



FEDERAL TRADE COMMISSION  
PROTECTING AMERICA'S CONSUMERS

# Answering Dealers' Questions about the Revised Used Car Rule

Tags: [Automobiles](#)



Enforced by the Federal Trade Commission, the [Used Motor Vehicle Trade Regulation Rule](#) – most people call it the Used Car Rule – requires dealers to display on used cars a window sticker called a Buyers Guide that contains warranty and other information. The Used Car Rule has been in place since 1985. After asking for public comment, the FTC announced [amendments to the Used Car Rule in November 2016](#).

## The Revised Used Car Rule: The Basics

What changes to the Used Car Rule and the Buyers Guide does our dealership need to know about?

The 2016 amendments don't change the essential requirements of the Used Car Rule. The changes include certain revisions to the Buyers Guide to give consumers more information and to make it easier for dealers to disclose manufacturer and third-party warranties. Here is a summary of what's new:

- The revised Buyers Guide recommends that consumers get a vehicle history report before buying a used car and sends them to [ftc.gov/usedcars](https://www.ftc.gov/usedcars) for more information on how to get one.
- The revised Buyers Guide directs consumers that before buying a car, they should visit [safercar.gov](https://www.safercar.gov) to check for safety recalls.
- There's a new description in the revised Buyers Guide of an "As Is" sale to clarify that "As Is" refers only to whether the vehicle is offered with a warranty from the dealer.
- The revised Buyers Guide adds boxes dealers can check to indicate whether a vehicle is covered by a third-party warranty and whether a service contract may be available.

BUYERS GUIDE	
<small>IMPORTANT: Option promises are difficult to enforce. Ask the dealer to put all promises in writing. Keep this form.</small>	
<small>VEHICLE YEAR</small>	<small>VEHICLE IDENTIFICATION NUMBER</small>
<b>WARRANTIES FOR THIS VEHICLE:</b>	
<input type="checkbox"/> <b>AS IS - NO DEALER WARRANTY</b> <small>The dealer does not promise a warranty of any kind.</small>	
<input type="checkbox"/> <b>DEALER WARRANTY</b> <input type="checkbox"/> <small>FULL WARRANTY</small> <input type="checkbox"/> <small>LIMITED WARRANTY</small>	
<small>SYSTEMS COVERED:</small>	<small>DURATION:</small>
<b>NON-DEALER WARRANTIES FOR THIS VEHICLE:</b>	
<input type="checkbox"/> <small>MANUFACTURER'S WARRANTY STILL APPLIES. The manufacturer's original warranty has not expired on some components of the vehicle.</small> <input type="checkbox"/> <small>MANUFACTURER'S USED VEHICLE WARRANTY APPLIES.</small> <input type="checkbox"/> <small>OTHER USED VEHICLE WARRANTY APPLIES.</small>	
<input type="checkbox"/> <small>SERVICE CONTRACT</small>	
<small>ASK THE DEALER IF YOUR MECHANIC CAN INSPECT THE VEHICLE ON OR OFF THE LOT.</small> <small>OBTAIN A VEHICLE HISTORY REPORT AND CHECK FOR OPEN SAFETY RECALLS. For information on how to obtain a vehicle history report, visit <a href="https://www.safercar.gov">safercar.gov</a>. To check for open safety recalls, visit <a href="https://www.safercar.gov">safercar.gov</a>. You will need the vehicle identification number (VIN) shown above to make the best use of the resources on these sites.</small> <small>SEE OTHER SIDE for important additional information, including a list of major defects that may occur in used motor vehicles.</small> <small>Si el concesionario gestiona la venta en español, pida una copia de la Guía del Comprador en español.</small>	

- The revised Buyers Guide adds a box dealers can check to indicate that an unexpired manufacturer's warranty applies.
- The new English-language version of the Buyers Guide adds a statement in Spanish advising Spanish-speaking consumers to ask for the Buyers Guide in Spanish if the dealer is conducting the sale in Spanish.
- On the back of the revised Buyers Guide, air bags and catalytic converters have been added to the list of major defects that may occur in used vehicles.

When do we have to start using the new Buyers Guide?

The amended Rule includes a grace period that permits dealers to use their remaining stock of Buyers Guides for up to one year after the January 28, 2017, effective date of the amended Rule. That means that you must use the new Buyers Guide by January 28, 2018. After that date, it's illegal to use the old version.

Is the language, font, and format of the Buyers Guide mandatory or can we make changes to it?

Don't alter the Buyers Guide. You must comply exactly with the standardized wording, font, and format required by the Rule, although you may expand the SYSTEMS COVERED/DURATION section to include necessary information by, for example, printing the Buyers Guide on larger paper. (More about that below.) You may use other separate window stickers to disclose truthful nondeceptive information as long as that information doesn't conflict with the Buyers Guide.

## Warranties

In the DEALER WARRANTY portion of the form, how specific do we need to be in describing the SYSTEMS COVERED? Can we disclose different coverages and durations for different systems on the Buyers Guide?

In the SYSTEMS COVERED portion, use the phrases listed on the back of the Buyers Guide. It's also OK to say "All systems listed on the back of the Buyers Guide" or "All systems listed on the back of the Buyers Guide except . . ." and then list the systems from the back of the Buyers Guide that you don't cover. Dealers aren't permitted to use shorthand terms like "power train" or "drive train" to identify the systems covered. And dealers can't fulfill their obligation to list the systems covered by referring to a separate warranty document. If your dealership offers different warranties for different systems or if the duration of the warranty is different for different systems, list each system and the duration of the corresponding warranty coverage. You may increase the size of the Buyers Guide or space in the SYSTEMS COVERED/DURATION section to accommodate the disclosures. According to the Used Car Rule, the Buyers Guide must be printed on white paper no smaller than 7¼ by 11 inches, but the Buyers Guide can be bigger than that.

Using the new Buyers Guide, how do we disclose manufacturer and third party warranties?

You must disclose on the Buyers Guide whether you offer a warranty and, if you do, the basic terms of that warranty, including the systems covered and the duration of coverage. You don't have to disclose on the Buyers Guide any warranties that are the responsibility of third parties – for example, a manufacturer's warranty or a warranty provided by a third-party warranty company. But you may have an obligation under federal warranty law to disclose the existence of third-party warranties in some other way. (For more information, consult the FTC's [Pre-Sale Availability Rule](#) and the brochure

[Businessperson's Guide to Federal Warranty Law.](#)) The revised Buyers Guide provides additional boxes you can check if you choose to disclose third-party warranties.

Under the “Non-Dealer Warranties” section of the form, may we check more than one box if more than one applies to a used vehicle?

Yes.

The manufacturer has asked us to include details about their used vehicle warranty in the SYSTEMS COVERED/DURATION section of the Buyers Guide. Is that OK?

This section of the Buyers Guide is intended for dealer warranty information only. The SYSTEMS COVERED/DURATION section is designed for you – the dealer – to disclose details about the coverage you offer, not about the coverage from third parties like the manufacturer. To tell consumers if a manufacturer's warranty applies, the revised Buyers Guide provides boxes where you may check MANUFACTURER'S WARRANTY STILL APPLIES or MANUFACTURER'S USED CAR WARRANTY APPLIES. By checking these boxes, you are also drawing your customers' attention to the statement that appears on the Buyers Guide below the boxes, which directs customers to ask you for a “copy of the warranty document and an explanation of warranty coverage, exclusions, and repair obligations.” If you wish to disclose details about manufacturer warranty coverage, you may do that in the SYSTEMS COVERED/DURATION section as long as you clearly disclose that the warranty coverage is from the manufacturer, and not from you, the dealer.

Which box should we check for “certified” vehicles we sell with a manufacturer's warranty as part of the purchase price?

If the warranty simply extends the original new vehicle warranty, check MANUFACTURER'S WARRANTY STILL APPLIES. That box signals to the consumer that the kind of bumper-to-bumper warranty typically offered on a new vehicle applies to the vehicle. If the certified warranty is a manufacturer's used car warranty different from an extension of the original warranty, check MANUFACTURER'S USED VEHICLE WARRANTY APPLIES. If some components are warranted by the manufacturer with an extension of the original new car warranty and some are warranted with a used vehicle warranty different from the original new car warranty, check both boxes.

We sell many manufacturer “certified” used vehicles. Some are covered under the original manufacturer's warranty, some are covered by the certified warranty, and some are covered by both. To streamline our process for displaying Buyers Guides, can we just check the MANUFACTURER'S USED VEHICLE WARRANTY APPLIES box on all of our manufacturer-certified vehicles, rather than also checking the MANUFACTURER'S WARRANTY STILL APPLIES box on applicable vehicles?

Yes. Checking the MANUFACTURER'S USED VEHICLE WARRANTY APPLIES box will signal to the consumer that warranty coverage is provided by the manufacturer. Dealers are permitted, but not required, to disclose on the Buyers Guide that a manufacturer's warranty is provided.

We sell “certified” used cars with a warranty provided by a third-party company. We pay the third-party company, so it's offered at no additional charge to the consumers. Is this a Dealer Warranty that we should disclose at the top of the form? Or should we check the NO DEALER WARRANTY box and the OTHER USED VEHICLE WARRANTY APPLIES box?

Check both the NO DEALER WARRANTY box to indicate that as the dealer you're not offering a warranty and check the OTHER USED VEHICLE WARRANTY box to indicate that a warranty is provided by a third party.

In addition to checking the box, may we give details on the Buyers Guide about the manufacturer's warranty coverage?

Yes. Although you aren't required to provide details about the manufacturer's warranty coverage on the Buyers Guide, you may provide details about that coverage in the SYSTEMS COVERED/DURATION section as long as you clearly disclose that the coverage is from the manufacturer.

May we disclaim additional warranty coverage?

Yes, you may disclaim additional coverage by continuing to use the disclaimer provided in the [1988 Staff Compliance Guidelines](#) if you offer no warranty coverage in addition to the manufacturer's warranty coverage. You may write the following disclaimer in the SYSTEMS COVERED/DURATION section:

The dealership itself assumes no responsibility for any repairs, regardless of any oral statements about the vehicle. All warranty coverage comes from the unexpired manufacturer's warranty (or from the manufacturer's used car warranty, if applicable).

## Service Contracts

What's the difference between a warranty and a service contract?

The Used Car Rule defines a service contract as "a contract in writing for any period of time or any specific mileage to refund, repair, replace, or maintain a used vehicle and provided at an extra charge beyond the price of the used vehicle." By contrast, a warranty is provided as part of the sales price and forms part of the basis of the bargain between the supplier of a consumer product and the purchaser.

How do we disclose service contract coverage?

If you're in a state that regulates service contracts as the business of insurance, you continue to have the three options set forth in the [1988 Staff Compliance Guidelines](#): 1) You may check the SERVICE CONTRACT box if you offer to sell service contracts; 2) You may cross out the box; or 3) You may delete the box entirely before printing.

In the SERVICE CONTRACT section of the Buyers Guide, it says "If you buy a service contract within 90 days of your purchase of this vehicle, implied warranties under your state's laws may give you additional rights." What does that statement mean?

Under federal warranty law, it's illegal for a company that provides a written warranty or enters into a service contract with a consumer at the time of sale (or for the next ninety days) to disclaim implied warranties on the systems covered by the warranty or service contract. Implied warranties arise by operation of state law. Here are two common examples:

- ***The implied warranty of merchantability.*** That's an implied warranty that goods will do what they are supposed to do and don't have anything significantly wrong with them.
- ***The implied warranty of fitness for a particular purpose.*** That arises when a customer buys a product for a particular purpose and relies on a seller's expertise.

How do we know if our dealership is covered by implied warranties?

Again, it's a question of state law, so the answer will depend on where your dealership is located. If you don't enter into a service contract with the customer or if you're just acting as the selling agency for the service contract provider – and if you don't provide a written warranty – in some states you may be allowed to disclaim implied warranties. In addition, whether the third-party service contract provider may have obligations because of implied warranties is a question of state law. To determine what implied warranties may arise or what rights those warranties may convey, consult an attorney familiar with the laws of your state.

What if we offer “free oil changes for life” or some other maintenance service at no additional cost with a used car we sell. Is that a Dealer Warranty or a Service Contract we should disclose on the Buyers Guide?

No. It's not a warranty, so don't check the DEALER WARRANTY box or disclose agreements like this as warranties on the Buyers Guide. Don't check the SERVICE CONTRACT box either because that box refers only to service contracts that are offered for “an extra charge.” (Of course, if you offer buyers free oil changes for life or other services, those are promises you have to honor.)

## State Law and the Buyers Guide

Whether you are permitted to sell a used vehicle “As Is” (in other words, without any warranty, including implied warranties) is governed by state law. States that permit “As Is” sales also have laws that govern how to make an effective “As Is” sale and the disclosures required for an “As Is” sale.

Our state prohibits dealers from disclaiming implied warranties for a certain number of days or a certain number of miles after the sale. Which Buyers Guide should we use?

The IMPLIED WARRANTIES ONLY Buyers Guide should be used in states like yours that limit or prohibit the sale of used vehicles “As Is.” If a state permits “As Is” sales, but you choose to offer vehicles with implied warranties only, you also may use the IMPLIED WARRANTIES ONLY Buyers Guide. If the state allows the “As Is” sale of some, but not all, used cars, you may use the “As Is” Buyers Guide on vehicles for which the state permits “As Is” sales.

Our state requires us to offer minimum warranty coverage on most used cars that we sell, but the SYSTEMS COVERED/DURATION section doesn't give us enough space to list all the systems covered and duration. How do we accommodate our State's requirements?

All Buyers Guides must comply exactly with the standardized wording, type style, and format required by the Rule. However, it's OK to expand the SYSTEMS COVERED/DURATION section to include necessary information by, for example, printing the Buyers Guide on larger paper.

## Negotiating Sales with Terms Different from the Buyers Guide

Sometimes consumers ask if they can buy a used car without a warranty at a lower price even though the dealer disclosed a warranty on the Buyers Guide. Is that legal? If the warranty can be negotiated away, is it still a warranty or would that make it a service contract?

You may negotiate final terms different from what you disclosed on the original Buyers Guide. For example, you may initially offer a vehicle for sale with a warranty and ultimately negotiate a sale without a warranty. The fact that the final sales terms differ from the terms you initially offered

doesn't convert your original offer into an offer to sell a vehicle with a service contract. However, the final Buyers Guide provided to the consumer must reflect the final terms of the sale.

How do we make sure that the Buyers Guide reflects any negotiated changes?

You should either: 1) Create a new Buyers Guide to reflect the actual warranty terms agreed to in the final sale; or 2) Cross out the Buyers Guide statement that indicates that the vehicle was offered with a warranty and check the appropriate box on the Buyers Guide originally displayed on the vehicle to indicate whether the final sale is "As Is" or with Implied Warranties Only. The final Buyers Guide must reflect the final terms of the sale because the Buyers Guide overrides contrary provisions in the contract of sale. For examples of how to change the Buyers Guide to reflect the final terms of sale, see the [1988 Staff Compliance Guidelines](#).

Based on the mileage and model year, we think the manufacturer's warranty (or at least a portion of it) still applies to a used car we have for sale, but we're not certain. Can we change the Buyers Guide to say that the "manufacturer's original warranty may not have expired on some components of the vehicle" (or something similar)? If not, do we still have to check the MANUFACTURER'S WARRANTY STILL APPLIES box?

Don't check the MANUFACTURER'S WARRANTY STILL APPLIES box if you're uncertain. If the mileage and age of the vehicle lead you to think that the manufacturer's original warranty might still apply but you're uncertain, you can explain that to the customer and direct the customer's attention to the manufacturer's warranty booklet or other information. You are permitted, but not required, to disclose a manufacturer's warranty on the Buyers Guide. You're not permitted to alter the pre-printed portions of the Buyers Guide.

Our dealership offers a dealer warranty that covers only certain systems on the vehicle. After we list those under COVERED SYSTEMS, we want to disclaim all warranties on other systems that aren't covered. Is there a way to do that on the Buyers Guide? If not, can we do it in the sales contract, or should it only be in the warranty document itself?

Check the DEALER WARRANTY box and then indicate different warranty coverage for different systems in the SYSTEMS COVERED/DURATION section of the Buyers Guide. To do so, indicate whether the warranty is full or limited by checking the appropriate box, and indicate the percentage of labor and parts that the dealer will pay. Below that, in the SYSTEMS COVERED/DURATION section, identify the systems covered and the duration of coverage for each covered system. Beneath that, you may indicate that you disclaim all warranties, express or implied, on other systems or parts of the vehicle. You will still have to describe the warranty, the systems covered, and duration in a separate warranty document. You also can make these disclosures in the sales contract, but the Buyers Guide overrides contrary provisions in the contract of sale.

## Other Issues

The revised Buyers Guide doesn't have a space at the top for a stock number, but the old form did. Can we include a stock number on the form we use?

Yes. Write or type it in at the top of the form or in the space to the right of WARRANTIES FOR THIS VEHICLE. You also may put a bar code on the Buyers Guide if your dealership uses bar codes to keep track of its vehicles and Buyers Guides.

Can we list "Used Car Manager" (or a similar job title) on the back of the form, where it says FOR COMPLAINTS AFTER SALE, CONTACT or do we have to list a specific person?

The Rule requires dealers to list the name and telephone number of the person to contact for complaints. Dealers may also include the job title, such as Used Car Manager, and telephone number sufficient to identify the person to contact for complaints in case the named individual leaves the dealership.

Is the Buyers Guide sufficient to comply with the FTC's Warranty Disclosure Rule (also known as the Disclosure of Written Consumer Product Warranty Terms and Conditions)?

No. If you offer a written warranty, the Buyers Guide can't serve as your warranty. The warranty and related disclosures must be a separate document from the Buyers Guide. Consult the FTC's [Warranty Disclosure Rule](#) for more information.

Where can we learn more about complying with the Used Car Rule?

Read the [Dealer's Guide to the Used Car Rule](#), available on the FTC's [Business Center](#). The FTC also has a [special portal for auto dealers](#) that includes rules and laws, [Buyers Guides](#) in English and Spanish (including [fillable versions](#) and ones with [format notes](#)), recent law enforcement actions, relevant blog posts, and other resources for industry members.

## Your opportunity to comment

The National Small Business Ombudsman and 10 Regional Fairness Boards collect comments from small businesses about federal compliance and enforcement activities. Each year, the Ombudsman evaluates the conduct of these activities and rates each agency's responsiveness to small businesses. Small businesses can comment to the Ombudsman without fear of reprisal. To comment, call toll-free 1-888-REGFAIR (1-888-734-3247) or go to [www.sba.gov/ombudsman](http://www.sba.gov/ombudsman)

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