

Article - Commercial Law

[Previous][Next]

§14–2004.

(a) To the extent that §§ 2-313 through 2-318, inclusive, of this article apply to the purchase of a motor vehicle, the rights and remedies provided for in those sections shall apply to the lease of a motor vehicle and may be exercised by any lessee.

(b) If the warranty period is to include those miles of operation when the new motor vehicle is in the possession of any person other than the lessee, the manufacturer shall state that fact in 12 point boldface type in the manufacturer's written warranty.

(c) (1) (i) If a new motor vehicle does not conform to all applicable warranties during the warranty period, the lessee shall, during the warranty period, report the nonconformity, defect, or condition by giving written notice to the manufacturer, factory branch, or lessor by certified mail, return receipt requested.

(ii) Notice of this procedure shall be conspicuously disclosed to the lessee in writing at the time of lease of the motor vehicle.

(2) The lessee shall provide an opportunity for the manufacturer or factory branch, its agent or authorized dealer, or the lessor or the lessor's agent to cure the nonconformity, defect, or condition.

(3) The manufacturer or factory branch, its agent or its authorized dealer, or the lessor or the lessor's agent shall correct the nonconformity, defect, or condition at no charge to the lessee, even if repairs are made after the expiration of the warranty period.

(d) (1) (i) If, during the warranty period, the manufacturer or factory branch, its agent or authorized dealer, or the lessor or the lessor's agent is unable to repair or correct any nonconformity, defect, or condition that substantially impairs the use and market value of the motor vehicle to the lessee after a reasonable number of attempts, the manufacturer or factory branch, at the option of the lessee shall:

1. Replace the motor vehicle with a comparable motor vehicle acceptable to the lessee; or

2. Accept return of the motor vehicle from the lessee and refund to the lessee all moneys paid by the lessee to repair the defect, condition, or nonconformity pursuant to a lease, including all excise tax, license fees, registration fees, and any similar governmental charges, less a reasonable allowance for the lessee's unimpaired use of the vehicle; and

(ii) In the event a motor vehicle is replaced under paragraph (1)(i)1 of this subsection and provided that the lessee meets the lessor's then current credit criteria with respect to the lease, the lessor shall:

1. Transfer the title of the defective motor vehicle to the manufacturer;
2. Accept title to the comparable replacement motor vehicle;
3. Transfer possession of the comparable replacement motor vehicle to the lessee; and
4. Execute a lease agreement with the lessee with the same time period, terms, and conditions of the original lease.

(2) (i) In the event a manufacturer accepts return of a motor vehicle, under paragraph (1)(i)2 of this subsection, the lessee shall be compensated by the manufacturer for any moneys paid during the period in which the motor vehicle was not available due to the defect, condition, or nonconformity and the lessor shall be paid by the manufacturer all amounts due to the lessor under the terms of the lease.

(ii) This subsection shall be construed to provide a mechanism through which the lessee and the lessor shall be made whole for losses incurred as a result of a motor vehicle's nonconformity, defect, or condition, and actions taken to conform the motor vehicle to applicable warranties.

(3) If a manufacturer, factory branch, dealer, or lessor accepts return of a motor vehicle as described under paragraph (1)(i) of this subsection, the lessee may not be obligated to pay any penalties, early termination fees, or other charges as a consequence of the return of the motor vehicle.

(e) It shall be presumed that a reasonable number of attempts have been undertaken to conform a motor vehicle to the applicable warranties if:

(1) The same nonconformity, defect, or condition has been subject to repair 4 or more times by the manufacturer or factory branch, or its agents or authorized dealers, within the warranty period but such nonconformity, defect, or condition continues to exist;

(2) The motor vehicle is out of service by reason of repair of 1 or more nonconformities, defects, or conditions for a cumulative total of 30 or more days during the warranty period; or

(3) A nonconformity, defect, or condition resulting in failure of the braking or steering system has been subject to the same repair at least once within the warranty period, and the manufacturer has been notified and given the opportunity to cure the defect, and the repair does not bring the vehicle into compliance with the motor vehicle safety inspection laws of the State.

(f) The term of any warranty, the warranty period, and the 30-day out-of-service period shall be extended by any time during which repair services are not available to the lessee by reason of war, invasion, strike, or fire, flood, or other

natural disaster.

(g) If a motor vehicle is returned to a manufacturer or factory branch under subsection (d)(1)(i) of this section, the manufacturer or factory branch shall notify the Motor Vehicle Administration of the fact that the vehicle was returned under this subtitle as defective.

(h) If a motor vehicle that is returned under this subtitle is then made available for resale or subsequent lease, the seller or lessor shall disclose prior to sale or lease in writing in a clear and conspicuous manner, on a separate piece of paper in 10 point all capital type, to a lessee or buyer the material fact that this motor vehicle was returned to the manufacturer or factory branch, the nature of the defect which resulted in the return, and the condition of the motor vehicle at the time of resale or subsequent lease.

[Previous][Next]