

Texas Lemon Law





Greetings:

Since the inception of the Texas Lemon Law in 1983, it has continued to help consumers who buy or lease new motor vehicles with defects and who have repeated problems getting those vehicles properly repaired. From 1988 to 2005 there have been 15,440 complaints filed. It is estimated that since 1993 the Lemon Law has generated over 83.5 million dollars in relief to Texas consumers.

The 2005 report, which is the fourteenth annual report published on the Lemon Law, includes information on the program results, geographic distribution of complaints filed, defects reported, complaints filed and closed, complaint processing times, settlements and vehicles ordered repurchased or replaced.

Since the Lemon Law was enacted, several amendments have been made to the law by the Texas Legislature and several rules have been adopted by the various rulemaking authorities. The 1991 amendments to the law included increasing the time to file a complaint from 18 months to 30 months, expanding the relief to include incidental expenses and adding a disclosure requirement for reacquired vehicles. In 1997, the Legislature expanded the law by adding towable recreational vehicles (TRVs). This made Texas the first state to include TRVs in its Lemon Law.

In 1998, the Lemon Law Rules were amended to require that a label be affixed to the windshield of reacquired vehicles. In 2000, the disclosure requirement was expanded to include vehicles reacquired as a result of settlements and lemon vehicles transferred to Texas for resale. In an effort to hinder what is known in the industry as "lemon laundering" or "title washing" and facilitate the enforcement of the disclosure requirements, the Lemon Law Rules were amended to require that a manufacturer, distributor or convertor re-title a vehicle reacquired in Texas as well as vehicles reacquired in another state and transferred to Texas for resale. In 2004 hearings by written submission or by telephone were authorized.

The Motor Vehicle Division (MVD) is updating its database into an integrated system and developing automated database applications to provide improved access by the staff and public. The new system will include Web publishing, electronic commerce and document imaging. Electronic commerce will include filing Lemon Law complaints online.

The customer satisfaction survey results, which have been added to the report this year, continue to indicate that the vast majority of Texas citizens who have used the Lemon Law consider it to be an effective remedy in resolving a complaint involving a problem vehicle. Feel free to contact the MVD staff to suggest improvements in the program.

Sincerely,

Brett Bray
Director
Motor Vehicle Division

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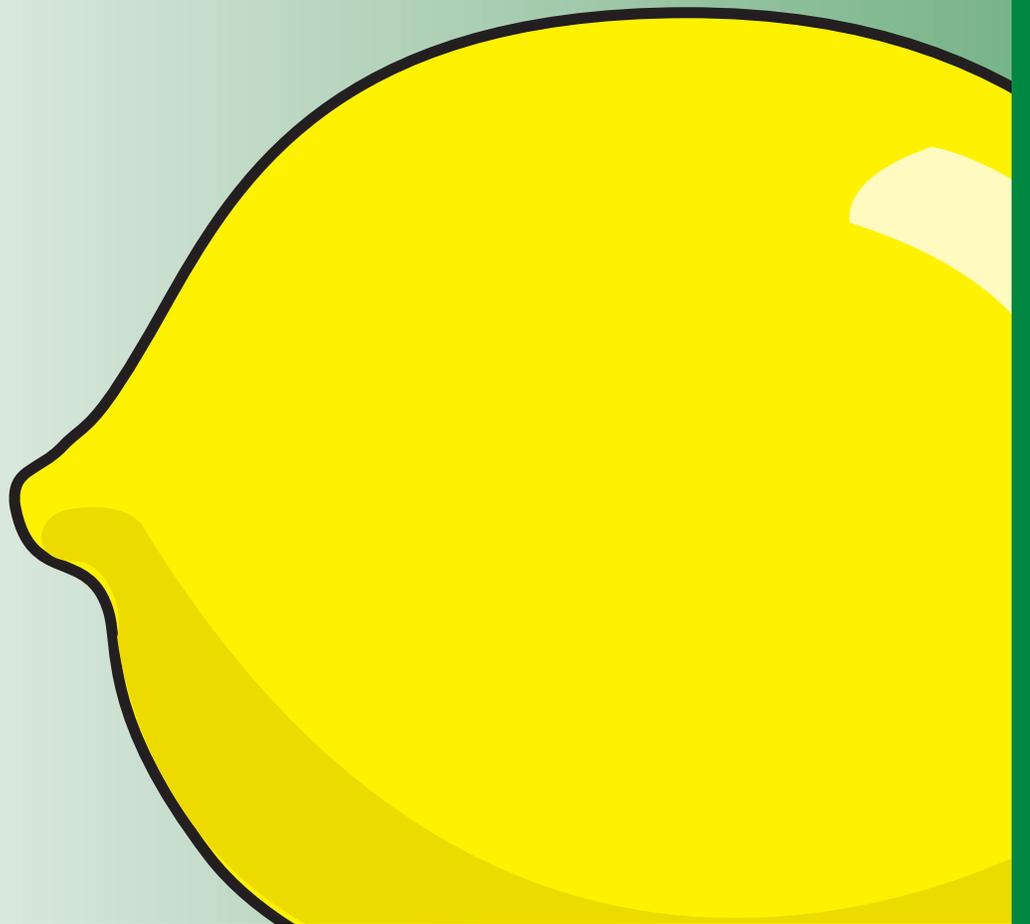
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VEHICLES COVERED





VEHICLES COVERED



PASSENGER CARS



**LIGHT TRUCKS
INCLUDES MINI-VANS AND
SPORT UTILITY VEHICLES**



**MOTORCYCLES
(MC)**



**ALL TERRAIN VEHICLES
(ATV)**



MOPEDS



**MOTOR HOMES
(MH)**



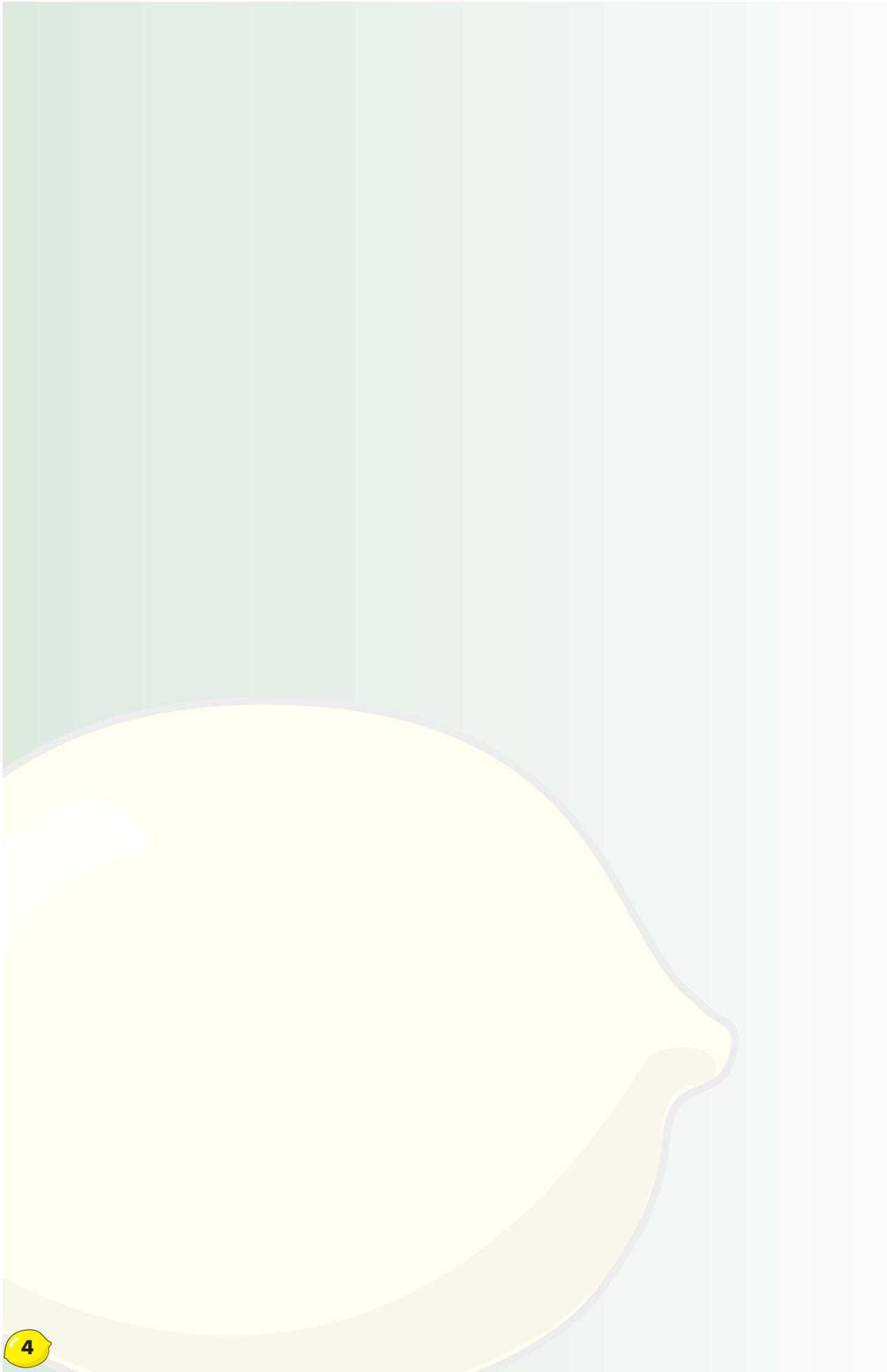
**TOWABLE RECREATIONAL
VEHICLES
(TRV)**



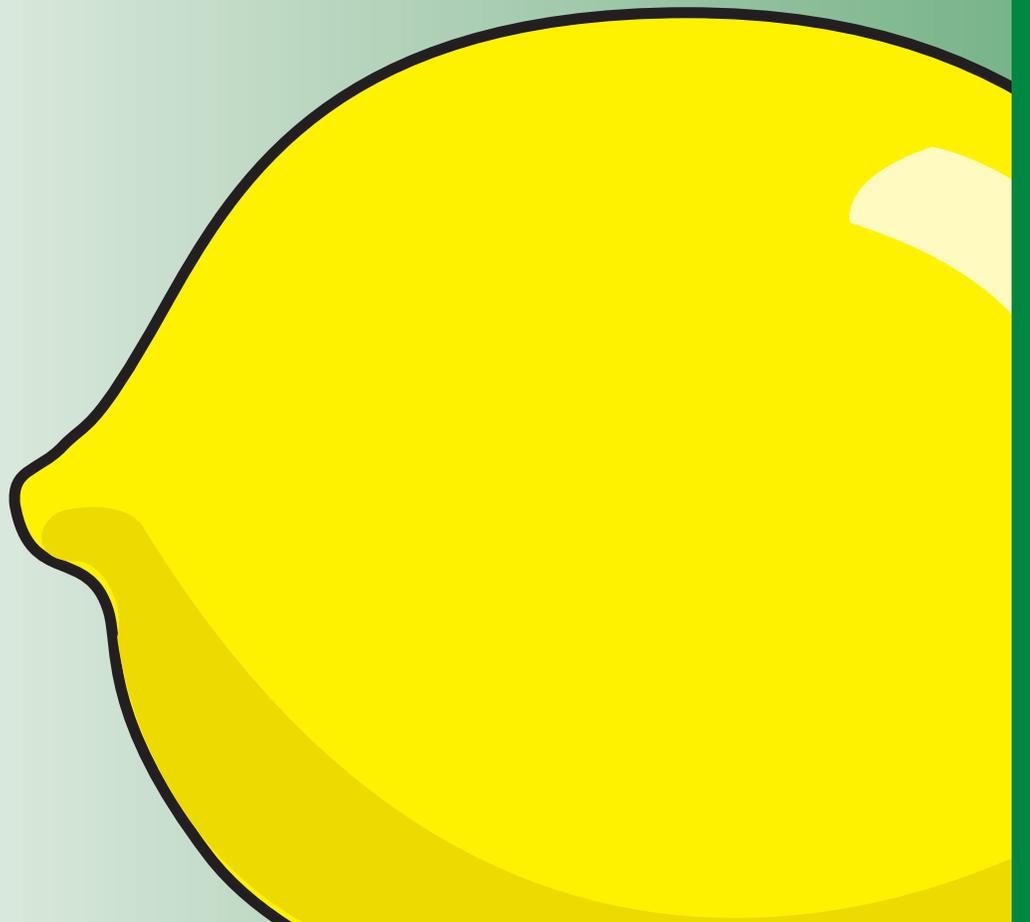
**MEDIUM TRUCKS
(MT)**



**HEAVY TRUCKS
(HT)**



**INTRODUCTION TO
THE PROGRAM
RESULTS FOR
CY 2005**





INTRODUCTION TO THE PROGRAM RESULTS FOR CY 2005

The report includes text and charts to illustrate the resolution of 744 complaints during 2005. Of the complaints processed in Calendar Year 2005 (CY '05), 329 were carried over from the end of CY '04 and 707 were complaints that were received in CY '05. Chart A shows an overview of the program results for CY '05 along with the previous two years' results for comparison.

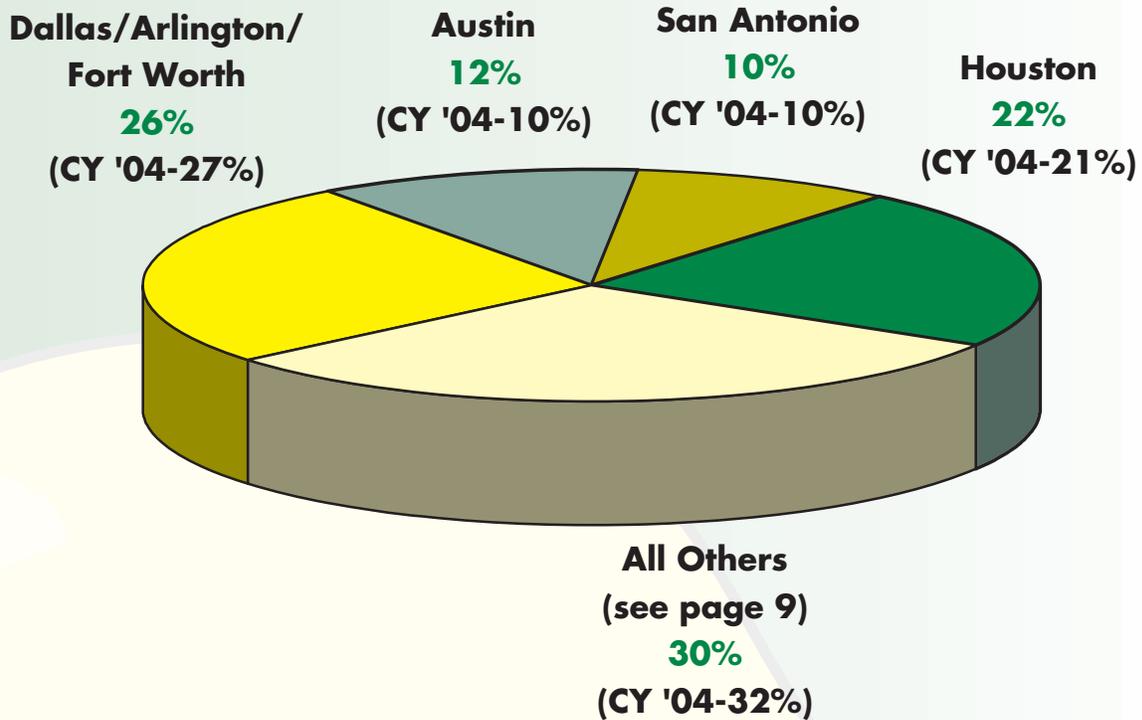
Most complaints involve passenger cars and light trucks; however, complaints were received on all terrain vehicles, medium trucks, heavy trucks, motorcycles, motor homes and towable recreational vehicles. Prices of the vehicles complained against ranged from a few thousand dollars to five hundred and fifty thousand dollars for a luxury motor home.

CHART A SUMMARY OF PROGRAM RESULTS

	CY '03	CY '04	CY '05
Complaints Filed	867	771	707
Complaints Closed	953	795	744
Mediation Inspections	75	100	57
Prehearing Settlements	441	363	322
Hearings Scheduled	676	546	566
Final Orders (Hearings Held)	172	146	152
Repurchase/Replacement Orders	46	32	41
Manufacturer Reacquired Vehicles	326	232	336

Chart B shows the geographic distribution of complaints filed by major metropolitan area. For consumers residing outside these areas, their complaints are included with a nearby metropolitan area. The hearings are held primarily at Texas Department of Transportation offices. For comparison purposes, the CY '04 distributions are also provided.

CHART B GEOGRAPHIC DISTRIBUTION OF COMPLAINTS FILED BY METROPOLITAN AREA

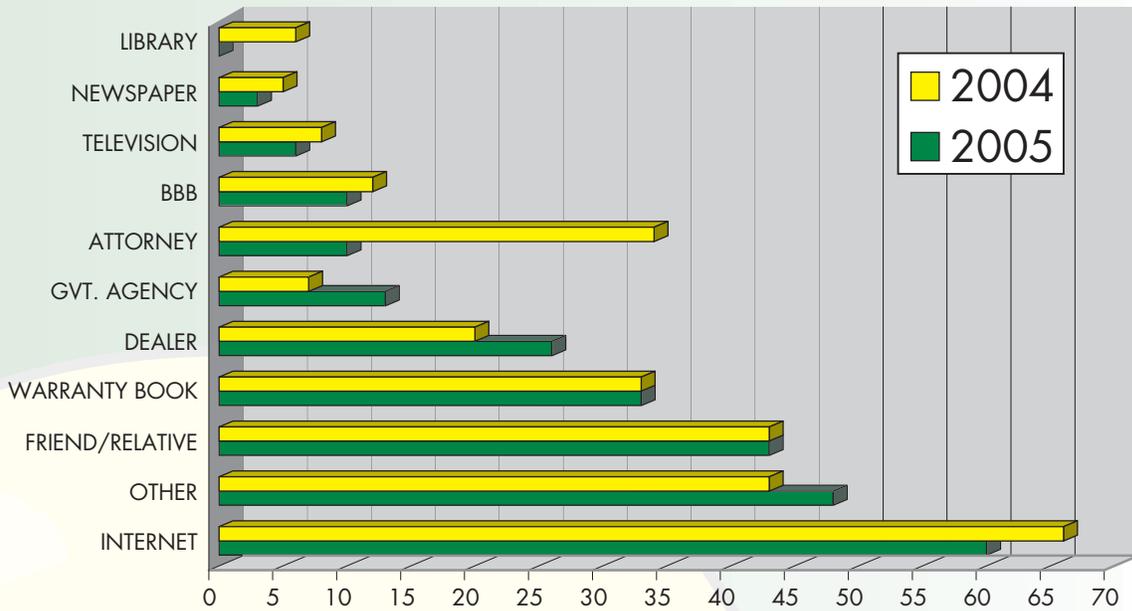


ALL OTHERS INCLUDE:

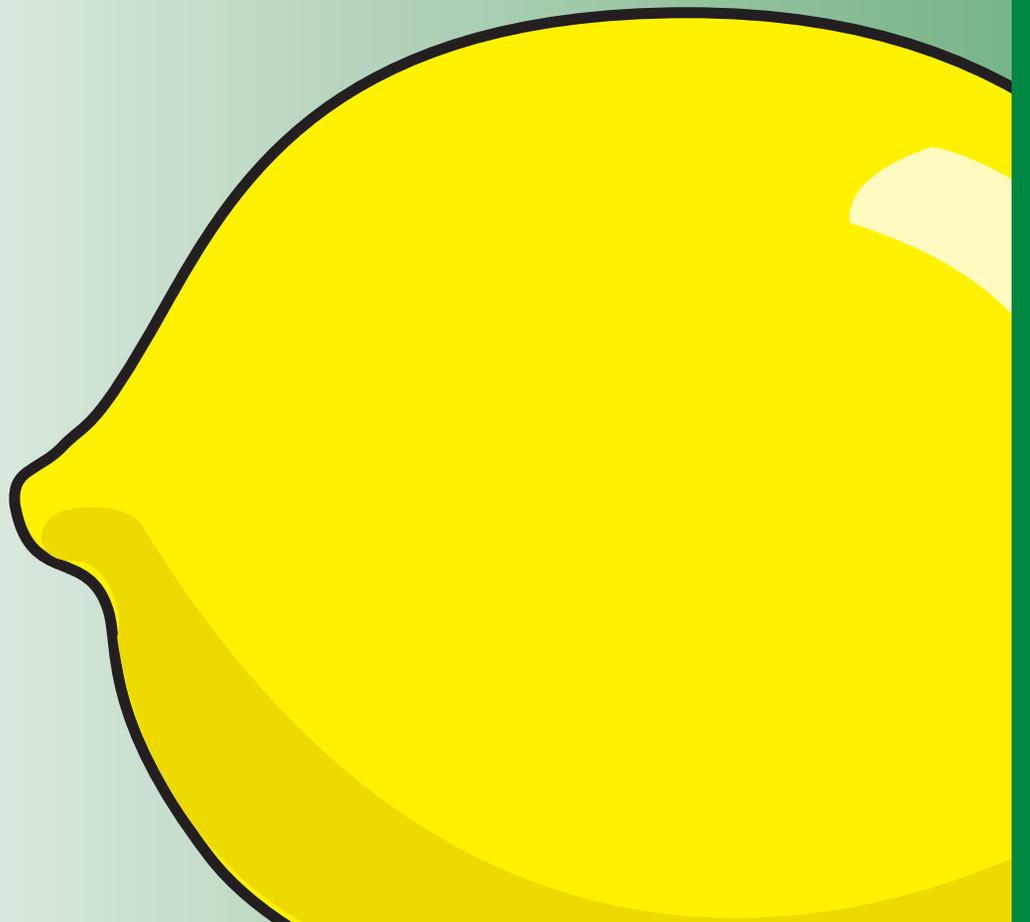
.99% Abilene	.99% Lufkin
.99% Amarillo	2.97% McAllen
.14% Atlanta/Texarkana	.28% Midland
.99% Beaumont/Port Arthur/Orange	.99% Odessa
.71% Brenham	.57% Paris
1.13% Brownsville	1.56% Pharr
1.41% Bryan/College Station/Huntsville	.99% San Angelo
2.55% Corpus Christi	3.54% Tyler
2.69% El Paso	.42% Victoria
.99% Laredo	2.83% Waco/Killeen/Temple
.85% Longview	.28% Wichita Falls
1.41% Lubbock	.14% Yoakum

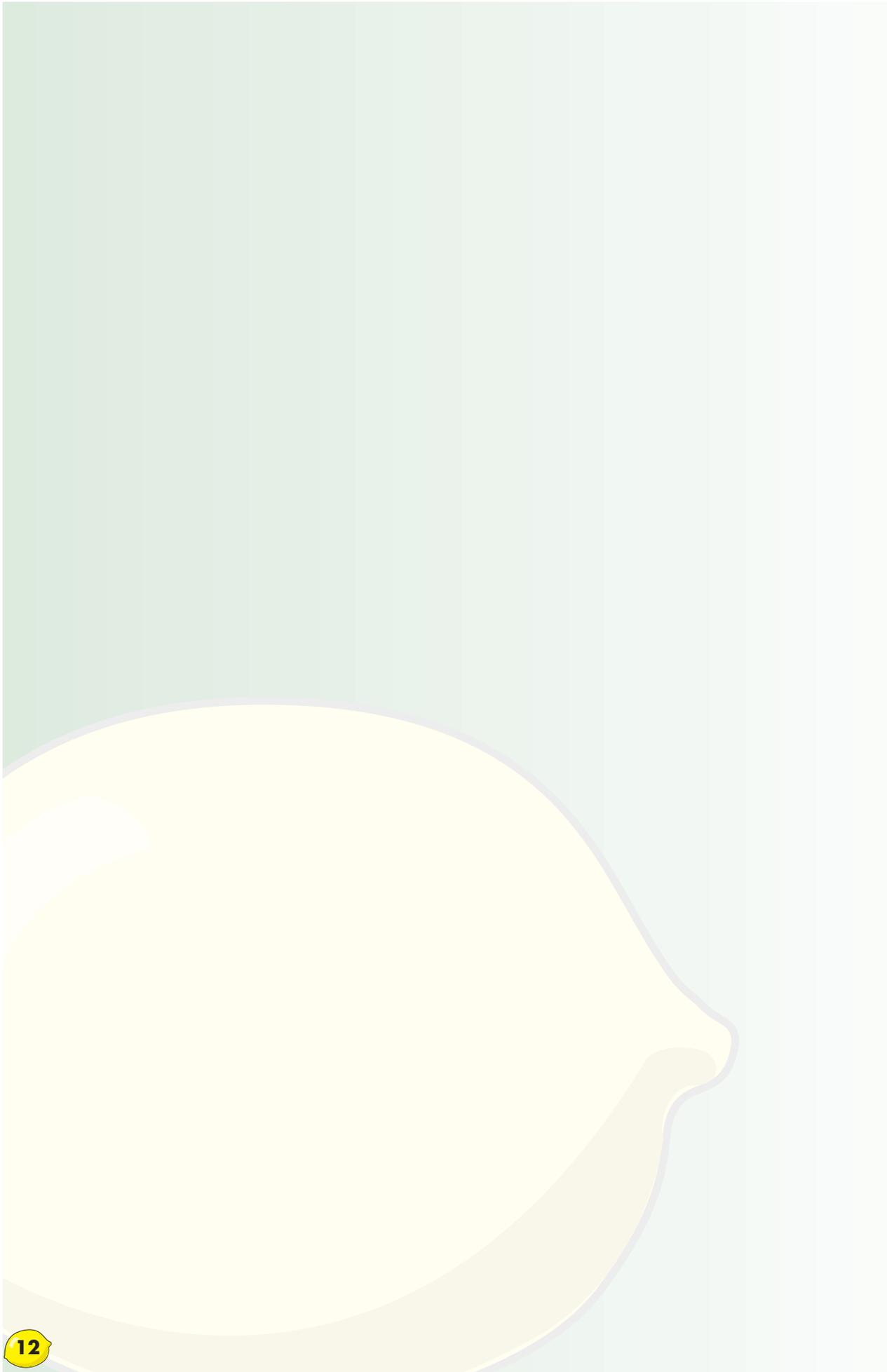
Chart C lists the different ways consumers hear about the Lemon Law. For the last three years, survey results indicate the predominate source of Lemon Law information for consumers has been the Internet. Out of 657 surveys that were mailed to consumers in CY '05, 37 percent of them were returned, compared to 35 percent in CY '04. The numbers below come from the percentage of returned surveys that were received.

**CHART C
HOW CONSUMERS HEAR ABOUT
THE LEMON LAW**



COMPLAINT PROCESS





COMPLAINT PROCESS

PROVISIONS OF THE TEXAS LEMON LAW

According to Chapter 2301 of the Occupations Code:

Subchapter M provides **new** motor vehicle owners, lessors or lessees, who purchase or lease their vehicles from licensees of the Motor Vehicle Division, a forum to air complaints about vehicles that they have been unable to have repaired under warranty. Depending on the circumstances, a consumer can seek repurchase or replacement of the vehicle by the manufacturer, converter or distributor under the Lemon Law. A \$35.00 filing fee is required.

Section 2301.204 provides repair relief to motor vehicle owners whose vehicles do not qualify for repurchase or replacement according to Subchapter M.

For buyers of **used** vehicles or new vehicles purchased or leased from non-licensees of the Motor Vehicle Division, available relief is limited to repairs only under Section 2301.204.

ENFORCEMENT OF THE TEXAS LEMON LAW

The Motor Vehicle Division of the Texas Department of Transportation, specifically the Consumer Affairs Section, is responsible for enforcement of the Texas Lemon Law. Chart D describes the complaint process and time span which may vary depending on the case. A resolution of the complaint may be reached at any stage in the process.

CHART D

COMPLAINT PROCESS AND TIME SPAN

1. RECEIPT OF COMPLAINT:

A consumer files a written complaint with the Motor Vehicle Division and may submit a \$35.00 filing fee if the vehicle meets eligibility for filing under Subchapter M.

2. 10 DAYS FROM RECEIPT OF COMPLAINT:

The Motor Vehicle Division notifies the vehicle manufacturer, the selling dealer and the servicing dealers of receipt of the complaint.

3. 35 DAYS FROM RECEIPT OF COMPLAINT:

The Case Advisors attempt to resolve the complaint through mediation. A mediation inspection may be scheduled.

4. 90 DAYS FROM RECEIPT OF COMPLAINT:

The Administrative Law Judge schedules and conducts a hearing on the complaint.

5. 135 DAYS FROM RECEIPT OF COMPLAINT:

The Administrative Law Judge issues a Decision and Final Order.

6. 150 DAYS FROM RECEIPT OF COMPLAINT:

If a party does not agree with the Administrative Law Judge's Decision and Final Order, a Motion for Rehearing may be filed with the Director of the Motor Vehicle Division.

7. 165 DAYS FROM RECEIPT OF COMPLAINT:

The Director rules on the Motion for Rehearing.

8. CLOSE COMPLAINT:

Parties may still file an appeal in the District Court in Travis County.

RESPONSIBILITIES OF THE CASE ADVISORS

Before a hearing is scheduled: When a complaint is received, it is evaluated by a Case Advisor who is ASE certified to determine whether the consumer is eligible for relief. After determining that a complaint meets the jurisdictional requirements of either Subchapter M or Section 2301.204, the Case Advisor serves as a liaison between the consumer and representatives of the manufacturer and dealer. Often, their assistance results in resolution of complaints soon after filing.

After a hearing is scheduled: The Case Advisor contacts consumers prior to a hearing to review the hearing procedures and to answer any questions that may arise. The Case Advisor furnishes information concerning the proof requirements of the Lemon Law described in the consumer handbook and the "Consumer's Guide to the Texas Lemon Law" video.

VEHICLE INSPECTION PROGRAM

The vehicle inspections are conducted by ASE certified inspectors in an attempt to resolve complaints earlier in the process without the need for a hearing. Generally, inspections are performed at authorized dealerships near the consumer so that diagnostic equipment is readily available. The Motor Vehicle Division's inspector analyzes the facts based on the inspection of the vehicle and the evidence that the consumer could prove, should a hearing be required. Very often, the parties (consumer, consumer's representatives and manufacturers' representatives) reach an agreement during the inspections to resolve the complaint. In CY '05, 57 inspections were conducted throughout the state. Of these complaints, 74 percent were resolved. Chart E shows the results.

CHART E MEDIATION INSPECTIONS

MANUFACTURER	2301.204 (repairs only)		Subchapter M (repurchase/replacement)	
	Held	Resolved	Held	Resolved
Big Dog	0	0	1	1
DaimlerChrysler	3	3	22	18
Ford	2	1	7	3
General Motors	2	2	6	4
Honda	0	0	3	2
Hyundai	1	1	0	0
Isuzu	1	0	0	0
Kawasaki	0	0	1	1
Mitsubishi	0	0	1	0
Nissan	0	0	3	2
Volkswagen	1	1	3	3
TOTALS	10	8	47	34
PERCENT RESOLVED	80%		72%	

HEARINGS

Administrative Law Judges travel throughout the state holding hearings in locations as convenient for consumers as possible.

WHAT TO EXPECT AT A HEARING

- Consumers and manufacturers are allowed to present evidence and arguments in support of their respective positions
- The parties and their witnesses personally appear and present their evidence, under oath, and in accordance with the Administrative Procedure Act, the Texas Rules of Civil Procedure and the Texas Rules of Evidence
- Consumers are required to bring their vehicle to the hearing for an inspection and test drive

WHAT TO EXPECT FOLLOWING A HEARING

- The Administrative Law Judge considers all of the evidence received at a hearing and issues a written decision and order at a later date. Generally, orders require one of the following:
 - ❖ Repurchase or replacement of the vehicle by the manufacturer with a reasonable allowance for the consumer's use of the vehicle deducted,
 - ❖ Repair of the vehicle under the manufacturer's warranty, or
 - ❖ Dismissal of the complaint if the defect is not proven

WHEN THE DECISION IS FINALIZED

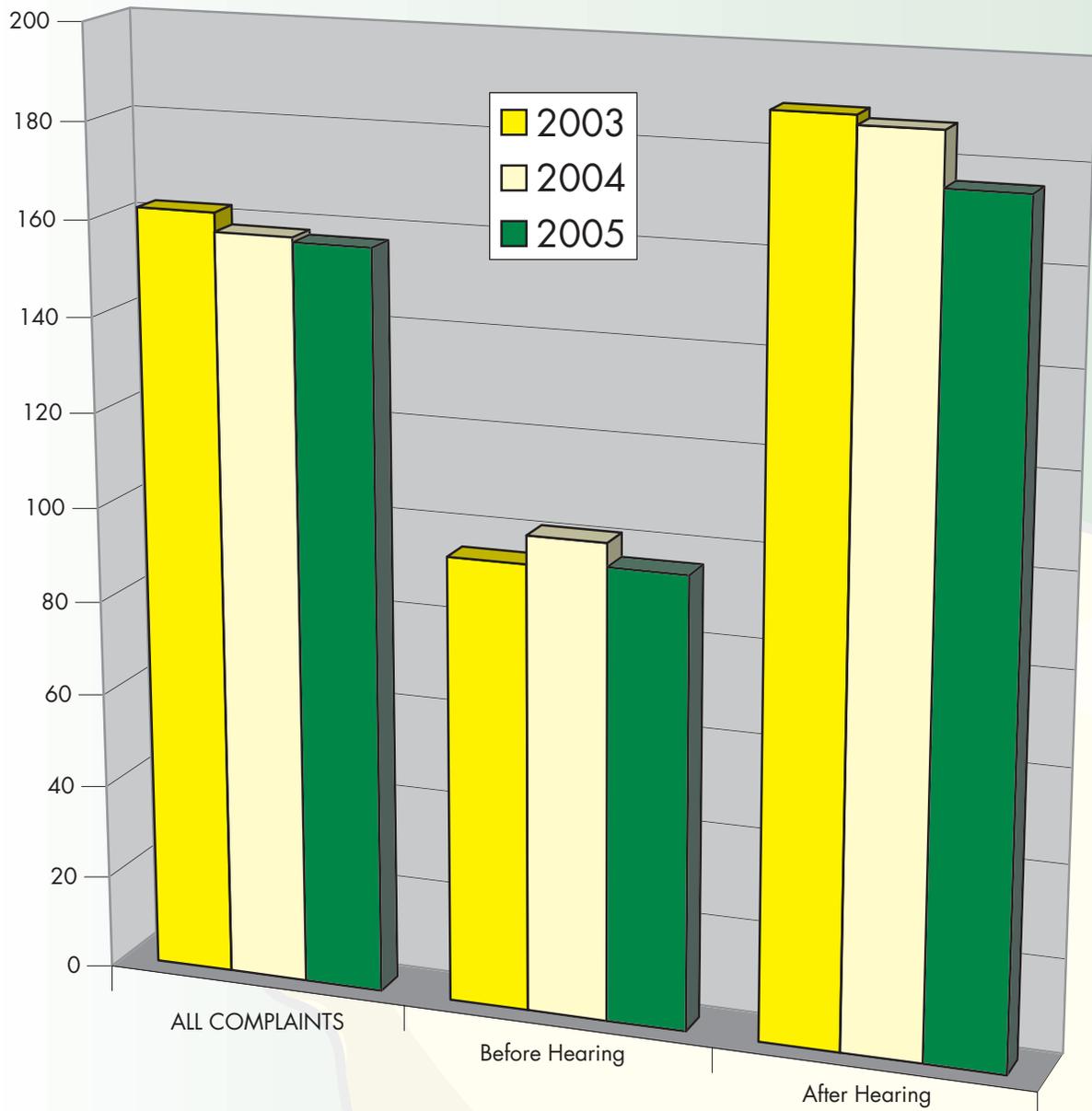
The decision and order are sent to the parties by certified mail.

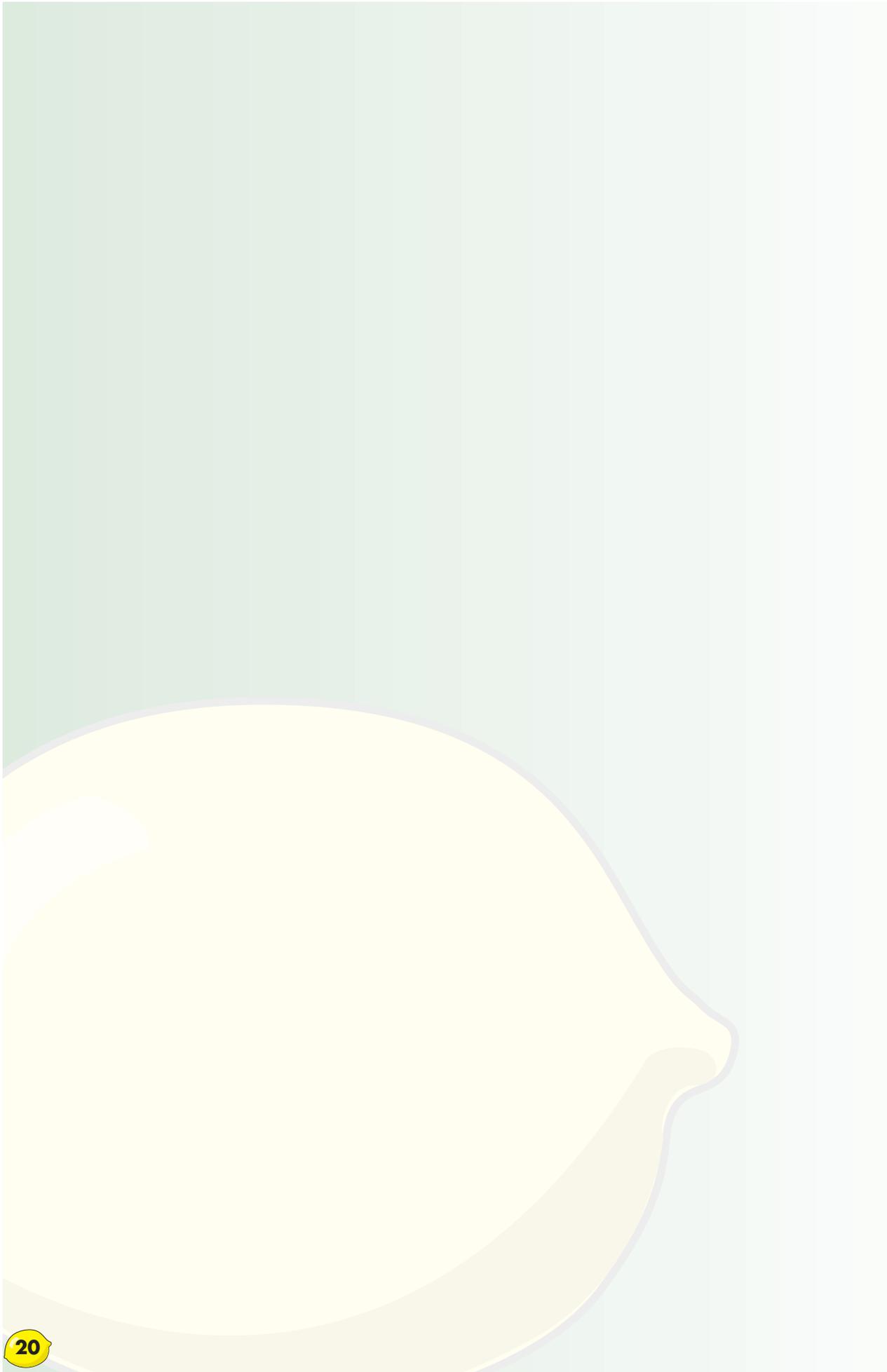
- Any party who disagrees with the decision may file a motion for rehearing (a request for reconsideration of the decision) with the Motor Vehicle Division's Director. In CY '05, 16 motions for rehearing were filed with the Motor Vehicle Division's Director and six motions for rehearing were filed with the Motor Vehicle Board¹. A motion for rehearing can result in an affirmation or minor modification of the original decision and order to the granting of a complete new hearing.
- After a final ruling on a motion for rehearing, any party who disagrees with the Motor Vehicle Division's final action may file an appeal in state district court under the substantial evidence rule. An extremely small percentage of the total number of Lemon Law complaints that proceed to a hearing are appealed. During CY '03 and CY '04, no Lemon Law cases were appealed. In CY '05, two Lemon Law cases were appealed.

¹ Pursuant to HB 2702, the 79th Legislature dissolved the Motor Vehicle Board effective June 14, 2005. All duties and powers performed by the Motor Vehicle Board have been assumed by the Director of the Motor Vehicle Division, except for rulemaking, which was assumed by the Texas Transportation Commission. Act of June 14, 2005, 79th Leg., R.S., ch 281, §7, 2005 Tex. Sess. Law. Serv. 839 (Vernon) (TEX. CODE ANN. §2301.005).

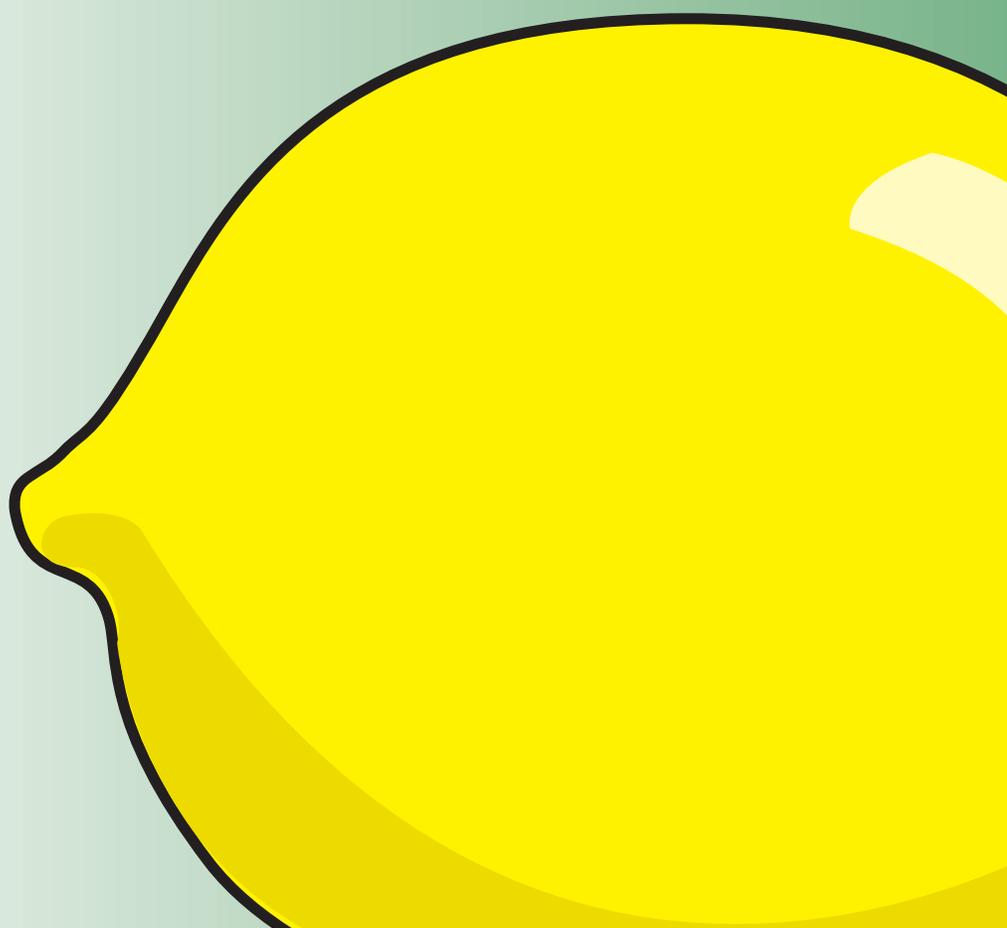
Chart F shows the average processing times for the complaints closed for CY '03 through CY '05. You will note that the number of days vary depending on what stage in the process the complaints are closed. You will also note the average processing times have decreased somewhat.

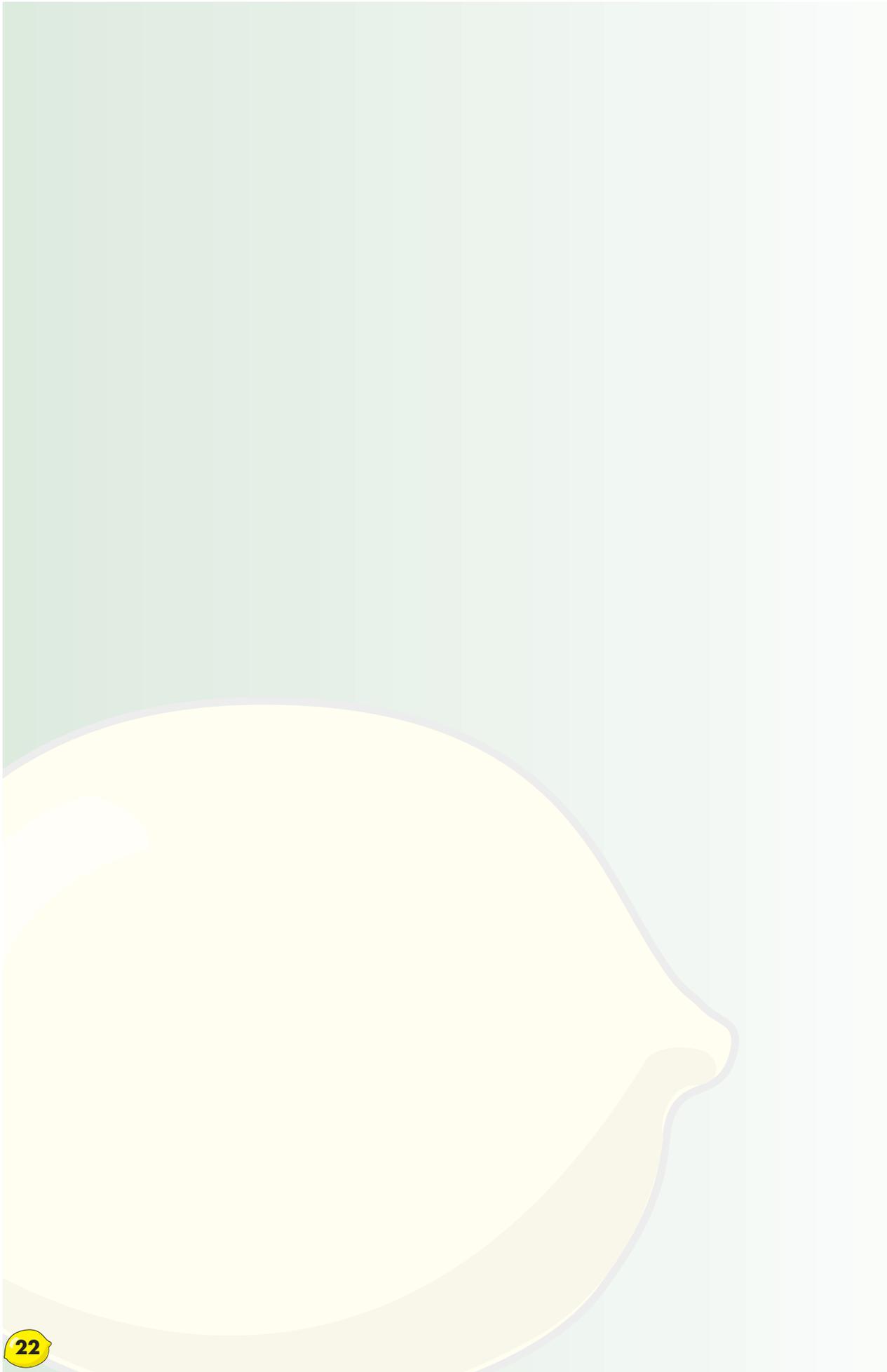
CHART F AVERAGE NUMBER OF DAYS TO PROCESS COMPLAINTS





COMPLAINTS FILED





COMPLAINTS FILED

Chart G shows how many complaints were filed against manufacturers (listed alphabetically by make) for CY '03 through CY '05. Although the number of complaints filed decreased by 8.3 percent from CY '04, some passenger car and light truck manufacturers experienced sharper declines such as BMW, General Motors, Kia, and Mitsubishi. On the other hand, there were a few passenger car and truck manufacturers that experienced sharp increases such as Nissan and Volkswagen.

CHART G COMPLAINTS FILED - BY MANUFACTURER AND MAKE

MANUFACTURER	MAKE	CY03	CY04	CY05
Alfa Leisure (MH/TRV)		1	0	1
AM General		0	0	2
American Ironhorse (MC)		4	3	2
American La France (HT)		0	1	0
Aprilia (MC)		1	0	1
Big Dog (MC)		0	3	2
	BMW	17	19	10
	Mini	3	2	2
BMW including (MC) TOTAL		20	21	12
Bombardier (NEV)		2	0	0
Bourget (MC)		0	0	1
Coachmen (MH/TRV)		1	0	0
Custom Campers (TRV)		1	0	0
Daewoo		5	3	0
	Chrysler	30	23	34
	Dodge	109	80	77
	Jeep	18	12	14
	Plymouth	0	0	1
DaimlerChrysler TOTAL		157	115	126
Damon (MH)		2	0	1
Doubletree (TRV)		0	2	1
Ducati (MC)		0	0	1
Dynamax (MH)		0	0	1
Fleetwood (MH/TRV)		12	14	9
	Ford	155	156	159
	Lincoln	15	10	10
	Mercury	12	12	5
Ford TOTAL		182	178	174
Forest River (MH/TRV)		6	10	4
Four Winds (MH)		0	1	0
Freightliner (HT)		0	2	11
Frontier (TRV)		0	0	2
	Buick	7	0	1
	Cadillac	9	12	8
	Chevrolet	105	98	81
	GMC	29	22	9
	Hummer	1	1	2
	Oldsmobile	2	3	1
	Pontiac	13	11	9
General Motors TOTAL		166	147	111
Georgie Boy (MH)		2	1	0
Gulf Stream (MH/TRV)		1	4	4
Harley-Davidson (MC)		0	2	0
	Acura	5	5	7
(Including ATV/MC)	Honda	25	19	11
Honda TOTAL		30	24	18

CHART G (CONTINUED)

MANUFACTURER	MAKE	CY03	CY04	CY05
Hyundai		13	9	9
Indian (MC)		1	0	0
International (HT)		0	1	1
Isuzu		6	5	2
Jaguar		15	5	4
Jayco (MH/TRV)		1	0	2
Kawasaki (MC)		4	1	2
Keystone (TRV)		2	4	7
Kia		21	17	11
KTM (MC)		1	0	0
Kubota (ATV)		0	0	1
K-Z Inc. (TRV)		1	0	1
Land Rover		5	5	6
Leisure (MH)		0	2	0
Mack (HT)		0	1	0
Mazda		15	26	12
Mercedes-Benz		26	16	7
Mitsubishi		19	7	3
	Holiday Rambler	1	7	0
	Monaco	2	5	4
Monaco Coach (MH/TRV)		3	12	4
National RV (MH)		3	1	0
Newmar (MH)		2	0	0
	Infiniti	3	0	4
	Nissan	22	26	52
Nissan TOTAL		25	26	56
	Kenworth	0	0	0
	Peterbilt	1	1	0
Paccar TOTAL (HT)		1	1	0
Pilgrim (TRV)		0	1	1
Polaris (ATV/MC)		2	0	1
Porshe		0	2	1
Precision Cycle Works (MC)		0	1	0
Qvale		1	0	0
R-Vision Inc. (MH/TRV)		1	0	1
Red Horse (MC)		0	1	0
Saab		2	7	5
Saleen		0	0	1
Saturn		14	6	3
Skyline		0	1	1
Subaru		2	3	2
Suzuki (Including ATV/MC)		3	12	10
	Aero Coach (TRV)	3	0	0
	Aerolite (TRV)	0	1	0
	Airstream (TRV)	1	1	0
	Dutchmen (TRV)	0	1	0
	Thor (MH/TRV)	4	1	10
Thor TOTAL		8	4	10
Tiffin Motor Homes (MH)		2	3	1
	Lexus	7	6	1
	Toyota	18	17	9
Toyota TOTAL		25	23	10
Transnational (MC)		1	0	0
Travel Supreme (MH)		0	1	0
	Audi	4	2	5
	Volkswagen	38	25	35
Volkswagen TOTAL		42	27	40
Volvo		2	5	3
Western RV (MH)		1	0	0
Winnebago (MH)		3	2	3
Yamaha (MC)		1	2	2
TOTAL COMPLAINTS FILED		867	771	707

Chart H shows how many car and truck complaints were filed by model and it includes a complaint filed index (CFI). Note that highlighted models reflect combined sales which result in one Market Share and one CFI for those particular series. The market share in Chart H is calculated based on the last three years of Texas sales, unless otherwise noted. The CFI was obtained by dividing the model's share of the complaints filed by its market share. Charts H1, H2 and H3 contain the same information for motor homes, TRVs and motorcycles/all terrain vehicles.

CHART H (CARS AND TRUCKS) COMPLAINTS FILED INDEX BY MAKE AND MODEL

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	AVG. TX SALES	MARKET SHARE	CFI
Acura	MDX	2	0.28%	2,826	0.2223%	1.27
	RXS	1	0.14%	1,457	0.1146%	1.23
	TL	4	0.56%	4,395	0.3456%	1.63
Audi	A4	4	0.56%	1,579	0.1242%	4.55
	TT	1	0.14%	289	0.0228%	6.21
BMW	300 Class	4	0.56%	6,081	0.4782%	1.18
	500 Class	4	0.56%	2,736	0.2151%	2.63
	X3*	1	0.14%	1,381	0.1086%	1.30
	Z4	1	0.14%	913	0.0718%	1.97
Buick	Rendezvous	1	0.14%	2,797	0.2200%	0.64
Cadillac	CTS	3	0.42%	7,028	0.5527%	0.77
	Deville	1	0.14%	4,156	0.3269%	0.43
	Escalade	2	0.28%	4,723	0.3715%	0.76
	Seville	1	0.14%	355	0.0279%	5.05
	STS*	1	0.14%	1,432	0.1126%	1.25
Chevrolet	Astro Van	2	0.28%	1,288	0.1013%	2.79
	Avalanche	4	0.56%	9,141	0.7189%	0.79
	Blazer	1	0.14%	1,381	0.1086%	1.30
	C/K 3500	2	0.28%	Unknown	Unknown	Unknown
	C/K 4500	1	0.14%			
	C/K 6500 (MT)	1	0.14%			
	Cavalier	1	0.14%	10,740	0.8447%	0.17
	Cobalt*	2	0.28%	6,977	0.5487%	0.51
	Colorado	2	0.28%	5,077	0.3993%	0.71
	Corvette	1	0.14%	2,807	0.2207%	0.64
	Equinox*	1	0.14%	6,645	0.5226%	0.27
	Express	1	0.14%	8,010	0.6300%	0.22
	Impala	4	0.56%	15,411	1.2120%	0.47
	Kodiak C5500 (MT)	1	0.14%	Unknown	Unknown	Unknown
	Malibu	7	0.99%	10,741	0.8448%	1.17
	Monte Carlo	1	0.14%	2,366	0.1861%	0.76
	S10 Pickup	2	0.28%	2,458	0.1933%	1.46
	Silverado	19	2.68%	78,812	6.1983%	0.43
	SSR	1	0.14%	508	0.0399%	3.54
	Suburban	5	0.71%	19,132	1.5047%	0.47
Tahoe	11	1.55%	27,745	2.1821%	0.71	
Trailblazer	8	1.13%	15,149	1.1914%	0.95	
Uplander*	2	0.28%	1,883	0.1481%	1.91	
Chrysler	300	10	1.41%	6,011	0.4728%	2.99
	Concorde	1	0.14%	568	0.0446%	3.16
	Pacifica	4	0.56%	3,707	0.2915%	1.94
	PT Cruiser*	8	1.13%	1,023	0.0804%	14.05
	Sebring	8	1.13%	5,079	0.3994%	2.83
	Town & Country Van	3	0.42%	7,110	0.5591%	0.76
	Voyager Van	1	0.14%	387	0.0305%	4.64

CHART H (CONTINUED)

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	AVG. TX SALES	MARKET SHARE	CFI
Dodge	Caravan Van	5	0.71%	12,010	0.9446%	0.75
	Dakota Pickup	7	0.99%	5,262	0.4138%	2.39
	Durango	8	1.13%	9,848	0.7745%	1.46
	Intrepid	1	0.14%	2,152	0.1693%	0.83
	Magnum*	2	0.28%	2,320	0.1825%	1.55
	Neon	4	0.56%	9,274	0.7294%	0.77
	Ram 1500 Pickup	25	3.53%	56,083	4.4107%	1.54
	Ram 2500 Pickup	11	1.55%			
	Ram 3500 Pickup	12	1.69%			
Stratus	1	0.14%	6,950	0.5466%	0.26	
Ford	Econoline	3	0.42%	6,370	0.5010%	0.85
	Escape	6	0.85%	10,351	0.8140%	1.04
	Escort*	1	0.14%	919	0.0722%	1.96
	Excursion	2	0.28%	2,184	0.1718%	1.64
	Expedition	16	2.26%	22,628	1.7796%	1.27
	Explorer	15	2.12%	24,999	1.9661%	1.08
	F150 Pickup	42	5.93%	112,943	8.8825%	1.46
	F250 Pickup	23	3.25%			
	F350 Pickup	24	3.39%			
	F450 Pickup (MT)	2	0.28%			
	F550 Pickup (MT)	1	0.14%			
	F750 Superduty	1	0.14%	Unknown	Unknown	Unknown
	Five Hundred*	1	0.14%	3,794	0.2984%	0.47
	Focus	5	0.71%	13,762	1.0823%	0.65
	Freestar	1	0.14%	2,761	0.2172%	0.65
	Freestyle*	1	0.14%	2,300	0.1809%	0.78
	Mustang	5	0.71%	14,682	1.1547%	0.61
	Ranger	5	0.71%	12,131	0.9540%	0.74
Taurus	3	0.42%	14,648	1.1520%	0.37	
Windstar Van	1	0.14%	1,719	0.1352%	1.04	
Freightliner	Business Class M2 (MT)	1	0.14%	Unknown	Unknown	Unknown
	Columbia (HT)	8	1.13%	Unknown	Unknown	Unknown
	Coronado (HT)	1	0.14%	Unknown	Unknown	Unknown
	FLD120 (HT)	1	0.14%	Unknown	Unknown	Unknown
GMC	Envoy	2	0.28%	4,105	0.3229%	0.87
	Sierra 1500 Pickup	2	0.28%	19,460	1.5304%	0.28
	Sierra 2500 Pickup	1	0.14%			
	Top Kick	1	0.14%	Unknown	Unknown	Unknown
	Yukon	4	0.56%	12,580	0.9894%	0.57
Honda	Accord	4	0.56%	27,321	2.1487%	0.26
	Civic	1	0.14%	19,863	1.5621%	0.09
	Civic Hybrid	2	0.28%			
	CRV	1	0.14%	8,411	0.6615%	0.21
	Odyssey Van	1	0.14%	9,394	0.7388%	0.19
	Pilot	1	0.14%	7,293	0.5736%	0.25
	S2000	1	0.14%	570	0.0448%	3.15
Hummer	H1	2	0.28%	Unknown	Unknown	Unknown
	H2	2	0.28%	2,339	0.1840%	1.54
Hyundai	Accent	1	0.14%	2,829	0.2225%	0.63
	Elantra	4	0.56%	5,932	0.4665%	1.21
	Sante Fe	1	0.14%	4,965	0.3905%	0.36
	Sonata	2	0.28%	6,081	0.4782%	0.59
	XG300	1	0.14%	964	0.0758%	1.86

CHART H (CONTINUED)

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	AVG. TX SALES	MARKET SHARE	CFI
International	8500 (HT)	1	0.14%	Unknown	Unknown	Unknown
Infiniti	FX35	1	0.14%	1,952	0.1535%	0.92
	FX45	1	0.14%			
	G35	1	0.14%	5,849	0.4600%	0.31
	QX56*	2	0.28%	1,179	0.0927%	3.05
Isuzu	Axiom	1	0.14%	407	0.0320%	4.41
	Rodeo	1	0.14%	1,778	0.1399%	1.01
Jaguar	S-Type	3	0.42%	683	0.0537%	7.89
	X-Type	1	0.14%	813	0.0639%	2.21
Jeep	Grand Cherokee	6	0.85%	10,780	0.8478%	1.00
	Liberty	6	0.85%	10,706	0.8420%	1.01
	Wrangler	2	0.28%	5,676	0.4464%	0.63
Kia	Rio	3	0.42%	3,484	0.2740%	1.55
	Sedona	1	0.14%	2,908	0.2287%	0.62
	Sephia	1	0.14%	Unknown	Unknown	Unknown
	Sorento	3	0.42%	4,023	0.3164%	1.34
	Spectra	3	0.42%	9,671	0.7606%	0.56
Land Rover	Discovery	1	0.14%	794	0.0625%	2.26
	Freelander	2	0.28%	462	0.0363%	7.77
	LR3*	1	0.14%	569	0.0447%	3.16
	Range Rover	2	0.28%	734	0.0577%	4.89
Lexus	ES Series	1	0.14%	5,382	0.4233%	0.33
Lincoln	Aviator	2	0.28%	2,200	0.1730%	1.63
	LS	5	0.71%	2,300	0.1809%	3.90
	Navigator	3	0.42%	4,280	0.3366%	1.26
Mazda	6	1	0.14%	5,168	0.4065%	0.35
	Millenia*	1	0.14%	55	0.0043%	32.95
	MPV Van	1	0.14%	1,504	0.1183%	1.19
	RX-8	8	1.13%	1,782	0.1402%	8.06
	Tribute	1	0.14%	5,094	0.4006%	0.35
Mercedes-Benz	C Class	4	0.56%	3,851	0.3028%	1.87
	CL/CLK Class	2	0.28%	1,203	0.0946%	2.99
	S Class	1	0.14%	1,025	0.0806%	1.75
Mercury	Grand Marquis	2	0.28%	5,963	0.4690%	0.60
	Monterey	1	0.14%	415	0.0327%	4.32
	Mountaineer	1	0.14%	2,218	0.1744%	0.81
	Sable	2	0.28%	1,869	0.1470%	1.92
Mini	Cooper	2	0.28%	2,526	0.1987%	1.42
Mitsubishi	Endeavor	3	0.42%	2,107	0.1657%	2.56

CHART H (CONTINUED)

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	AVG. TX SALES	MARKET SHARE	CFI
Nissan	350Z	4	0.56%	3,004	0.2363%	2.39
	Altima	4	0.56%	17,741	1.3953%	0.40
	Armada	13	1.84%	2,926	0.2301%	7.98
	Frontier	1	0.14%	6,631	0.5215%	0.27
	Maxima	3	0.42%	5,357	0.4213%	1.01
	Pathfinder	4	0.56%	3,177	0.2499%	2.26
	Quest Van	5	0.71%	2,130	0.1675%	4.22
	Sentra	3	0.42%	7,053	0.5547%	0.76
	Titan	13	1.84%	7,190	0.5655%	3.25
	Xterra	1	0.14%	8,279	0.6511%	0.22
Oldsmobile	Alero	1	0.14%	1,986	0.1562%	0.90
Plymouth	Voyager Van	1	0.11%	None	None	None
Pontiac	Aztek	1	0.14%	901	0.0709%	1.99
	G6*	2	0.28%	3,426	0.2694%	1.05
	Grand Am	2	0.28%	6,663	0.5240%	0.54
	Grand Prix	2	0.28%	5,810	0.4570%	0.62
	Sunfire	2	0.28%	2,603	0.2047%	1.38
Porsche	Cayenne	1	0.14%	757	0.0596%	2.37
Saab	9-3	3	0.42%	1,312	0.1032%	4.11
	9-5	2	0.28%	321	0.0252%	11.19
Saleen	S7	1	0.14%	Unknown	Unknown	Unknown
Saturn	ION	1	0.14%	6,236	0.4905%	0.29
	L	1	0.14%	1,409	0.1108%	1.27
	VUE	1	0.14%	4,937	0.3882%	0.36
Subaru	Legacy	2	0.28%	1,177	0.0925%	3.05
Suzuki	Aerio	1	0.14%	830	0.0652%	2.16
	Forenza*	1	0.14%	2,599	0.2044%	0.69
	Verona	8	1.13%	624	0.0491%	23.02
Toyota	4Runner	2	0.28%	10,037	0.7894%	0.36
	Camry	3	0.42%	26,946	2.1192%	0.20
	Matrix	1	0.14%	Unknown	Unknown	Unknown
	Sequoia	2	0.28%	6,248	0.4914%	0.57
	Tundra Pickup	1	0.14%	11,107	0.8735%	0.16
Volkswagen	Cabrio	1	0.14%	None	None	None
	Eurovan	1	0.14%	86	0.0068%	20.88
	Golf	1	0.14%	635	0.0499%	2.83
	Jetta	6	0.85%	7,291	0.5734%	1.48
	New Beetle	11	1.55%	3,875	0.3048%	5.10
	Passat	8	1.13%	3,275	0.2576%	4.39
	Touareg	7	0.99%	1,025	0.0806%	12.26
Volvo	V70	1	0.14%	738	0.0580%	2.43
	VN780 (HT)	1	0.14%	Unknown	Unknown	Unknown
	XC90	1	0.14%	1,822	0.1433%	0.99
TOTAL COMPLAINTS FILED		640	90%			

Note: Highlighted models reflect combined sales which results in one Market Share and one CFI for those particular series.

* Texas sales for these models are based on a two year average.

Consumers can determine if a model has received more or less than its “expected share” of complaints by using the following criteria:

- A model’s share of the complaints filed equals its market share, the CFI will be 1.0
- A model has more than its expected share of complaints, the CFI be greater than 1.0
- A model has less than its expected share of complaints, the CFI is less than 1.0

Based on the chart for cars and trucks, there are 20 models with a CFI range below 0.5 and 16 models in the range between 0.51 and 1.0. **Models included in these lists are only those with a market share greater than 0.5 percent or average sales over 6,358.** Those models from lowest to highest CFI are:

CFI RESULTS (PASSENGER CARS AND TRUCKS)

CFI RANGE BELOW 0.5		
MAKE	MODEL	CFI
Honda	Civic	0.09
Toyota	Tundra Pickup	0.16
Chevrolet	Cavalier	0.17
Honda	Odyssey Van	0.19
Toyota	Camry	0.20
Honda	CRV	0.21
Chevrolet	Express	0.22
Nissan	Xterra	0.22
Honda	Pilot	0.25
Dodge	Stratus	0.26
Honda	Accord	0.26
Chevrolet	Equinox	0.27
Nissan	Frontier	0.27
GMC	Sierra Pickup	0.28
Toyota	4Runner	0.36
Ford	Taurus	0.37
Nissan	Altima	0.40
Chevrolet	Silverado	0.43
Chevrolet	Impala	0.47
Chevrolet	Suburban	0.47

CFI RANGE BETWEEN .51-1.0		
MAKE	MODEL	CFI
Chevrolet	Cobalt	0.51
Pontiac	Grand Am	0.54
Kia	Spectra	0.56
GMC	Yukon	0.57
Ford	Mustang	0.61
Ford	Focus	0.65
Chevrolet	Tahoe	0.71
Ford	Ranger	0.74
Dodge	Caravan Van	0.75
Dodge	Town & Country Van	0.76
Nissan	Sentra	0.76
Cadillac	CTS	0.77
Dodge	Neon	0.77
Chevrolet	Avalanche	0.79
Ford	Econoline	0.85
Chevrolet	Trailblazer	0.95

There are 11 passenger car and truck models with a market share greater than .5 percent having a CFI greater than 1.0. Those models from lowest to highest CFI are:

CFI RANGE OVER 1		
MAKE	MODEL	CFI
Jeep	Grand Cherokee	1.00
Jeep	Liberty	1.01
Ford	Escape	1.04
Ford	Explorer	1.08
Chevrolet	Malibu	1.17
Ford	Expedition	1.27
Dodge	Durango	1.46
Ford	F Series	1.46
Volkswagen	Jetta	1.48
Dodge	Ram Series	1.54
Nissan	Titan	3.25

CHART H1 (MOTOR HOMES) COMPLAINTS FILED INDEX BY MAKE AND MODEL

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	AVG. TX SALES	MARKET SHARE	CFI
Damon	Intruder	1	0.14%	18	0.5948%	0.24
Dynamax	Isata	1	0.14%	12	0.4153%	0.34
Fleetwood	Bounder	1	0.14%	85	2.8732%	0.05
	Expedition	1	0.14%	29	0.9764%	0.14
	Jamboree	1	0.14%	35	1.1897%	0.12
	Revolution	1	0.14%	49	1.6498%	0.09
Forest River	Lexington	1	0.14%	25	0.8418%	0.17
Gulfstream	Friendship	1	0.14%	192	6.4646%	0.07
	Sun Voyager	1	0.14%			
	Touring Cruiser	1	0.14%			
	Vista Cruiser	1	0.14%			
Monaco	Admiral	1	0.14%	36	1.2233%	0.12
	Diplomat	2	0.28%	37	1.2346%	0.23
	Executive	1	0.14%	Unknown	Unknown	Unknown
Thor	Mandalay	1	0.14%	16	0.5275%	0.27
Tiffin	Phaeton	1	0.14%	47	1.5937%	0.09
Winnebago	Adventure	1	0.14%	564	18.9899%	0.01
	Minnie	1	0.14%			
	Vectra	1	0.14%			
TOTAL COMPLAINTS FILED		20	3%			

Note: The market share for each make/model is based on the total motorhome sales in Texas of 2,970 units.

CHART H2 (TRVs) COMPLAINTS FILED INDEX BY MAKE AND MODEL

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	AVG. TX SALES	MARKET SHARE	CFI
Alfa Leisure	Ideal	1	0.14%	11	0.0543%	2.60
Double Tree	Mobile Suite	1	0.14%	90	0.4460%	0.32
Fleetwood	Prowler	2	0.28%	794	3.9204%	0.07
	Terry	2	0.28%	569	2.8078%	0.10
	Wilderness	1	0.14%	550	2.7173%	0.05
Forest River	Cardinal	1	0.14%	294	1.4533%	0.10
	Cedar Creek	1	0.14%	205	1.0105%	0.14
	Surveyor	1	0.14%	126	0.6238%	0.23
Frontier	Asen	2	0.28%	115	0.5678%	0.50
Jayco	Eagle	1	0.14%	276	1.3644%	0.10
	Kiwi*	1	0.14%	274	1.3512%	0.10
Keystone	Big Sky	1	0.14%	Unknown	Unknown	Unknown
	Everest	3	0.42%	106	0.5250%	0.81
	Springdale	3	0.42%	381	1.8812%	0.23
K-Z	Sportster	1	0.14%	454	2.2433%	0.06
Pilgrim	Open Road	1	0.14%	214	1.0550%	0.13
R-Vision	Trail Cruise	1	0.14%	Unknown	Unknown	Unknown
Skyline	Nomad	1	0.14%	306	1.5092%	0.09
Thor	Jazz	3	0.42%	175	0.8641%	0.49
	Mirage	1	0.14%	26	0.1267%	1.11
	Tahoe	4	0.56%	262	1.2920%	0.44
	Wanderer	1	0.14%	176	0.8690%	0.16
TOTAL COMPLAINTS FILED		34	5%			

Note: The market share for each make/model is based on the total TRV sales in Texas of 20,253 units.

* Jayco Kiwi is now known as Jayco Jay Feather

CHART H3 (MOTORCYCLES) COMPLAINTS FILED INDEX BY MAKE AND MODEL

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE
American Ironhorse	Legend (MC)	1	0.14%
	Tejas (MC)	1	0.14%
Aprilia	Scarabeo (MC)	1	0.14%
Big Dog	Chopper (MC)	2	0.28%
Bourget	Fat Daddy (MC)	1	0.14%
Kawasaki	VN1600 (MC)	1	0.14%
	ZX1000 (MC)	1	0.14%
Kubota	RTV900R (ATV)	1	0.14%
Polaris	Ranger (ATV)	1	0.14%
Superbike	749S (MC)	1	0.14%
Yamaha	FJR1300 (MC)	1	0.14%
	Royal Star Ventur (MC)	1	0.14%
TOTAL COMPLAINTS FILED		13	2%

Chart I shows how many defects by component system or category consumers reported on filing their complaints. Consumers reported 1,150 defects or 1.63 defects per vehicle with the engine (performance/emissions) category being the most common (19.74 percent). By comparison, in CY '04 consumers reported 1,403 defects, which was 1.82 defects per vehicle. The engine (performance/emissions) category was also the most common.

CHART I DEFECTS REPORTED

CATEGORY	NUMBER	PERCENT OF TOTAL REPORTED
Engine (mechanical)	113	9.83%
Engine (performance/emissions)	227	19.74%
Air conditioning and heating	66	5.74%
Automatic transmission	75	6.52%
Standard transmission	14	1.22%
Driveline (axles and driveshaft)/vibrations	76	6.61%
Brakes	82	7.13%
Electrical	149	12.96%
Suspension and steering	112	9.74%
Body and trim	118	10.26%
Paint	10	0.87%
Water leaks	47	4.09%
Safety devices, seat belts, airbags	26	2.26%
Other	35	3.04%
TOTAL DEFECTS REPORTED	1150	100%

Chart J shows the predominate defect claimed by consumers on filing their complaints for vehicles with a market share of one percent or greater. The engine (performance/emissions) category was a predominate defect on nine of the 16 models listed. The suspension and steering category was a predominate defect on three of the 16 models listed.

The model's predominate defect percentage was obtained by dividing the total number of predominate defects reported for that model by the total number of complaints filed.

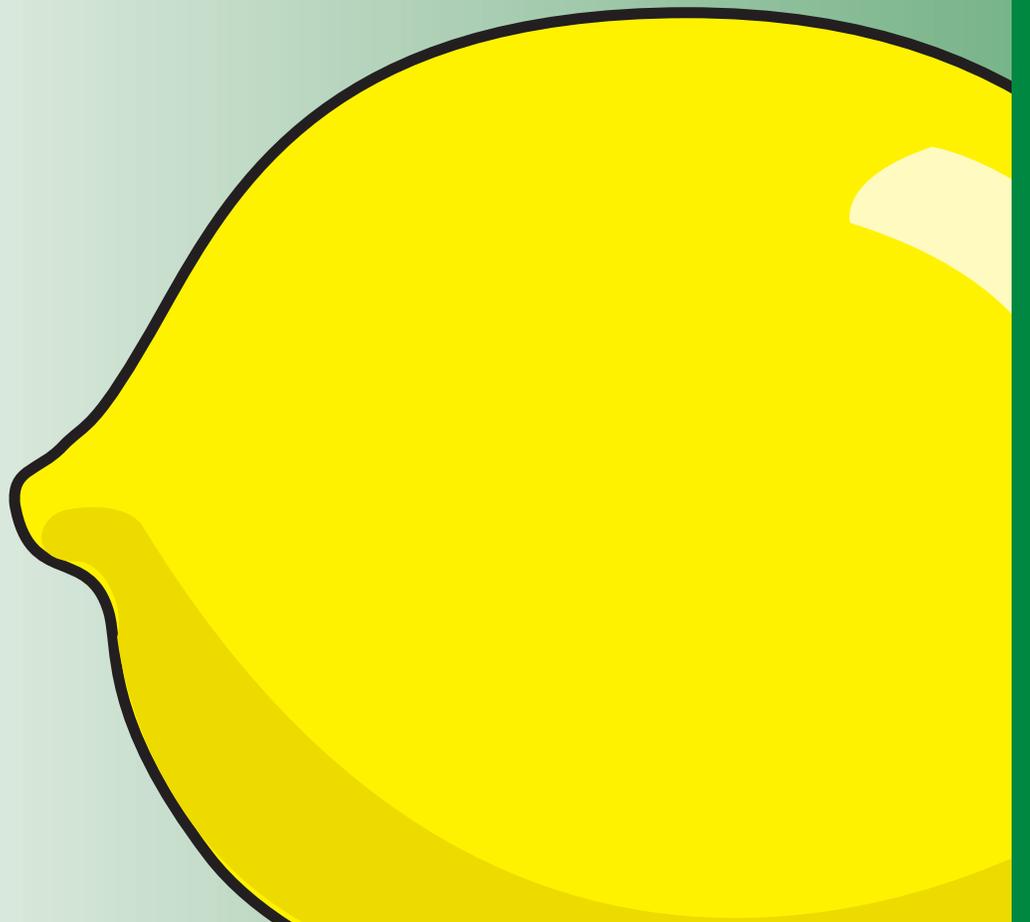
Example: Toyota Camry had a total of two defects reported on three complaints that were filed. There were two defects reported in the driveline/vibrations category and one defect reported in the electrical category. The defect percentage for the predominate defect is found by dividing the number of defects reported in the predominate category (2) by the number of complaints received (3), which equals .673 or 67 percent.

CHART J

PREDOMINATE DEFECTS REPORTED (MARKET SHARE GREATER THAN 1%) BY MAKE AND MODEL

MAKE	MODEL	COMPLAINTS FILED	DEFECT	DEFECT % FOR MODEL
Chevrolet	Impala	4	Engine (performance/emissions)	50%
			Suspension and steering	50%
	Silverado	19	Engine (performance/emissions)	37%
	Suburban	5	Air condition & heating	40%
			Suspension and steering	40%
	Tahoe	11	Electrical	73%
Trailblazer	8	Engine (performance/emissions)	63%	
Dodge	Ram Series	48	Engine mechanical	17%
Ford	Expedition	16	Engine (performance/emissions)	38%
	Explorer	15	Engine (performance/emissions)	33%
	F Series	92	Engine (performance/emissions)	57%
	Focus	5	Engine mechanical	60%
	Taurus	3	Engine (performance/emissions)	67%
GMC	Sierra Series	3	Electrical	67%
Honda	Accord	4	Brakes	50%
			Paint	50%
	Civic	3	Engine (performance/emissions)	33%
			Automatic transmission	33%
			Other	33%
Nissan	Altima	4	Engine (performance/emissions)	50%
			Suspension and steering	50%
Toyota	Camry	3	Driveline/vibrations	67%

**COMPLAINTS
CLOSED**





COMPLAINTS CLOSED

Chart K shows 178 complaints were resolved before a hearing was scheduled. The following methods of resolution and the numbers resolved are:

- Lack of jurisdiction, no warranty defect, etc., 29 which is 16.29 percent of the total resolved
- Not pursued (some may have settled with the initiation of communication by the Motor Vehicle Division between the consumer and the manufacturer), 41 which is 23.03 percent of the total resolved
- Consumer received relief, 108 which is 60.67 percent of the total resolved

CHART K
COMPLAINT RESOLUTION BEFORE HEARING SET

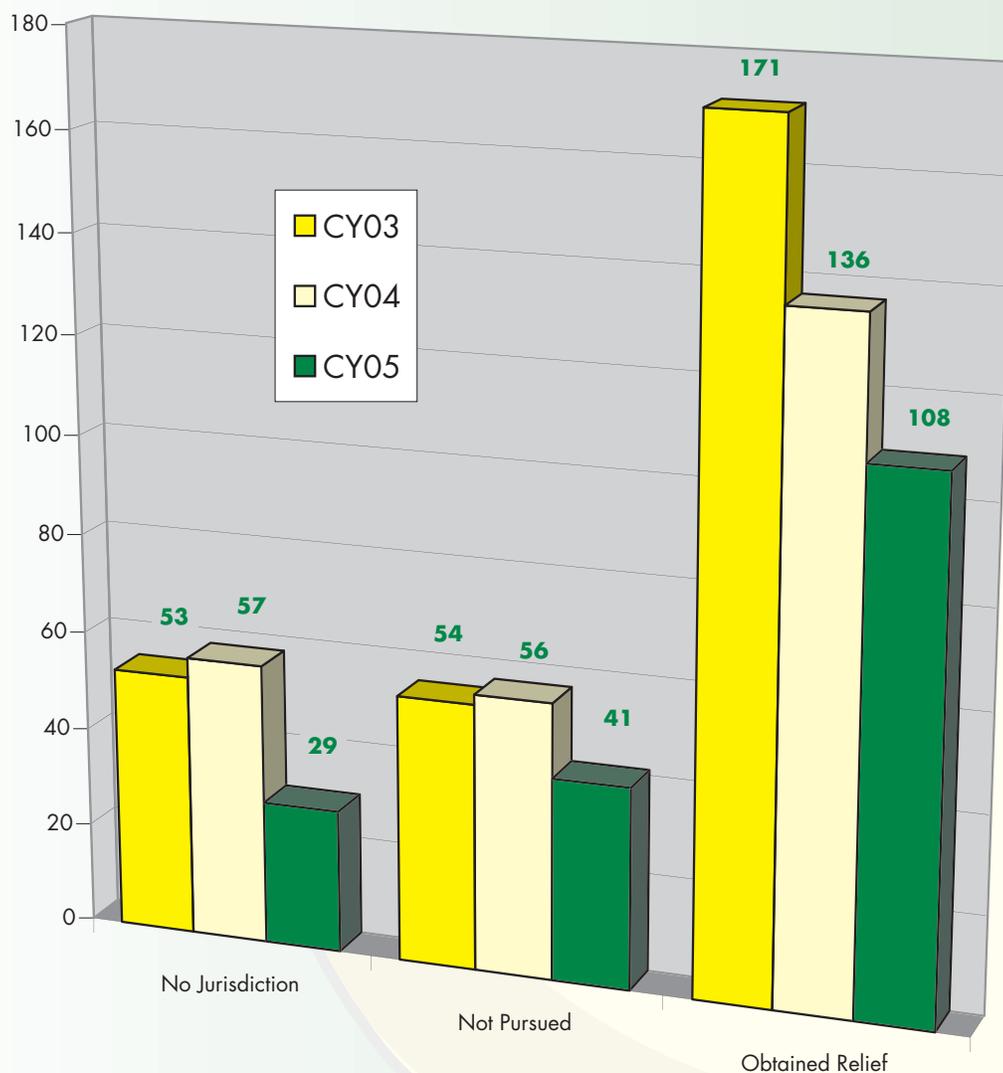


Chart L shows the number of cases settled in CY '05. Before a decision was issued, 418 complaints settled at various stages of the process.

- 108 (25.8 percent) settled prior to scheduling of a hearing
- 214 (51.2 percent) settled after a hearing was set but before the hearing was held
- 96 (23 percent) settled after a hearing convened

Of those that settled:

- 81 (19.4 percent) were repurchased
- 91 (21.2 percent) were replaced
- 11 (2.6 percent) were given trade assistance

CHART L SETTLEMENTS

	PRIOR TO HEARING SCHEDULED	AFTER HEARING SCHEDULED BUT BEFORE HEARING CONVENED	AFTER HEARING CONVENED
Repurchased	22	47	12
Replaced	28	49	14
Trade-assists	3	5	3
Repaired	28	41	10
Extended Service Contract	15	28	32
Others	12	44	25
TOTAL	108	214	96

Chart M compares the number of complaints closed for each manufacturer by repurchase, replacement or trade-assistance prior to the hearing being convened to the total number of complaints closed for the manufacturer. A comparison of the prehearing settlement rates indicates which manufacturers are more or less likely to settle early in the process.

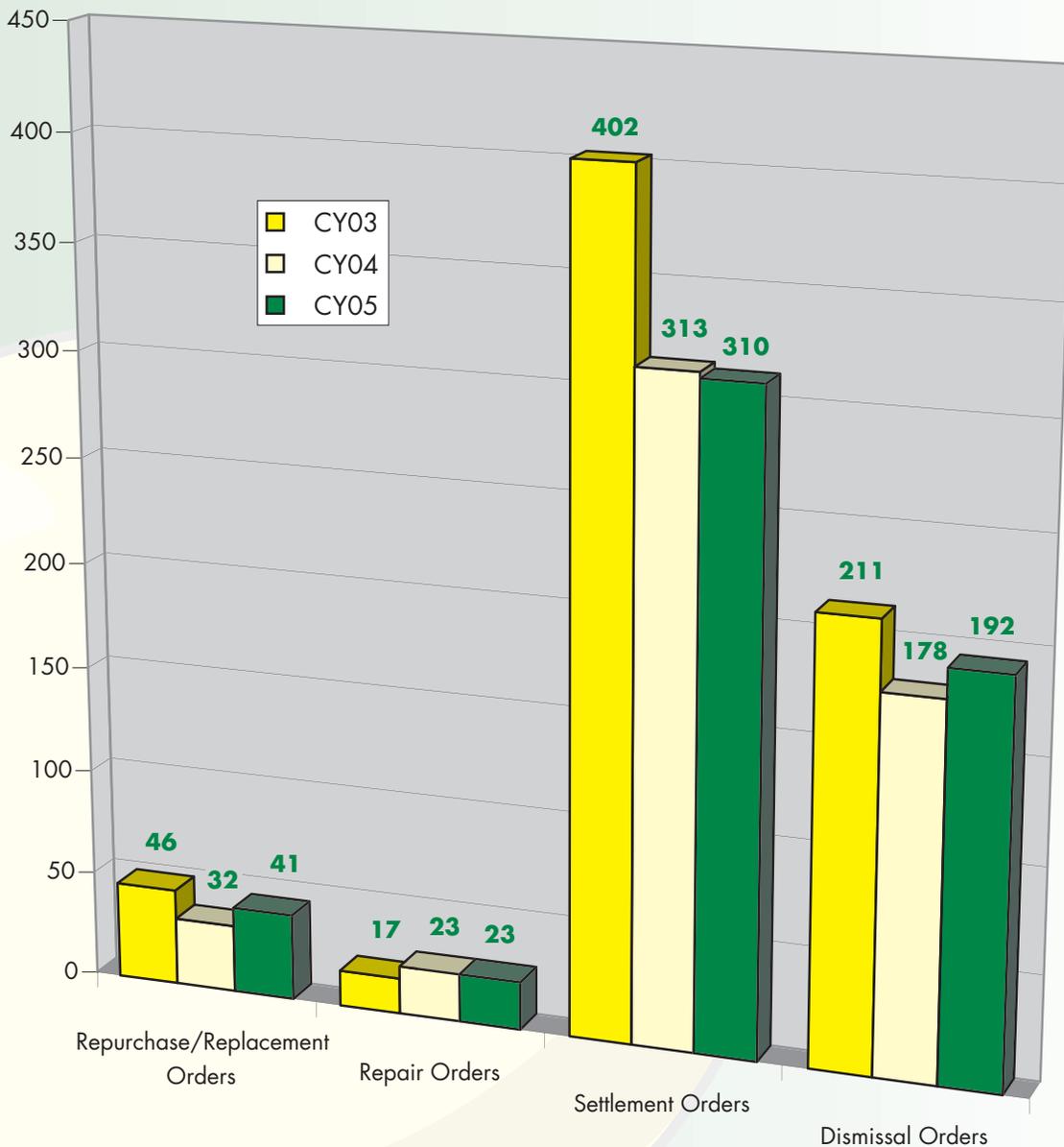
CHART M REPURCHASE/REPLACEMENT/TRADE ASSIST SETTLEMENTS BEFORE HEARING CONVENED - BY MANUFACTURER

MANUFACTURER	REPURCHASE	REPLACEMENT	TRADE ASSIST	PREHEARING SETTLEMENT TOTAL	COMPLAINTS CLOSED	PREHEARING SETTLEMENT %
AM General	0	0	1	1	2	50.00%
American Ironhorse	0	1	0	1	1	100.00%
Aprilia	1	0	0	1	1	100.00%
BMW	4	2	1	7	14	50.00%
DaimlerChrysler	14	26	0	40	122	32.79%
Ford	4	13	0	17	185	9.19%
Forest River	0	2	0	2	6	33.33%
General Motors	7	13	0	20	130	15.38%
Gulf Stream	1	0	1	2	5	40.00%
Honda	0	1	0	1	20	5.00%
Hyundai	1	0	0	1	7	14.29%
Kawasaki	1	0	0	1	3	33.33%
Keystone	0	1	1	2	5	40.00%
Kia	1	1	0	2	17	11.76%
LandRover	0	1	1	2	6	33.33%
Mazda	6	2	0	8	16	50.00%
Mercedes-Benz	0	1	0	1	8	12.50%
Mitsubishi	0	1	0	1	4	25.00%
Nissan	9	2	0	11	48	22.92%
Saab	2	1	0	3	8	37.50%
Saturn	1	0	0	1	4	25.00%
Subaru	0	0	2	2	3	66.67%
Suzuki	0	2	0	2	10	20.00%
Thor	2	0	1	3	5	60.00%
Toyota	5	0	0	5	14	35.71%
Volkswagen	8	7	0	15	44	34.09%
Volvo	2	0	0	2	4	50.00%
TOTAL	69	77	8	154	692	

Chart N shows the orders that were issued in 566 cases scheduled for hearing. Some form of relief was granted in 66.1 percent of the cases. The following methods of resolution after the hearing was set and numbers resolved are:

- Ordered repaired, repurchased or replaced, 64 or 11.3 percent of the total resolved
- Settlement order, 310 or 54.8 percent of the total resolved
- Ordered dismissed (abandoned or not proven), 192 or 33.9 percent of the total resolved

**CHART N
COMPLAINT RESOLUTION AFTER HEARING SET**



Charts O1 and O2 reveal:

- The number of complaints closed **decreased** 21.9 percent from CY '03 and 6.4 percent from CY '04
- The number of hearings scheduled **decreased** 16.3 percent from CY '03 but **increased** 3.7 percent from CY '04
- The number of final orders issued **decreased** 11.63 percent from CY '03 but **increased** 4.1 percent from CY '04
- The number of vehicles ordered repurchased or replaced **decreased** 10.9 percent from CY '03 but **increased** 28.1 percent from CY '04

**CHART O1
COMPLAINTS CLOSED COMPARISON**

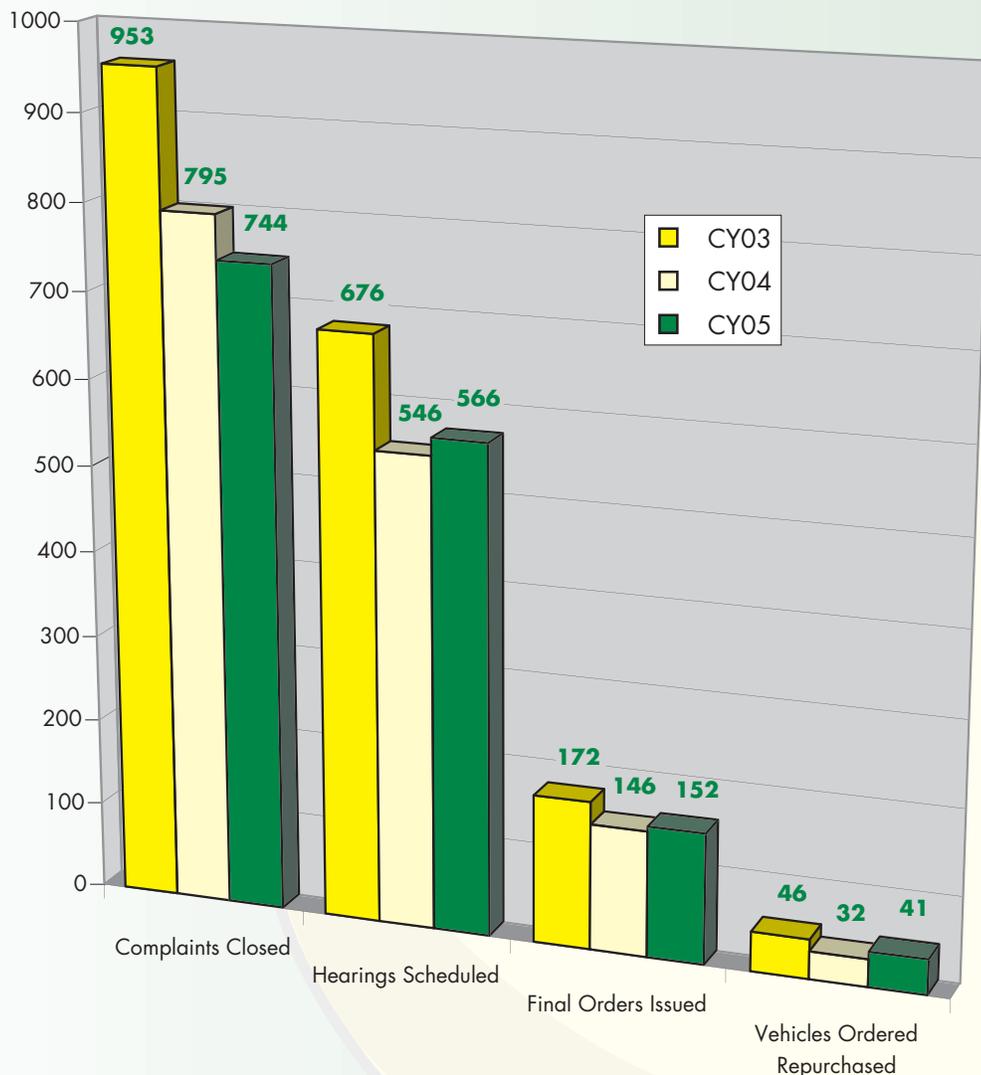


CHART 02

COMPLAINTS CLOSED - BY MANUFACTURER AND MAKE

MANUFACTURER	MAKE	COMPLAINTS CLOSED	HEARINGS SCHEDULED	FINAL ORDERS	REPURCHASE REPLACEMENT ORDERS
Alfa Leisure		1	1	0	0
Am General		2	2	1	0
American Ironhorse		1	1	0	0
American La France		1	1	1	0
Aprilia		1	1	0	0
Big Dog		1	1	0	0
BMW TOTAL	BMW	13	10	1	0
	MINI	1	1	0	0
		14	11	1	0
DaimlerChrysler TOTAL	Chrysler	26	18	1	1
	Dodge	78	51	3	1
	Jeep	18	13	2	0
	Plymouth	0	0	0	0
Double Tree		3	2	0	0
Dutchmen		1	1	0	0
Fleetwood		9	7	2	1
Ford TOTAL	Ford	168	145	57	13
	Lincoln	10	6	3	0
	Mercury	7	7	2	0
		185	158	62	13
Forest River		6	5	1	0
Freightliner		1	1	1	0
General Motors TOTAL	Buick	1	1	0	0
	Cadillac	10	6	1	0
	Chevrolet	89	68	17	5
	GMC	17	14	5	3
	Hummer	1	0	0	0
	Oldsmobile	3	2	0	0
	Pontiac	9	5	0	0
		130	96	23	8
Georgie Boy		1	1	1	0
Gulf Stream		5	4	0	0
Honda TOTAL	Acura	5	3	1	0
	Honda	15	11	5	1
		20	14	6	1
Hyundai		7	3	0	0
International		1	1	0	0
Isuzu		2	2	1	1
Jaguar		4	4	1	0
Jayco		1	0	0	0
Kawasaki		3	1	1	0
Keystone		7	5	1	0
Kia		17	13	3	1

CHART 02 (CONTINUED)

MANUFACTURER	MAKE	COMPLAINTS CLOSED	HEARINGS SCHEDULED	FINAL ORDERS	REPURCHASE REPLACEMENT ORDERS
Kubota		1	0	0	0
Land Rover		6	4	0	0
Mack		1	1	0	0
Mazda		16	10	5	1
Mercedes-Benz		8	5	2	0
Mitsubishi		4	3	0	0
	Holiday Rambler	5	4	2	1
	Monaco	3	1	0	0
Monaco TOTAL		8	5	2	1
National RV		1	1	1	0
	Infiniti	2	2	1	0
	Nissan	46	38	11	6
Nissan TOTAL		48	40	12	6
Paccar		2	2	2	1
Pilgrim		1	1	1	1
Porsche		3	3	1	1
Rexhall		1	1	1	0
Saab		8	6	0	0
Saturn		4	4	0	0
Skyline		1	1	0	0
Subaru		3	1	0	0
Suzuki		10	10	5	1
Thor		5	1	0	0
Tiffin		2	2	0	0
	Lexus	4	3	0	0
	Toyota	10	7	4	0
Toyota TOTAL		14	10	4	0
	Audi	5	3	0	0
	Volkswagen	39	30	3	1
Volkswagen TOTAL		44	33	3	1
Volvo		4	3	0	0
Winnebago		1	0	0	0
Yamaha		2	1	1	1
TOTAL CLOSED		744	566	152	41

There were 41 vehicles ordered repurchased or replaced after a contested hearing when an Administrative Law Judge found the complaint met the statutory requirements for relief under the Lemon Law.

Included are:

- 12 passenger cars
- 23 light trucks
- 1 medium truck
- 1 heavy truck
- 1 motorcycle
- 1 towable recreational vehicle

Chart P describes the vehicles that were ordered repurchased or replaced by manufacturers listed alphabetically by make and model.

- The make's share of lemons (repurchase percentage) was obtained by dividing the number of that make's vehicles found to be lemons by the total number of vehicles found to be lemons by the Motor Vehicle Division (41).

Example: Chevrolet had five vehicles repurchased, which would be 5 divided by 41, which equals .12 or 12 percent.

- The lemon index for each make was obtained by dividing the make's share of lemons by its market share in the state.

Example: Suzuki has a repurchase percentage of 2 percent, which, when divided by their market share of .53 percent, gives them a lemon index of 4.60.

Use of the chart must be tempered by several considerations:

- The number of vehicles ordered repurchased or replaced is very small compared to the number of new vehicles registered in Texas in CY '05. The importance of this is that one additional vehicle ordered repurchased or replaced may significantly change the lemon index for a particular model.
- The market percentage figures were obtained from The Polk Company and based on the last three years of sales. The market percentage is used as an indicator of market percentage for all year makes involved in repurchase or replacement orders.
- Comparisons to results reported by other states should be used with caution due to major structural differences in the lemon laws of various states.

CHART P

VEHICLES ORDERED REPURCHASED OR REPLACED BY MAKE AND MODEL

YR	MAKE	MODEL	PROBLEM AREA	PRICE	MARKET	REPUR.	LEMON
05	Chevrolet	C/K 3500	Electrical	\$32,577.47	17.62%	12%	0.69
04	Chevrolet	Silverado	Automatic transmission	\$41,095.56	17.62%	12%	0.69
04	Chevrolet	Silverado	Engine (mechanical)	\$36,861.08	17.62%	12%	0.69
04	Chevrolet	Trailblazer	Engine (performance/emissions)	\$34,657.12	17.62%	12%	0.69
04	Chevrolet	Trailblazer	Engine (performance/emissions)	\$21,444.94	17.62%	12%	0.69
05	Chrysler	300	Suspension and steering	\$37,805.38	2.90%	2%	0.84
03	Dodge	Ram 1500	Engine (performance/emissions)	\$28,226.30	7.51%	2%	0.32
02	Fleetwood	Excursion (MH)	Water leaks	\$179,730.31	Unknown	2%	Unknown
02	Ford	Explorer	Engine (performance/emissions)	\$20,956.62	18.54%	32%	1.71
02	Ford	Explorer	Engine (performance/emissions)	\$23,642.55	18.54%	32%	1.71
03	Ford	Explorer	Engine (performance/emissions)	\$31,462.06	18.54%	32%	1.71
03	Ford	Explorer	Driveline vibrations	\$19,494.93	18.54%	32%	1.71
04	Ford	F150 Pickup	Engine (mechanical), driveline vibrations	\$26,465.89	18.54%	32%	1.71
04	Ford	F150 Pickup	Engine (performance/emissions)	\$27,756.43	18.54%	32%	1.71
04	Ford	F250 Pickup	Engine (performance/emissions)	\$37,833.35	18.54%	32%	1.71
04	Ford	F250 Pickup	Engine (mechanical)	\$32,904.41	18.54%	32%	1.71
04	Ford	F250 Pickup	Engine (mechanical)	\$37,042.01	18.54%	32%	1.71
03	Ford	Focus	Engine (performance/emissions)	\$15,701.32	18.54%	32%	1.71
04	Ford	Mustang	Engine (mechanical)	\$19,518.94	18.54%	32%	1.71
03	Ford	Taurus	Water leaks	\$17,905.53	18.54%	32%	1.71
03	Ford	Taurus	Engine (mechanical)	\$14,027.50	18.54%	32%	1.71
04	GMC	Envoy	Engine (mechanical)	\$25,397.43	3.29%	7%	2.22
04	GMC	Top Kick (MT)	Engine (mechanical), engine (performance/emissions)	\$53,575.66	0.93%	7%	7.87
03	GMC	Yukon	Automatic transmission	\$25,241.27	0.93%	7%	7.87
03	Holiday Rambler	Ambassador (MH)	Brakes	\$156,926.19	Unknown	2%	Unknown
02	Honda	Accord	Engine (mechanical), driveline vibrations, & suspension and steering	\$20,100.08	6.50%	2%	0.38
03	Isuzu	Ascender	Air conditioning and heating	\$34,470.99	0.15%	2%	16.72
04	Kia	Sedona	Suspension and steering	\$24,549.32	2.01%	2%	1.21
03	Mazda	6	Suspension and steering	\$21,326.33	1.88%	2%	1.30
03	Nissan	350Z	Automatic transmission	\$32,718.64	6.38%	15%	2.29
04	Nissan	Altima	Automatic transmission	\$22,612.45	6.38%	15%	2.29
04	Nissan	Maxima	Air conditioning and heating	\$31,922.24	6.38%	15%	2.29
04	Nissan	Quest Van	Body and trim	\$35,679.59	6.38%	15%	2.29
04	Nissan	Quest Van	Body and trim	\$25,892.99	6.38%	15%	2.29
04	Nissan	Titan	Suspension and steering	\$34,749.22	6.38%	15%	2.29
04	Peterbilt	379 (HT)	Water leaks	\$103,724.69	Unknown	2%	Unknown
03	Pilgrim	Open Road (TRV)	Water leaks	\$29,152.37	Unknown	2%	Unknown
04	Porsche	Cayenne	Driveline vibrations, Electrical	\$63,057.28	0.14%	2%	17.49
04	Suzuki	Verona	Engine (performance/emissions)	\$17,009.95	0.53%	2%	4.60
04	Volkswagen	Jetta	Other	\$21,129.91	1.28%	2%	1.91
05	Yamaha	Royal Star Ventus (MC)	Engine (mechanical), Engine (performance/emissions) & driveline vibrations	\$17,010.48	Unknown	2%	Unknown
TOTAL VEHICLES REPURCHASED: 41				\$1,533,356.78			

Chart Q is provided to allow the reader to put the lemon index in perspective, taking into consideration the market share of the different manufacturers in Texas. The percentages are obtained by dividing the overall sales for each manufacturer as furnished by The Polk Company by the total Texas sales. For the ninth year, more new trucks were registered in Texas than new cars.

Vehicles registered in Texas in 2005:

- Cars 515,708
- Trucks 755,817
(includes sport utility vehicles and minivans)

CHART Q

MARKET SHARE PERCENTAGE - BY MANUFACTURER AND MAKE

MANUFACTURER	MAKE	CARS	TRUCKS	COMBINED
BMW Total	BMW	2.367%	0.404%	1.200%
	Mini	0.556%	0.000%	0.226%
		2.924%	0.404%	1.426%
DaimlerChrysler Total	Chrysler	3.046%	2.796%	2.897%
	Dodge	3.662%	10.144%	7.515%
	Jeep	0.000%	3.746%	2.227%
		6.708%	16.686%	12.639%
Ford Total	Ford	10.634%	23.942%	18.544%
	Lincoln	1.103%	0.798%	0.922%
	Mercury	1.469%	0.542%	0.918%
	13.206%	25.282%	20.384%	
Freightliner		0.000%	0.008%	0.004%
General Motors Total	Buick	1.758%	0.579%	1.057%
	Cadillac	2.475%	0.818%	1.490%
	Chevrolet	10.368%	22.575%	17.624%
	GMC	0.000%	5.538%	3.292%
	Hummer	0.000%	0.685%	0.407%
	Oldsmobile	0.006%	0.003%	0.004%
	Pontiac	4.184%	0.217%	1.826%
		18.791%	30.414%	25.700%
Honda Total	Acura	1.944%	0.353%	0.998%
	Honda	9.492%	4.454%	6.497%
	11.436%	4.806%	7.495%	
Hyundai		3.824%	0.906%	2.090%
Isuzu		0.000%	0.245%	0.146%
Jaguar		0.294%	0.000%	0.119%
Kia		3.027%	1.319%	2.012%
Land Rover		0.000%	0.331%	0.197%
Mazda		3.268%	0.929%	1.878%
Mercedes-Benz		2.076%	0.261%	0.997%
Mitsubishi		1.461%	0.480%	0.878%
Nissan Total	Infiniti	1.432%	0.409%	0.824%
	Nissan	7.082%	5.896%	6.377%
	8.515%	6.305%	7.201%	
Porsche		0.209%	0.092%	0.139%
Saab		0.337%	0.000%	0.146%
Saturn		1.278%	0.880%	1.041%
Subaru		0.517%	0.234%	0.348%
Suzuki		0.998%	0.210%	0.530%
Toyota Total	Lexus	2.326%	1.594%	1.891%
	Toyota	14.312%	8.123%	10.633%
		16.638%	9.718%	12.524%
Volkswagen Total	Audi	0.520%	0.000%	0.211%
	Volkswagen	2.963%	0.267%	1.280%
	3.482%	0.267%	1.491%	
Volvo		0.867%	0.592%	0.510%
All Others		0.144%	0.076%	0.108%
		100%	100%	100%

Considering the number of complaints filed, the number of repurchase or replacement orders was relatively small in CY '05. It is more beneficial to focus on the total number of complaints closed by the Motor Vehicle Division and compare how manufacturers responded to their respective share of complaints.

Chart R indicates at what rate and in what manner manufacturers settled complaints that were closed. It is noteworthy that certain manufacturers were particularly receptive to settling complaints rather than contesting them at a formal hearing. The following chart illustrates the settlement rates of different manufacturers listed by make of vehicle.

DaimlerChrysler Motors Corporation and General Motors Corporation tend to settle cases prior to the entry of a decision through the hearing process. Together, the two manufacturers voluntarily repurchased or replaced 73 vehicles in CY '05. These were not counted in determining their lemon index in Chart P. In addition, Nissan and Volkswagen improved their settlement rates significantly.

CHART R SETTLEMENT RATE - BY MAKE OF VEHICLE

VEHICLE MAKE	NUMBER OF COMPLAINTS CLOSED	NUMBER SETTLED	SETTLEMENT %	REPURCHASED/ REPLACED
Acura	5	1	20%	0
Alfa Leisure	1	1	100%	0
American Ironhorse	1	1	100%	1
American La France	1	0	0%	0
Aprilia	1	1	100%	1
Audi	5	2	40%	2
Big Dog	1	1	100%	0
BMW	13	11	85%	7
Buick	1	0	0%	0
Cadillac	10	8	80%	2
Chevrolet	89	53	60%	17
Chrysler	26	21	81%	10
Dodge	78	55	71%	31
Doubletree	3	1	33%	0
Dutchmen	1	1	100%	1
Fleetwood	9	5	56%	0
Ford	168	64	38%	19
Forest River	6	4	67%	2
Freightliner	1	0	0%	0
Georgie Boy	1	0	0%	0
GMC	17	8	47%	3
Gulf Stream	5	3	60%	1
Holiday Rambler	5	3	60%	0
Honda	15	8	53%	1
Hummer	3	1	33%	0
Hyundai	7	4	57%	1
Infiniti	2	1	50%	1
International	1	1	100%	0
Isuzu	2	1	50%	0
Jaguar	4	2	50%	0
Jayco	1	0	0%	0
Jeep	18	12	67%	5
Kawasaki	3	2	67%	1

CHART R (CONTINUED)

VEHICLE MAKE	NUMBER OF COMPLAINTS CLOSED	NUMBER SETTLED	SETTLEMENT %	REPURCHASED/REPLACED
Keystone	7	5	71%	1
Kia	17	9	53%	2
Kubota	1	0	0%	0
Land Rover	6	5	83%	1
Lexus	4	4	100%	4
Lincoln	10	2	20%	0
Mack	1	0	0%	0
Mazda	16	10	63%	8
Mercedes-Benz	8	1	13%	1
Mercury	7	4	57%	1
Mini	1	0	0%	0
Mitsubishi	4	3	75%	1
Monaco	3	2	67%	0
National RV	1	0	0%	0
Nissan	46	29	63%	13
Oldsmobile	3	3	100%	2
Peterbilt	2	0	0%	0
Pilgrim	1	0	0%	0
Pontiac	9	5	56%	3
Porsche	3	2	67%	0
Rexhall	1	0	0%	0
Saab	8	7	88%	3
Saturn	4	4	100%	3
Skyline	1	1	100%	0
Subaru	3	2	67%	0
Suzuki	10	5	50%	2
Thor	5	5	100%	2
Tiffin	2	2	100%	0
Toyota	10	3	30%	2
Volkswagen	39	26	67%	15
Volvo	4	3	75%	2
Winnebago	1	0	0%	0
Yamaha	2	0	0%	0
TOTAL CLOSED	744	418		172

Texas Motor Vehicle Division Lemon Law Rule §8.210 (43 TAC 8.210.4) requires a manufacturer to issue a disclosure statement, hang a disclosure label from the rear view mirror and re-title a reacquired vehicle prior to resale when the vehicle has been:

- ordered repurchased or replaced by the Texas Motor Vehicle Division,
- reacquired to settle a Motor Vehicle Division lemon law or general warranty complaint, or
- transferred to Texas after being reacquired to resolve a warranty claim in another jurisdiction.

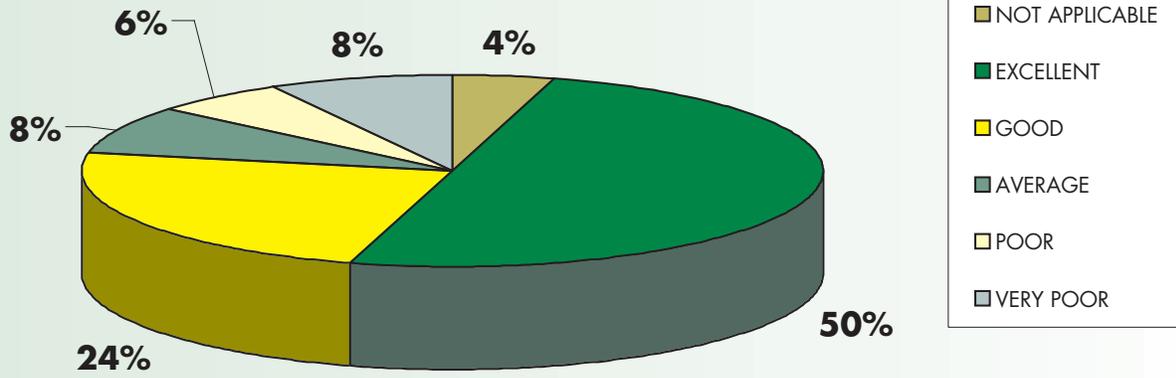
Chart S shows the number of vehicles reacquired by manufacturers for CY '03, CY '04 and CY '05. Both the disclosure statement and label are required to accompany the vehicle through the first retail sale. The selling dealer is required to return the completed disclosure statement to the Motor Vehicle Division within 60 days of the retail sale. The forms must be the ones provided by or approved by the Motor Vehicle Division. The manufacturer is also required to repair the defect or condition in the vehicle that resulted in the vehicle being reacquired and issue, at a minimum, a 12-month/12,000-mile (whichever comes first) basic warranty.

CHART S MANUFACTURER REACQUIRED VEHICLES

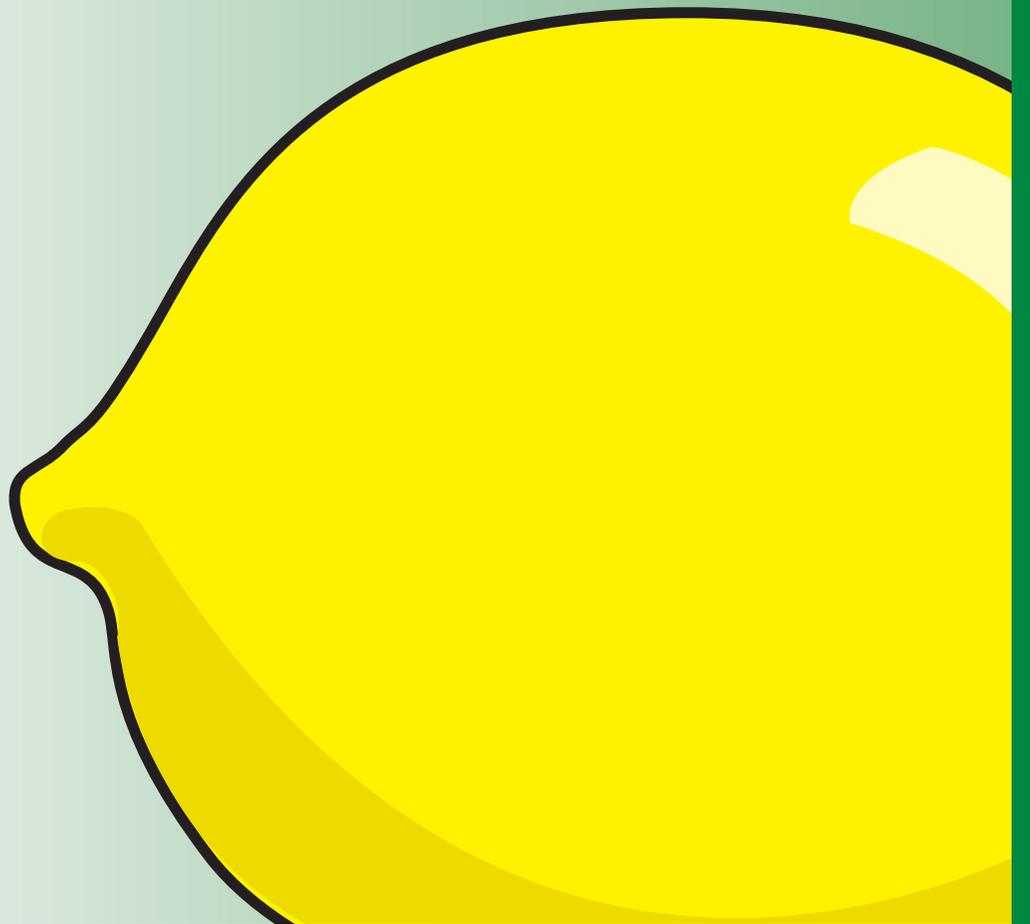
	CY '03	CY '04	CY '05
Ordered Repurchases/Replacements	46	32	41
Reacquired Vehicle Settlements	221	193	174
Reacquired Vehicles Transferred to Texas	59	39	121
Total	326	264	336

The customer satisfaction survey continues to indicate the overwhelming majority of the complaints rate the Texas Lemon Law Program above average. Chart T shows the ratings by category.

CHART T



CONCLUSION





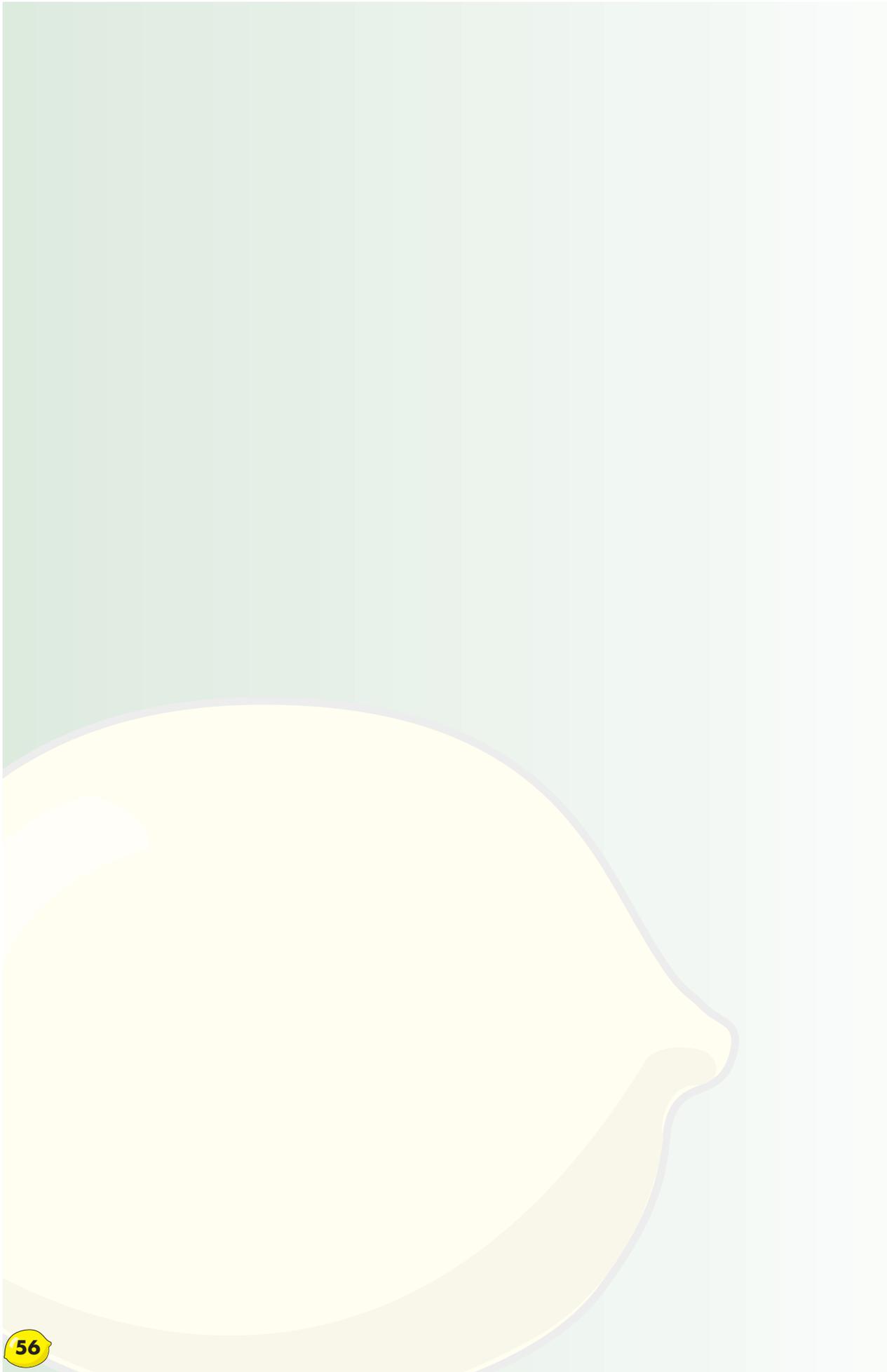
CONCLUSION

The statistics for CY '05 reveal that most manufacturers have continued to view the Lemon Law as an opportunity to improve customer satisfaction and increase market share instead of costly litigation where success is defined as winning at any cost. For example, DaimlerChrysler Motors Corporation and General Motors Corporation voluntarily repurchased or replaced 73 vehicles in CY '05. As a result, complaint processing times have been minimized.

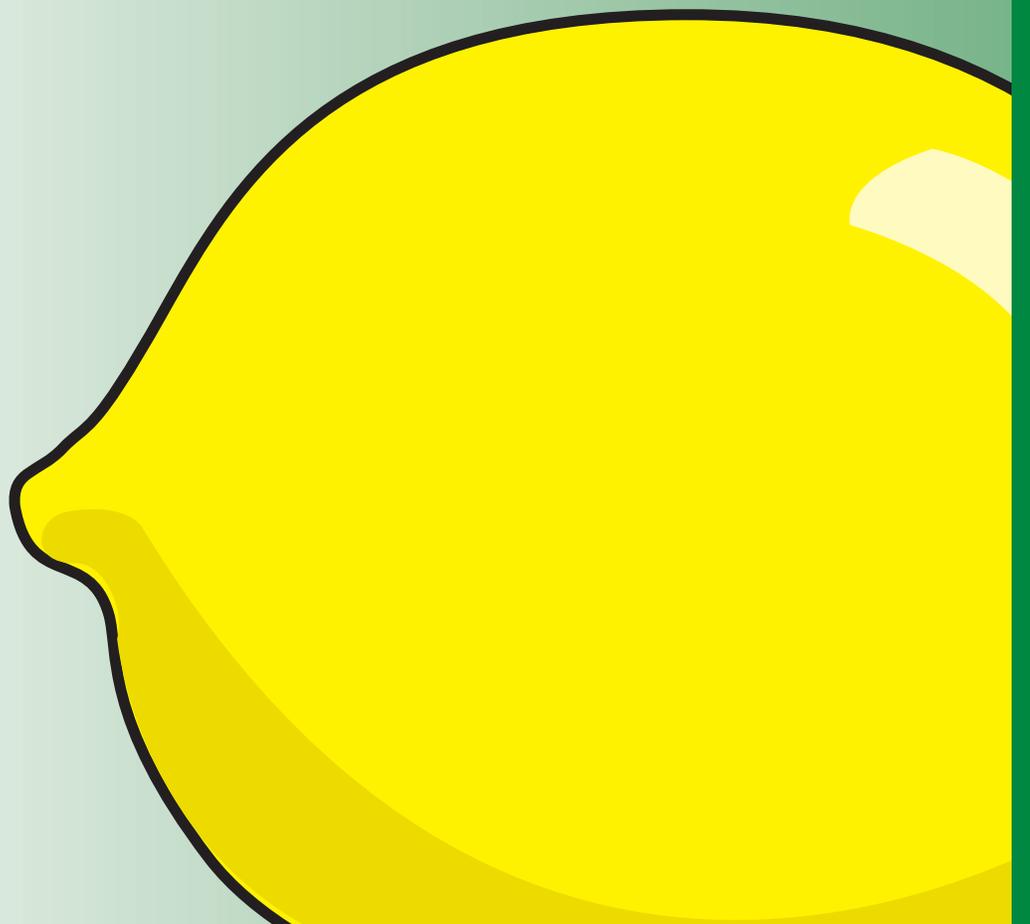
Further statistics reveal that in 64.8 percent of the complaints closed in CY '05, consumers received some type of relief totaling almost \$5.5 million in benefits. However, with the exclusion of the complaints closed for no jurisdiction, not pursued, withdrawn, etc., the success rate rises to 71.5 percent.

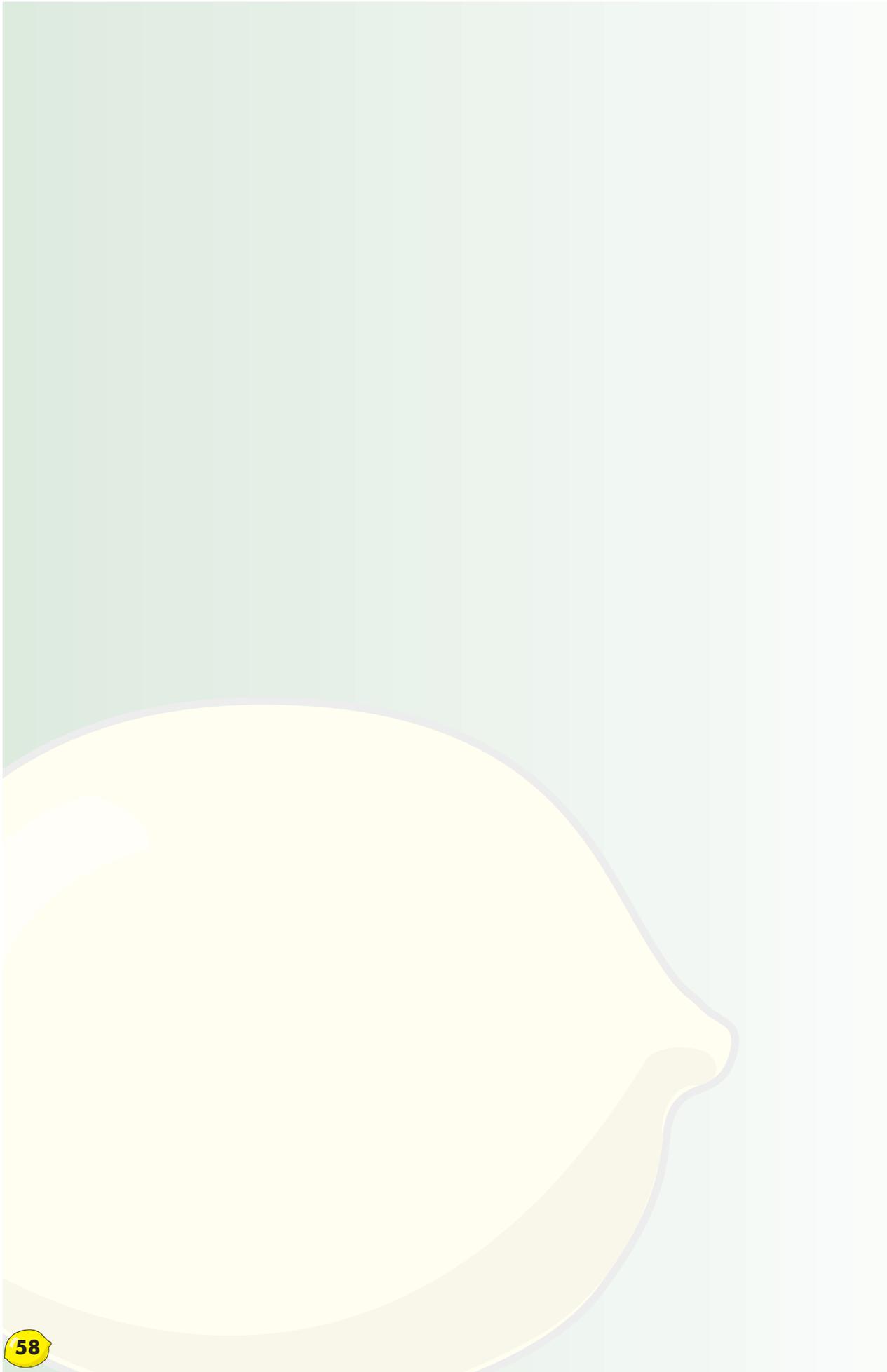
It is anticipated that the information presented here will be of benefit to consumers and manufacturers. Anyone who has questions may call 512/416-4800 or toll-free 800/622-8682 for further clarification. This report and additional Lemon Law information are available from the Texas Department of Transportation or on the Internet.

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ACKNOWLEDGMENTS





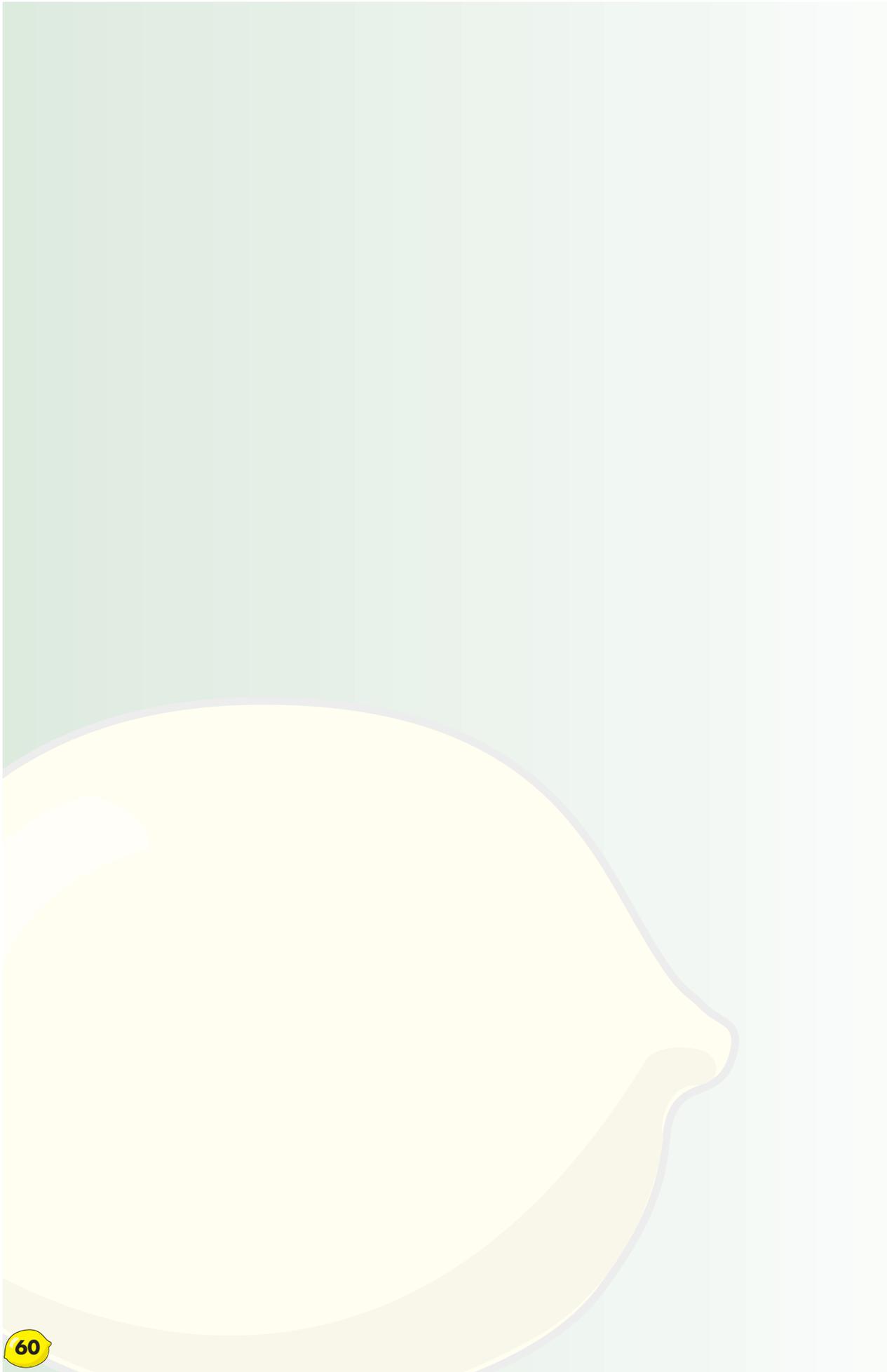
ACKNOWLEDGMENTS

The fourteenth annual report of the Texas Lemon Law Program was prepared with the help and toil of many. Several Motor Vehicle Division staff members made significant contributions while performing their regular duties. Special thanks to the Motor Vehicle Division's employees:

*Anne Lehnick
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Robin McCleary
Cindy Sedillo
Jose Catache
Brenda McCaughey*

These employees' tireless and meticulous work made the report possible. All of the Consumer Affairs Section's staff deserve a sincere word of gratitude for their support and cooperation during the entire year while contributing to the preparation process.

L. David Brunke
Director - Consumer Affairs

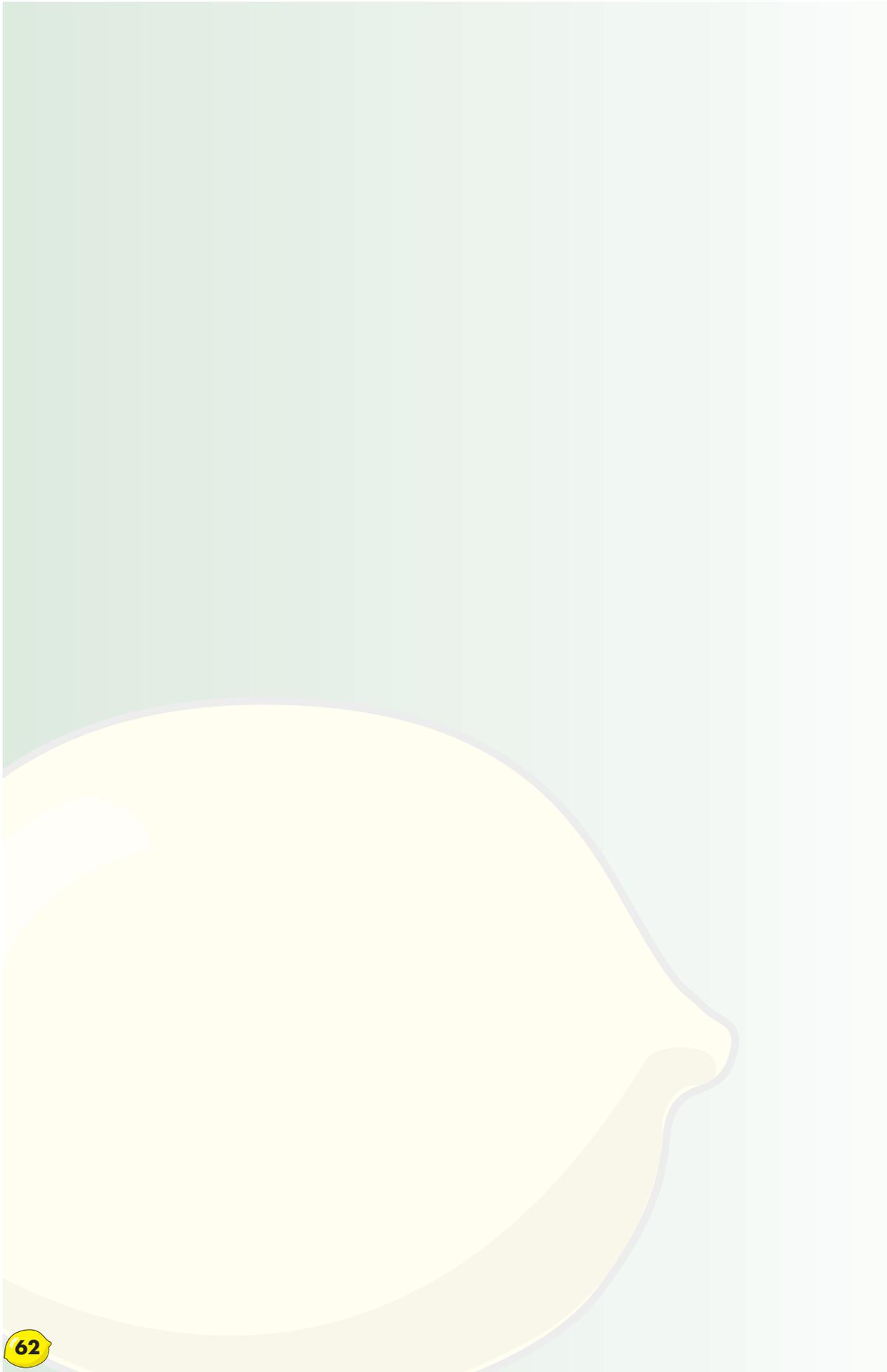


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