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April 21, 2009

Mr. Tim Geithner, Treasury Secretary
Presidential Task Force on the Automotive Industry
U.S. Department of Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

RE: New Vehicle Warranty Commitment Program

Dear Mr. Geithner:

The International Association of Lemon Law Administrators (IALLA), established in 1997, is comprised of government officials who administer and enforce our states' new motor vehicle lemon laws. The laws, enacted in all 50 states, afford minimum protections for consumers who acquire chronically defective new motor vehicles. IALLA's mission on behalf of its member agencies is, in part, to:

- Ensure an honest, safe, and informed marketplace.
- Protect the rights of consumers who buy motor vehicles, including the right to receive a refund or replacement vehicle if a warrantor cannot conform a new motor vehicle to the warranty within a reasonable number of attempts.


In most of our members' states, the manufacturer or dealer is required to provide the consumer with a lemon law rights statement at the time of sale. Most state lemon laws also require manufacturers to disclose lemon law information in their warranties.

It is with this backdrop that we write to you today regarding the New Vehicle Warranty Commitment Program made available this month to consumers who purchase new General Motors or Chrysler vehicles. Stories and information about the Program, including the President's March 30, 2009 speech, refer to the government financing the companies' cost to repair the covered vehicles, without mentioning coverage of lemon law claims in the event the defect cannot be corrected.

IALLA is requesting clarification whether lemon law claims are covered by the Program. If they are not, state agencies that enforce their lemon laws, unfair or deceptive acts or practices (UDAP) laws and other consumer protection laws will need to take the appropriate actions to ensure GM and Chrysler consumers are not misled or deceived about lemon law protections that may cease to exist.

Given the urgency of this matter, your immediate reply is requested.

Sincerely,


Carol Roberts
Executive Director

cc: Ron Bloom, Task Force Senior Advisor
Fritz Henderson, CEO, General Motors
Robert Nardelli, CEO, Chrysler

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