

MICHIGAN LEMON LAW SUMMARY

EXECUTIVE SUMMARY	
TIME PERIOD FOR FILING CLAIMS	Not specified. Assuming UCC statute of limitations applies, claim must be filed within four years from the date the alleged defect is discovered.
ELIGIBLE VEHICLE	Any motor vehicle (1) designed as a passenger vehicle, sports utility vehicle, pickup truck, or van; (2) purchased or leased in Michigan or purchased or leased by a resident of Michigan; and (3) covered by a manufacturer's express warranty at the time of purchase or lease. Excludes buses, trucks, and motor homes. Covers used motor vehicles transferred during the manufacturer's express warranty.
ELIGIBLE CONSUMER	Any person (including business) who (1) purchases or leases a motor vehicle for personal, family, or household use and not for the purpose of selling or leasing the vehicle to another; (2) purchases or leases less than 10 motor vehicles a year; (3) purchases or leases 10 or more motor vehicles a year only if the vehicles are purchased or leased for personal, family, or household use; or (4) is entitled by the terms of an express warranty to enforce its provisions.
TIME PERIOD FOR FIRST OCCURRENCE OR NOTICE	Earlier of the term of manufacturer's express warranty or one year from delivery to the original consumer.
TIME PERIOD FOR REASONABLE NUMBER OF ATTEMPTS TO REPAIR	For repair attempts, within two years of the date of the first repair attempt. For days out of service, during the earlier of the term of manufacturer's express warranty or one year from delivery to the original consumer.
PRESUMPTION OR DEFINITION	Definition: the same nonconformity continues to exist after (1) being subject to repair four or more times by manufacturer or Michigan dealer within two years of the date of the first repair attempt; or (2) the vehicle is out of service for repair of the same nonconformity for 30 or more days during earlier of the term of the manufacturer's express warranty or one year from delivery to the original consumer.
NOTICE TO MANUFACTURER	Written notice from consumer or representative, by return receipt service, at any time after third repair attempt or out of service for at least 25 days.
FINAL OPPORTUNITY TO REPAIR	Manufacturer must contact consumer after receipt of consumer's written notice; repair within 5 business days after delivery of vehicle to repair facility.
REASONABLE ALLOWANCE	Refund only: consumer miles before first report of defect or condition plus all miles beyond 25,000 miles, divided by 100,000 and multiplied by purchase or lease price.
DISPUTE RESOLUTION	Before lemon law applies, must resort to manufacturer's program if complies with 16 C.F.R. Part 703 and lemon law requirements.
DISCLOSURE TO SUBSEQUENT PURCHASER	No.
TITLE BRANDING	No.

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1. Citation	Michigan Compiled Laws §§ 257.1401 through 257.1410.
2. Motor vehicle covered	<p>“Motor vehicle” means any motor vehicle designed as a passenger vehicle, sports utility vehicle, pickup truck, or van. Excludes buses, trucks, and motor homes.</p> <p>“New motor vehicle” means a motor vehicle that is purchased or leased in Michigan or purchased or leased by a resident of Michigan, and that is covered by a manufacturer’s express warranty at the time of purchase or lease. This would include used motor vehicles transferred during the manufacturer’s express warranty.</p>
3. Consumer covered	<p>Covers a person who:</p> <ol style="list-style-type: none"> (1) Purchases or leases a new motor vehicle for personal, family, or household use and not for the purpose of selling or leasing the new motor vehicle to another person; (2) Purchases or leases less than 10 new motor vehicles a year; (3) Purchases or leases 10 or more new motor vehicles a year only if the vehicles are purchased or leased for personal, family, or household use; or (4) Is entitled by the terms of an express warranty to enforce its provisions. <p>A “person” is a natural person, a sole proprietorship, partnership, corporation, association, unit or agency of government, trust, estate, or other legal entity.</p>
4. Nonconformity defined	<p>Not defined. Covers any defect or condition that impairs the use or value of the new motor vehicle to the consumer or prevents the new motor vehicle from conforming to the manufacturer's express warranty.</p> <p>Does not cover any defect or condition that is the result of a modification not installed or made by or for the manufacturer, or abuse or neglect of the new motor vehicle or damage due to an accident occurring after the new motor vehicle’s purchase or lease.</p>
5. Warranty defined	“Manufacturer’s express warranty” means an express warranty as determined under the U.C.C., offered by the manufacturer on a new motor vehicle.
6. Lemon law rights period	Not specified.
7. Manufacturer’s obligation to repair	If a new motor vehicle has any defect or condition that impairs the use or value of the new motor vehicle to the consumer or that prevents the new motor vehicle from conforming to the manufacturer’s express warranty, the manufacturer or its dealer must repair the defect or condition if the consumer initially reported the defect or condition to the manufacturer or the new motor vehicle dealer within the term of the manufacturer’s express warranty or one year from the date of delivery of the new motor vehicle to the original consumer, whichever is earlier.
8. Manufacturer’s obligation to repurchase or replace	<p>The manufacturer must repurchase or replace the new motor vehicle if all of the following occur:</p> <ol style="list-style-type: none"> (1) The new motor vehicle has one or more defects or conditions that impair the use or value of the vehicle to the consumer or that prevent the vehicle from conforming to the manufacturer’s express warranty; (2) The defect or condition was reported to the manufacturer or dealer within the period of the manufacturer’s express warranty or one year from the date of delivery to the original consumer, whichever is earlier; (3) The new motor vehicle was subjected to a reasonable number of repair attempts <u>as determined by the presumption</u> set out below; and (4) The same defect or condition continues to exist.
9. Criteria for reasonable number of repair attempts	<p>The obligation to repurchase or replace does not attach unless the new motor vehicle was subject to a reasonable number of repair attempts <u>as determined by</u> the section describing the presumption.</p> <p>Case law indicates that it is irrebuttably presumed that a reasonable number of attempts has been undertaken to repair a defect or condition if one of the following occurs:</p> <ol style="list-style-type: none"> (1) The same defect or condition that <i>substantially</i> impairs the use or value of the new motor vehicle to the consumer has been subject to repair four or more times by the manufacturer or new motor vehicle dealer in Michigan, occurring within two years of the date of the first repair attempt, and the defect or condition continues to exist; or

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	(2) The vehicle has been out of service because of repairs for 30 or more days or parts of days during the term of the manufacturer's express warranty, or within one year from the date of delivery to the original consumer, whichever is earlier. Case law indicates that the vehicle must be out of service for repair to the same defect or condition, and the defect or condition must continue to exist.
10. Notice of nonconformity and final opportunity to repair	<p>Prior to availing himself or herself of any remedy under the lemon law, the consumer must notify the manufacturer to allow it an opportunity to cure the nonconformity. The notice must be sent in writing by the consumer or his or her representative, by return receipt service, and any time after the third attempt to repair the same nonconformity or after the vehicle has been out of service for at least 25 days in a repair facility.</p> <p>After receiving the notice, the manufacturer must notify the consumer as soon as reasonably possible of a reasonably accessible repair facility. The manufacturer must repair the defect or condition within 5 business days after the consumer delivers the vehicle to the designated repair facility.</p>
11. Affirmative defenses	Not specified. Does not cover any defect or condition that is the result of a modification not installed or made by or for the manufacturer, or abuse or neglect of the new motor vehicle or damage due to an accident occurring after the new motor vehicle's purchase or lease.
12. Refund	<p>Purchased Vehicle</p> <p>Refund consists of:</p> <ol style="list-style-type: none"> (1) <i>Purchase price of the vehicle.</i> This is the actual vehicle sales price listed on the buyer's order including any cash payment by the consumer, and the sum equal to any allowance for any trade-in excluding debt from any other transaction as well as any manufacturer or consumer discount, rebate, or incentive appearing in the agreement or contract that the consumer received or that was applied to reduce the purchase cost. (2) The refund will also include any sales tax, license and registration fees, and similar government charges not elsewhere paid by the consumer; the cost of any options or other modifications installed or made by or for the manufacturer, and the amount of all other charges made by or for the manufacturer. (3) <i>Towing and rental costs.</i> If towing services and rental vehicles were not made available without cost to the consumer, the manufacturer must also reimburse the consumer for towing costs and reasonable costs for a comparable rental vehicle that were incurred as a direct result of the defect or condition. (4) Less a <i>reasonable allowance for the consumer's use of the vehicle.</i> (5) Less an amount equal to any appraised damage that is not attributable to normal use or to the defect or condition. <p>Leased Vehicle</p> <p>Refund consists of:</p> <ol style="list-style-type: none"> (1) <i>Lease price.</i> This is the actual vehicle sales price paid by the lessor including any cash payment by the consumer, and the sum equal to any allowance for any trade-in excluding debt from any other transaction as well as any manufacturer or consumer discount, rebate, or incentive appearing in the agreement or contract that the consumer received or that was applied to reduce the purchase cost. (2) The refund will also include any sales tax, license and registration fees, and similar government charges not included elsewhere paid by the lessor on behalf of the lessee; the cost of any options or other modifications installed or made by or for the manufacturer; and the amount of all other charges made by or for the manufacturer. (3) <i>Towing and rental costs.</i> If towing services and rental vehicles were not made available without cost to the consumer, the manufacturer shall also reimburse the consumer for towing costs and reasonable costs for a comparable rental vehicle that were incurred as a direct result of the defect or condition. (4) Less a <i>reasonable allowance for the consumer's use of the vehicle.</i> (5) Less an amount equal to any appraised damage that is not attributable to normal use or to the defect or condition. <p>A refund is made to the consumer and the secured party, if any, as their interests exist at the time the refund is to be made. The lessor must be notified if a refund is made to a lessee, and may not assess a fee for early termination of a lease under the lemon law.</p>

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13. Replacement	<p>Replacement is a comparable replacement motor vehicle currently in production and acceptable to the consumer.</p> <p>If the replacement motor vehicle is comparable in value to the original motor vehicle, the secured party must consent to the replacement of the security interest with a corresponding security interest on the replacement motor vehicle. If a leased vehicle is replaced, the lease agreement may not be altered except with respect to the identification of the vehicle.</p> <p>If for any reason the security interest in the motor vehicle having the defect or condition is not able to be replaced with a corresponding security interest on a replacement motor vehicle, the consumer must accept a refund.</p>
14. Reasonable allowance	<p>Applies to a refund but not to a replacement. A reasonable allowance for use is defined as the following formula:</p> $\frac{\text{Miles directly attributable to use by the consumer and any previous consumer before the first report of a defect or condition that substantially impairs the use or value of the vehicle, plus all miles beyond 25,000 miles}}{100,000} \times \begin{matrix} \text{purchase or} \\ \text{lease price} \end{matrix}$ <p>If the vehicle did not provide reliable transportation for ordinary personal and household use for any period beyond the first 25,000 mileage usage period of the vehicle, the arbitrator may reduce the vehicle usage deduction for mileage beyond the first 25,000 mileage use period only for the period beyond the 25,000 mileage usage period that the arbitrator determines that the vehicle did not provide useful transportation for ordinary personal or household use. To determine if the vehicle did not provide useful transportation the arbitrator must consider all of the following:</p> <ol style="list-style-type: none"> 1. The number of repairs. 2. The cost of repairs. 3. The number of days the vehicle was out of service. <p>Whether the vehicle's need for repairs significantly affected the consumer's ability to use the vehicle for personal and household functions.</p>
15. Refund of sales tax	Manufacturer refunds sales tax to the consumer. No provision for the manufacturer to obtain a refund of sales tax from the state.
16. Enhanced damages	Not specified.
17. Attorney's fees	A consumer who prevails in an action under the lemon law may be allowed by the court to recover costs and expenses, including attorneys' fees based on actual time expended by the attorney, determined by the court to have been reasonably incurred by the consumer for or in connection with the commencement and prosecution of such action, unless the court in its discretion determines that such an award of attorneys' fees would be inappropriate.
18. Statute of limitations	Not specified. Assuming that the UCC statute of limitations applies, a claim must be filed within four years from the date the alleged defect is discovered.
19. Manufacturer-sponsored arbitration	<p>The provisions of the lemon law do not apply to any consumer who has not first resorted to a manufacturer's informal dispute settlement procedure if the procedure:</p> <ol style="list-style-type: none"> (1) Complies with the Magnuson-Moss Warranty Act and 16 C.F.R. Part 703, then the consumer must first resort to the informal dispute settlement procedure; (2) Requires the manufacturer to be bound by a decision that the consumer agrees to; (3) Provides that the consumer is not obligated to accept the decision and may pursue the remedies provided by the lemon law; and (4) Requires the manufacturer to begin the process of implementing any final settlement not more than 30 days after the settlement has been reached.
20. State-sponsored arbitration	Not specified.
21. Dealer liability	Not specified.

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22. Restrictions on resale of returned vehicles	Not specified.
23. Point of sale notice of lemon law rights	Not specified.
24. Limitation on waiver	Any rights and remedies provided to consumers under the lemon law may not be waived.

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