

State of Vermont
MOTOR VEHICLE ARBITRATION BOARD
Department of Motor Vehicles
120 State Street
Montpelier, Vermont 05603-0001
dmv.vermont.gov

Agency of Transportation

[phone] 802-828-2943
[fax] 802-828-2092
[ttd] 711

*Manufacturers' Guide to
Vermont's New Motor Vehicle Arbitration*

1. Manufacturer Representatives
2. Introduction
3. Lemon Law - 9 V.S.A. §§ 4170 - 4181
4. Board Rules
5. Notice to Consumer
6. Eligibility Criteria
7. Demand for Arbitration
8. Manufacturer Zone Offices
9. Case Acceptance Letter
10. Final Repair
11. Manufacturer's Response Form
12. Settlement Protocol
13. Refund Worksheet for Purchased Vehicle
14. Refund Worksheet for Leased Vehicle
15. Tentative Hearing Schedule
16. Hearing Notice
17. Hearing Protocol
18. Order Transmittal Letter
19. Resale & Title Branding
20. Statistics + Detail
21. Wish List

1. Manufacturer Representatives



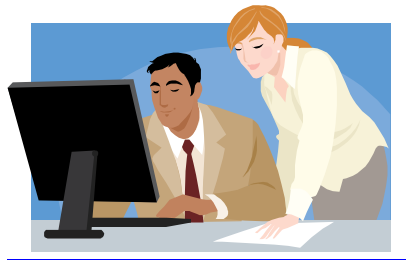
- Notify the Arbitration office in writing when there is a new representative and include the contact's phone, fax and e-mail per Board Rule 3:

3. Manufacturer's Filing

All motor vehicle manufacturers doing business in Vermont shall file their corporate or eastern zone office address, telephone and facsimile numbers and any other means of contact with the Clerk. A manufacturer shall also file a copy of the procedures, if any, and any descriptive material for its alternate dispute resolution process, including address, phone and facsimile numbers, and any other means of contact.

<http://dmv.vermont.gov/safety/laws/lemonlaw#BoardRules>

2. Introduction – Access the site from a) www.dmv.vermont.gov (click on Lemon Law within Featured Topics); or b) <http://dmv.vermont.gov/safety/laws/lemonlaw>.



The Motor Vehicle Arbitration Board	Frequently Asked Questions (FAQ's)	Related Links
Contact Information	Forms & Informational Materials	Rules
Definitions	Program Overview	Statistics
Eligibility Requirements		

Lemon Law brochure: http://dmv.vermont.gov/sites/dmv/files/pdf/DMV-LemonLaw_Brochure.pdf

The Arbitration program, established in 1984, provides consumers with a forum through which to resolve warranty problem(s) **with motor vehicles** pursuant to **Sections 4170-4181 of 9 V.S.A.**

A consumer may file a **Demand for Arbitration** to request a hearing after demonstration of reasonable repair, which is usually three unsuccessful attempts or thirty cumulative calendar days out of service within the **manufacturer's express warranty**. At least the first repair for a "three-times-out" claim must occur within the express warranty. A repair order reflecting "no problem found," "no repair made," "condition characteristic," or similar language for the claimed condition is considered a repair attempt by the consumer presenting the vehicle for a defect(s)/condition(s).

The final repair attempt provides an opportunity for the manufacturer to assess and repair the claimed defect(s) to the consumer's satisfaction prior to hearing. The consumer may withdraw from the arbitration process if the repair is acceptable, but would retain the option to request a hearing if the condition recurs, as long as the vehicle is still within the manufacturer's express warranty.

The final repair opportunity is applicable for the three-times-out and 30-days out-of-service filing methods.

If the consumer is not satisfied with the vehicle after the final repair attempt and continues to hearing, he/she must convince the Board the defect(s)/condition(s) substantially impairs the vehicle's use, market value or safety (as of the date of filing). The consumer may continue to hearing even if the claimed condition appears to be fixed. The Board would then weigh the reason(s) for dissatisfaction.

There are five Motor Vehicle Arbitration Board members and three alternates appointed by the Governor for a three-year term. Each may be appointed for additional three-year terms twice. "One member of the board and one alternate shall be new car dealers in Vermont, one member and one alternate shall be persons active as automobile technicians, and three members and one alternate shall be persons having no direct involvement in the design, manufacture, distribution, sales or service of motor vehicles or their parts." (9 V.S.A. Section 4174)

Hearings are usually held monthly. Demands will not proceed to hearing if they are resolved by settlement, acceptance of the final repair attempt, administrative dismissal or other disposition.

The Board has authority to order:

1. a pro-rated refund based on a statutory formula with guidelines for reimbursement of fees, incidental and consequential damages, and purchase and use tax;
2. a comparable new replacement vehicle;
3. a judgment in favor of the manufacturer; or
4. a dismissal.

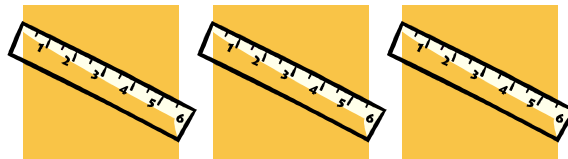
3. Lemon Law - 9 V.S.A. §§ 4170 – 4181



<http://www.leg.state.vt.us/statutes/sections.cfm?Title=09&Chapter=115>

- Legislative intent § 4170
- Definitions § 4171
- Enforcement of warranties § 4172
- Procedure to obtain refund or replacement § 4173
- Vermont motor vehicle arbitration board § 4174
- Fees and costs § 4175
- Appeal from board § 4176
- Unfair and deceptive acts and practices § 4177
- Limitations § 4178
- Effective date; limitations § 4179
- Notification to consumers § 4180
- Sale of defective motor vehicles § 4181

4. Board Rules



<http://dmv.vermont.gov/safety/laws/lemonlaw#BoardRules>

5. Notice to Consumer



http://dmv.vermont.gov/sites/dmv/files/pdf/DMV-LemonLaw_Notice_To_Consumer.pdf



6. Eligibility Criteria

- The vehicle was purchased or leased in Vermont or is registered in Vermont.
- At least the first repair attempt for the claimed defect(s) was covered by the manufacturer's express warranty for a "three-times-out" claim. Additional repair orders may occur after the warranty expires by time or mileage and will be considered towards demonstration of reasonable repair if the Demand is filed within the statute of limitations. The defect(s)/condition(s) was present as of the date of filing/signing the Demand for a "three-times-out" claim.
- All repair orders were completed within the manufacturer's express warranty for a "30-days-out-of-service" claim. A symptom does not have to be present on the day of filing/signing the Demand.
- The gross vehicle weight rating (GVWR) for a truck does not exceed 12,000 pounds. Refer to the GVWR (rating) label on the inside edge of driver's door or obtain from manufacturer or dealer documentation.
- A business or commercial enterprise may have a maximum of two registered or leased vehicles.
- Vehicles within a government entity are not covered under Vermont's lemon law.
- A vehicle finance account or lease payments must be current as of the date of the hearing.
- A consumer may not proceed through the State of Vermont arbitration if the manufacturer's dispute settlement mechanism is elected. This third-party option is usually referenced in the owner's manual.
- A Demand for Arbitration must be filed within one year after expiration of the manufacturer's express warranty by time or mileage, whichever occurs first.
- There are additional jurisdictional items which impact eligibility and depend on case circumstances.

7. Demand for Arbitration

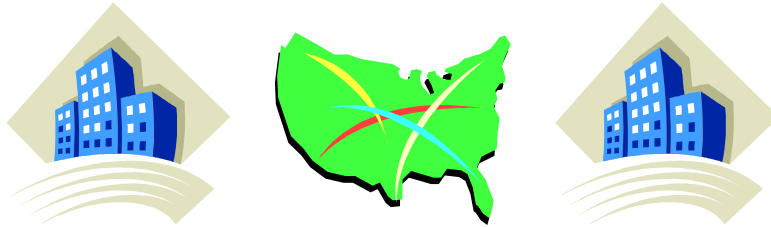


A link to the most recent Demand and instructions follows and may be used when printing for dealer distribution with Notice to Consumer and a stamped zone envelope. The manufacturer is responsible for notification to consumer per § 4180 of 9 V.S.A.

http://dmv.vermont.gov/sites/dmv/files/pdf/DMV-VN219-Demand_For_Arbitration.pdf

http://dmv.vermont.gov/sites/dmv/files/pdf/DMV-LemonLaw_Filing_Instructions.pdf

8. Manufacturer Zone Offices



http://dmv.vermont.gov/sites/dmv/files/pdf/DMV-LemonLaw_Manufacturer_Offices.pdf

9. Case Acceptance Letter



<http://dmv.vermont.gov/sites/dmv/files/pdf/Case%20Acceptance%20Letter%20with%20standardized%20heading%20-%20208-11.pdf>

10. Final Repair



<http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=09&Chapter=115&Section=04173>

9 V.S.A. 4173(d) Within the 45-day period set forth in subsection (c) of this section but at least five days prior to hearing, the manufacturer shall have one final opportunity to correct and repair the defect which the consumer claims entitles him or her to a refund or replacement vehicle. Any right to a final repair attempt is waived if the manufacturer does not complete it at least five days prior to hearing. If the consumer is satisfied with the corrective work done by the manufacturer or his delegate, the arbitration proceedings shall be terminated without prejudice to the consumer's right to request arbitration be recommenced if the repair proves unsatisfactory for the duration of the express warranty.

The final repair attempt provides an opportunity for the manufacturer to assess and repair the claimed defect(s) (Filing Method A – “three times out”) to the consumer's satisfaction prior to hearing. The evaluation can also assist the manufacturer in deciding whether settlement is a resolution option.

A final repair is applicable for a “30-days out of service” claim (Filing Method B). The defect with this filing method is the repair history within the timeframe out of service. There may or may not be a current symptom as of the date of filing/signing the Demand.

If the consumer is not satisfied with the vehicle after the final repair attempt and continues to hearing, he/she must convince the Board that the defect(s)/condition(s) substantially impairs the vehicle's use, market value or safety (as of the date of filing the Demand). The consumer may continue to hearing even if the claimed condition appears to be fixed. The Board would weigh the consumer's reason(s) for dissatisfaction.

Please contact the arbitration office in writing if the consumer does not cooperate with final repair arrangements despite your explanation of the manufacturer's legal right for the opportunity.

11. Manufacturer's Response Form



The response document is supplied with the hearing notice or may be accessed from http://dmv.vermont.gov/sites/dmv/files/pdf/DMV-LemonLaw_Manufacturer_Resonse.pdf.

- If the no-defense option is selected and a refund is offered, complete the on-line retail or lease worksheet within **Forms & Informational Materials**, discuss with consumer for concurrence and attach to the response form before processing the buyback.
- If the case will be defended, complete the form as applicable and include a witness list where indicated. It is recommended a technical expert, familiar with the subject vehicle, be present.
- File six copies of the response form with the Board office AND send one copy to the consumer to be received within five days prior to hearing (Board Rule 5). The sets should be assembled by clip or staple.
- Any evidence as technical service bulletins or special service statements supporting your position must be filed within 3 days pre-hearing (Board Rule 9).

12. Settlement protocol



- A copy of the written terms, with signatures of both parties, of any settlement agreement should be provided via one of the following contact methods to be received by the Board office several days prior to hearing.

E-mail: DMV-LemonLaw@state.vt.us
Mail: Motor Vehicle Arbitration Board
120 State Street
Montpelier, VT 05603-0001
Fax: **802-828-2092**

- The vehicle refund worksheet for purchased and leased vehicles may be used as a template for negotiations and may be accessed from **Forms & Informational Materials**.
- A timeframe for completing the settlement transaction should be included in the agreement.

- Return the title to the Department of Motor Vehicles for branding if a refund or replacement settlement is negotiated per 9 V.S.A. § 4181. Sale of defective motor vehicles:

Any manufacturer, its agent or authorized dealer who attempts to resell a motor vehicle after final determination, adjudication or settlement, pursuant to the provisions of this chapter or after final determination, adjudication or settlement under similar laws of any other state shall apprise prospective buyers in Vermont by means of a clearly visible window sticker and such manufacturers are prohibited from reselling in Vermont any vehicle determined or adjudicated as having a serious safety defect. Notice that a vehicle has been returned pursuant to such law shall also be conspicuously printed on the motor vehicle certificate of title. (Added 1983, No. 211 (Adj. Sess.), § 1.)

The title will be reissued in the manufacturer's name a no charge, branded and returned.

13. Refund Worksheet for Purchased Vehicle



http://dmv.vermont.gov/sites/dmv/files/pdf/DMV-LemonLaw_Sample_Refund_Worksheet.pdf

14. Refund Worksheet for Leased Vehicle



http://dmv.vermont.gov/sites/dmv/files/pdf/DMV-LemonLaw_Sample_Lessee_Wrksht.pdf

15. Tentative Hearing Schedule

http://dmv.vermont.gov/sites/dmv/files/pdf/DMV-LemonLaw_Hearing_Sched_2011.pdf

16. Hearing Notice



- The Hearing Notice is e-mailed or faxed approximately two weeks prior to hearing and is accompanied by pre-hearing information as parties' responsibilities, the manufacturer's response form, hearing protocol and a map with parking directions.

17. Hearing Protocol



<http://dmv.vermont.gov/sites/dmv/files/pdf/Hearing%20Protocol%20with%20standardized%20heading%208-11.pdf>

18. Order transmittal letter



- The letter Includes order compliance criteria and options as reconsideration and appeal provisions.

http://dmv.vermont.gov/sites/dmv/files/pdf/DMV-LemonLaw_Order_Transmittal_Letter.pdf

19. Resale + Title branding



- Submit the title to the Vermont Department of Motor Vehicles per Board order or refund/replacement settlement notice.

- Sale of defective motor vehicles: § 4181 of 9 V.S.A.

<http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=09&Chapter=115&Section=04181>

- The title will be reissued in the manufacturer's name at no charge and branded.

23 V.S.A. 2018 (f) If a vehicle has been returned to the manufacturer after final determination, adjudication or settlement pursuant to the provisions of chapter 115 of Title 9 or after final determination, adjudication or settlement under similar laws of any other state, any certificate of title for the vehicle shall contain the following legend: "This vehicle was returned to the manufacturer pursuant to motor vehicle arbitration board, or similar proceedings, 9 V.S.A. § 4181." (Added 1969, No. 297 (Adj. Sess.), § 1, eff. Sept. 1, 1971; amended 1983, No. 60, § 5; 1983, No. 141 (Adj. Sess.), § 2, eff. Jan. 1, 1985; 1999, No. 18, § 34, eff. May 13, 1999.)

<http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=23&Chapter=021&Section=02018>

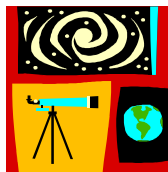
20. Statistics + Details



- Access fiscal year trends, case disposition details and activity summaries from

http://dmv.vermont.gov/dmv_info/statistics .

21. Wish List



Recognizing manufacturers have limited authority over a dealer's recordkeeping practices:

- Encourage dealer completion of repair orders with in/out mileage, dates, reason presented and action, if any, to meet "fully itemized statement" for each visit.
- Encourage dealers to enter "W" or "warranty" instead of N/C (no charge) and W-ESP if the applicable warranty is an optional extended warranty.
- Recommend any rebate, customer cash, credit and similar items be identified on the purchase contract including negative equity.

9 V.S.A. § 4172

(d) A manufacturer, its agent or authorized dealer shall not refuse to provide a consumer with a written repair order and shall provide to the consumer each time the consumer's vehicle is brought in for examination or repair of a defect, a written summary of the complaint and a fully itemized statement indicating all work performed on the vehicle including, but not limited to, examination of the vehicle, parts and labor.

