A Consumer's Guide To The Arkansas Lemon Law

Arkansas New Motor Vehicle Quality Assurance Act

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This guide represents the Arkansas Attorney General's interpretation of the Arkansas New Motor Vehicle Quality Assurance Act (Act 297 of 1993). This booklet is a guide. Ultimately, the courts interpret the law.

If you have a question or are uncertain about a particular aspect of the Lemon Law Guide, contact the Consumer Protection Division at the Arkansas Attorney General's Office at (800) 482-8982 or Consumer@ArkansasAG.gov.

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Which Vehicles are Covered Under the Lemon Law?

All motor vehicles (except those excluded from coverage as noted in the "IMPORTANT" section below) titled and registered in Arkansas are covered by the Lemon Law during the vehicle's Quality Assurance Period.

The Quality Assurance Period extends for 24 months from the date of the original delivery of the vehicle OR the first 24,000 miles of operation, whichever is LONGER.

If the vehicle is transferred to someone else during this period, the vehicle is still covered under the Lemon Law for the full extent of the Quality Assurance Period.

IMPORTANT: The Lemon Law does **NOT** cover mopeds, motorcycles or the living quarters of motor homes. The Lemon Law does **NOT** cover vehicles over 13,000 pounds gross vehicle weight. However, motor homes over 13,000 pounds gross vehicle weight are covered. For motor vehicles with a gross vehicle weight between 10,000 and 13,000 pounds, the Lemon Law does not cover such a vehicle if it has been substantially altered after its initial sale from the dealer.

Is Your Vehicle a Lemon?

The law creates what is known in legal terminology as a "presumption." That means the Lemon Law presumes that you are entitled to a refund or replacement if the manufacturer or its dealer has made a certain number of unsuccessful attempts to repair nonconformities that **substantially impair** the use, market value or safety of your vehicle.

There are four ways for you to show that the manufacturer has been given a reasonable opportunity to repair nonconformities, has failed to do so and for the Lemon Law to cover your vehicle.

1. There have been three unsuccessful repair attempts to repair the same nonconformity, **AND** the owner has provided the manufacturer with a final opportunity to cure the nonconformity, **AND** the manufacturer either fails to cure the nonconformity or the repair attempt is unsuccessful; **OR**
2. If the nonconformity is one that is likely to cause death or serious bodily injury, there has been one unsuccessful repair attempt, **AND** the owner has provided the manufacturer with a final opportunity to cure the nonconformity, **AND** the manufacturer either fails to cure the nonconformity or the repair attempt is unsuccessful; **OR**

3. The vehicle is out of service by reason of repair, or attempt to repair, and nonconformities for a cumulative total of at least 30 calendar days; **OR**
4. There have been five or more attempts to repair any nonconformities, which together substantially impair the use and value of the motor vehicle to the owner.

However, there are exceptions (or in legal terminology, “the presumption is rebuttable”). The vehicle will not be a lemon if the manufacturer can show:

1. That the nonconformity does not substantially impair the use, value or safety of the vehicle; **OR**

2. The nonconformity is the result of an accident, abuse, neglect or unauthorized modification or alteration of the vehicle by persons other than the manufacturer, its agent or authorized dealer.

Getting Your Vehicle Repaired

It is important that you report any nonconformity directly to the manufacturer or to the dealer immediately. It is also important that you keep all repair receipts and a complete record of all contacts with the manufacturer and dealer.

You have the right to receive a dated, detailed statement each time the vehicle is returned for repair. This statement should include any charges for parts and labor, a general description of the problem, the odometer reading at the time you brought the vehicle in for repair, the odometer reading at the time the car was picked up and a list of all work performed. It should also state the date the vehicle was brought in for repair and the date you picked up the vehicle. Be sure you are given these statements, to which you are entitled by law, and that you keep them in a file. A chart is provided on page 8 for your convenience.

Who Pays?

Most manufacturers’ warranties on vehicles cover repairs for at least the first year following the original delivery date or the first 12,000 miles, whichever comes first. If repairs are needed **after** your warranty has ended, you must pay for the repairs. Check your warranty booklet to find out the details of your particular coverage. If you are leasing a vehicle, check your leasing contract to find out who is responsible for repair bills.

Repair costs to correct defects that occurred while under the warranty coverage should be covered by your warranty, or if it is proven to be a lemon under the Lemon Law, you may be entitled to be reimbursed for these repair costs. For this reason, always keep your receipts.

Final Repair Attempt

If you intend to rely on either of the first two Lemon Law presumptions detailed on page 2 (three unsuccessful repair attempts or one unsuccessful repair attempt for a nonconformity likely to result in death or serious injury), you must give the manufacturer a final chance to repair the nonconformity before you can claim that the vehicle is a lemon.

You must send a letter to the manufacturer, **not the dealer**, by certified mail or registered mail, giving the manufacturer one last chance to repair the defect. A sample final-repair-attempt letter is provided on page 7. For your convenience, contact information for major manufacturers is provided on pages 9 and 10. Be sure to consult your owner's manual or the manufacturer's website for current contact information.

Keep a photocopy of the letter for your records and your certified or registered mail receipt as **proof** that the letter was received by the manufacturer.

After receiving your letter, the manufacturer has 10 calendar days to schedule a final repair attempt. If the manufacturer does not schedule this final attempt to repair in a timely fashion, the manufacturer cannot later assert that it did not have a reasonable opportunity to repair your vehicle. If the manufacturer fails to schedule the final repair attempt in a timely fashion or if the final repair attempt is unsuccessful, you can demand a replacement of, or refund for, your vehicle through the Independent Dispute Settlement Program (IDSP).

You may make this demand directly to the manufacturer by filing a claim with the manufacturer's informal dispute settlement program. **You should keep a copy of your demand letter and certified or registered mail receipt.**

Independent Dispute Settlement Program

As a general rule, before the owner of a vehicle can file a suit to enforce his rights under the Lemon Law, the owner must seek a refund or replacement through the Independent Dispute Settlement Program (IDSP). The owner has the unconditional right to choose a refund or replacement.

The procedure begins by mailing the demand letter to the manufacturer. It is advisable to send a copy to the IDSP. A sample Lemon Law Demand Letter can be found on page 8.

You will be provided with application forms and instructions. Unless an extension is granted for good cause, your claim must be scheduled for a hearing, heard and decided within 40 days after the time your demand is received. You are entitled to an in-person hearing in Arkansas before a panel of independent arbitrators. You are entitled to present testimony and documentary evidence. You may wish to hire an attorney to represent you at this hearing, but you are permitted to present your own case in an informal setting.

You may accept or reject the program's decision. If you accept, the manufacturer must also accept the decision and has 30 days to comply. There is no appeal process for the manufacturer.

If you do not agree with the arbitrators' decision, you can reject it and consider going to court to assert your right to a replacement, refund or other relief. If you go to court and win, you may also be entitled to an award of attorney's fees. You may have other causes of action or rights outside of the Lemon Law. It is a good idea to consult an attorney regarding these options.

Getting Your Replacement or Refund

Replacement – If you choose the option of replacement and the original vehicle was financed by the manufacturer, its subsidiary or agent, the manufacturer must make sure that you are not required to enter into any new financing agreement that would place any financial obligations upon you beyond those of the original financing agreement. However, you must pay a "reasonable allowance for vehicle use."

Refund for Purchased Vehicles – If you choose to receive a refund, you will receive the full purchase price of your original motor vehicle, minus a "reasonable allowance for vehicle use."

The full refund includes but is not limited to:

1. Credits and allowances for any trade-in vehicle;
2. Costs of any options and other modifications added by the manufacturer or its authorized dealer;
3. Costs of sales tax, license and registration fees and finance charges;

4. Charges for renting a similar vehicle while the original vehicle was out of service because of the defect;
5. Charges for any extended warranty coverage that may have been provided by the manufacturer, its subsidiary or agent.

"The reasonable allowance for vehicle use" equals the purchase price multiplied by the mileage at the time the vehicle was first brought to the dealer or manufacturer for repair of the nonconformity, divided by 120,000 miles. For example, the reasonable allowance for a $20,000 vehicle with 120,000 miles at the time of the first repair attempt would be calculated as:

12,000 miles ÷ 120,000 miles = .1
$20,000 × .1 = $2,000

In this example, the reasonable allowance for vehicle use is $2,000.

You may also be charged for any physical damage the vehicle has sustained beyond normal wear and tear.

Refund for Leased Vehicle – If your vehicle is leased, you can receive a full refund for any leasing fees minus a "reasonable allowance for vehicle use." Under the Lemon Law, your lease agreement ends when you return the vehicle. You cannot be charged any penalties for ending the lease early.

Can the Manufacturer Resell or Re-lease a "Lemon?"

Yes, but the dealer or leasing company must first notify the consumer who buys such a vehicle in writing, stating that the vehicle was "returned to the manufacturer because of nonconformity not cured within a reasonable time."

The written notice is required whenever a manufacturer reacquires a vehicle any time after the original owner has commenced the Lemon Law process. Even so, if you are purchasing a used vehicle from a dealer, it is advisable to ask if it was repurchased by the manufacturer because it was involved in a Lemon Law dispute.

Sample Final-Repair-Attempt Letter to the Manufacturer

IMPORTANT: Send this letter by Certified Mail Return Receipt Requested

Your Name _____

Your Address _____

Your Telephone Number _____

Certified Mail Number _____

Name of Manufacturer _____

Manufacturer's Address _____

Dear Sir or Madame:

I [purchased/leased] a [make, model, year of vehicle] on [date] from [name of dealership/name of individual] in [city/state]. Since the original delivery of the vehicle, it has been returned to the dealership a total of [number of times the vehicle was returned to an authorized dealer for repairs] times. My vehicle has been out of service for repairs for a total of [total number of calendar days the vehicle has been out of service being repaired] calendar days.

My vehicle has been in [authorized dealership] on the following dates for repair of the following defects:

[Date in/out] _____ [List problems] _____

[Date in/out] _____ [List problems] _____

[Date in/out] _____ [List problems] _____

I am currently having the following problems with my vehicle:
[List all problems the vehicle currently has]

These nonconformities substantially impair my use, the market value or safety of my vehicle. I hereby notify you that I am allowing you one final opportunity to repair my vehicle. If repairs are not scheduled within ten days of receipt of this letter or completed within ten days from delivery of the vehicle to you for repair, I will seek a replacement vehicle acceptable to me or a refund calculated in accordance with the Arkansas Lemon Law.

I look forward to hearing from you soon. You can reach me during the day at [phone number] and in the evening at [phone number].

Sincerely,

[Your Name]

Sample Lemon Law Demand Letter to the Manufacturer

IMPORTANT: Send this letter by Certified Mail Return Receipt Requested
Also: Send a copy of this letter to the IDSP for this manufacturer

Your Name _____

Your Address _____

Your Telephone Number _____

Certified Mail Number _____

Name of Manufacturer _____

Manufacturer's Address _____

Dear Sir or Madame:

I [purchased/leased] a [make, model, year of vehicle] on [date] from [name of dealership/name of individual] in [city/state]. Since the original delivery of the vehicle, it has been returned to the dealership a total of [number of times the vehicle was returned to an authorized dealer for repairs] times. My vehicle has been out of service for repairs for a total of [total number of calendar days the vehicle has been out of service being repaired] calendar days.

My vehicle has been in [authorized dealership] on the following dates for repair of the following defects:

[Date in/out] _____ [List problems] _____

These nonconformities substantially impair my use, the market value or safety of my vehicle.

[If applicable: I mailed you a notice providing you with a final repair attempt.

- ☐ You failed to contact me to schedule a repair attempt OR
- ☐ You contacted me to schedule a repair attempt, but did not repair the vehicle OR
- ☐ You attempted to repair the vehicle, but it has broken down again.]

[If applicable: Since the original delivery of the vehicle and during the quality assurance period the vehicle has been out of service due to nonconformities for more than 30 calendar days.]

[If applicable: Since the original delivery of the vehicle and during the quality assurance period, the vehicle has been subject to five or more repair attempts for nonconformities which together have substantially impaired the use and value of the vehicle to me.]

My vehicle is a lemon under the Arkansas Lemon Law. I demand that my vehicle [be replaced/my purchase price be refunded] together with all other compensation to which I am entitled.

A copy of this notice is being sent to your Independent Dispute Settlement Program (IDSP), [BBB Auto Line/NCDS]. I request that my Lemon Law claim be resolved within 40 days of your receipt of this letter. If you do not immediately agree to my demand for relief, I request a hearing before the IDSP.

I look forward to hearing from you soon. You can reach me during the day at [phone number] and in the evening at [phone number].

Sincerely,

[Your Name]

Acura
Client Relations
1919 Torrance Blvd.
Mail Stop 500-2N7E
Torrance, CA 90501-2746
(800) 382-2238

American Honda/Acura
(models 2012 and older)
Mediation Group
1919 Torrance Boulevard
Mail Stop 500 2N 7F
Torrance, CA 90501-2746
Honda: (800) 999-1009
Acura: (800) 382-2238

Audi
Customer Service
3800 Hamlin Road
Auburn Hills, MI 48326
(800) 822-2834

Bentley Motors, Inc.
2200 Ferdinand Porsche Drive
Herndon Drive, VA 20171
(800) 777-6923

BMW of North America, LLC
300 Chestnut Ridge Road
Woodcliff Lake, NJ 07677-7731
(800) 831-1117

Buick Division of GM
P.O. Box 33136
Detroit, MI 48232-5136
(800) 521-7300

Cadillac Division of GM
P.O. Box 33139
Detroit, MI 48232-5169
(800) 231-1841

Chevrolet Division of GM
P.O. Box 33170
Detroit, MI 48232-5170
(800) 231-1841

Ford Motor Company
16800 Executive Plaza Road
Mail Drop 4
South Dearborn, MI 48126
(800) 392-3673

GMC Truck Division of GM
P.O. Box 33172
Detroit, MI 48232-5172
(800) 462-8782

Hyundai Motor Corporation
1421 S. Beltline Road, #400
Coppell, TX 75019
(800) 633-5151

Infiniti Consumer Affairs
P.O. Box 685003
Franklin, TN 37068-5003
(800) 662-6200

Jaguar Land Rover North America, LLC
555 MacArthur Boulevard
Mahwah, NJ 07430
(800) 637-6837

Kia Motors America
P.O. Box 52410
Irvine, CA 92619-2410
(800) 333-4542

Automobili Lamborghini America
Customer Relations
2200 Ferdinand Porsche Drive
Herndon, VA 20171
(866) 681-6276

Lincoln
Customer Care
P.O. Box 6248
Dearborn, MI 48126
(800) 521-4141

Lotus
Customer Service
Potash Lane Hethel
Norwich, United Kingdom
NR14 8EZ
(800) 245-6887

Mazda
Customer Assistance Center
P.O. Box 19734
Irvine, CA 92623-9734
(800) 222-5500

Mercedez-Benz USA, LLC
3 Mercedes Drive
Montvale, NJ 07645
(800) 367-6372

Mercury
Customer Care
P.O. Box 6128
Dearborn, MI 48126
(800) 521-4140

Mini Cooper
Customer Service
3oo Chestnut Ridge Road
Woodcliff Lake, NJ 07677
(866) 275-6464

Mobility Ventures
Customer Service
105 North Niles Avenue
South Bend, IN 46617
877-681-3678

Nissan North America, Inc.
Consumer Affairs
P.O. Box 685003
Franklin, TN 37068-5003
(800) 647-7263

Oldsmobile Division of GM
P.O. 48232-5172
(800) 231-1841

Pontiac Division of GM
P.O. Box 33172
Detroit, MI 48232-5172
(800) 231-1841

Saturn Division of GM
P.O. Box 33173
Detroit, MI 48232-5173
(800) 231-1841

Subaru of America, Inc.
Customer/Dealer Service
Subaru Plaza
P.O. Box 6000
Cherry Hill, NJ 08034-6000
(800) 782-2783

Volkswagen of North America
2200 Ferdinand Porsche Drive
Herndon, VA 20171
(800) 822-8987

Volvo Customer Care
1 Volvo Drive
P.O. Box 914
Rockleigh, NJ 07647
(800) 458-1552

National Center for Dispute Settlement

12900 Hall Road, Suite 401
Sterling Heights, MI 48313
(800) 936-4303 | ncdsusa.org

American Honda/Acura
(models 2013 and newer)
Mediation Group
1919 Torrance Boulevard
Mail Stop 500 2N 7F
Torrance, CA 90501-2746
Honda: (800) 999-1009
Acura: (800) 382-2238

Chrysler, LLC
Includes Chrysler, Dodge, Fiat, Jeep and Ram
Customer Center
P.O. Box 21-8004
Auburn Hills, MI 48321-8004
(800) 992-1997

Lexus Customer Assistance Center
Lexus, a Division of Toyota Motor Sales, U.S.A., Inc.
P.O. Box 259001
Plano, TX 75025-9001
(800) 255-3987

Mitsubishi Motors North America, Inc.
P.O. Box 6014
Cypress, CA 90630
(888) 648-7820

Suzuki American Motor Corporation
Auto Division
P.O. Box 1100
Brea, CA 92822-1100
(800) 934-0934

Tesla Motors
3500 Deer Creek Road
Palo Alto, CA 94304
(866) 629-3204

Toyota Customer Experience Center
Toyota Motor Sales, U.S.A., Inc.
P.O. Box 259001
Plano, TX 75025-9001
(800) 331-4331

Record of Repairs

DATE	NAME OF PERSON	PROBLEM(S)	WHAT WAS SAID OR DONE	COMMENTS

323 Center Street • Little Rock, AR 72201
(501) 682-2007 • (800) 482-8982
ArkansasAG.gov • Consumer@ArkansasAG.gov

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