

Magnusson-Moss Warranty Act

Description:

Title I of this Act authorizes the FTC to develop regulations for written and implied warranties. The Act directs the Commission to establish disclosure and designation standards for written warranties, specifies standards for full warranties, and establishes consumer remedies for breach of warranty or service contract obligations.

Dealer Relevancy:

- The FTC “As Is” Buyer’s Guide (required by the Used Car Rule) does not serve as a written warranty. The Buyer’s Guide tells the customer whether or not a warranty is offered.
- Any warranties offered must be written, must be titled as either “full” or “limited”, and must clearly state what is covered and what is not, the period of coverage, action you will take to correct problems, how the customer can obtain warranty service, and how state law affects your customer’s rights.
- Written warranties must be available to consumers before they buy. If the sale occurs online, the warranty must be readily available online.
- Tie-in sales provisions are generally prohibited.
- Deceptive warranties are prohibited.
- The Act makes breach of warranty a violation of federal law, and enables consumers to recover attorneys’ fees.
- The Act does not address warranty advertising. However, deceptive warranty advertising would be considered a violation of the Unfair and Deceptive Acts or Practices section of the FTC Act and a violation of Oklahoma UDAP rules.

Warranty Act



Covered entities:

All dealers

Rulemaking Authority:

FTC