS

(Back Side)

Below is a list of some major defects that may occur in used motor vehicles.

<b>Frame &amp; Body</b> Frame-cracks, corrective welds, or rusted through Dogtracks – bent or twisted frame.	<b>Brake System</b> Failure warning light broken Pedal not worn under pressure (DOT spec.) Not enough pedal reserve (DOT spec.) Does not stop vehicle in straight (DOT spec.) Hoses damaged Drum or rotors too thin (Mfr. Specs.) Lining or pad thickness less than 1/32 inch Power units not operating or leaking Structural or mechanical parts damaged
<b>Engine</b> Oil leakage, excluding normal seepage Cracked block or head Belts missing or inoperable Knocks or misses related to camshaft lifters and push rods Abnormal exhaust discharge	<b>Steering System</b> Too much free play at steering wheel (DOT specs.) Free play in linkage more than ¼ inch Steering gear binds or jams Front wheels aligned improperly (DOT specs.) Power unit belts cracked or slipping Power unit fluid level improper
<b>Transmission &amp; Drive Shaft</b> Improper fluid level or leakage, excluding normal seepage Cracked or damaged case which is visible Abnormal noise or vibration caused by faulty transmission or drive shaft Improper shifting or functioning in any gear Manual clutch slips or chatters	<b>Suspension System</b> Ball joint seals damaged Structural parts bent or damaged Stabilizer bar disconnected Spring broken Shock absorber leaking or functioning improperly
<b>Differential</b> Improper fluid level or leakage excluding normal seepage Cracked or damaged housing which is visible Abnormal noise or vibration caused by faulty differential	<b>Tires</b> Tread depth less than 2/32 inch Sizes mismatched Visible damage
<b>Cooling System</b> Leakage including radiator Improperly functioning water pump	<b>Wheels</b> Visible cracks, damage or repairs Mounting bolts loose or missing
<b>Electrical System</b> Battery leakage Improperly functioning alternator, generator, battery or starter	<b>Exhaust System</b> Leakage
<b>Fuel System</b> Visible leakage	
<b>Inoperable Accessories</b> Gauges or warning devices Air conditioner Heater or Defroster	

### Vehicle Returned to Manufacturer.

This vehicle has \_\_\_\_\_ has not \_\_\_\_\_ been returned to the manufacturer, its agent or authorized dealer, for its non-conformity with express warranties. These non-conformities were:

\_\_\_\_\_

\_\_\_\_\_

### Notice of Breach of Warranty.

If a dealer fails to perform his obligation under the warranty, the purchaser shall give the dealer written notice of such failure before the purchaser initiates a civil action in accordance with 10 M.R.S.A. § 1476. This notice must be sent by registered or certified mail to the dealer's last know address.

Dealer: \_\_\_\_\_

Address: \_\_\_\_\_

If you have a complaint about this vehicle contact the following representative of the dealer.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

I HAVE READ AND RECEIVED A COPY OF THE BUYER'S GUIDE ON THIS VEHICLE

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

This sticker must be posted on all used cars for sale (even vehicles with an "Unsafe Motor Vehicle" sticker) and a copy must be given to the buyer.

If this car was rejected by the original consumer because it was seriously defective then it must be disclosed on the sticker (see Chapter 7, The Maine Lemon Law and State Arbitration

Remember to give written notice to the dealer if you are claiming he breached either the Warranty of Inspectability or the Dealer Express Warranty

Remember: The Buyer must sign and date the disclosure statement and save a copy of it. The Dealer must keep a copy for three years.



# Incoming Disclosure Exception

Vehicle purchased by a dealer at an *out-of-state*  
*DEALER ONLY* auction...

When you draft your UCBG to post in the vehicle it MUST  
contain a disclosure that says:

**"This vehicle was acquired at an out-of-state auction and that  
historical information regarding mechanical defects and  
substantial damage is not available."**

# Completing the Used Vehicle Buyer's Guide

*The Disclosure Statement*

## Required

- Fill in the Make (for example, “Chevrolet”);
- Fill in the model (for example, Silverado);
- Fill in the model year; and
- Fill in the full vehicle identification number (VIN)

## Optional

- The dealer stock number in the space provided or leave this space blank.

# Completing the Used Vehicle Buyer's Guide

*Prior Use*

Enter the principal manner that the vehicle was used by the prior owner.

FOR EXAMPLE:

- Personal transportation
- Police car
- Daily rental car,
- Taxi; or
- Other descriptive term.

# Completing the Used Vehicle Buyer's Guide

## *Mechanical Defects*

- Enter a statement identifying any and all mechanical defects known to you at the time of sale.
- You must make this disclosure even if the defect has been fully repaired.
- A reconstructable vehicle must be disclosed as an “unsafe vehicle”.

**“Reconstructable motor vehicle” means a used motor vehicle that does not meet inspection standards and does not have an inspection sticker affixed to it.**

- A prior salvage history must be disclosed.

# Completing the Used Vehicle Buyer's Guide

*How Acquired*

Enter the type of sale by which you acquired the vehicle.

FOR EXAMPLE:

- Trade-in
- Sheriff's sale
- Repossession
- Dealer auction
- Out-of-state dealer auction; or
- Other descriptive term.

# Completing the Used Vehicle Buyer's Guide *Substantial Damage*

Enter a statement identifying any and all substantial damage over \$3000 that the vehicle has sustained that is known to you.

FOR EXAMPLE:

- Damage to the body or engine from collision
- Fire
- Water;
- Odometer replacement; or
- Other.

You must make this disclosure even if the damage has been fully repaired.

Vehicles that are sold following a repossession from the prior owner are exempt from disclosing damage if the damage is unknown to the dealer.

# Completing the Used Vehicle Buyer's Guide *Substantial Damage*

The brand on the title must be disclosed

- Repaired
- Rebuilt
- Rebuilt Salvage
- Odometer Replaced
- Lemon Law Buyback
- Reconstructed
- Water Damage
- Salvage

# Buying, Selling, and Repairing Salvage Vehicles

- The Used Car Buyer's Guide must state **“SALVAGE VEHICLE”**
- Failure to disclose a prior salvage history is a crime

A dealer must have a recycler's license to sell salvage vehicles.

# Completing the Used Vehicle Buyer's Guide

## *Warranty*

“Warranty” means any undertaking in writing, in connection with the sale by a dealer of a used vehicle, to refund, repair, replace, maintain, or take other action with respect to such used vehicle and provided at no extra charge beyond the price of the used vehicle.

### Required

- When selling a vehicle retail that meets inspection standards.

### Not Required

- When selling a vehicle wholesale (dealer to dealer).
- When selling a reconstructable vehicle as an unsafe motor vehicle.

# Completing the Used Vehicle Buyer's Guide

## *Warranty*

A dealer that sells a used motor vehicle that meets inspection standards must complete the warranty section by checking off which warranties apply to the sale.

- Warranty of Inspectability
- No Express Warranty Except That Vehicle Meets State Inspection Standards
- Dealer Express Warranty
- Implied Warranty

# Warranty of Inspectability

- Except for reconstructable motor vehicles, clearly labeled as an “Unsafe Motor Vehicle”, you cannot sell or transfer a vehicle unless it meets the State inspection standards.
- The vehicle must display a valid inspection sticker issued to the selling dealership that was issued within 60 days prior to the date of sale or transfer.
- This box must be checked unless the vehicle is a reconstructable motor vehicle.  
“Reconstructable motor vehicle” means a used motor vehicle that does not meet inspection standards and does not have an inspection sticker affixed to it.
- Neither you nor the buyer can reduce or negotiate away this warranty.

# No Express Warranty Except That Vehicle Can Pass State Inspection

- If you offer the vehicle without any dealer express warranty, except the warranty that it can pass inspection, check this box.
- This warranty indicates that a dealer is only accountable for inspection items that are determined not to have met standards at the time of sale.  
This does not mean that a dealer cannot do more to assist a customer with a non-inspection-related issue with a vehicle.
- If you offer the vehicle with a dealer express warranty or with implied warranties, or with both, then check the appropriate boxes below this section of the Buyer's Guide.

# Dealer Express Warranty

## Full

- This is the factory warranty that is still valid on the vehicle
- You may give your own warranty to coincide with a full warranty, but if you sell one, you must disclose that it will not be effective until the full warranty is expired

## Limited

- Labor and parts percentage must be entered
- Deductible must be entered

# Express Warranty

If you offer the vehicle with an express warranty, briefly describe the warranty terms in the space provided. This description must include the following warranty information:

- Whether the warranty offered is “Full” or “Limited”. Mark the box next to the appropriate designation.
- Which of the specific systems are covered (for example, “engine, transmission, differential”). You cannot use shorthand, such as “drive train” or “power train” for covered systems.
- The duration (for example, “30 days or 1,000 miles, whichever occurs first”),
- The percentage of the repair cost paid by you (for example, “The dealer will pay 100% of the labor and 100% of the parts.”)
- If you charge the consumer a deductible for each repair, enter the amount in the space provided here or list separate deductibles on the “Duration” line.
- If the vehicle is still under the manufacturer’s original warranty, you must add the following paragraph below the “Full/Limited Warranty” disclosure: “MANUFACTURER’S WARRANTY STILL APPLIES. The manufacturer’s original warranty has not expired on the vehicle. Consult the manufacturer’s warranty booklet for details as to warranty coverage, service location, etc.”
- If your express warranty requires the consumer to pay a deductible, enter the amount and terms on the line provided.

# **Express Warranty Continued**

If, following negotiations, you and the buyer agree to changes in the warranty coverage, mark the changes on the form, as appropriate. If you first offer the vehicle with an express warranty, but then sell it without one, cross out the original warranty offer and mark the “No Express Warranty” box.

# Implied Warranty

This applies to vehicles that are:

- Less than 4 years old
- Still within the normal useful life, in mileage

**Must be given if an express warranty is given, but it can be limited to the duration of the express warranty.**

# Implied Warranty Continued

In many cases you may disclaim the protection provided to consumers by the Maine implied warranty laws. These laws include the Warranty of Merchantability (i.e., the vehicle is fit for the ordinary purposes for which such vehicles are used) and the Warranty of Fitness (i.e., you know the consumer is relying on your specific advice as to whether the car is fit for a particular purpose).

Assuming the car is still within its useful life and has not been abused by its other owners, if you have not disclaimed implied warranties (by checking the “No” box), you may be responsible for:

1. Repairing defects in materials or workmanship that were not apparent when you sold the vehicle; or
2. Accepting back the car if it is not fit for the specific purpose you advised it was suitable for.

# Implied Warranty Continued

Pursuant to the Magnuson-Moss Warranty Act (15 U.S.C. §2301 et seq.), under certain circumstances your right to limit implied warranties is not absolute. For example, if you offer a dealer express warranty then you may only limit implied warranties to the duration of the express warranty and if you wish to so limit them you should check that box.

You may not disclaim or limit implied warranties at all if you sell the customer a service contract for the used car within 90 days of the sale of the car. For example, if you sell the purchaser a service contract, you cannot disclaim implied warranties and should not check the Implied Warranty “No” box.

# Performance Under Warranty

**Failure to perform warranty obligations prohibited.** No dealer shall fail to perform his obligation under a warranty made in accordance with the Used Car Information Act.

It shall not constitute a failure to perform such obligations if a dealer refuses to act in accordance with the provisions of that warranty with respect to any mechanical defect that resulted from unreasonable use or maltreatment of that motor vehicle by the purchaser.

# Performance Under Warranty Continued

A dealer shall be considered to have failed to perform warranty obligations if:

1. He fails to perform repair or replacement of parts required under the warranty within:
  - A. Five calendar days (excluding Saturday, Sunday, and Legal Holidays) after the date on which the purchaser delivers the vehicle for repair.
  - B. Thirty-five calendar days after the date on which the purchaser delivers the vehicle for repair if necessary parts are not available to the dealer in the initial five-day period.
  - C. A reasonable period if parts are not available due to a strike, natural disaster, or other disaster affecting the manufacture, distribution, or shipment of the parts.
2. He fails to provide the purchaser with the use of an operating motor vehicle at no cost, except gas and oil, while the vehicle is being repaired.
3. He transfers ownership of a used vehicle that does not conform to the warranty of inspection standard (not including vehicles sold and disclosed as unsafe).
4. He fails in any other material respect to perform an obligation arising out of the warranty within a reasonable time.

# Completing the Used Vehicle Buyer's Guide

## *Service Contracts*

“Service contract” means a contract in writing for any period of time or any specific mileage to refund, repair, replace or maintain a used vehicle, and which is provided at an extra charge beyond the price of the used vehicle.

If the dealer sells a service contract

- Check the Service Contract block
- Check “Yes” or “Limited to the Duration of the Express Warranty”

# Completing the Used Vehicle Buyer's Guide

## *Vehicle Returned to Manufacturer*

Disclosure is required if the vehicle is accepted into the Lemon Law Arbitration Program. Whether the vehicle is:

Declared a lemon and purchased back by the manufacturer

OR

There was a negotiated settlement prior to a hearing.

The dealer must disclose whether the vehicle has or has not been returned to the manufacturer on the back side of the buyer's guide and list any non-conformities.

**Vehicle Returned to Manufacturer.**

This vehicle has \_\_\_\_\_ has not \_\_\_\_\_ been returned to the manufacturer, its agent or authorized dealer, for its non-conformity with express warranties. These non-conformities were:

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# Completing the Used Vehicle Buyer's Guide

## *Notice of Breach of Warranty*

The buyer must be told where to send notice of breach of warranty. The Dealer must fully complete the dealership and contact information.

### **Notice of Breach of Warranty.**

If a dealer fails to perform his obligation under the warranty, the purchaser shall give the dealer written notice of such failure before the purchaser initiates a civil action in accordance with 10 M.R.S.A. § 1476. This notice must be sent by registered or certified mail to the dealer's last know address.

Dealer: \_\_\_\_\_

Address: \_\_\_\_\_

If you have a complaint about this vehicle contact the following representative of the dealer.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

# Completing the Used Vehicle Buyer's Guide

*Signature*

Ensure that the customer signs and dates the buyer's guide using the signature box on the back side of the form.

A signed copy of the Used Vehicle Buyer's Guide must be maintained in the dealer's records for five years.

I HAVE READ AND RECEIVED A COPY OF THE BUYER'S GUIDE ON THIS VEHICLE

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

# Prior Owner Information

- The name and address of the prior owner must be given if requested
- This does not violate any privacy laws

# When an Unsafe Motor Vehicle is sold

- Complete the disclosure portion of the Buyer's Guide by writing "Unsafe Vehicle" in the Mechanical Defects Section
- No Warranties Apply to the sale.
- Display the yellow copy of the Unsafe Motor Vehicle Form next to the Used Vehicle Buyer's Guide. The yellow copy must be provided to the buyer at the time of sale.

# Calculating Dealer Buy Backs

A dealer that fails to perform his obligations under the warranty may be required to buy a vehicle back at the full consideration the purchaser paid for the vehicle, including the fair market value of any property forming part of that consideration reduced by:

1. The amount of damage caused by the purchaser that is not related to the mechanical defect repairable under the warranty.
2. For vehicles in the possession of the purchaser for 30 days diminution, if any, in the fair retail market value of the vehicle attributed to the time of ownership.

**Fair retail value shall be measured using the average retail price listed in an authorized used car guide (for example, the National Automobile Dealer's Association Used Car Guide).**

# **Please refer to the following for additional guidance:**

- M.R.S.A. Title 10 Chapter 217
- M.R.S.A. Title 29A Sections 667, 952, 956, 1052
- M.R.S.A. Title 5 Chapter 10.
- Secretary of State Rules and Regulations Chapter 103 and Chapter 104.