

Magnuson-Moss Warranty Act

The Magnuson-Moss Warranty - Federal Trade Commission Improvement Act of 1975, protects consumers from being wrongfully denied warranty coverage by new car dealers.

The Magnuson-Moss Warranty Act states, in part, in Title 15, United States Code, Section 2302, subdivision (c): No warrantor of a consumer product may condition his written or implied warranty of such product on the consumer's using, in connection with such product, any article or service (other than article or service provided without charge under the terms of the warranty) which is identified by brand, trade, or corporate name; except that the prohibition of this subsection may be waived by the [Federal Trade] Commission if —

(1) the warrantor satisfies the Commission that the warranted product will function properly only if the article or service so identified is used in connection with the warranted product, and

(2) the Commission finds that such a waiver is in the public interest. The Commission shall identify in the Federal Register, and permit public comment on, all applications for waiver of the prohibition of this subsection, and shall publish in the Federal Register its disposition of any such application, including the reasons therefore.

Under this federal statute, a manufacturer who issues a warranty on your motor vehicle is prohibited from requiring you to use a service or maintenance item, unless such item is provided, free of charge, under your warranty or unless the Federal Trade Commission (FTC) waives this prohibition against the manufacturer.

Further, under the act, aftermarket equipment that improves performance does not automatically void a vehicle manufacturer's original warranty, unless the warranty clearly states the addition of aftermarket equipment automatically voids your vehicle's warranty, or if it can be proven that the aftermarket device is the direct cause of the failure.

Specifically, the rules and regulations adopted by the FTC to govern the interpretation and enforcement of the Magnuson-Moss Warranty Act are set forth in the Code of Federal Regulations, Title 16 - Commercial Practices, Chapter I - Federal Trade Commission, Subchapter G - Rules, Regulations, Statements and Interpretations under the Magnuson-Moss Warranty Act, Part 700 - Interpretations under the Magnuson-Moss Warranty Act. Contained within these rules and regulations is Section 700.10, which states:

No warrantor may condition the continued validity of a warranty on the use of only authorized repair service and/or authorized replacement parts for non-warranty service and maintenance. For example, provisions such as, "**This warranty is void if service is performed by anyone other than an authorized 'ABC' dealer and all replacement parts must be genuine 'ABC' parts,**" and the like, are prohibited where the service or parts are not covered by the warranty. These provisions violate the Act in two ways. First, they violate the section 102(c) ban against tying arrangements. Second, such provisions are deceptive under section 110 of the Act, because a warrantor cannot, as a matter of law, avoid liability under a written warranty where a defect is unrelated to the use by a consumer of

"unauthorized" articles or service. **This does not preclude a warrantor from expressly excluding liability for defects or damage caused by such "unauthorized" articles or service; nor does it preclude the warrantor from denying liability where the warrantor can demonstrate that the defect or damage was so caused.**

Under the Magnuson-Moss Act, a dealer must prove, not just vocalize, that aftermarket equipment caused the need for repairs before it can deny warranty coverage. If the dealer cannot prove such a claim — or it proffers a questionable explanation — it is your legal right to demand compliance with the warranty. The Federal Trade Commission administers the Magnuson-Moss Act and monitors compliance with warranty law.

That being said, if you choose to modify your car, and suddenly the fancy new electronic control boxes that you added to your car make it run rough, not start when cold, or buck like a bronco, the dealer can and will charge a diagnostic fee to find out what is wrong with your car. If it turns out that your modifications are the cause of the problem, the dealer has every right not only to charge you for the diagnosis and repair, but to also void the portion of the warranty that has been compromised by the use of those aftermarket parts. Likewise, a dealer may refuse to service your car if it is adorned with aftermarket parts to the extent that its technicians cannot reasonably be expected to diagnose what is wrong with your car. As an example, all cars manufactured after 1994 are equipped with OBDII (On Board Diagnostics II) ports that dealers use to read engine diagnostic codes for everything from an engine vacuum leak to a malfunctioning emissions system. If your chosen modification has compromised the dealer service center's ability to scan for these codes (aftermarket ECUs generally do not support OBDII), then there is a strong probability that the dealer service center will

- Deny warranty coverage
- Refuse to service the car
- Note with your factory field representative for your region/district that your car has been "modified"

Your car's manufacturer notes are your car's "permanent record." Above all else, avoid compromising these notes. This is nearly always connected with your vehicles' VIN (Vehicle Identification Number) and will

- Ensure that your car will not have its warranty honored at any dealer service center in your area.
- Dramatically reduce the resale and/or trade-in value of your car.