

Unwinding a Bad Car Deal: Getting Ready to Sue

A One Page, Step-by-Step Guide by Adam G. Taub, Lyngklip & Taub Consumer Law Group, PLC

1. Do not do anything until you get every piece of paper that is relevant to the car deal
 - a. All purchase documents *e.g.* RISC, purchase agreement, receipt for down payment
 - b. All Warranty documents *e.g.* warranty/service contract, applications, disclaimers and Buyer's Guide
 - c. All Titling documents *e.g.* title, registration, application for title and receipt for application for title
 - d. All Repair Orders and Service Invoices, oil change receipts and maintenance records
 - e. All three credit reports, recent ones, Equifax, Trans Union, and Experian
 - f. All correspondence from dealer, finance company, credit denials
 - g. All advertising from the internet and auto-trader magazines
 - h. All materials pertaining to any trade-in vehicle

2. Look for Violations that Matter: Car dealers in every state have made themselves unaccountable for merely selling a piece of junk. But, car dealers who sell crappy cars also sell crappy loans, associate lenders who prey on the poor and generally act in violation of laws such as:
 - a. TILA Do the Math! Is the APR correct? Is the Finance charge correct? Is the Amount financed properly itemized? Is the trade-in properly itemized? Is the down payment falsely inflated? Are there any TILA disclosures at all? Did the dealer say that certain items in the amount financed were necessary to get the loan? Is the cash price in the RISC higher than the advertised price or higher than the sticker price?
 - b. FCRA Did the dealer pull credit before authorization was given? Did several finance companies pull without authority?
 - c. MVCSIA a.k.a. Federal Odometer Act. Did the dealer provide the required disclosures on secured paper? What was the dealer trying to hide? Did the dealer possess title when the car was sold?
 - d. MMWA a.k.a Magnuson-Moss Warranty Act. Did the warranty fail of its essential purpose?
 - e. ECOA Did the dealer fail to send an adverse action notice? Look for this violation in a yo-yo sale.
 - f. UDAP Did the dealer do anything to violate the state's consumer protection act?
 - g. MVRISA Are all the terms in the RISC that the state law requires?
 - h. Article 9 Did the dealer illegally repo the car? Did the dealer send proper Article 9 Notice?

3. Send one demand letter. Ask for Revocation under UCC 2-608, list the mechanical problems and ask for a response in writing within seven days. Do not make threats. Do not list all of the violations you have identified. Give the dealer a chance to do the right thing.

4. Take Legal Action. Do not be afraid to Arbitrate.

Remember: Make it More Expensive for the Crooks to Keep the Money