

A 16-year-old girl received \$3,000 on her birthday to buy a car. Later that week, the girl noticed an old car parked in her neighbor's driveway. A sign posted on the car's windshield read: "For Sale! \$5,000 O.B.O." The girl contacted the neighbor about purchasing the car for \$5,000. He agreed to sell it to her for a \$1,000 down payment and monthly payments of \$75 until the car was paid off.

The girl made regular payments until she turned 18 years old. Soon after turning 18, the girl attempted to pay off the car. The neighbor rejected the girl's lump-sum payment, returned all of her prior payments, and took possession of the car.

If the girl sues the neighbor for breach of contract, will she be likely to prevail?

- A. No, because the girl was a minor when she agreed to buy the car, so the contract was void .
- B. No, because the neighbor voided the contract by returning the girl's prior payments.
- C. Yes, because the contract ceased to be voidable by either party once the girl turned 18 years old.
- D. Yes, because the girl ratified the contract after she reached the age of majority.

Explanation:

Unmarried, unemancipated **minors** (ie, persons under the age of 18) **lack capacity to contract** because of their infancy. As a result, any contract entered by a minor is **voidable by the minor**.^{*} This means that the minor can either:

- **void** the contract before or soon after turning 18 by (1) **disaffirming** the contract through words or actions and (2) returning any still-existing benefit received under the contract *or*
- **ratify** the contract after turning 18 by (1) failing to timely void the contract or (2) otherwise **agreeing to be bound** by it—eg, by **attempting to render performance** of or **payment under the contract**.

The contract becomes enforceable if the minor ratifies it.

Here, the girl was a 16-year-old minor when she contracted to buy the neighbor's car for \$5,000. The *neighbor* tried to disaffirm the contract after the girl turned 18 by returning her prior payments and taking possession of the car. However, the contract was voidable only by the *girl* (**Choices B & C**). And since she ratified the contract soon after turning 18 by attempting to pay off the car, the contract was enforceable. Therefore, the girl will likely prevail in a suit against the neighbor for breach of contract.

^{*}By statute in some jurisdictions, certain contracts entered by a minor (eg, student loan agreements, insurance contracts) are not voidable by the minor but instead are fully enforceable by the other contracting party.

(Choice A) A **void contract** is invalid upon creation. But a contract entered by a minor is merely voidable, meaning that it is valid until the minor takes steps to avoid it.

Educational objective:

Minors lack capacity to contract, so a minor who enters a contract can either (1) void the contract before or soon after turning 18 or (2) ratify the contract after turning 18—eg, by attempting to render performance of or payment under the contract.

References

- Restatement (Second) of Contracts § 14 (Am. Law Inst. 1981) (incapacity based on infancy).
- Restatement (Second) of Contracts § 85 (Am. Law Inst. 1981) (promise to perform voidable duty).

Incapacity due to infancy

