

# Buying a Used Car at a Dealership - HELP4TN



Before you step onto that used car lot, here are a few things you should know:

## What does "AS IS" really mean?

**AS IS.** Those two little words carry a lot of weight. If you buy a used car "AS IS" and it breaks down while you're driving it off the lot, you're still stuck paying for it. Without a warranty, you have no guarantee that a used car will work for any period of time or number of miles. "The dealer may say "this is a good running car." The dealer may say "we will stand behind it." But the dealer's promises may mean nothing if your contract says "As Is." You can find more information about what this means and the issues it can cause from the Legal Aid Society of Middle Tennessee and the Cumberland [here](#).

## Do "lemon laws" apply?

Lemon laws do NOT apply to used vehicles. Tennessee does have a lemon law, but it only applies to purchased and leased **new** vehicles.

## Can you return a used car?

Dealers are NOT required by Tennessee or federal law to give used car buyers a right to cancel their contract. According to the [Federal Trade Commission](#), "...the right to return the car in a few days for a refund exists **only** if the dealer chooses to offer this privilege. Dealers may describe the right to cancel as a "cooling-off" period, a money-back guarantee, or a "no questions asked" return policy. Before you buy from a dealer, ask about the dealer's return policy, get it in writing, and read it carefully."

If the contract you signed with the dealership includes a right to cancel, then consider getting a bumper to bumper inspection from an independent mechanic during that period of time to make sure the vehicle is in good condition. If it's not, return it before the cooling-off period expires.

## Should you finance your used car purchase?

If you finance a vehicle that you can't afford, you'll still have to pay for it. When you miss a payment, the dealer can repossess the car, sell it for less than you owe, and sue you for the difference. For example: John buys a car for \$10,000. After making a number of monthly payments, John stills owes \$9,000. John fails to make a payment, so the dealer repossesses the car and sells it. If the dealer sells it for \$5,000, the dealer can then sue John for \$4,000 plus fees. This leaves John with no car and a judgment against him for thousands of dollars. Don't be like John! If you're financing a car, make sure it's something you can afford.

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