

Appendix J

Sample Notices Triggering Self-Help Remedies

J.1 Sample Notice of Rejection or Revocation of Acceptance

[date]

[dealer]¹
[address]

[creditor]
[address]

Dear Sir/Madam:

I reject or revoke my acceptance [in the alternative, confirm my rejection or revocation of acceptance] of the 19_____ [make and model] I purchased from [dealer] on [date].

As you know, I have had many serious problems with the car. Specifically [itemize problems and defects]:²

[If applicable: Although I have returned the car to _____ [dealer] _____ [number] times on _____ [dates returned for repair], the defects have not been satisfactorily repaired. Because of such defects the car does not conform to the applicable warranties and/or other contract requirements and this nonconformity substantially impairs the car’s value to me.

[If applicable: Although I have returned the car to _____ [dealer] _____ [number] times on _____ [date] _____ [dealer] has refused to take back the car [and/or] return amounts paid by me for the car.]

As I have already informed you [on _____/many times], these problems have caused me great expense, inconvenience, and aggravation [describe in detail]:

Because I am cancelling the sale, I am entitled to a return of all money paid toward the purchase price, including;

[as applicable]

- \$ _____ down payment
- \$ _____ value of the car I traded in
- \$ _____ amount of payments I have paid
- \$ _____ cost of credit life insurance
- \$ _____ cost of credit property insurance
- \$ _____ finance charge
- \$ _____ [fees—specify]
- \$ _____ TOTAL

1 The advocate may want to send this letter to the manufacturer as well as the dealer. See § 8.3.8, *supra*.
 2 A rejection notice must identify the defects. Most courts have held that a notice of revocation of acceptance needs to identify the defects. See §§ 8.2.5.3, 8.3.6.3, *supra*. If the notice of revocation of acceptance identifies the defects, it is probably best to use language such as “include but are not limited to” in order to make it clear that the list is not exclusive.

[*If applicable*: I am also entitled to the following incidental and consequential damages: [itemize such items as storage costs, substitute transportation, costs of inspection, etc.]]

Under _____[*U.C.C. § 2-711(3)*] I have a security interest in the car for return of the total amount above, plus expenses in handling and inspecting the car.

[*ALTERNATIVE 1—if the buyer must continue to use the car*]:

Until you pay me this amount, I will hold the car and use it to the extent necessary to preserve it, to protect my security interest, and to minimize your damages. Moreover, I need return of the money I paid you before I can buy a substitute.

Any attempt by you or your agents to repossess the car will be wrongful and will subject you to liability for conversion and for wrongful repossession under _____ [*U.C.C. §§ 9-503 and 9-507*].

[*ALTERNATIVE 2—if the buyer is returning the car to the dealer*]:

I am returning the car to [dealer] and demand the return of my \$ _____ at this time.

[*ALTERNATIVE 3—if the car is inoperable or cannot be driven safely*]:

At this time, due to the above-described defects, the car is inoperable [*in the alternative: cannot be safely driven*]. It is parked at [address] and you may pick it up at [*specify times/dates/at any time*].

[*ALTERNATIVE 4—if the buyer plans to sell the car. Caution: Read § 8.4.5, infra carefully before considering this alternative*]:

I will hold the car for ten days until [date], after which time, if you do not pay me this amount [*if applicable*: and return any outstanding instrument], I will sell the car at a private sale [*in the alternative*: a public sale to be held on [date and time] at [address]].

Any attempt by you or your agents to repossess the car will be wrongful and will subject you to liability for conversion and for wrongful repossession under [*U.C.C. §§ 9-503 and 9-507*].

[*FOR ALL FOUR ALTERNATIVES*]

If the seller [*or, if applicable, the assignee, or any creditor subject to the FTC Holder Rule*] [has/have] filed a financing statement covering the goods, I demand, pursuant to [*U.C.C. § 9-404*], that you file a termination statement within ten days to terminate your security interest and send me a copy at my attorney's address below. Because I have rejected or revoked my acceptance, there is no outstanding secured obligation. If you do not file a termination statement within ten days and cooperate in removing the lien, you will be liable under [*U.C.C. § 9-404(1)*] in the amount of \$100 plus any loss caused me by your failure. Further, as I am rightfully revoking acceptance, I am not in default and any report by you to any credit reporting agency that I am in default will be considered wrongful.

If you have any further questions, please feel free to call my attorney, [name and address] at [telephone number]. If my attorney has not heard from you by [date], I will assume that you are refusing to comply with my rejection/revocation of acceptance and I will proceed accordingly to pursue my legal remedies.

Sincerely,

[Buyer]

Attorney for [Buyer]