

## MASSACHUSETTS LEMON LAW SUMMARY

<b>EXECUTIVE SUMMARY</b>	
<b>TIME PERIOD FOR FILING CLAIMS</b>	18 months from the date of the motor vehicle's original delivery to the consumer.
<b>ELIGIBLE VEHICLE</b>	<p>Motor vehicles and motorcycles sold, leased, or replaced by a dealer or manufacturer. Excludes auto homes, vehicles built primarily for off-road use, or any vehicle used primarily for business purposes.</p> <p>Covers used vehicles sold or leased within the term of protection (earlier of one year or 15,000 miles following original delivery).</p>
<b>ELIGIBLE CONSUMER</b>	(1) The <b>purchaser</b> or <b>lessee</b> , other than for purposes other than resale, of a motor vehicle; (2) any person to whom the motor vehicle is transferred during any express or implied warranty period; and (3) any other person entitled by the terms of the warranty to enforce its obligations.
<b>TIME PERIOD FOR FIRST OCCURRENCE OR NOTICE</b>	The term of protection (earlier of one year or 15,000 miles following original delivery).
<b>TIME PERIOD FOR REASONABLE NUMBER OF ATTEMPTS TO REPAIR</b>	The term of protection (earlier of one year or 15,000 miles following original delivery).
<b>PRESUMPTION OR DEFINITION</b>	<b>Definition:</b> during the term of protection, (1) three or more repair attempts or (2) out of service for at least 15 business days.
<b>NOTICE TO MANUFACTURER</b>	Not specified.
<b>FINAL OPPORTUNITY TO REPAIR</b>	Manufacturer has final opportunity not to exceed 7 days, beginning on day manufacturer knows or should have known that reasonable number of repair attempts has occurred.
<b>REASONABLE ALLOWANCE</b>	Refund only: miles before vehicle's return to manufacturer, divided by 100,000 and multiplied by vehicle contract price or, for leased vehicle, sum of lease payments. (Divide by 25,000 for motorcycles.)
<b>DISPUTE RESOLUTION</b>	Participation in any dispute resolution mechanism does not affect eligibility for state-operated arbitration.
<b>DISCLOSURE TO SUBSEQUENT PURCHASER</b>	Yes.
<b>TITLE BRANDING</b>	No.

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1. <b>Citation</b>	Massachusetts General Laws Chapter 90, Section 7N <sup>1/2</sup> .; 201 Code of Massachusetts Regulations §§ 11.00 through 11.25; and 940 Code of Massachusetts Regulations § 5.04.
2. <b>Motor vehicle covered</b>	Covers motor vehicles and motorcycles sold, leased, or replaced by a dealer or manufacturer. Excludes auto homes, vehicles built primarily for off-road use, or any vehicle used primarily for business purposes.  According to the Massachusetts Office of Consumer Affairs & Business Regulation, also covers used vehicles sold or leased within the term of protection.
3. <b>Consumer covered</b>	Covers the following consumers: (1) The purchaser or lessee, other than for purposes other than resale, of a motor vehicle; (2) Any person to whom the motor vehicle is transferred during any express or implied warranty period; and (3) Any other person entitled by the terms of the warranty to enforce its obligations.
4. <b>Nonconformity defined</b>	“Nonconformity” is any specific or generic defect or malfunction, or any concurrent combination of defects or malfunctions, that substantially impairs the use, market value or safety of the motor vehicle.
5. <b>Warranty defined</b>	Not defined.
6. <b>Lemon law rights period</b>	“Term of protection” is defined as the earlier of one year or 15,000 miles of use from the date of the new motor vehicle’s original delivery.
7. <b>Manufacturer’s obligation to repair</b>	If a motor vehicle does not conform to any applicable express or implied warranty, and the consumer reports the nonconformity to the manufacturer, its agent or an authorized dealer during the term of protection, then the manufacturer, its agent or authorized dealer must make the necessary repairs to conform the vehicle to the warranty.
8. <b>Manufacturer’s obligation to repurchase or replace</b>	If the manufacturer, its agent or authorized dealer does not correct any nonconformity after a <i>reasonable number of attempts</i> , the manufacturer must either repurchase or replace the vehicle.
9. <b>Criteria for reasonable number of repair attempts</b>	Defined as the occurrence of any of the following during the term of protection: (1) The same vehicle nonconformity is subject to repair by the manufacturer, its agent or authorized dealer at least 3 times and the nonconformity continues to exist or has recurred; or (2) The vehicle is out of service by reason of repair of any nonconformity for a cumulative total of at least 15 business days.
10. <b>Notice of nonconformity and final opportunity to repair</b>	After a reasonable number of repair attempts, the manufacturer is entitled to one additional opportunity to cure the nonconformity. The final opportunity to repair may not exceed seven business days, and begins on the day the manufacturer first knows or should have known that a reasonable number of repair attempts has occurred.  The manufacturer, its agent or authorized dealer may not require written notice from the consumer of the existence of any nonconformity.
11. <b>Affirmative defenses</b>	It is an affirmative defense that: (1) The nonconformity does not substantially impair the use, market value or safety of the motor vehicle; (2) The nonconformity is the result of owner negligence; damage caused by accident; vandalism; attempt to repair the vehicle by a person other than the manufacturer, its agent, or an authorized dealer; or (3) The nonconformity is the result of any attempt to substantially modify the vehicle that was not authorized by the manufacturer.

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<p><b>12. Refund</b></p>	<p><b>Purchased Vehicle</b></p> <p>Refund consists of:</p> <ol style="list-style-type: none"> <li>(1) The vehicle's full contract price, including all credits and allowances for any trade-in vehicle;</li> <li>(2) Reimbursement for incidental costs including sales taxes, registration fees, finance charges, and any cost of options added by an authorized dealer; and</li> <li>(3) Reimbursement for towing and reasonable rental costs that were a direct result of the nonconformity;</li> <li>(4) Less any cash award made by the manufacturer in an attempt to resolve the dispute that was accepted by the consumer; and</li> <li>(5) Less a reasonable allowance for use.</li> </ol> <p><b>Leased Vehicle</b></p> <p>Refund consists of:</p> <ol style="list-style-type: none"> <li>(1) All payments made by the lessee under the terms of the lease agreement; and</li> <li>(2) Reimbursement for towing and reasonable rental costs that were a direct result of the nonconformity;</li> <li>(3) Less any cash award made by the manufacturer in an attempt to resolve the dispute that was accepted by the consumer; and</li> <li>(4) Less a reasonable allowance for use.</li> </ol>
<p><b>13. Replacement</b></p>	<p>Replacement of a leased vehicle must be an identical model vehicle for the remaining term of the lease. Replacement of an owned vehicle is not defined.</p> <p>The manufacturer must reimburse to the consumer:</p> <ol style="list-style-type: none"> <li>(1) Reimbursement for any fees for the transfer of registration or any sales tax incurred by the consumer as a result of the replacement</li> <li>(2) Reimbursement for towing and reasonable rental costs that were a direct result of the nonconformity.</li> </ol> <p>If the manufacturer, its subsidiary or its agent financed the vehicle that is being replaced, the manufacturer, subsidiary or agent may not require the consumer to enter into any refinancing agreement that would create financial obligations on the consumer beyond those imposed by the original financing agreement.</p> <p>If a leased vehicle is being replaced, the manufacturer must provide an identical model vehicle for the remaining term of the original lease agreement. The dealer or manufacturer may not require the lessee to enter into any lease agreement that would create any financial obligations upon the lessee beyond those implied by the original lease agreement.</p>
<p><b>14. Reasonable allowance</b></p>	<p>Applies to a refund but not to a replacement.</p> <p>The reasonable allowance for use for all owned vehicles other than motorcycles is obtained by the following formula:</p> $\frac{\text{\# miles vehicle traveled before its return to the manufacturer}}{100,000} \times \frac{\text{vehicle contract price}}{\text{price}}$ <p>The reasonable allowance for use for all leased vehicles other than motorcycles is obtained by the following formula:</p> $\frac{\text{\# miles vehicle traveled before its return to the manufacturer}}{100,000} \times \frac{\text{total amount of lease payments made by lessee}}{\text{made by lessee}}$ <p>For motorcycles, the reasonable allowance for use should be computed by changing the denominator in the above formula from 100,000 to 25,000.</p>
<p><b>15. Refund of sales tax</b></p>	<p>Manufacturer refunds sales tax to the consumer. No provision for the manufacturer to obtain a refund of sales tax from the state.</p>

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<b>16. Enhanced damages</b>	<p>If a manufacturer appeals a decision in favor of the consumer by the state-operated arbitration program, and the court upholds the decision, the consumer will recover continuing damages of \$25 per day. If the court finds that the appeal was baseless or frivolous, the court will double the amount of the total award to the consumer.</p> <p>The failure of a manufacturer to abide by the decision from the state-operated arbitration program or to file a timely appeal entitles the prevailing consumer to no less than two times the actual damages, unless the manufacturer can prove that the failure was beyond its control. A manufacturer that fails to appeal a finding by the state-operated arbitration program in favor of a consumer within 21 days, and that does not deliver a refund or replacement vehicle or notify the consumer of the estimated delivery date, will be punished with a fine of \$5,000 per day until the delivery of the refund or replacement, not to exceed \$50,000 for each violation. In addition, a violation of the lemon law is an unfair or deceptive act.</p>
<b>17. Attorney's fees</b>	If manufacturer appeals a decision in favor of the consumer by the state-operated arbitration program, and the court upholds the decision, the court will award the consumer reasonable attorneys' fees and costs.
<b>18. Statute of limitations</b>	A claim must be submitted within 18 months from the date of the motor vehicle's original delivery to the consumer.
<b>19. Manufacturer-sponsored arbitration</b>	Not specified, other than participation in any other arbitration or dispute resolution mechanism does not affect eligibility for state-certified new car arbitration.
<b>20. State-sponsored arbitration</b>	All manufacturers must submit to the state-operated arbitration program if arbitration is requested by the consumer within 18 months from the date of the motor vehicle's original delivery to the consumer.
<b>21. Dealer liability</b>	Nothing in the lemon law imposes any liability on an authorized dealer or creates any cause of action by a consumer against a dealer. Nothing in the lemon law imposes any liability on a dealer or creates a cause of action by a manufacturer against its authorized dealer except (1) the failure by an authorized dealer to properly effect preparation, installation of options, or repairs when that would have prevented the occurrence of or cured a nonconformity; (2) express warranties offered by an authorized dealer that exceed the provisions of the manufacturer's express warranties; and (3) that portion of the cost of reimbursing a consumer for dealer-added options that represents the dealer profit from the addition of the options. The manufacturer must reimburse its authorized dealer for all incidental and consequential damages, including attorney's fees, incurred by the dealer as a direct result of any legal action brought by a consumer under the lemon law.
<b>22. Restrictions on resale of returned vehicles</b>	<p><b>Lemon Law</b></p> <p>A motor vehicle that is returned to the manufacturer under the provisions of the lemon law may not be resold in Massachusetts without clear and conspicuous written disclosure of the fact it was returned, prior to its resale. The Attorney General will prescribe the exact form and content of any disclosure statement.</p> <p><b>Regulations</b></p> <p>It is an unfair or deceptive act or practice for a manufacturer or dealer or other person engaged in trade or commerce to fail to do the following:</p> <ol style="list-style-type: none"> <li>(1) display the Resale Vehicle Notice in a clear and conspicuous manner on the right front window of each vehicle offered for sale or distribution at retail or otherwise after having been returned to its manufacturer pursuant to the lemon law;</li> <li>(2) obtain on a copy of such Resale Vehicle Notice the signature, printed name and address of each purchaser of the motor vehicle;</li> <li>(3) provide each purchaser with a legible copy of the Resale Vehicle Notice the purchaser signs, at the time she or he signs it, and with a copy of all Resale Vehicle Notices previously executed by prior purchasers of that vehicle; and</li> <li>(4) retain a copy of all Resale Vehicle Notices for four years from the date each is executed.</li> </ol>

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The Resale Vehicle Notice must read as follows:

**RESALE VEHICLE NOTICE**

This is a used vehicle. It was originally sold on The original owner returned this vehicle to the manufacturer because it contained one or more defects which the manufacturer was unable to repair adequately. This vehicle is now being resold.

Massachusetts law (M.G.L. c. 90, § 7N 1/2) allows a consumer who buys a new motor vehicle to return the vehicle to its manufacturer if the vehicle has a defect which substantially impairs its use, market value or safety and which is not repaired after a reasonable number of attempts or within a certain period of time.

The original owner returned this vehicle to its manufacturer under this law, complaining of the following defects:

- 1.
- 2.
- 3.
- 4.
- 5.

Of the defects listed above, the following have been repaired:

- 1.
- 2.
- 3.
- 4.
- 5.

Massachusetts law entitles you to the name and address of the original owner of this vehicle. You can obtain this information from the seller on request. Note - If less than one year has expired since the date this vehicle was originally sold, and if it has traveled less than 15,000 miles, you as a buyer have warranty and repair rights, also required by ♦ M.G.L. c. 90, § 7N 1/2. You should contact the Massachusetts Executive Office of Consumer Affairs and Business Regulation for detailed information on your rights under this law.

I ACKNOWLEDGE RECEIPT OF THIS NOTICE.

DATE:

(Buyer's Signature)

PRINT OR TYPE THE INFORMATION BELOW

(Buyer's Name)

(Street and No.)

(City or Town)

This notice is required by M.G.L. c. 90, § 7N 1/2.

**23. Point of sale notice of lemon law rights**

**Lemon Law**

A clear and conspicuous listing of the consumer's rights under the lemon law must be affixed by a sticker to a window of each new motor vehicle offered for sale or lease in Massachusetts. An enumeration of these rights must also be provided along with ownership manual materials. The form and manner of these notices will be prescribed by the Director of Consumer Affairs and Business Regulations.

**Regulations**

All new motor vehicles and those used motor vehicles still within the term of protection that are sold, offered for sale, or displayed in Massachusetts must have affixed to the window (or in the case of motorcycles, conspicuously affixed to the body) by yellow sticker, in not smaller than ten point type:

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### ATTENTION CONSUMERS

The Massachusetts "Lemon Law", General Laws Chapter 90, Section 7N1/2 provides protection for consumers who have serious problems with their new vehicle.

UNDER THE LEMON LAW, YOU HAVE A RIGHT TO A REFUND OR REPLACEMENT OF THE VEHICLE IF:

(a) there is a substantial defect(s), AND

(b) the defect still exists or has recurred after either:

1. three or more repair attempts for the same defect, or

2. being out of service by reason of repair for any combination of defects for a cumulative total of 15 or more business days, within one year or 15,000 miles (whichever comes first) after original delivery, AND

(c) the manufacturer has been notified of the defect and given one final repair attempt of no more than seven business days.

IF THE MANUFACTURER DOES NOT REFUND OR REPLACE THE VEHICLE, YOU HAVE A RIGHT TO HAVE YOUR CASE ARBITRATED BY A STATE CERTIFIED ARBITRATOR.

FOR MORE INFORMATION, REFER TO THE "LEMON LAW" INFORMATION PROVIDED WITH YOUR OWNERSHIP MANUAL MATERIALS, OR CONTACT:

Office of Consumer Affairs and Business Regulation  
One Ashburton Place  
Boston, Massachusetts 02108  
Lemon Law information: (617) 727-7780, 1-888-283-3757

All new motor vehicles and those used motor vehicles still within the term of protection which are sold, offered for sale in Massachusetts shall include with the ownership manual materials a yellow information sheet, in not smaller than ten point type:

"LEMON LAW" INFORMATION:

### IF YOU HAVE SERIOUS PROBLEMS WITH THIS VEHICLE

The Massachusetts "Lemon Law", M.G.L. c. 90, § 7N1/2 provides protection for consumers who have serious problems with their new vehicle.

UNDER THE LEMON LAW, YOU HAVE A RIGHT TO A REFUND OR REPLACEMENT OF THE VEHICLE IF:

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1. three or more repair attempts for the same defect, or

2. being out of service by reason of repair for any combination of defects for a cumulative total of 15 or more business days, within one year or 15,000 miles (whichever comes first) after original delivery, AND

(c) the manufacturer has been notified of the defect and given one final repair attempt of no more than seven business days.

IF THE MANUFACTURER DOES NOT REFUND OR REPLACE THE VEHICLE, YOU HAVE A RIGHT TO HAVE YOUR CASE ARBITRATED BY A STATE CERTIFIED ARBITRATOR.

This state-certified arbitration is different from any manufacturer-sponsored program to which you may also be entitled. Under the state program, you will be sent a decision within 45 days of when your request for arbitration is accepted.

Under the law, you must request state-certified arbitration within 18 months of original delivery of the vehicle.

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<b>MASSACHUSETTS LEMON LAW SUMMARY</b>	
	<p>THIS SHEET PROVIDES ONLY A SUMMARY OF YOUR RIGHTS.</p> <p>To request arbitration, or to get further information, contact:</p> <p>Office of Consumer Affairs and Business Regulation            One Ashburton Place            Boston, Massachusetts 02108            Lemon Law information: (617) 727-7780, 1-888-283-3757</p> <p>The manufacturer is responsible for supplying these notices to dealers. The dealer is responsible for placing the notices on the vehicle and with the ownership materials.</p>
<b>24. Limitation on waiver</b>	Any agreement entered into by a consumer for the purchase or lease of a new motor vehicle that waives, limits or disclaims lemon law rights is void.

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