

Used Car Buying - Legal Tips

Education is when you read the fine print.
Experience is what you get if you don't."
- Pete Seeger, folk singer and songwriter

Buying a used – or “pre-owned” – car or truck is serious business. It’s important to know your basic legal rights **before** you buy.

Q. If I buy a used car, can I change my mind and get my money back?

No. In Tennessee, there is **no “cooling off” period** to change your mind after you buy a used or new car. Once you sign the papers and take possession and drive it off the lot, it’s your vehicle – and it’s your financial obligation.

One exception: If you sign purchase papers at your home, then you have 3 days – until midnight of the third business day after the purchase – to cancel by placing written notice in the mail.

Q. Is there a lemon law for used cars?

No. Tennessee’s “lemon law” only protects buyers of **new vehicles** when there are vehicle problems that cannot be repaired.

Most dealers sell used cars “**As Is.**” This means there is **no guarantee** that the car is any good. If the car has problems and needs work, **you** are the one who must pay for it.

A dealer may say “this is a good running car” or “we will stand behind it.” But, **the dealer’s verbal promises may mean nothing if your contract says “As Is.”** The promises are only good if they are **in writing.**

Q. If the car is no good, can’t I just turn it in?

Bad idea. If you return the car without making some new **written** agreement with the dealer, then the dealer can give you a written notice and then sell the car – often at auction for less than is owed. You will still be responsible for remaining debt on the car.

Good shopping tips to avoid used car problems:

1. Test drive the car.

Drive it at different speeds for several miles. Some dealers won’t let you do this because of “insurance regulations.” Don’t buy from such a dealer.

2. See a mechanic.

Have a mechanic whom you trust look at the car and test drive it. Some mechanics will do this for free or for a reasonable fee. If a dealer won’t let your mechanic check it out, then **go somewhere else.**

3. Do not be fooled by looks.

Do not be taken in by how great the car looks. What counts is **how the car runs.**

4. Expect to have to get the car fixed.

Face the fact that your used car may have problems because it is older. **Plan to pay** for repairs.

5. Remember that you cannot just “let the car go back” to the dealer.

You may still owe the dealer or creditor money. Make sure your budget can afford the car payments **plus** insurance **plus** repairs **before** you “sign on the dotted line.” (Better idea: Save up, pay cash!)

No matter how much knowledge you have, buying a car can be an emotional process. Keep your cool. Don’t make a decision when you feel pressured. Step back. Walk away. Shop around. **Re-read tips 1 through 5** above. Good luck!

by Jim Hawkins, Managing Attorney,
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Note: This community education column from the Legal Aid Society is not intended to take the place of legal advice. All cases are different and need individual attention. Consult with a private attorney of your choice to review the facts and law specific to your case.

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