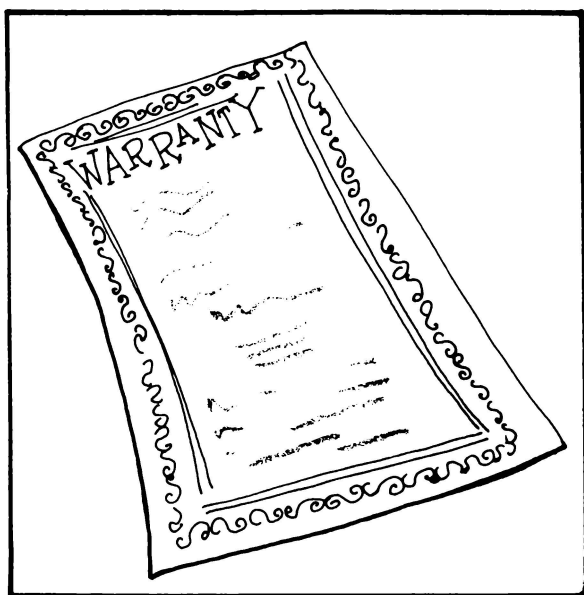


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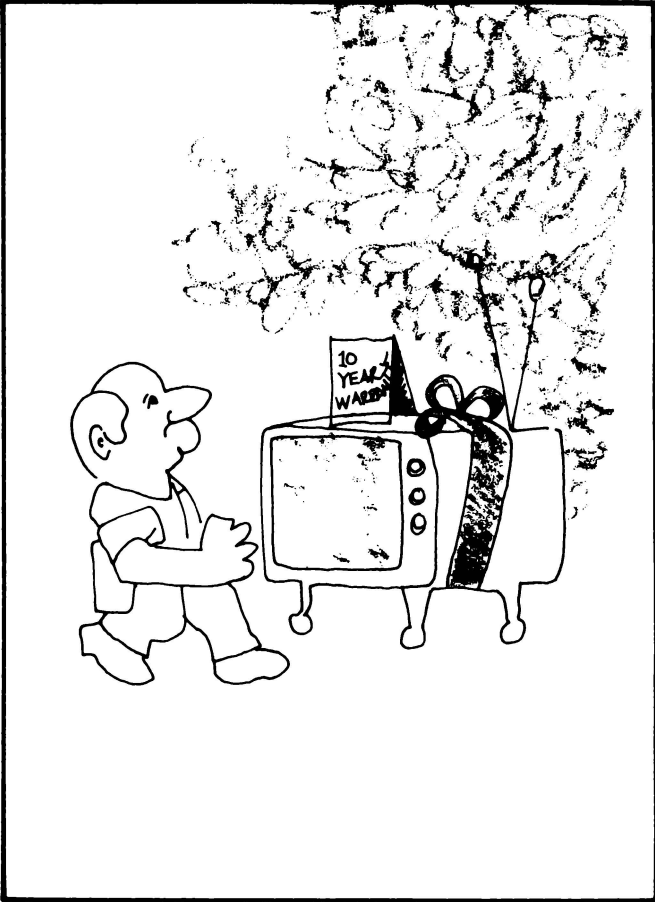
WARRANTIES and the CONSUMER



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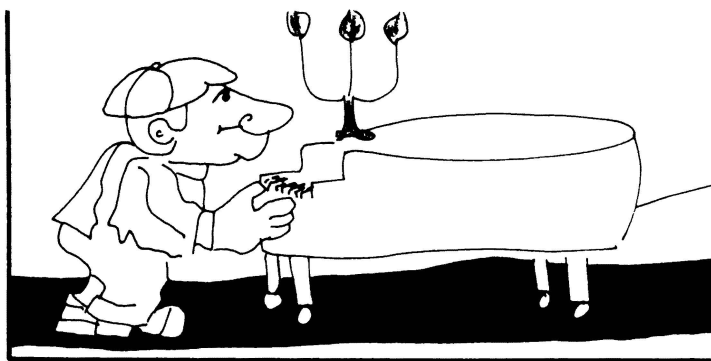
WARRANTIES AND THE CONSUMER

It is always to your advantage to shop wisely for goods and services — and this includes comparing written warranties. It has become much easier for consumers to do this because of a federal regulation which went into effect January 1, 1977. The regulation states that products costing more than \$15 shall have their warranties available for inspection prior to their sale. Also, all products that cost more than \$10 must have their warranties labeled as either “full” or “limited”. It will help to familiarize yourself with these terms so you can make the best purchases available.



WHAT EXACTLY IS A WARRANTY?

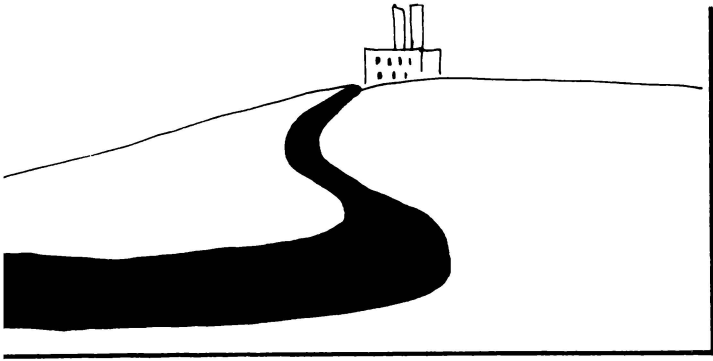
A warranty is a written statement used by a manufacturer or a seller to assure you that he will stand behind his product. It generally means that he will repair or replace defective parts within a specified period of time. Although there is no difference between a *warranty* and a *guarantee*, there is a big difference between the types you can get.



WHAT TYPES OF WARRANTIES ARE AVAILABLE?

“Full Warranty” – Under the Magnuson-Moss Warranty Act, a defective product *manufactured* after July 4, 1975 with a warranty labeled “full” must be fixed within a reasonable amount of time and without charge to the customer for parts or labor. Furthermore, the law states that the warrantor cannot impose any unreasonable conditions on a consumer for getting something fixed under warranty unless the condition is approved by the Federal Trade Commission. For example, it is considered unreasonable for a consumer to be required to pay for shipment of a piano or similar bulky object to the factory for repairs. The merchant can, however, require that the customer notify the warrantor in the case of a defect before starting plans to sue. Finally, the customer must be offered a refund or replacement if a reasonable number of attempts to repair the product fails. (It has not been decided yet what should be considered “reasonable”.) If you have a complaint, contact the store manager first. If the complaint is not settled at that level, write to the manufacturer. If you still are dissatisfied, contact your state or local consumer affairs office. They will try to settle the problem, but they may advise you to take the matter to a General District Court for settlement.

“Limited Warranty” – All warranties that offer anything less than the above stated requirements must be designated as “limited”. For example, if you bought a product with a warranty that covered parts, but not labor, the warranty would be labeled “limited”. And should the product ever need servicing, you would be responsible for all labor costs. In some instances, this could be quite expensive. Therefore, you should always check the terms of a “limited” warranty before you buy. But remember, it is usually best to buy a product with a full warranty whenever possible.



WHAT IS AN IMPLIED WARRANTY?

An *implied* warranty is an unwritten warranty that is “implied” by state law. Every product carries certain implied warranties whether or not it has a written warranty. There are several types of implied warranties but the most common is that of “merchantability”. Generally, all this means is that the product is fit for the regular purposes for which it is intended. For example, a reclining chair should recline and a toaster should toast. If it doesn’t, you have a legitimate complaint and the seller should repair the product. If it is not fixed, you can sue the seller for not living up to the implied warranty. You should be aware, however, that a seller can avoid the implied warranty if the product is “sold as is” or labeled “no warranty”.

WHAT DOES “NO WARRANTY” OR “SOLD AS IS” MEAN?

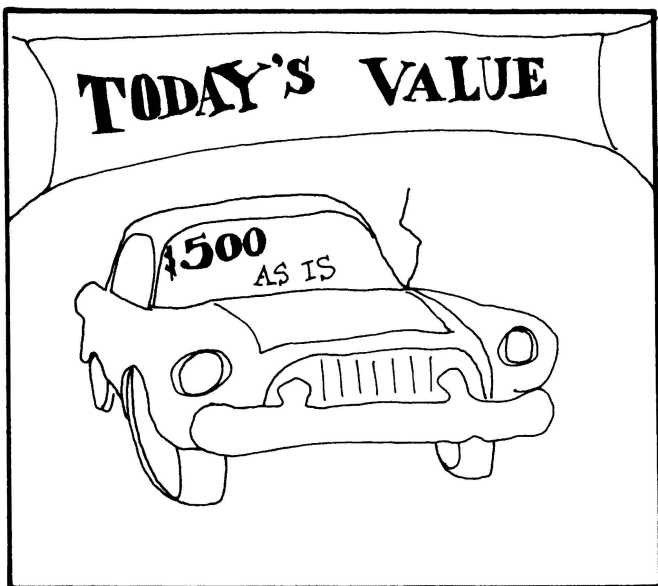
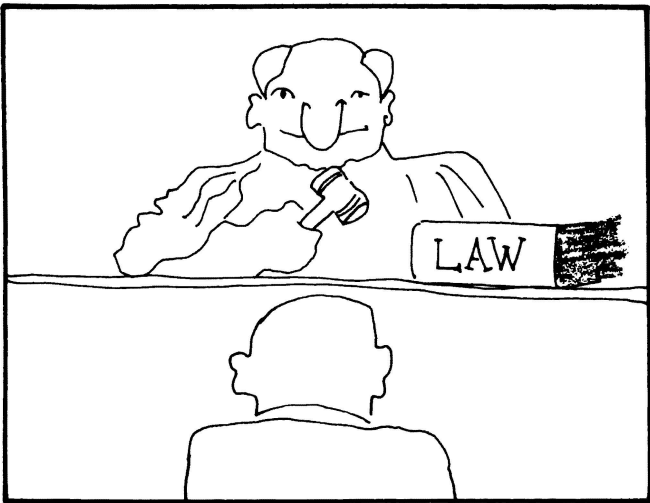
If you buy a product and “no warranty” or “sold as is” is stamped on the contract, then you are agreeing to buy the product with no warranty protection, either written or implied. This means that the seller has no responsibility to repair or replace defective parts or to return your money if it should malfunction. Therefore, an implied warranty is much better than “no warranty” or “sold as is”.

WHAT SHOULD I LOOK FOR IN A WRITTEN WARRANTY?

- Is the name and address of the warrantor given?
- To whom is the warranty extended – the original owner or all owners during the warranty’s lifetime?
- What exactly is covered by the warranty – the entire product or just certain parts? How about labor?
- What is *not* covered by the warranty?
- Is there anything you have to do immediately to put the warranty into effect, such as return a warranty registration card?

WHAT SHOULD I DO IF THE WARRANTOR DOES NOT HONOR HIS WARRANTY?

Under the Magnuson-Moss Warranty Act, you may sue a warrantor who does not honor any written or implied warranty. If the amount of money involved does not justify hiring an attorney, you can still enforce your legal rights in a General District Court. However, this applies only to consumer products manufactured after July 4, 1975. If you have a warranty dispute that cannot be resolved with the manufacturer, you may want to contact a local or state office of consumer affairs for assistance. They may be able to help you without having to go to court.



HELPFUL TIPS

- Keep your warranty and your sales receipt together with a record of all repair work done on the product, if any.
- Read before you buy. Make comparing warranties a regular part of your shopping habits.
- Always look for a “full” or “limited” warranty designation in order to make the best buys.
- Check the *date of manufacture* to see if the product will come under the new warranty law.

Notice to customer required by Federal law:

You have entered into a transaction on _____
_____ (date) which may result in a lien, mortgage,
or other security interest on your home. You have a legal
right under Federal law to cancel this transaction, if you
desire to do so, without any penalty or obligation within
three business days from the above date or any later date
on which all material disclosures required under the Truth
in Lending Act have been given to you. If you so cancel the
transaction, any lien, mortgage or other security interest on
your home arising from this transaction is automatically
void. You are also entitled to receive a refund of any down-
payment or other consideration if you cancel. If you decide
to cancel this transaction, you may do so by notifying
_____ at

(Name of Creditor)

_____ by mail or telegram
(Address of creditor's place of business)

sent not later than midnight of _____ (date).
You may also use any other form of written notice identify-
ing the transaction if it is delivered to the above address not
later than that time. This notice may be used for that
purpose by dating and signing below.

I hereby cancel this transaction.

(date)

(customer's signature)



For further information, contact your local Virginia Polytechnic Institute and State University Extension office or one of the following:

- Virginia Office of Consumer Affairs
(804) 786-2042 or (800) 552-9963 (toll free)
- your local consumer affairs office
- Federal Trade Commission
2120 L Street, NW
Washington, DC 20037
(202) 254-7700

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