

MOTOR VEHICLE

1996

LEMON LAW



ANNUAL REPORT

January 1, 1996 – December 31, 1996

MOTOR VEHICLE DIVISION
Consumer Affairs Section
<http://www.dot.state.tx.us>
lemonlaw@mailgw.dot.state.tx.us

**TEXAS DEPARTMENT OF TRANSPORTATION
MOTOR VEHICLE BOARD**

Robert (Bob) C. Barnes (Vice Chairman)

Term Expires 1/31/03

P. O. Box 12794
Odessa, Texas 79768

D. Diane Dillard

Term Expires 1/31/03

Dillard & Salinas, L.L.P.
910 Travis St., Suite 2020
Houston, Texas 77002-5810

N. Scott Jones (Chairman)

Term Expires 1/31/01

Temerlin, McClain
201 E. Carpenter Freeway
Irving, Texas 75062

Manuel Marrufo

Term Expires 1/31/01

445 Executive Center Boulevard
El Paso, Texas 79902

Laurie Watson

Term Expires 1/31/99

Brown Distributing Company
411 Chicon
Austin, Texas 78702

Stephen P. Webb

Term Expires 1/31/99

Webb & Webb
114 W. 7th, Suite 600
Austin, Texas 78701

William G. Burnett, Ex Officio

Executive Director
Texas Department of Transportation
125 East 11th Street
Austin, Texas 78701

October 1997

**TEXAS DEPARTMENT OF TRANSPORTATION
MOTOR VEHICLE DIVISION
CONSUMER AFFAIRS SECTION**

Brett Bray
Division Director

L. David Brunke
Assistant Director - Consumer Affairs

Zellena P. Jay
Staff Support Supervisor

Melvin E. Mills
W. Kenneth Herring
H. Glenn Cortez
Administrative Law Judges

Robert Shrawder
Consumer Advisor/Automotive Expert
Hearings Coordinator

Tim Bargsley
John DuFour
Consumer Advisors/Automotive Experts

Janice Maynard
Anne Walthall
Brandie Davila
Julie Wiggins
Angela Medrano
Legal Secretaries

TABLE OF CONTENTS

SECTION	PAGE
Introduction	4
Overview (Chart A)	5
Informal Procedures	5
Informal Complaint Resolution (Chart B).....	6
Pre-Hearing Settlements (Chart C).....	7
Repurchase/Replacement/Trade Assist - Pre-Hearing Settlements (Chart D)	7
Formal Proceedings	8
Complaints Received - By Manufacturer and Make CYs 94 to 96 (Chart E)	9
Complaints Filed Index (Chart F)	12
Defects Reported (Chart G)	17
Complaints Closed - By Manufacturer and Make (Chart H)	17
Formal Complaint Resolution (Chart I)	19
Repurchases/Replacements Ordered (Chart J)	20
Market Share Percentage (Chart K)	22
Complaints Settled - By Make (Chart L)	24
Conclusion	26
Endnotes	27
Acknowledgments	28

INTRODUCTION

The Motor Vehicle Division (MVD) of the Texas Department of Transportation (TxDOT), specifically the Consumer Affairs Section, is responsible for enforcement of the lemon law throughout the state. The Division provides **new** motor vehicle buyers and **lessees** 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 (these complaints are referred to as Section 6.07 complaints) or may request assistance in getting repairs done or paid for under the warranty (referred to as Section 3.08(i) or general warranty complaints). The relief available to **used** motor vehicle buyers is limited to repairs only under Section 3.08(i), if the vehicle is still under the original factory warranty. In short, the Division provides consumers who have problems getting their vehicles repaired an accessible and relatively inexpensive forum within which to prosecute their complaints against manufacturers.

This is the fifth annual report published by the Division on the lemon law since the legislature established the requirement in 1991. The report was expanded last year, which has been continued this year, by providing a breakdown of the complaints filed by model, including a complaint filed index (CFI), to enable consumers to determine if a particular model has received more or less than its "expected share" of complaints. Additionally, the listing of the defects, by component system, reported by consumers on filing their complaints, has been continued.

During this last year, the mediation inspection program was re-emphasized in an attempt to resolve complaints earlier in the process without the need for time-consuming hearings. Preliminary results indicate many of the consumers and manufacturers are receptive to this initiative. Additionally this last year, the Consumer Affairs Section, with the assistance of TxDOT's Travel and Information Division, produced a video entitled "Consumers' Guide to the Texas Lemon Law" to make it easier for consumers to understand the intricacies of the lemon law. Our initial survey results indicate most consumers consider the video to be very helpful.

A bill was enacted by the legislature, effective September 1, 1997, bringing towable recreational vehicle manufacturers¹ and dealers under the Texas Motor Vehicle Commission Code, including the lemon law. Although it is difficult for the staff to project the number of complaints the Division will receive from owners of these vehicles, we understand that yearly sales of towable recreational vehicles in Texas exceed 14,000.

During CY96, the Consumer Affairs Section processed almost two thousand (2,000) complaints, including 691 complaints that were carried over from CY95 and 1290 new complaints that were received during the year. Most of the complaints involved passenger cars

¹Whenever the term "manufacturer" is used, it should be understood to include distributor and converter, as the lemon law applies to them as well.

and light trucks, although complaints have been received on motor homes, heavy duty trucks and motorcycles with prices ranging from a few thousand dollars to just over one hundred thousand dollars for luxury and industrial vehicles. Chart A, below, shows an overview of the program results for CY96. Results for CYs 94 and 95 are also included for comparison purposes.

**CHART A
OVERVIEW**

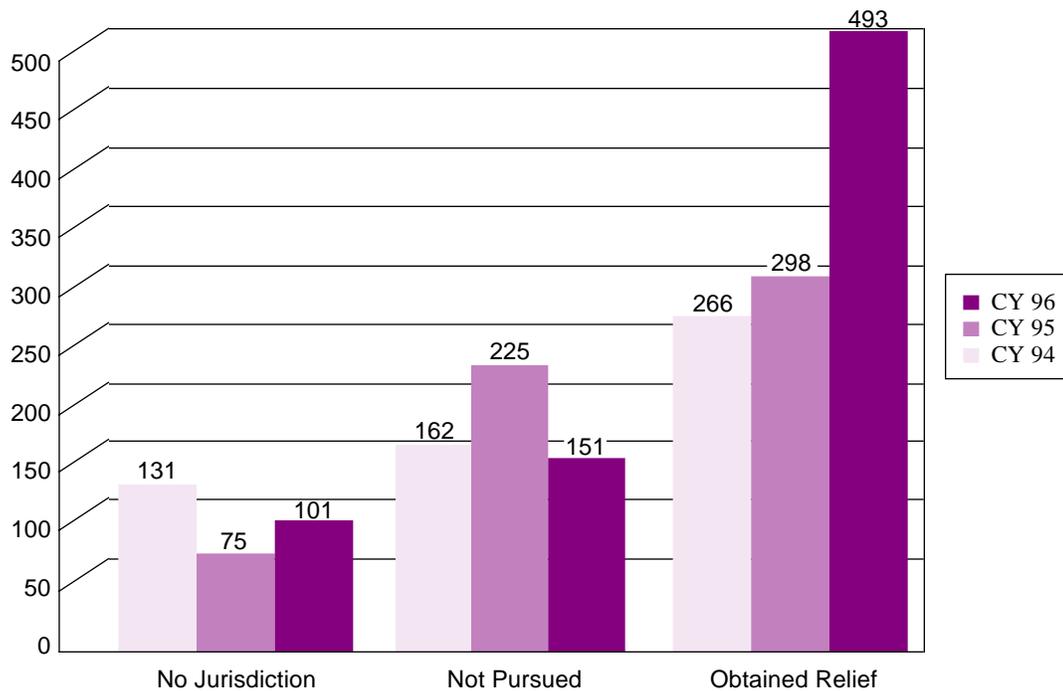
	CY94	CY95	CY96
Complaints Filed	1233	1093	1290
Complaints Closed	934	1057	1260
Prehearing Settlements	434	533	694
Hearings Scheduled	378	456	515
Final Orders (Hearings Held)	139	130	175
Repurchase/Replacement Orders	59	55	42

INFORMAL PROCEDURES

When a complaint is received, it is evaluated by the Division's Consumer Advisors, who are also A.S.E. Certified Master Automobile Technicians, to determine whether the complainant is eligible for relief. After determining that a complaint meets the jurisdictional requirements of Section 6.07 or 3.08(i), the Advisors serve as liaisons between consumers and manufacturer and dealer representatives. Often their proactive assistance results in resolution of complaints soon after filing.

Of the nearly 2,000 complaints that were processed by the Division, twelve hundred sixty (1,260) were resolved or concluded in CY96. Seven hundred forty-five (745) complaints were resolved informally without the need for a hearing and five hundred fifteen (515) were concluded after a hearing was set. Complaints resolved informally were concluded within a much shorter period (45-90 days) than complaints that proceeded to a hearing (150 days). Chart B indicates how the informal complaints were closed: 151 complaints (20%) were not pursued after initial filing; 101 complaints (14%) were closed due to lack of jurisdiction, no warranty defect, etc.; and 493 complaints (66%) were resolved with consumers receiving some type of relief (see Chart C, p. 7). It should be noted that some of the complaints closed as "not pursued" could have been settled by the parties after the Division took steps to initiate communication between consumers and manufacturers' representatives. However, verifiable numbers are not available. Statistics for CYs 95 and 94 are also included in Chart B for comparison purposes.

**CHART B
INFORMAL COMPLAINT RESOLUTION**



Some of the complaints that were resolved informally were resolved through mediation inspections conducted throughout the state by the MVD Consumer Advisors. Generally, inspections are done at accessible authorized dealerships, with consumers and manufacturers' representatives present. The MVD Consumer Advisor analyzes the facts based on the inspection of the vehicle and the evidence that the complainant could prove, should a hearing be required. Very often, the parties reach an agreement during the inspection meeting and the complaint is then closed. In CY96, 62 mediation inspections were conducted throughout the state. In 40% of these cases, the inspection resolved the complaint, thereby avoiding the necessity of a formal hearing. Inspections have proven to be most successful in resolving Section 3.08(i) complaints, which is probably attributable to the fact that the remedy available is limited to the repair of the vehicle. When complaints cannot be resolved, they are channeled to the hearing process.

Settlements, however, are always possible and continue to occur until the time of the actual hearing. In CY96, 694 complaints were settled at various stages of the process compared to 533 in CY95 and 434 in CY94. Of the CY96 settlements, 493 were settled prior to scheduling of a hearing and 201 settled after a hearing was set. The relief obtained by consumers through pre-hearing settlements for CYs 94 to 96 is charted below:

CHART C
PRE-HEARING SETTLEMENTS

	Prior to Hearing Scheduled			After Hearing Scheduled		
	CY94	CY95	CY96	CY94	CY95	CY96
Repurchased	43	65	73	45	48	40
Trade-assists	97	121	195	71	64	79
Repaired	93	63	111	27	31	33
Extended Service Contract	13	16	40	1	16	17
Others	<u>20</u>	<u>33</u>	<u>74</u>	<u>24</u>	<u>76</u>	<u>32</u>
	266	298	493	168	235	201

As indicated above, 387 vehicles were repurchased or replaced (trade-assists) by manufacturers in CY96 through settlement negotiations prior to conducting a hearing and required no formal decision. This represents an increase of 30% from CY95 and 51% from CY94. The breakdown of repurchase or trade-assist (replacement) settlements per manufacturer for CYs 94 to 96 is shown in Chart D. The number of trade-assists (replacements) increased 48% from CY95 and 63% from CY94, while the number of repurchases stayed the same from CY95 but increased 28% from CY94. It is also apparent from Chart D that some manufacturers, i.e., Chrysler, Ford, Kia, Mitsubishi, Saturn, and Volkswagen, have increased the number of pre-hearing settlements rather significantly during this time.

CHART D
REPURCHASE/REPLACEMENT/TRADE ASSIST - PRE-HEARING SETTLEMENTS

MANUFACTURER	REPURCHASE			TRADE ASSIST			TOTAL		
	CY94	CY95	CY96	CY94	CY95	CY96	CY94	CY95	CY96
AM General	0	0	1	0	1	0	0	1	1
BMW	1	0	0	1	1	1	2	1	1
Chrysler	10	14	4	43	72	96	53	86	100
Coachmen	0	0	0	1	0	0	1	0	0
Country Coach	0	0	0	1	0	0	1	0	0
Damon	0	0	0	0	0	1	0	0	1
Fleetwood	0	1	0	0	0	0	0	1	0
Ford	13	10	28	49	37	69	62	47	97
General Motors	48	65	47	48	54	77	96	119	124
Gulf Stream	0	0	1	0	0	0	0	0	1
Honda	0	0	0	6	2	0	6	2	0
Hyundai	3	6	5	3	4	2	6	10	7
Isuzu	2	1	0	1	1	1	3	2	1
Jaguar	0	0	1	0	0	0	0	0	1
Kia	0	0	4	0	1	0	0	1	4

CHART D (continued)
REPURCHASE/REPLACEMENT/TRADE ASSIST - PRE-HEARING SETTLEMENTS

MANUFACTURER	REPURCHASE			TRADE ASSIST			TOTAL		
	CY94	CY95	CY96	CY94	CY95	CY96	CY94	CY95	CY96
Land Rover	0	0	0	0	0	1	0	0	1
Mazda	3	6	3	4	3	5	7	9	8
Mercedes-Benz	0	0	1	0	1	1	0	1	2
Mitsubishi	0	0	6	2	1	7	2	1	13
Nissan	3	2	2	2	5	3	5	7	5
Saab	0	1	1	0	1	1	0	2	2
Saturn	2	1	5	1	0	4	3	1	9
Subaru	0	0	0	1	1	0	1	1	0
Suzuki	0	1	0	0	0	0	0	1	0
Toyota	1	0	0	3	0	0	4	0	0
Volkswagen	2	4	4	1	0	3	3	4	7
Volvo	0	1	0	1	0	1	1	1	1
Winnebago	0	0	0	0	0	1	0	0	1
TOTAL	88	113	113	168	185	274	256	298	387

REPURCHASE/TRADE ASSIST PRE-HEARING SETTLEMENTS

A settlement by replacement of the vehicle is also referred to as a trade assist. The amount of assistance by a manufacturer can vary from a few hundred dollars towards the purchase of a new vehicle to a “no cost” replacement. In most cases, a consumer is traded into a new vehicle on a “no profit” basis by the manufacturer/dealer subject only to a mileage charge.

FORMAL PROCEEDINGS

If not resolved informally, complaints are set for a hearing on the merits to be conducted by the Division’s Administrative Law Judges (ALJs) who travel the state, holding hearings as close and convenient to consumers as possible. Division staff members work to schedule unresolved complaints promptly, and examiners work hard to issue decisions and orders within 150 days after the filing of a complaint. This time limit, however, may not be met in every case.

Although the hearing procedures are more formal than the pre-hearing mediation inspections conducted by the advisors, efforts are made by staff to assist consumers. The advisors contact consumers prior to the hearing to review the hearing procedures and to answer any questions that may arise. The advisors also discuss with consumers the proof requirements of the lemon law, which are clearly described in a consumer handbook and in a newly released training video.

A hearing allows consumers and manufacturers 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. In addition, consumers are required to bring their vehicle to the hearing for an inspection and test drive. Following the hearing, the ALJ considers all of the evidence received and issues a written decision and order at a later date. Generally, orders require one of the following:

- 1) repurchase or replacement of the vehicle by the manufacturer, deducting a reasonable allowance for the consumer's use of the vehicle.
- 2) repair of the vehicle under the manufacturer's warranty, or
- 3) dismissal of the complaint if it was not proven.

The decision and order is sent to the parties by certified mail, return receipt requested. Any party who disagrees with the decision may file a motion for rehearing, which is a request for reconsideration of the decision, with either the Division Director or the Motor Vehicle Board, which consists of six citizen members appointed by the Governor. The results of the motion for rehearing can range widely from 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 Division's final action may file an appeal in state district court under the substantial evidence rule. A very small percentage of the total number of lemon law complaints that proceed to hearing are appealed. For example, in CY96, only three lemon law cases were appealed, two by manufacturers and one by complainants.

Chart E shows how many complaints were filed against manufacturers by make for CYs 94 to 96. It is clear that manufacturers with larger market share percentages experience a higher rate of complaints filed.

CHART E
NEW COMPLAINTS FILED CY96

MANUFACTURER	MAKE	CY94	CY95	CY96
Airstream		1	2	0
Alfa Romeo		1	0	0
AM General		0	2	3
Barth		0	1	0
Beaver Coach		0	0	1
BMW		8	9	9
	Chrysler	29	28	34
	Dodge	106	119	161
	Eagle	7	10	6
	Jeep	36	16	28
	Plymouth	<u>40</u>	<u>33</u>	<u>30</u>
Chrysler Total		218	206	259
Coachmen		1	1	3

CHART E (continued)
NEW COMPLAINTS FILED CY96

MANUFACTURER	MAKE	CY94	CY95	CY96
Cobra		0	2	0
Country Coach		1	0	0
Damon		0	2	0
El Dorado		1	0	0
Firan		0	0	1
Fleetwood		1	2	7
	Ford	281	246	242
	Lincoln	6	8	14
	Mercury	<u>49</u>	<u>38</u>	<u>44</u>
Ford Total		336	292	300
Four Winds		0	3	0
	Buick	18	12	21
	Cadillac	13	7	18
	Chevrolet-Geo	216	207	252
	GMC	56	59	51
	Oldsmobile	12	12	9
	Pontiac	<u>60</u>	<u>39</u>	<u>52</u>
General Motors Total		375	336	403
Georgie Boy		0	0	3
Gulf Stream		2	5	2
Harley Davidson		0	2	0
Holiday Rambler		1	0	4
	Acura	4	3	2
	Honda	<u>17</u>	<u>6</u>	<u>20</u>
Honda Total		21	9	22
Hyundai		43	27	31
Isuzu		29	15	13
Jaguar		1	3	1
Kawasaki		1	3	1
Kia		0	3	27
KTM		1	0	0
Land Rover		1	1	6
Lexus		0	3	0
Mack		1	0	0
Mallard		0	1	0
Mazda		48	44	33
Mitsubishi		22	29	45
Monaco		1	0	3
Navistar		0	0	1
Newmar		0	2	2
	Infiniti	0	2	2
	Nissan	<u>43</u>	<u>25</u>	<u>31</u>
Nissan Total		43	27	33

CHART E (continued)
NEW COMPLAINTS FILED CY96

MANUFACTURER	MAKE	CY94	CY95	CY96
	Kenworth	1	0	2
	Peterbilt	<u>2</u>	<u>0</u>	<u>1</u>
Paccar Total		3	0	3
Polaris		0	1	0
Porsche		2	0	0
Rexhall		0	1	0
Rolls Royce		0	0	1
Saab		2	4	4
Safari		1	1	0
Saturn		5	8	16
Serro		0	0	1
South Country		0	0	1
Subaru		5	1	1
Suzuki		1	0	2
Thor		0	3	0
Tiffin Motor Homes		0	0	1
Toyota		27	17	20
	Audi	2	1	0
	Volkswagen	<u>13</u>	<u>7</u>	<u>11</u>
Volkswagen Total		15	8	11
Volvo		5	7	6
VolvoGM		0	0	1
Winnebago		1	2	5
Yamaha		1	0	0
TOTAL COMPLAINTS FILED		1,233	1,093	1,290

Chart F shows how many complaints were filed by model, including a complaint filed index (CFI). The CFI, which was obtained by dividing the model's share of the complaints filed in CY96 by its market share² in CY96, will enable consumers to determine if a model has received more or less than its "expected share" of complaints. If a model's share of the complaints filed equals its market share, the CFI will be 1.0. Accordingly, if a model has a CFI greater than 1.0, it has more than its expected share of complaints. On the other hand, if the CFI is less than 1.0, the model has less than its expected share of complaints.

There are 19 models with a market share greater than 1% (sales over 12,021) having a CFI below 1.0, including 7 models (down from 8 last year) with a CFI below 0.5. The **top 7** models having a CFI below 0.5, ranked from the lowest to the highest, are Toyota Camry, Honda Accord, Honda Civic, Chevrolet Tahoe, Nissan Pickup, Chevrolet Lumina, and Ford F-250 Pickup. On the other hand, there are only 5 models this year (down from 8 last year) with a market share greater than 1% having a CFI above 1.0. The **bottom 5** models having a CFI above 1.0, ranked from the lowest to the highest, are Chevrolet S10 Pickup, Dodge BR 1500 Pickup, Ford Mustang, Chevrolet Blazer, and Dodge Caravan Vans.

²See page 27 for an explanatory note relating to market share.

CHART F
COMPLAINT FILED INDEX by MODEL

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES***	MARKET SHARE	CFI
ACURA	Integra	1	0.08%	2,980	0.2479%	0.31
	SLX	1	0.08%	121	0.0101%	7.70
ALLEGRO BAY	RSD 37	1	0.08%	Unknown		
AM GENERAL	Hummer	3	0.23%	Unknown		
BEAVER COACHES	Patriot	1	0.08%	Unknown		
BENTLEY	Brooklands	1	0.08%	14	0.0012%	66.56
BMW	318i	3	0.23%			
	325i	1	0.08%			
	328is	<u>1</u>	<u>0.08%</u>			
	300 SERIES	5	0.39%	3,823	0.3180%	1.22
	525i	3	0.23%			
	528i	<u>1</u>	<u>0.08%</u>			
	500 SERIES	4	0.31%	1,626	0.1353%	2.29
BUICK	Century	2	0.16%	4,536	0.3773%	0.41
	LeSabre	7	0.54%	7,672	0.6382%	0.85
	Park Avenue	3	0.23%	3,002	0.2497%	0.93
	Riviera	2	0.16%	1,382	0.1150%	1.35
	Roadmaster	4	0.31%	1,476	0.1228%	2.53
	Skylark	3	0.23%	2,958	0.2461%	0.95
CADILLAC	Allante	1	0.08%	47 **	0.0039%	19.83
	DeVille	5	0.39%	8,489	0.7062%	0.55
	El Dorado	5	0.39%	1,219	0.1014%	3.82
	Fleetwood	2	0.16%	884	0.0735%	2.11
	Seville	4	0.31%	1,997	0.1661%	1.87
	Sixty Special	1	0.08%	222 ***	0.0185%	4.20
CHEVROLET	Astro Van	12	0.93%	8,178	0.6803%	1.37
	Beretta	4	0.31%	2,436	0.2026%	1.53
	Blazer	19	1.47%	13,901	1.1564%	1.27
	C1500 Pickup	50	3.88%	68,229	5.6758%	0.68
	C2500 Pickup	20	1.55%	11,118	0.9249%	1.68
	C3500 Pickup	22	1.71%	6,494	0.5402%	3.16
	Camaro	14	1.09%	8,612	0.7164%	1.51
	Caprice/Impala SS	4	0.31%	4,320	0.3594%	0.86
	Cavalier	12	0.93%	18,664	1.5526%	0.60
	Celebrity	1	0.08%	Unknown		
	Corsica	3	0.23%	7,152	0.5950%	0.39
	Corvette	8	0.62%	1,722	0.1432%	4.33
	G Vans	15	1.16%	6,162	0.5126%	2.27
	Geo Metro	7	0.54%	7,115	0.5919%	0.92
	Geo Prism	3	0.23%	8,094	0.6733%	0.35
	Geo Storm	1	0.08%	415 **	0.0345%	2.25
	Geo Tracker	2	0.16%	3,164	0.2632%	0.59
	Lumina	7	0.54%	15,779	1.3126%	0.41
	Lumina APV	1	0.08%	1,124	0.0935%	0.83
	Monte Carlo	4	0.31%	4,768	0.3966%	0.78
	S10 Pickup	18	1.40%	16,488	1.3716%	1.02
	Suburban	20	1.55%	20,930	1.7411%	0.89
	Tahoe	5	0.39%	13,602	1.1315%	0.34

CHART F (continued)
COMPLAINT FILED INDEX by MODEL

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES***	MARKET SHARE	CFI
CHRYSLER	Cirrus	7	0.54%	2,193	0.1824%	2.97
	Concorde	3	0.23%	3,513	0.2922%	0.80
	Conquest	1	0.08%	Unknown		
	Imperial	1	0.08%	344 ***	0.0286%	2.71
	LeBaron	4	0.31%	943 *	0.0784%	3.95
	LHS	1	0.08%	1,907	0.1586%	0.49
	New Yorker	3	0.23%	1,409 *	0.1172%	1.98
	Sebring	9	0.70%	5,271	0.4385%	1.59
	Town & Country Van	5	0.39%	5,172	0.4302%	0.90
COACHMEN	Santara	3	0.23%	Unknown		
DODGE	Avenger	10	0.78%	2,662	0.2214%	3.50
	B Vans	12	0.93%	4,756	0.3956%	2.35
	BR 1500 Pickup	44	3.41%	34,481	2.8684%	1.19
	BR 2500 Pickup	9	0.70%	6,546	0.5445%	1.28
	BR 3500 Pickup	18	1.40%	Unknown		
	Caravan Van	31	2.40%	13,459	1.1196%	2.15
	Dakota Pickup	9	0.70%	5,378	0.4474%	1.56
	Intrepid	7	0.54%	8,363	0.6957%	0.78
	Monaco	1	0.08%	Unknown		
	Neon	9	0.70%	8,251	0.6864%	1.02
	Shadow	1	0.08%	5,420 ***	0.4509%	0.17
	Spirit	3	0.23%	1,047 *	0.0871%	2.67
	Stealth	2	0.16%	343 *	0.0285%	5.43
Stratus	5	0.39%	6,366	0.5296%	0.73	
EAGLE	Talon	5	0.39%	1,060	0.0882%	4.40
	Vision	1	0.08%	509	0.0423%	1.83
FIRAN	Raven	1	0.08%	Unknown		
FLEETWOOD	Bounder	1	0.08%	Unknown		
	Jamboree Rally	1	0.08%	Unknown		
	Montara	1	0.08%	Unknown		
	Pace Arrow	3	0.23%	Unknown		
	Southwind	1	0.08%	Unknown		
FORD	Aerostar Van	6	0.47%	6,835	0.5686%	0.82
	Aspire	4	0.31%	3,197	0.2660%	1.17
	Bronco	4	0.31%	1,183	0.0984%	3.15
	Contour	15	1.16%	11,644	0.9686%	1.20
	Crown Victoria	4	0.31%	9,793	0.8147%	0.38
	E Vans	16	1.24%	11,386	0.9472%	1.31
	Escort	13	1.01%	18,534	1.5418%	0.65
	Explorer	18	1.40%	31,534	2.6232%	0.53
	F 150 Pickup	41	3.18%	65,168	5.4212%	0.59
	F 250 Pickup	8	0.62%	15,847	1.3183%	0.47
	F 350 Pickup	14	1.09%	10,848	0.9024%	1.20
	F 800	1	0.08%	Unknown		
	Ford Super Duty	4	0.31%	Unknown		
	Mustang	21	1.63%	16,402	1.3644%	1.19
	Probe	6	0.47%	2,429	0.2021%	2.30
	Ranger	16	1.24%	27,669	2.3017%	0.54
	Taurus	17	1.32%	22,231	1.8493%	0.71
	Tempo	1	0.08%	270 *	0.0225%	3.45

CHART F (continued)
COMPLAINT FILED INDEX by MODEL

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES***	MARKET SHARE	CFI
	Thunderbird	15	1.16%	5,946	0.4946%	2.35
	Windstar Van	18	1.40%	10,449	0.8692%	1.61
GMC	G Van	9	0.70%	1,649	0.1372%	5.09
	Jimmy	3	0.23%	3,918	0.3259%	0.71
	Safari	2	0.16%	2,561	0.2130%	0.73
	Sierra 1500 Pickup	15	1.16%	19,813	1.6482%	0.71
	Sierra 2500 Pickup	7	0.54%	1,739	0.1447%	3.75
	Sierra 3500 Pickup	8	0.62%	937	0.0779%	7.96
	Sonoma	2	0.16%	3,314	0.2757%	0.56
	Suburban	4	0.31%	5,476	0.4555%	0.68
	Yukon	1	0.08%	4,042	0.3362%	0.23
GEORGIE BOY	Cruise Air	1	0.08%	Unknown		
	Cruise Master	2	0.16%	Unknown		
GULF STREAM	Scenic Cruiser	1	0.08%	Unknown		
	Ultra	1	0.08%	Unknown		
HOLIDAY RAMBLER	Endeavor	3	0.23%	Unknown		
	Navigator	1	0.08%	Unknown		
HONDA	Accord	8	0.62%	26,559	2.2094%	0.28
	Civic	5	0.39%	16,455	1.3689%	0.28
	CBR900 M/C	1	0.08%	Unknown		
	Passport	6	0.47%	2,157	0.1794%	2.59
HYUNDAI	Accent	1	0.08%	3,351	0.2788%	0.28
	Elantra	10	0.78%	2,845	0.2367%	3.28
	Scoupe	7	0.54%	366 **	0.0304%	17.82
	Sonata	13	1.01%	1,809	0.1505%	6.70
INFINITI	I30	1	0.08%	2,093	0.1741%	0.45
	Q45	1	0.08%	556	0.0463%	1.68
ISUZU	Isuzu Heavy Duty	1	0.08%	Unknown		
	Pickup	2	0.16%	479	0.0398%	3.89
	Rodeo	9	0.70%	6,985	0.5811%	1.20
	Trooper	1	0.08%	1,490	0.1239%	0.63
JAGUAR	XJR	<u>1</u>	<u>0.08%</u>			
	XJ SERIES	1	0.08%	712	0.0592%	1.31
JEEP	Cherokee	13	1.01%	9,375	0.7799%	1.29
	Grand Cherokee	13	1.01%	14,807	1.2318%	0.82
	Wrangler	2	0.16%	4,865	0.4047%	0.38
KAWASAKI	Vulcan 750CC M/C	1	0.08%	Unknown		
KENWORTH	T600	<u>1</u>	<u>0.08%</u>			
	W900B	<u>1</u>	<u>0.08%</u>			
	ALL MODELS	2	0.16%	1,374	0.1143%	1.36
KIA	Sephia	14	1.09%	2,851	0.2372%	4.58
	Sportage	13	1.01%	1,439	0.1197%	8.42
LAND ROVER	Defender	1	0.08%	49	0.0041%	19.02
	Discovery	5	0.39%	887	0.0738%	5.25
LINCOLN	Continental	3	0.23%	1,039	0.0864%	2.69
	Mark VIII	2	0.16%	944	0.0785%	1.97

CHART F (continued)
COMPLAINT FILED INDEX by MODEL

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES***	MARKET SHARE	CFI
	Town Car	9	0.70%	7,104	0.5910%	1.18
MAZDA	626	8	0.62%	7,906	0.6577%	0.94
	929	1	0.08%	437	0.0364%	2.13
	B Series Pickup	6	0.47%	5,157	0.4290%	1.08
	Miata	1	0.08%	1,057	0.0879%	0.88
	Millenia	2	0.16%	874	0.0727%	2.13
	MPV	4	0.31%	1,093	0.0909%	3.41
	Protege	10	0.78%	6,586	0.5479%	1.41
	RX-7	1	0.08%	132 *	0.0110%	7.06
MERCEDES-BENZ	C220	<u>1</u>	<u>0.08%</u>	1,963	0.1633%	0.47
	C CLASS	1	0.08%			
	S420	<u>2</u>	<u>0.16%</u>	1,345	0.1119%	2.08
	S500	<u>1</u>	<u>0.08%</u>			
S CLASS	3	0.23%				
MERCURY	Cougar	22	1.71%	4,405	0.3664%	4.65
	Grand Marquis	4	0.31%	9,746	0.8107%	0.38
	Mystique	3	0.23%	3,455	0.2874%	0.81
	Sable	3	0.23%	5,741	0.4776%	0.49
	Topaz	2	0.16%	2,667 **	0.2219%	0.70
	Tracer	5	0.39%	3,771	0.3137%	1.24
	Villager Van	5	0.39%	3,747	0.3117%	1.24
MITSUBISHI	Diamante	2	0.16%	362 *	0.0301%	5.15
	Eclipse	28	2.17%	6,551	0.5450%	3.98
	Galant	10	0.78%	4,689	0.3901%	1.99
	Mirage	2	0.16%	2,197	0.1828%	0.85
	Precis	1	0.08%	55 ***	0.0046%	16.94
	3000GT	2	0.16%	851	0.0708%	2.19
MONACO COACH	Dynasty	2	0.16%	Unknown		
	Windsor	1	0.08%	Unknown		
NAVISTAR	9300 Truck	<u>1</u>	<u>0.08%</u>	5,280	0.4392%	0.18
ALL MODELS	1	0.08%				
NEWMAR	Country Star	1	0.08%	Unknown		
	Mountain Aire	1	0.08%	Unknown		
NISSAN	200SX	1	0.08%	2,470	0.2055%	0.38
	240SX	1	0.08%	616	0.0512%	1.51
	300ZX	2	0.16%	437	0.0364%	4.26
	Altima	5	0.39%	10,142	0.8437%	0.46
	Maxima	3	0.23%	10,462	0.8703%	0.27
	Pathfinder	1	0.08%	3,205	0.2666%	0.29
	Pickup	5	0.39%	12,539	1.0431%	0.37
	Quest	4	0.31%	3,497	0.2909%	1.07
	Sentra	9	0.70%	8,573	0.7132%	0.98
OLDSMOBILE	Achieva	3	0.23%	2,769	0.2303%	1.01
	Aurora	1	0.08%	1,408	0.1171%	0.66
	Cutlass	3	0.23%	4,888 *	0.4066%	0.57
	Delta 88	1	0.08%	2,986	0.2484%	0.31
	Silhouette Van	1	0.08%	588	0.0489%	1.58

CHART F (continued)
COMPLAINT FILED INDEX by MODEL

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES***	MARKET SHARE	CFI
PETERBILT	379 ALL MODELS	<u>1</u> 1	<u>0.08%</u> 0.08%	1,663	0.1383%	0.56
PLYMOUTH	Acclaim	2	0.16%	570 *	0.0474%	3.27
	Laser	1	0.08%	364 **	0.0303%	2.56
	Neon	7	0.54%	6,909	0.5747%	0.94
	Sundance	1	0.08%	2,146 **	0.1785%	0.43
	Voyager Van	19	1.47%	9,519	0.7919%	1.86
PONTIAC	Bonneville	10	0.78%	4,153	0.3455%	2.24
	Firebird	10	0.78%	4,882	0.4061%	1.91
	Grand AM	11	0.85%	16,034	1.3338%	0.64
	Grand Prix	7	0.54%	6,030	0.5016%	1.08
	LeMans	1	0.08%	47 **	0.0039%	19.83
	Sunbird	2	0.16%	4,443 **	0.3696%	0.42
	Sunfire	5	0.39%	8,656	0.7201%	0.54
	Trans Sport Van	6	0.47%	1,135	0.0944%	4.93
SAAB	900	3	0.23%	392	0.0326%	7.13
	9000	1	0.08%	57	0.0047%	16.35
SATURN	SC	5	0.39%	3,704	0.3081%	1.26
	SL	11	0.85%	14,094	1.1724%	0.73
SERRO	Scotty	1	0.08%	Unknown		
STEEL STALLION	Black Stallion M/C	1	0.08%	Unknown		
SUBARU	SVX	1	0.08%	30	0.0025%	36.66
SUZUKI	Intruder	1	0.08%	Unknown		
	Sidekick	1	0.08%	1,134	0.0943%	0.82
TOYOTA	Avalon	5	0.39%	6,073	0.5052%	0.77
	Camry	1	0.08%	23,574	1.9611%	0.04
	Celica	1	0.08%	1,062	0.0883%	0.88
	Corolla	2	0.16%	11,533	0.9594%	0.16
	Pickup	1	0.08%	4,415 *	0.3673%	0.21
	T 100 Pickup	1	0.08%	2,831	0.2355%	0.33
	Tacoma	2	0.16%	7,922	0.6590%	0.24
	Tercel	3	0.23%	3,545	0.2949%	0.79
	4Runner	4	0.31%	8,486	0.7059%	0.44
VOLKSWAGEN	Eurovan	1	0.08%	28 *	0.0023%	33.28
	Golf	2	0.16%	422	0.0351%	4.42
	GTI	1	0.08%	227	0.0189%	4.11
	Jetta	6	0.47%	2,633	0.2190%	2.12
	Passat	1	0.08%	998	0.0830%	0.93
VOLVO	240	1	0.08%	54 **	0.0045%	17.26
	850	1	0.08%	4,612	0.3837%	0.20
	940	2	0.16%	627 *	0.0522%	2.97
	944	1	0.08%	Unknown		
	960	1	0.08%	1,539	0.1280%	0.61
WHITEGMC	WIA64T	1	0.08%	119	0.0099%	7.83
WINNEBAGO	Brave	1	0.08%	Unknown		
	Itasca Suncruiser	1	0.08%	Unknown		
	Vectra	3	0.23%	Unknown		
		1290	100%			

Chart G shows how many defects by component system or category that consumers reported on filing their complaints. As the chart indicates, consumers reported 2,593 defects, or 2.01 defects per vehicle, with the engine performance/emissions category being the most common (15.9%).

**CHART G
DEFECTS REPORTED - CY96**

CATEGORY	NUMBER	PERCENT OF TOTAL REPORTED
Engine (mechanical)	306	11.80%
Engine (performance/emissions)	412	15.89%
Air conditioning and heating	206	7.94%
Automatic transmission	191	7.37%
Standard transmission	66	2.55%
Driveline (axles and driveshaft) / vibrations	77	2.97%
Brakes	322	12.42%
Electrical	247	9.53%
Suspension and steering	260	10.03%
Body and trim	283	10.91%
Paint	62	2.39%
Water leaks	64	2.47%
Safety devices, seat belts, airbags	31	1.20%
Other	<u>66</u>	<u>2.55%</u>
TOTAL DEFECTS REPORTED	2593	100.00%

Chart H shows how many complaints were closed against manufacturers by make, how many were scheduled for hearing, how many final orders (hearings held) were issued and how many repurchases and replacement orders were entered. The number of complaints closed (1,260) increased 19.3% from CY95, while the number of hearings scheduled in CY96 increased 12.9% from CY95 and 36.2% from CY94. However, the number of hearings held in CY96 increased 34.6% from CY95 and 25.9% from CY94, while the number of vehicles ordered repurchased or replaced decreased 23.6% from CY95 and 28.8% from CY94.

**CHART H
COMPLAINTS CLOSED - BY MANUFACTURER AND MAKE - CY96**

MANUFACTURER	MAKE	COMPLAINTS CLOSED	HEARINGS SCHEDULED	FINAL ORDERS	REPURCHASE/ REPLACEMENT ORDERS
AIRSTREAM		1	1	1	1
AM GENERAL		1	0	0	0
BARTH		1	1	0	0
BMW		8	5	1	1
	Chrysler	28	8	3	0
	Dodge	147	38	6	0
	Eagle	8	2	0	0
	Jeep	17	5	3	0
	Plymouth	<u>34</u>	<u>11</u>	<u>2</u>	<u>0</u>
CHRYSLER TOTAL		234	64	14	0
COACHMEN		2	2	1	0

CHART H (continued)
COMPLAINTS CLOSED - BY MANUFACTURER AND MAKE - CY96

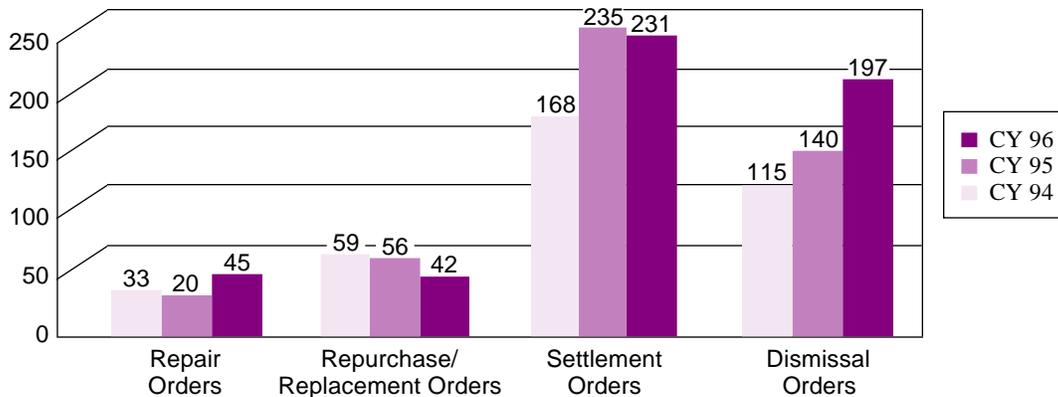
MANUFACTURER	MAKE	COMPLAINTS CLOSED	HEARINGS SCHEDULED	FINAL ORDERS	REPURCHASE/ REPLACEMENT ORDERS
COBRA		1	0	0	0
COUNTRY COACH		1	1	0	0
DAMON		2	2	1	0
FLEETWOOD		5	3	2	0
	Ford	271	127	56	9
	Lincoln	12	9	4	0
	Mercury	<u>43</u>	<u>13</u>	<u>4</u>	<u>2</u>
FORD TOTAL		326	149	64	11
FOUR WINDS		1	1	0	0
	Buick	18	6	2	0
	Cadillac	11	6	1	0
	Chevrolet-Geo	243	112	23	9
	GMC	57	12	3	0
	Oldsmobile	12	1	0	0
	Pontiac	<u>49</u>	<u>21</u>	<u>6</u>	<u>2</u>
GENERAL MOTORS TOTAL		390	158	35	11
GULF STREAM		5	4	0	0
HARLEY DAVIDSON		2	1	0	0
HOLIDAY RAMBLER		1	0	0	0
	Acura	1	0	0	0
	Honda	<u>18</u>	<u>9</u>	<u>5</u>	<u>1</u>
HONDA TOTAL		19	9	5	1
HYUNDAI		30	12	7	4
ISUZU		18	10	6	2
JAGUAR		2	1	1	0
JAYCO		1	1	0	0
KAWASAKI		1	0	0	0
KIA		11	3	1	1
LAND ROVER		3	1	1	0
MAZDA		44	21	9	1
MERCEDES-BENZ		7	7	4	0
MITSUBISHI		47	23	7	4
NEWMAR		2	2	0	0
	Infiniti	3	1	0	0
	Nissan	<u>18</u>	<u>6</u>	<u>2</u>	<u>1</u>
NISSAN TOTAL		21	7	2	1
POLARIS		1	1	1	1
SAAB		7	3	0	0
SAFARI		2	2	0	0
SATURN		15	3	0	0

CHART H (continued)
COMPLAINTS CLOSED - BY MANUFACTURER AND MAKE - CY96

MANUFACTURER	MAKE	COMPLAINTS CLOSED	HEARINGS SCHEDULED	FINAL ORDERS	REPURCHASE/REPLACEMENT ORDERS
SUBARU		2	0	0	0
THOR		2	1	0	0
TIFFIN		1	1	1	0
TOYOTA		19	9	7	3
	Audi	0	0	0	0
	Volkswagen	13	2	1	0
VOLKSWAGEN TOTAL		13	2	1	0
VOLVO		8	3	2	0
WINNEBAGO		3	1	1	0
TOTAL CLOSED CY96		1260	515	175	42

There were 515 formal orders that were entered in CY96. Of those, 87 orders required repair, repurchase or replacement of complainants' vehicles. In addition, in 231 cases, settlements favorable to complainants were reached after a hearing was scheduled, resulting in settlement orders. The remaining 197 complaints resulted in dismissals, either because they were abandoned or were not proven. Thus, in 61% of the cases which were scheduled for hearing, complainants received some form of relief. See Chart I below which indicates the respective outcomes of the 515 complaints in which formal orders were entered. Statistics for CYs 95 and 94 are also included in the chart for comparison purposes.

CHART I
FORMAL COMPLAINT RESOLUTION



REPURCHASES/REPLACEMENTS ORDERED

Chart J³ describes the vehicles that the Division ordered repurchased or replaced by manufacturers, converters or distributors in CY96. The orders were issued after a contested hearing when an ALJ found the complainant met the statutory requirements for repurchase or replacement relief under the lemon law. In CY96 there were 42 passenger cars, trucks, and ATVs ordered repurchased or replaced, including 24 cars, 17 trucks and 1 ATV. The 17 trucks include 1 motor home.

CHART J
VEHICLE REPURCHASE/REPLACEMENT - CY96

YR	MAKE	MODEL	PROBLEM AREA	PRICE	MARKET %	REPUR. %	LEMON INDEX
94	Airstream/ Chevrolet (Motorhome)	Legacy	Brakes, Electrical, Water Leaks	\$64,209.99	Unknown	2.4%	Unknown
94	BMW	530i	Automatic Transmission	\$32,253.20	0.67%	2.4%	3.559
95	Chevrolet	Camaro	Driveline (Axles & Driveshaft)/Vibrations	\$18,977.43	20.94%	11.9%	0.568
94	Chevrolet*	Cavalier	Water Leaks	\$10,395.30	20.94%	11.9%	0.568
95	Chevrolet	Corvette	Body and Trim	\$36,610.34	20.94%	11.9%	0.568
95	Chevrolet*	Geo Metro	Brakes	\$10,836.78	20.94%	11.9%	0.568
95	Chevrolet	S10 Pickup	Air Conditioning & Heating	\$13,857.66	20.94%	11.9%	0.568
95	Chevrolet/ Country Coaches	C1500 Pickup	Engine, Mechanical, Engine, Performance/ Emissions	\$28,837.80	Unknown	2.4%	Unknown
94	Chevrolet/ Mark III (50/50)	G Van	Electrical	\$23,581.09	Unknown	2.4%	Unknown
94	Chevrolet/ Tiara	Astro Van	Air Conditioning & Heating	\$19,918.40	Unknown	2.4%	Unknown
94	Chevrolet/ Travel Quest	G Van	Brakes	\$33,569.34	Unknown	2.4%	Unknown
94	Ford*	Escort	Electrical	\$9,398.66	23.35%	19.0%	0.816
96	Ford	Explorer	Engine, Mechanical, Brakes	\$26,167.65	23.35%	19.0%	0.816
94	Ford	F 150 Pickup	Brakes	\$28,073.33	23.35%	19.0%	0.816
94	Ford	F 250 Pickup	Engine, Mechanical, Engine, Performance/ Emissions	\$24,992.79	23.35%	19.0%	0.816
95	Ford*	Mustang	Brakes	\$11,996.08	23.35%	19.0%	0.816
94	Ford	Thunderbird	Brakes	\$13,699.53	23.35%	19.0%	0.816
95	Ford	Thunderbird	Brakes	\$14,145.73	23.35%	19.0%	0.816
95	Ford	Windstar Van	Electrical, Safety Devices Seat Belts, Airbags	\$20,720.61	23.35%	19.0%	0.816
92	Honda	Accord	Air Conditioning & Heating	\$14,801.99	4.60%	2.4%	0.517
94	Hyundai	Elantra	Engine, Performance/ Emissions, Brakes, Electrical, Suspension and Steering	\$11,345.78	0.67%	9.5%	14.172

³See page 27 for explanatory notes relating to chart.

CHART J (continued)
VEHICLE REPURCHASE/REPLACEMENT - CY96

YR	MAKE	MODEL	PROBLEM AREA	PRICE	MARKET %	REPUR. %	LEMON INDEX
95	Hyundai	Elantra	Engine, Performance/ Emissions	\$12,705.57	0.67%	9.5%	14.172
94	Hyundai	Scoupe	Engine, Performance/ Emissions	\$11,231.20	0.67%	9.5%	14.172
95	Hyundai	Sonata	Air Conditioning & Heating, Body & Trim	\$13,502.30	0.67%	9.5%	14.172
95	Isuzu	Pickup	Engine, Performance/ Emissions	\$13,798.07	0.95%	4.8%	5.013
95	Isuzu	Rodeo	Engine, Mechanical	\$20,283.88	0.95%	4.8%	5.013
94	Kentron/ Ford	E 150 Van	Air Conditioning & Heating	\$19,455.49	Unknown	2.4%	Unknown
95	Kia	Sportage	Air Conditioning & Heating, Standard Transmission, Brakes, Electrical	\$15,618.32	0.36%	2.4%	Unknown
95	Magnum* (ATV)	425	Engine, Mechanical, Engine, Performance/ Emissions, Electrical	\$5,029.12	Unknown	2.4%	Unknown
94	Mazda	Navajo	Engine, Performance/ Emissions	\$19,560.21	2.11%	2.4%	1.129
95	Mercury	Cougar	Brakes	\$16,761.92	2.66%	4.8%	1.792
95	Mercury	Villager Van	Air Conditioning & Heating, Brakes	\$18,426.00	2.66%	4.8%	1.792
95	Mitsubishi	Eclipse	Water Leaks	\$20,531.88	1.27%	9.5%	7.487
95	Mitsubishi	Eclipse	Engine, Performance/ Emissions	\$17,489.81	1.27%	9.5%	7.487
95	Mitsubishi	Eclipse	Electrical	\$15,789.07	1.27%	9.5%	7.487
94	Mitsubishi	Galant	Electrical, Body & Trim	\$17,988.17	1.27%	9.5%	7.487
94	Nissan	Sentra	Air Conditioning & Heating	\$11,500.44	4.70%	2.4%	0.507
94	Pontiac	Grand Prix	Suspension and Steering, Body and Trim, Other	\$16,613.46	3.40%	4.8%	1.401
94	Pontiac	Sunbird	Engine, Performance/ Emissions	\$10,745.56	3.40%	4.8%	1.401
95	Toyota	Celica	Body & Trim	\$25,247.40	5.80%	7.1%	1.233
94	Toyota	Previa Van	Air Conditioning & Heating, Body & Trim, Paint	\$25,222.22	5.80%	7.1%	1.233
95	Toyota	Tercel	Suspension & Steering, Body & Trim, Paint	\$9,352.04	5.80%	7.1%	1.233
	TOTAL	42		\$805,241.61			

The “lemon index” for each make was obtained by dividing the make’s share of lemons in Texas by its market share in the state. The make’s share of lemons 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 Division, 42 in CY96. For example, Honda had one vehicle repurchased, which would be 1/42, which equals 2.4%. It is clear that a manufacturer with a low market share percentage, e.g., Hyundai with 0.67%, with a relatively high number of repurchase orders, e.g., 4, will get a high “lemon index”, e.g., 14.172.

The following chart 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. In CY96 there were 588,786 new cars registered in Texas from all manufacturers. This placed Texas as the third largest car market in the United States, behind California and Florida. The number of new trucks registered in CY96 was 613,316 making Texas the second largest truck market in the United States, behind California. For the first time, more new trucks than cars were registered in Texas.⁴

CHART K
MARKET SHARE PERCENTAGE - CY96

MANUFACTURER	MAKE	APPROXIMATE MARKET SHARE		
		CARS	TRUCKS	COMBINED
BMW		1.366%	0.000%	0.669%
CHRYSLER TOTAL	CHRYSLER	2.230%	0.843%	1.523%
	DODGE	4.387%	11.318%	7.923%
	EAGLE	0.301%	0.000%	0.147%
	JEEP	0.000%	4.736%	2.416%
	PLYMOUTH	<u>1.838%</u>	<u>1.552%</u>	<u>1.692%</u>
		8.756%	18.449%	13.702%
FORD TOTAL	FORD	15.316%	31.071%	23.354%
	LINCOLN	1.543%	0.000%	0.756%
	MERCURY	<u>4.606%</u>	<u>0.787%</u>	<u>2.657%</u>
		21.465%	31.858%	26.767%
GENERAL MOTORS TOTAL	BUICK	4.327%	0.000%	2.119%
	CADILLAC	2.153%	0.000%	1.054%
	CHEVROLET-GEO	13.386%	28.199%	20.944%
	GMC	0.000%	7.387%	3.769%
	OLDSMOBILE	3.066%	0.179%	1.593%
	PONTIAC	<u>6.752%</u>	<u>0.185%</u>	<u>3.402%</u>
		29.684%	35.951%	32.882%
HONDA TOTAL	HONDA	7.942%	0.352%	4.069%
	ACURA	<u>1.071%</u>	<u>0.020%</u>	<u>0.535%</u>
		9.012%	0.371%	4.604%
HYUNDAI		1.372%	0.000%	0.672%
ISUZU		0.030%	1.832%	0.950%
JAGUAR		0.180%	0.000%	0.088%
KIA		0.484%	0.235%	0.357%
LAND ROVER		0.000%	0.219%	0.112%
MAZDA		3.082%	1.175%	2.109%
MERCEDES-BENZ		1.093%	0.000%	0.535%
MITSUBISHI		2.465%	0.126%	1.272%
NAVISTAR		0.000%	0.861%	0.439%

⁴The figures given here, including the total sales and market share, were obtained from R. L. Polk & Company based on data provided by the Texas Department of Transportation, Vehicle Titles and Registration Division. The market share percentage derived using these numbers is used for all repurchased or replaced vehicles, irrespective of their year of purchase. The percentage obtained is also taken as the overall market percentage for each manufacturer.

CHART K (continued)
MARKET SHARE PERCENTAGE - CY96

MANUFACTURER	MAKE	APPROXIMATE MARKET SHARE		
		CARS	TRUCKS	COMBINED
NISSAN TOTAL	INFINITI	0.750%	0.016%	0.375%
	NISSAN	<u>5.554%</u>	<u>3.137%</u>	<u>4.321%</u>
		6.304%	3.153%	4.696%
PACCAR TOTAL	KENWORTH	0.000%	0.224%	0.114%
	PETERBILT	<u>0.000%</u>	<u>0.271%</u>	<u>0.138%</u>
		0.000%	0.495%	0.253%
ROLLS ROYCE TOTAL	BENTLEY	0.002%	0.000%	0.001%
	ROLLS ROYCE	<u>0.002%</u>	<u>0.000%</u>	<u>0.001%</u>
		0.004%	0.000%	0.002%
SAAB		0.076%	0.000%	0.037%
SATURN		3.206%	0.000%	1.570%
SUBARU		0.338%	0.000%	0.166%
SUZUKI		0.131%	0.196%	0.164%
TOYOTA		7.845%	3.826%	5.795%
VOLKSWAGEN TOTAL	AUDI	0.118%	0.000%	0.058%
	VOLKSWAGEN	<u>0.769%</u>	<u>0.004%</u>	<u>0.378%</u>
		0.887%	0.004%	0.436%
VOLVO		1.048%	0.151%	0.590%
WHITEGMC		0.000%	0.019%	0.010%
ALL OTHERS		1.172%	1.233%	1.203%
		100%	100%	100%

Based on the number of complaints filed, the number of repurchase or replacement orders was relatively small in CY96. Accordingly, it may be more beneficial to focus attention on the total number of complaints closed by the Division and compare how manufacturers responded to their respective share of complaints. Chart L indicates at what rate and in what manner manufacturers settled complaints that were closed. It is interesting to note 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 and distributors by make. It is clear that Chrysler Corporation, General Motors and to a lesser extent Ford Motor Company are continuing their trend to settle more cases prior to the entry of an adverse decision through the hearing process. Together, the three manufacturers voluntarily repurchased or replaced 320 vehicles in CY96, an increase of 67 from CY95 and 110 from CY94. These were not counted in determining their "lemon index," and, therefore, the manufacturers were not required to issue a disclosure statement on reselling the vehicle. On the other hand, it is also clear that certain manufacturers (market share greater than 1%) are unlikely to settle their complaints, i.e., Honda, Mazda, Mitsubishi, Nissan and Toyota, prior to a hearing.

CHART L
COMPLAINTS SETTLED - BY MAKE OF VEHICLE - CY96

VEHICLE MAKE	NUMBER OF COMPLAINTS CLOSED	NUMBER SETTLED	SETTLEMENT PERCENTAGE	REPURCHASED/ REPLACED
Acura	1	1	100%	0
Airstream	1	0	0%	0
AM General	1	1	100%	1
Barth	1	0	0%	0
BMW	8	2	25%	1
Buick	18	12	67%	6
Cadillac	11	6	55%	3
Chevrolet-Geo	243	135	56%	74
Chrysler	28	17	61%	8
Coachmen	2	0	0%	0
Cobra	1	0	0%	0
Country Coach	1	0	0%	0
Damon	2	1	50%	1
Dodge	147	106	72%	66
Eagle	8	6	75%	5
Fleetwood	5	1	20%	0
Ford	271	133	49%	77
Four Winds	1	1	100%	0
GMC	57	39	68%	26
Gulf Stream	5	4	80%	1
Harley Davidson	2	0	0%	0
Holiday Rambler	1	0	0%	0
Honda	18	6	33%	0
Hyundai	30	13	43%	7
Infiniti	3	2	67%	1
Isuzu	18	7	39%	1
Jaguar	2	1	50%	1
Jayco	1	1	100%	0
Jeep	17	11	65%	7
Kawasaki	1	1	100%	0
Kia	11	7	64%	5
Land Rover	3	2	67%	1
Lincoln	12	4	33%	1

CHART L (continued)
COMPLAINTS SETTLED - BY MAKE OF VEHICLE - CY96

VEHICLE MAKE	NUMBER OF COMPLAINTS CLOSED	NUMBER SETTLED	SETTLEMENT PERCENTAGE	REPURCHASED/ REPLACED
Mazda	44	19	43%	8
Mercedes-Benz	7	2	29%	2
Mercury	43	28	65%	19
Mitsubishi	47	25	53%	13
Newmar	2	1	50%	0
Nissan	18	10	56%	4
Oldsmobile	12	11	92%	5
Plymouth	34	24	71%	14
Polaris	1	0	0%	0
Pontiac	49	23	47%	9
Saab	7	4	57%	2
Safari	2	0	0%	0
Saturn	15	12	80%	9
Subaru	2	1	50%	0
Thor	2	0	0%	0
Tiffin	1	0	0%	0
Toyota	19	3	16%	0
Volkswagen	13	9	69%	7
Volvo	8	2	25%	1
Winnebago	<u>3</u>	<u>1</u>	<u>33%</u>	<u>1</u>
TOTAL CLOSED	1260	695		387

CONCLUSION

The statistics for CY96 reveal that most manufacturers have continued to view the Lemon Law as an opportunity to improve customer satisfaction and increase market share instead of just costly "litigation" where success is defined as winning at any cost. As mentioned earlier in the report, Chrysler Corporation, Ford Motor Company and General Motors Corporation together voluntarily repurchased or replaced (trade assist) 320 vehicles in CY96, an increase of 26.5% from CY95 and 52.4% from CY94. Due to the overall increase in the settlement rate, the staff was able to schedule 12.9% more hearings in CY96, which resulted in a decrease in processing times.

A further review of the statistics reveals that in 64.1% of the complaints closed in CY96, consumers received some type of relief. However, if you excluded the complaints closed for no jurisdiction, not pursued, withdrawn, etc., the success rate rises to 80.2%.

It is anticipated that the information presented here will be of benefit to consumers and manufacturers alike. Anyone who has questions may call the toll free number 1-800-622-8682 or 512/416-4848 for further clarification. Or, you can download the report and view additional lemon law information by way of TxDOT's website (<http://www.dot.state.tx.us>) or e-mail us at: lemonlaw@mailgw.dot.state.tx.us.

Endnotes

- ² The market share percentage figures for CY96 were obtained from the R. L. Polk & Company based on data supplied by the Texas Department of Transportation, Vehicle Titles and Registration Division. This market percentage is used as an indicator of market percentage for all year models, except when indicated by a single (CY95), double (CY94), or triple (CY93) asterisk, which indicates the significantly higher CY95, CY94, or CY93 percentage was used.
- ³ The list is arranged alphabetically by make, e.g., Airstream, BMW, Chevrolet, Ford, etc. Use of the list must be tempered by several considerations:
- a. The number of vehicles ordered repurchased or replaced is very small compared to the number of new vehicles registered in Texas in CY96. The meaning of this small statistical universe is that one additional vehicle ordered repurchased or replaced may significantly change the Lemon Index for a particular model.
 - b. The market share percentage figures were obtained from the R.L. Polk & Company. This market percentage is used as an indicator of market percentage for all year makes involved in repurchase or replacement orders.
 - c. The vehicles listed were ordered repurchased unless indicated by an asterisk.
 - d. Motor Homes (MH) and Conversion Vans (Van Conv) are listed under make by the manufacturer, converter or distributor ordered to repurchase the vehicle followed by the chassis or coach manufacturer or converter. If more than one manufacturer, converter, or distributor was ordered to repurchase the vehicle, the percentage for each is listed.
 - e. Comparisons to results reported by other states should be used with caution, due to major structural differences in the lemon laws of various states.

ACKNOWLEDGMENTS

The fifth annual report of the Texas Lemon Law Program was prepared with the help and toil of many. Several Division staff members made significant contributions while also performing their regular duties. Special thanks are due to Zellena P. Jay, Jan Maynard and Anne Walthall, whose tireless and meticulous work made the report possible. Thanks also go to Lee Jarrett and others at the Texas Department of Transportation's Print Shop for their patience and fine work in preparing the report for publication.

Of course, all of the Division's Consumer Affairs staff deserve a sincere word of gratitude for their support and cooperation during the entire preparation process.

L. David Brunke
Assistant Director-Consumer Affairs