

## FOREWORD

Greetings:

The Texas "Lemon Law" was enacted by the Texas Legislature in 1983. It continues 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 1997, the Motor Vehicle Board processed 12,282 complaints. This process is considerably less complicated and less expensive than going to court.

This is the sixth annual report published on the Lemon Law since the Texas Legislature established the requirement in 1991. The information in the 1997 report includes: a summary of the complaint process; lists of complaints filed; defects reported; complaints closed; and vehicles ordered repurchased or replaced. The report also includes an analysis of the resolution of the complaints closed before a hearing convened and orders issued after a hearing was held.

In 1997, Texas became the first state to expand its Lemon Law through legislation to benefit more consumers by adding towable recreational vehicles (TRVs). The Motor Vehicle Board was also expanded from six appointed members to nine appointed members. In addition, it now includes the Texas Department of Transportation Executive Director as an *Ex Officio* member.

The Board amended the Lemon Law Rules to require that manufacturers affix a disclosure label to the front window of vehicles that are ordered repurchased or replaced by the Board and on vehicles reacquired under another state's lemon law program and transferred to Texas for resale. The disclosure label is in addition to the requirement that a disclosure statement accompany the vehicle through the first retail sale.

The customer satisfaction survey continues 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; nonetheless, the Board continues to strive to improve the program.

Sincerely,

N. Scott Jones  
Chairman, Motor Vehicle Board

June 1998

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Fred Fincher Motors  
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**Laurie Watson**  
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**Charles W. Heald, P. E. *Ex Officio***  
Executive Director  
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**Table of Contents**

<b>SECTION</b>	<b>PAGE</b>
<b>Terms and Interpretations</b> .....	5
<b>Introduction</b> .....	6
Chart A - Summary of Program Results.....	7
<b>Complaint Process</b> .....	8
Chart B - Flow Chart - Processing and Time Span.....	9
<b>Complaints Filed</b> .....	12
Chart C - Complaints Filed - By Manufacturer and Make.....	13
Chart D - Complaint Filed Index - By Make and Model.....	16
Chart E - Defects Reported.....	22
Chart F - Predominate Defects - By Make and Model.....	24
<b>Complaints Closed</b> .....	25
Chart G - Informal Complaint Resolution .....	26
Chart H - Settlements.....	28
Chart I - Repurchase/Replacement/Trade Assist Settlements Before Hearing Convened - By Manufacturer.....	30
Chart J- Complaint Resolution After Hearing Set.....	32
Chart K- Complaints Closed - By Manufacturer and Make.....	34
Chart L- Repurchases/Replacements Ordered - By Make and Model.....	37
Chart M- Market Share Percentage - By Manufacturer and Make.....	40
Chart N- Complaints Settled - By Make.....	42
<b>Conclusion</b> .....	44
<b>Acknowledgments</b> .....	45

**TERMS AND INTERPRETATIONS**

**ALJ** - Administrative Law Judge (*each hearing is conducted by an ALJ*)

**ASE Certified** - Automotive Service Excellence Certification

**CFI** - Complaint Filed Index; an indicator of whether a model of vehicle is receiving more or less than its expected share of complaints

**CY** - Calendar Year

**Ex Officio** - Whoever is the Executive Director of the Texas Department of Transportation is also a member of the Motor Vehicle Board

**Manufacturer** - When used, includes converters and distributors

**Market Share** - The market share is based on total sales in Texas. The information was obtained from *The Polk Company* who used data supplied by the Vehicle Titles and Registration Division of the Texas Department of Transportation.

**Repair** - Manufacturer repaired the defect in the vehicle

**Replacement/Trade Assist** - Refers to settlement by replacement of a vehicle. 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 or dealer subject only to a mileage charge.

**Repurchase** - Refers to the manufacturer buying the vehicle from the consumer less a calculation for usage

**The Board** - The Motor Vehicle Board consists of nine citizen members appointed by the Governor of Texas. The Executive Director of the Texas Department of Transportation is an *Ex-Officio* member.

**The Division** - Motor Vehicle Division, Consumer Affairs Section

**TMVC Code or The Code** - Texas Motor Vehicle Commission Code *TEX. REV. CIV. STAT. ANN. art. 4413(36) (VERNON'S SUPP. 1997)*

**TxDOT** - Texas Department of Transportation

## INTRODUCTION

The report includes text and charts to illustrate the resolution of 1,316 complaints during 1997. Some of the complaints processed in calendar year 1997 involved 720 carryovers from the end of the year 1996, plus 1,291 new complaints that were received in 1997. Chart A shows an overview of the program results for CY97 along with the previous two years' program results for comparison.

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

**CHART A**  
**SUMMARY OF PROGRAM RESULTS**

	CY95	CY96	CY97
Complaints Filed	1093	1290	1291
Complaints Closed	1057	1260	1316
Prehearing Settlements	533	694	635
Hearings Scheduled	456	515	475
Final Orders (Hearings Held)	130	175	182
Repurchase/Replacement Orders	55	42	56

## COMPLAINT PROCESS

### PROVISIONS OF THE TEXAS LEMON LAW

According to the TMVC Code:

[Section 6.07](#) provides **new** motor vehicle owners 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. A \$35.00 filing fee is required.

[Section 3.08\(i\)](#) provides repair relief to motor vehicle owners whose vehicles do not qualify for repurchase or replacement according to Section 6.07.

For buyers of **used** motor vehicles, available relief is limited to repairs only under Section 3.08(i).

### 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. The flow chart describes the complaint process.

**CHART B**  
**FLOW CHART - PROCESSING AND TIME SPAN**  
**Section 6.07 - For Repurchase/Replacement Relief**  
**Section 3.08(i) - For Repair Relief Only**  
*[Time Periods May Vary Depending on the Case]*

1. Consumer: file a written complaint with the Motor Vehicle Division
2. Consumer: submit the \$35.00 filing fee (Section 6.07 cases only).
3. Division: advise consumer to provide written notice of alleged defects to the manufacturer.

[15 days]  
 Division: notify consumer and manufacturer of receipt of complaint. Begin mediation.

[45 days]  
 Division: notify consumer of responses from manufacturer and dealer.

[60 days]  
 Division: place the complaint in "prehearing" status.

\*  
 [60-90 days]  
 Division: mediation inspection at the dealership.

[90-120 days]  
 Division: set a hearing to allow the consumer to prove their case.

[150 days]  
 Administrative Law Judge: write the decision and order.

\* Mediation inspection may not apply to all cases and generally only one inspection per consumer will occur.  
 \*\* A Motion for Rehearing must be filed within 20 days of the Final Order.  
 \*\*\* If a Motion for Rehearing is denied, an appeal to the District Court can be filed within 30 days of denial. The appeal process could take 6 to 12 additional months.

If successful...

If the parties settle any time prior to hearing...

\*\*  
 Consumer or Manufacturer: If desired, file a Motion for Rehearing .  
 Division Director or Motor Vehicle Board: Consider the Motion for Rehearing.

If denied...

If granted, the case continues to a new hearing or the decision and order is modified .

CLOSE CASE

\*\*\*  
 Consumer or Manufacturer: May appeal to the District Court in Travis County.

## **MEDIATION**

### **RESPONSIBILITIES OF THE CONSUMER ADVISORS**

***BEFORE A HEARING IS SCHEDULED:*** When a complaint is received, it is evaluated by a Consumer Advisor who is ASE certified to determine whether the consumer is eligible for relief. After determining that a complaint meets the jurisdictional requirements of Section 6.07 or 3.08(i), the Consumer Advisor serves as a liaison between the consumer and representatives of the manufacturer and dealer. Often their proactive assistance results in resolution of complaints soon after filing.

***AFTER A HEARING IS SCHEDULED:*** The Consumer Advisor contacts consumers prior to a hearing to review the hearing procedures and to answer any questions that may arise. The Consumer 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.

## **MEDIATION INSPECTION PROGRAM**

The Mediation Inspection Program is conducted by an ASE certified inspector in an attempt to resolve complaints earlier in the process without the need for time-consuming hearings. Generally, inspections are performed at authorized dealerships located near the consumer with consumers and manufacturers' representatives present. The 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 reach an agreement during the inspection meeting and the complaint is then closed. In CY97, 80 mediation inspections were conducted throughout the state. In 39% of these cases, the inspection resolved the complaint.

## **HEARINGS**

Administrative Law Judges travel throughout the state holding hearings 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 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:

- \* 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 it was 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 either the Division Director or the Motor Vehicle Board. 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 is appealed. Only four Lemon Law cases were appealed in CY97. All of the appeals were filed by the manufacturers.

### COMPLAINTS FILED

Chart C shows how many complaints were filed against manufacturers (listed alphabetically by make) for CY95 through CY97.

Key to Abbreviations in Chart C:

- \* **ATV** All Terrain Vehicle
- \* **HT** Heavy Truck
- \* **MC** Motorcycle
- \* **MH** Motor Home
- \* **TRV** Towable Recreational Vehicle

CHART C COMPLAINTS FILED - BY MANUFACTURER AND MAKE				
MANUFACTURER	MAKE	CY95	CY96	CY97
Airstream	MH	2	0	1
AM General		2	3	1
Barth	MH	1	0	0
Beaver Coach	MH	0	1	2
Big Dog	MC	0	0	1
BMW		9	9	7
	Chrysler	28	34	39
	Dodge	119	161	117
	Eagle	10	6	8
	Jeep	16	28	31
	Plymouth	33	30	35
Chrysler TOTAL		206	259	230
Coachmen	MH	1	3	1
Cobra	MH	2	0	0
Damon	MH	2	0	1
El Dorado	MH	0	1	0
Fleetwood	MH	2	7	8
	Ford	246	242	222
	Lincoln	8	14	11
	Mercury	38	44	31
Ford TOTAL		292	300	264
Four Winds	MH	3	0	1
Freightliner	HT	0	0	2
	Buick	12	21	12
	Cadillac	7	18	12
	Chevrolet	207	252	291
	GMC	59	51	70
	Oldsmobile	12	9	13
General Motors TOTAL		336	403	465
Georgie Boy	MH	0	3	3
Gulf Stream	MH	5	2	2
Harley Davidson	MC	2	0	2
Holiday Rambler	MH	0	4	6
	Acura	3	2	1
	Honda	6	20	15
Honda TOTAL		9	22	16
Hyundai		27	31	26
Isuzu		15	13	15
Jaguar		3	1	1
Kawasaki	MC	3	1	5
Keystone	TRV	0	0	2
Kia		3	27	34
Land Rover		1	6	13

CHART C COMPLAINTS FILED - BY MANUFACTURER AND MAKE					
MANUFACTURER	MAKE	CY95	CY96	CY97	
Mallard	MH	1	0	0	
Mazda		44	33	30	
Mercedes-Benz		8	4	1	
Mitsubishi		29	45	41	
Monaco	MH	0	3	1	
Navistar	HT	0	1	0	
Newmar	MH	2	2	2	
	Infiniti	2	2	1	
	Nissan	25	31	25	
Nissan TOTAL		27	33	26	
Nissan Diesel	HT	UD	0	1	
	Kenworth	0	2	1	
	Peterbilt	0	1	0	
Paccar TOTAL	HT	0	3	1	
Polaris	ATV	1	0	2	
Porsche		0	0	1	
Rexhall	MH	1	0	1	
Rolls Royce	Bentley	0	1	0	
Saab		4	4	0	
Safari	MH	1	0	1	
Saturn		8	16	8	
	Serro	0	1	0	
	Scotty	0	0	1	
Serro TOTAL	TRV	0	1	1	
Shasta Industries	MH	0	0	2	
South Country	MC	Steel Stallion	0	1	0
Subaru		1	1	2	
Suzuki		0	2	4	
Thor	MH	3	0	0	
Tiffin Motor Homes	MH	0	1	0	
	Lexus	3	0	1	
	Toyota	17	20	33	
Toyota TOTAL		20	20	34	
Triumph	MC	0	0	1	
	Audi	1	0	0	
	Volkswagen	7	11	14	
Volkswagen TOTAL		8	11	14	
Volvo		7	6	4	
	VolvoGM	0	0	1	
	WhiteGMC	0	1	0	
VolvoGM TOTAL	HT	0	1	1	
Winnebago	MH	2	5	2	
Yamaha	MC	0	0	1	
<b>TOTAL COMPLAINTS FILED</b>		<b>1093</b>	<b>1290</b>	<b>1291</b>	

Chart D shows how many complaints were filed by model and it includes a complaint filed index (CFI). The market share in Chart D is used as an indicator of market share for all year models. The CFI was obtained by dividing the model's share of the complaints filed by its market share.

Consumers can 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
- \* A model has a CFI greater than 1.0, it has more than its expected share of complaints
- \* The CFI is less than 1.0, the model has less than its expected share of complaints

**Summary of Chart D:**

There are 18 models (market share greater than 1% - sales over 11,740) having a CFI below 1.0, including 9 models (up from 7 last year) with a CFI below 0.5. Those 18 models from lowest to highest CFI are:

- Honda Civic
- Nissan Pickup
- Honda Accord
- Toyota Camry
- Ford Ranger
- Ford Escort
- Ford Explorer
- Ford F250 Pickup
- Ford Taurus
- Chevrolet Lumina
- Chevrolet Tahoe
- Chevrolet S10 Pickup
- Chevrolet C1500 Pickup
- Ford F150 Pickup
- Dodge BR 1500 Pickup
- Jeep Grand Cherokee
- Chevrolet Blazer
- Chevrolet Cavalier

There are 5 models with a market share greater than 1% having a CFI greater than 1.0. Those 5 models from lowest to highest CFI are:

- Ford Mustang
- GMC Sierra 1500 Pickup
- Chevrolet Suburban
- Pontiac Grand AM
- Dodge Caravan Vans

CHART D COMPLAINT FILED INDEX BY MAKE AND MODEL						
MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
Acura	TL	1	0.08%	1,286	0.1095%	0.71
Airstream	190	1	0.08%	Unknown		
AM General	Hummer	1	0.08%	Unknown		
Beaver Coaches	Marquis Garnet	1	0.08%	Unknown		
	Trenton	1	0.08%	Unknown		
Big Dog	Voyote	1	0.08%	Unknown		
BMW		325	1	0.08%		
		328	2	0.15%		
	300 CLASS	3	0.23%	3,073	0.2618%	0.89
		525	1	0.08%		
		528	1	0.08%		
		540	1	0.08%		
	500 CLASS	3	0.23%	1,686	0.1436%	1.62
	700 CLASS	740	1	0.08%		
Buick	Century	2	0.15%	4,420	0.3765%	0.41
	LeSabre	3	0.23%	8,966	0.7637%	0.30
	Park Avenue	1	0.08%	3,459	0.2946%	0.26
	Riviera	2	0.15%	921	0.0785%	1.97
	Roadmaster	3	0.23%	Unknown		
	Skylark	1	0.08%	3,042	0.2591%	0.30
	Cadillac	Catera	2	0.15%	1,618	0.1378%
DeVille		4	0.31%	7,927	0.6752%	0.46
Eldorado		2	0.15%	1,320	0.1124%	1.38
Fleetwood		2	0.15%	Unknown		
Seville		2	0.15%	2,057	0.1752%	0.88
Chevrolet	Astro Van	17	1.32%	6,712	0.5717%	2.30
	Beretta	5	0.39%	Unknown		
	Blazer	13	1.01%	13,079	1.1141%	0.90
	C1500 Pickup	51	3.95%	64,238	5.4718%	0.72
	C2500 Pickup	21	1.63%	9,733	0.8291%	1.96
	C3500 Pickup	24	1.86%	8,298	0.7068%	2.63
	Camaro	22	1.70%	7,568	0.6446%	2.64
	Caprice	1	0.08%	Unknown		
	Cavalier	19	1.47%	18,411	1.5683%	0.94
	Corsica	3	0.23%	Unknown		
	Corvette	7	0.54%	1,971	0.1679%	3.23
	Engine Only	1	0.08%	Unknown		
	G Van	23	1.78%	5,726	0.4877%	3.65
	Geo Metro	3	0.23%	4,735	0.4033%	0.58
	Geo Prizm	2	0.15%	4,909	0.4182%	0.37
	Geo Tracker	2	0.15%	2,405	0.2049%	0.76
	Impala	2	0.15%	Unknown		
	Lumina	8	0.62%	14,464	1.2321%	0.50
	Lumina APV	2	0.15%	Unknown		
	Malibu	10	0.77%	11,559	0.9846%	0.79
	Monte Carlo	9	0.70%	5,656	0.4818%	1.45
	S10 Pickup	10	0.77%	15,047	1.2817%	0.60
	Suburban	27	2.09%	22,213	1.8921%	1.11
Tahoe	9	0.70%	15,194	1.2942%	0.54	

CHART D COMPLAINT FILED INDEX BY MAKE AND MODEL						
MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
<b>Chrysler</b>	Cirrus	2	0.15%	2,088	0.1779%	0.87
	Concorde	4	0.31%	2,853	0.2430%	1.27
	Fifth Avenue	2	0.15%	Unknown		
	LeBaron	2	0.15%	Unknown		
	LHS	1	0.08%	1,300	0.1107%	0.70
	New Yorker	2	0.15%	Unknown		
	Sebring	13	1.01%	6,359	0.5417%	1.86
	Town & Country Van	13	1.01%	4,284	0.3649%	2.76
<b>Coachmen</b>	Mirada	1	0.08%	Unknown		
<b>Damon</b>	Intruder	1	0.08%	Unknown		
<b>Dodge</b>	Avenger	8	0.62%	2,567	0.2187%	2.83
	B Vans	11	0.85%	4,170	0.3552%	2.40
	BR 1500 Pickup	25	1.94%	29,684	2.5285%	0.77
	BR 2500 Pickup	9	0.70%	5,984	0.5097%	1.37
	BR 3500 Pickup	11	0.85%	5,019	0.4275%	1.99
	Caravan Van	18	1.39%	12,528	1.0671%	1.31
	Dakota Pickup	7	0.54%	7,213	0.6144%	0.88
	Intrepid	5	0.39%	6,194	0.5276%	0.73
	Neon	8	0.62%	6,936	0.5908%	1.05
	Ram 50	1	0.08%	Unknown		
	Spirit	2	0.15%	Unknown		
	Stratus	11	0.85%	6,086	0.5184%	1.64
	Viper	1	0.08%	80	0.0068%	11.37
<b>Eagle</b>	Talon	4	0.31%	668	0.0569%	5.45
	Vision	4	0.31%	192	0.0164%	18.94
<b>Fleetwood</b>	Flair	2	0.15%	Unknown		
	Jamboree Rally	1	0.08%	Unknown		
	Pace Arrow	3	0.23%	Unknown		
	Southwind	2	0.15%	Unknown		
<b>Ford</b>	Aerostar Van	6	0.46%	3,590	0.3058%	1.52
	Aspire	2	0.15%	2,722	0.2319%	0.67
	Bronco	1	0.08%	Unknown		
	Contour	15	1.16%	10,437	0.8890%	1.31
	Crown Victoria	4	0.31%	9,496	0.8089%	0.38
	E Vans	11	0.85%	10,435	0.8889%	0.96
	Escort	8	0.62%	19,864	1.6920%	0.37
	Expedition	8	0.62%	21,634	1.8428%	0.34
	Explorer	13	1.01%	28,533	2.4305%	0.41
	F 150 Pickup	50	3.87%	60,122	5.1212%	0.76
	F 250 Pickup	8	0.62%	16,845	1.4349%	0.43
	F 350 Pickup	16	1.24%	9,297	0.7919%	1.56
	Ford Super Duty	1	0.08%	Unknown		
	Mustang	19	1.47%	17,095	1.4562%	1.01
	Probe	7	0.54%	1,137	0.0969%	5.60
	Ranger	10	0.77%	26,788	2.2818%	0.34
	Taurus	11	0.85%	22,329	1.9020%	0.45
	Thunderbird	21	1.63%	5,931	0.5052%	3.22
Windstar Van	11	0.85%	9,586	0.8165%	1.04	
<b>Four Winds</b>	27C	1	0.08%	Unknown		

CHART D COMPLAINT FILED INDEX BY MAKE AND MODEL						
MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
Freightliner	0743	1	0.08%	Unknown		
	Ambulance	1	0.08%	Unknown		
GMC	G Van	5	0.39%	1,731	0.1474%	2.63
	Jimmy	6	0.46%	3,646	0.3106%	1.50
	Safari	5	0.39%	2,335	0.1989%	1.95
	Sierra 1500 Pickup	19	1.47%	17,091	1.4558%	1.01
	Sierra 2500 Pickup	10	0.77%	1,833	0.1561%	4.96
	Sierra 3500 Pickup	5	0.39%	851	0.0725%	5.34
	Sonoma	5	0.39%	2,682	0.2285%	1.70
	Suburban	5	0.39%	5,216	0.4443%	0.87
	Vandura	3	0.23%	Unknown		
Yukon	7	0.54%	3,668	0.3124%	1.74	
Georgie Boy	3200	1	0.08%	Unknown		
	Pursuit	2	0.15%	Unknown		
Gulf Stream	Sunsport	1	0.08%	Unknown		
	Sunstream DXL	1	0.08%	Unknown		
Harley Davidson	FLHT	1	0.08%	Unknown		
	FLTHCU	1	0.08%	Unknown		
Holiday Rambler	Endeavor	2	0.15%	Unknown		
	Imperial	2	0.15%	Unknown		
	Vacationer	2	0.15%	Unknown		
Honda	Accord	8	0.62%	26,157	2.2281%	0.28
	Civic	4	0.31%	18,800	1.6014%	0.19
	Del Sol	2	0.15%	440	0.0375%	4.13
	Passport	1	0.08%	1,823	0.1553%	0.50
Hyundai	Accent	5	0.39%	2,539	0.2163%	1.79
	Elantra	12	0.93%	3,301	0.2812%	3.31
	Excel	2	0.15%	Unknown		
	Sonata	7	0.54%	1,491	0.1270%	4.27
Infiniti	Q45	1	0.08%	875	0.0745%	1.04
Isuzu	Hombre	3	0.23%	1,905	0.1623%	1.43
	Rodeo	9	0.70%	7,038	0.5995%	1.16
	Trooper	3	0.23%	841	0.0716%	3.24
Jaguar	XJ6	1	0.08%			
	XJ SERIES	1	0.08%	560	0.0477%	1.62
Jeep	Cherokee	8	0.62%	6,420	0.5469%	1.13
	Grand Cherokee	14	1.08%	16,225	1.3821%	0.78
	Wrangler	9	0.70%	5,072	0.4320%	1.61
Kawasaki	Mule	2	0.15%	Unknown		
	VN1500D	1	0.08%	Unknown		
	Vulcan Classic	2	0.15%	Unknown		
Kenworth	T2000	1	0.08%	Unknown		
Keystone	Sprinter	2	0.15%	Unknown		
Kia	Sephia	23	1.78%	3,029	0.2580%	6.90
	Sportage	11	0.85%	1,784	0.1520%	5.61
Land Rover	Discovery	10	0.77%	670	0.0571%	13.57
	Range Rover	3	0.23%	347	0.0296%	7.86
Lexus	LX450	1	0.08%	554	0.0472%	1.64
Lincoln	Continental	3	0.23%	1,226	0.1044%	2.23
	Mark VIII	1	0.08%	943	0.0803%	0.96
	Town Car	7	0.54%	7,485	0.6376%	0.85

CHART D COMPLAINT FILED INDEX BY MAKE AND MODEL						
MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
Mazda	626	4	0.31%	7,401	0.6304%	0.49
	929	1	0.08%	Unknown		
	B Series Pickup	7	0.54%	4,264	0.3632%	1.49
	Millenia	1	0.08%	837	0.0713%	1.09
	MPV Van	1	0.08%	1,375	0.1171%	0.66
	MX-3	1	0.08%	Unknown		
	MX-6	5	0.39%	514	0.0438%	8.85
	Protégé	9	0.70%	6,531	0.5563%	1.25
Mercedes-Benz	RX-7	1	0.08%	Unknown		
	SL500	1	0.08%			
	SL/SLK CLASS	1	0.08%	884	0.0753%	1.03
Mercury	Cougar	9	0.70%	4,422	0.3767%	1.85
	Grand Marquis	7	0.54%	10,774	0.9177%	0.59
	Mystique	5	0.39%	2,869	0.2444%	1.58
	Sable	4	0.31%	5,947	0.5066%	0.61
	Tracer	1	0.08%	2,675	0.2279%	0.34
	Villager Van	5	0.39%	3,062	0.2608%	1.48
Mitsubishi	3000GT	3	0.23%	679	0.0578%	4.02
	Diamante	3	0.23%	736	0.0627%	3.71
	Eclipse	21	1.63%	5,513	0.4696%	3.46
	Galant	8	0.62%	2,866	0.2441%	2.54
	Mirage	3	0.23%	2,071	0.1764%	1.32
	Montero	3	0.23%	3,241	0.2761%	0.84
Monaco Coach	Dynasty	1	0.08%	Unknown		
Newmar	Dutch Star	2	0.15%	Unknown		
Nissan	200SX	3	0.23%	1,605	0.1367%	1.70
	Altima	1	0.08%	8,622	0.7344%	0.11
	Maxima	5	0.39%	9,470	0.8067%	0.48
	Pickup	4	0.31%	15,907	1.3550%	0.23
	Quest Van	7	0.54%	3,136	0.2671%	2.03
	Sentra	5	0.39%	8,136	0.6930%	0.56
Oldsmobile	Achieva	1	0.08%	4,135	0.3522%	0.22
	Aurora	1	0.08%	1,348	0.1148%	0.67
	Bravada	1	0.08%	901	0.0767%	1.01
	Cutlass Cierra	3	0.23%	1,992	0.1697%	1.37
	Cutlass Supreme	3	0.23%	1,907	0.1624%	1.43
	Eighty-Eight	3	0.23%	3,260	0.2777%	0.84
	Ninety-Eight Regency	1	0.08%	689	0.0587%	1.32
Plymouth	Breeze	3	0.23%	3,736	0.3182%	0.73
	Neon	4	0.31%	6,051	0.5154%	0.60
	Voyager Van	28	2.17%	9,778	0.8329%	2.60
Polaris	300 Xpress	1	0.08%	Unknown		
	Sportsman	1	0.08%	Unknown		
Pontiac	Bonneville	3	0.23%	3,954	0.3368%	0.69
	Firebird	22	1.70%	5,279	0.4497%	3.79
	Grand AM	21	1.63%	14,900	1.2692%	1.28
	Grand Prix	4	0.31%	7,871	0.6705%	0.46
	Sunbird	1	0.08%	Unknown		
	Sunfire	14	1.08%	7,937	0.6761%	1.60
	Trans Sport Van	2	0.15%	2,446	0.2084%	0.74
Porsche	911	1	0.08%	383	0.0326%	2.37
Rexhall	Aerbus	1	0.08%	Unknown		

CHART D COMPLAINT FILED INDEX BY MAKE AND MODEL						
MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
Safari	Trek	1	0.08%	Unknown		
Saturn	SC	4	0.31%	3,253	0.2771%	1.12
	SL	4	0.31%	11,021	0.9388%	0.33
Scotty	Pioneer	1	0.08%	Unknown		
Shasta Industries	Travel Master	2	0.15%	Unknown		
Subaru	Impreza	2	0.15%	237	0.0202%	7.67
Suzuki	Sidekick	3	0.23%	925	0.0788%	2.95
	TL 1000SV	1	0.08%	Unknown		
Toyota	4Runner	5	0.39%	10,425	0.8880%	0.44
	Avalon	4	0.31%	5,469	0.4659%	0.67
	Camry	7	0.54%	22,394	1.9075%	0.28
	Celica	1	0.08%	616	0.0525%	1.48
	Corolla	3	0.23%	11,592	0.9874%	0.24
	Cressida	1	0.08%	Unknown		
	Paseo	1	0.08%	150	0.0128%	6.06
	RAV4	2	0.15%	3,166	0.2697%	0.57
	T 100 Pickup	4	0.31%	2,258	0.1923%	1.61
	Tacoma	3	0.23%	7,457	0.6352%	0.37
Tercel	2	0.15%	1,886	0.1607%	0.96	
Triumph	Thunderbird	1	0.08%	Unknown		
UD	1800 F	1	0.08%	181	0.0154%	5.02
Volkswagen	Cabriolet	1	0.08%	388	0.0331%	2.34
	Golf	1	0.08%	405	0.0345%	2.25
	Jetta	6	0.46%	3,177	0.2706%	1.72
	Passat	6	0.46%	725	0.0618%	7.53
Volvo	850	1	0.08%	1,931	0.1645%	0.47
	960	3	0.23%	1,078	0.0918%	2.53
VolvoGM	WIA64TES	1	0.08%	Unknown		
Winnebago	Rialta	1	0.08%	Unknown		
	Sunrise	1	0.08%	Unknown		
Yamaha	XT350HC	1	0.08%	Unknown		
<b>TOTAL COMPLAINTS FILED</b>		<b>1291</b>	<b>100%</b>			

Chart E shows how many defects by component system or category consumers reported on filing their complaints. Consumers reported 2,352 defects, or 1.82 defects per vehicle, with the engine performance/emissions category being the most common (18.4%). By comparison, in CY96 consumers reported 2,593 defects, or 2.01 defects per vehicle. The engine (performance/emissions) category was also the most common (15.9%).

<b>CHART E</b>		
<b>DEFECTS REPORTED</b>		
<b>CATEGORY</b>	<b>NUMBER</b>	<b>PERCENT OF TOTAL REPORTED</b>
Engine (mechanical)	251	10.67%
Engine (performance/emissions)	432	18.37%
Air conditioning and heating	147	6.25%
Automatic transmission	176	7.48%
Standard transmission	51	2.17%
Driveline (axles and driveshaft) / vibrations	101	4.29%
Brakes	259	11.01%
Electrical	198	8.42%
Suspension and steering	240	10.20%
Body and trim	270	11.48%
Paint	45	1.91%
Water leaks	104	4.42%
Safety devices, seat belts, airbags	18	0.77%
Other	60	2.55%
<b>TOTAL DEFECTS REPORTED</b>	<b>2352</b>	<b>100%</b>

Chart F, which is new for CY97, 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 one of the predominate defects on 13 of the 23 makes listed.

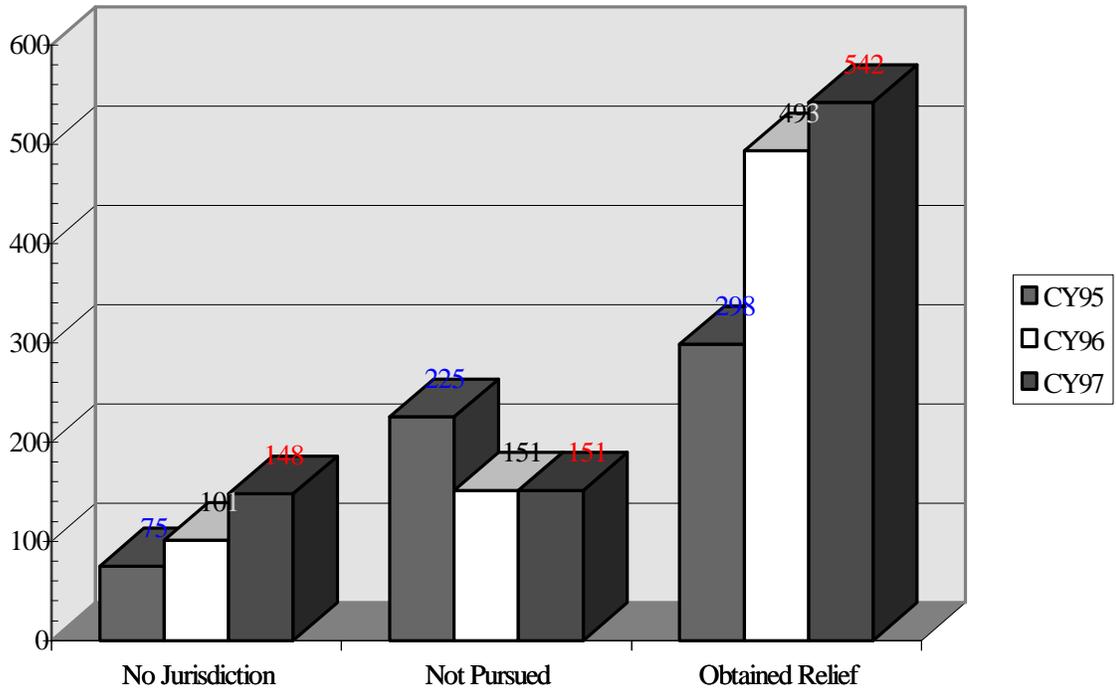
CHART F				
PREDOMINATE DEFECTS REPORTED (MARKET SHARE GREATER THAN 1%)				
BY MAKE AND MODEL				
MAKE	MODEL	COMPLAINTS FILED	DEFECT	DEFECT % FOR MAKE
Chevrolet	Blazer	13	Engine (mechanical)	38%
Chevrolet	C1500 Pickup	51	Engine (performance/emissions)	39%
Chevrolet	Cavalier	19	Engine (mechanical)	32%
			Engine (performance/emissions)	32%
Chevrolet	Lumina	8	Engine (performance/emissions)	63%
Chevrolet	S10 Pickup	10	Engine (performance/emissions)	70%
Chevrolet	Suburban	27	Engine (performance/emissions)	33%
Chevrolet	Tahoe	9	Engine (performance/emissions)	44%
Dodge	BR 1500 Pickup	25	Engine (performance/emissions)	28%
			Automatic transmission	28%
Dodge	Caravan Van	18	Engine (performance/emissions)	50%
Ford	Escort	8	Engine (performance/emissions)	63%
Ford	Explorer	13	Engine (mechanical)	23%
			Suspension and steering	23%
			Body and trim	23%
Ford	F 150 Pickup	50	Suspension and steering	30%
Ford	F 250 Pickup	8	Engine (performance/emissions)	38%
			Suspension and steering	38%
Ford	Mustang	19	Suspension and steering	37%
Ford	Ranger	10	Engine (mechanical)	50%
Ford	Taurus	11	Engine (performance/emissions)	36%
GMC	Sierra 1500 Pickup	19	Engine (performance/emissions)	37%
			Suspension and steering	37%
Honda	Accord	8	Engine (mechanical)	25%
			Suspension and steering	25%
Honda	Civic	4	Engine (performance/emissions)	75%
Jeep	Grand Cherokee	14	Electrical	36%
Nissan	Pickup	4	Body and trim	50%
Pontiac	Grand AM	21	Suspension and steering	38%
Toyota	Camry	7	Engine (mechanical)	43%

**COMPLAINTS CLOSED**

Chart G shows that eight hundred forty-one (841) 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., 148 which is 17% of the total resolved
- \* Not pursued (some may have settled with the initiation of communication by the Division between the consumer and the manufacturer), 151 which is 18% of the total resolved
- \* Consumer received relief, 542 which is 65% of the total resolved

CHART G  
COMPLAINT RESOLUTION BEFORE HEARING SET



In CY97, 748 complaints settled at various stages of the process before a decision was issued.

- \* 542 settled prior to scheduling of a hearing
- \* 93 settled after a hearing was set but before the hearing was held
- \* 113 settled after a hearing convened

Of those that settled:

- \* 172 were repurchased
- \* 249 were given trade assistance

<b>CHART H SETTLEMENTS</b>			
	<b>Prior to Hearing Scheduled</b>	<b>After Hearing Scheduled but Before Hearing Convened</b>	<b>After Hearing Convened</b>
<b>Repurchased</b>	115	31	26
<b>Trade-assists</b>	206	16	27
<b>Repaired</b>	153	15	23
<b>Extended Service Contract</b>	54	8	11
<b>Others</b>	14	23	26
<b>TOTAL</b>	<b>542</b>	<b>93</b>	<b>113</b>

Chart I describes the vehicles (listed alphabetically by manufacturer) that were repurchased or replaced by trade assist before a hearing convened. The last three years are shown for comparison. Some manufacturers, such as, Chrysler Motors Corporation, Ford Motor Company, Mazda Motor of America, Inc. and Saturn Corporation, have significantly decreased the number of settlements from CY96.

CHART I REPURCHASE/REPLACEMENT/TRADE ASSIST SETTLEMENTS BEFORE HEARING CONVENED - BY MANUFACTURER									
MANUFACTURER	REPURCHASE			TRADE ASSIST			TOTAL		
	CY95	CY96	CY97	CY95	CY96	CY97	CY95	CY96	CY97
AM General	0	1	0	1	0	0	1	1	0
Big Dog	0	0	1	0	0	0	0	0	1
BMW	0	0	1	1	1	1	1	1	2
Chrysler	14	4	7	72	96	71	86	100	78
Coachmen	0	0	0	0	0	1	0	0	1
Country Coach	0	0	0	0	0	0	0	0	0
Damon	0	0	0	0	1	0	0	1	0
Fleetwood	1	0	0	0	0	2	1	0	2
Ford	10	28	14	37	69	63	47	97	77
General Motors	65	47	94	54	77	59	119	124	153
Gulf Stream	0	1	0	0	0	0	0	1	0
Holiday Rambler	0	0	1	0	0	1	0	0	2
Honda	0	0	0	2	0	0	2	0	0
Hyundai	6	5	0	4	2	3	10	7	3
Isuzu	1	0	1	1	1	3	2	1	4
Jaguar	0	1	0	0	0	0	0	1	0
Kawasaki	0	0	2	0	0	0	0	0	2
Kia	0	4	6	1	0	0	1	4	6
Land Rover	0	0	1	0	1	3	0	1	4
Mazda	6	3	1	3	5	0	9	8	1
Mercedes-Benz	0	1	0	1	1	0	1	2	0
Mitsubishi	0	6	9	1	7	6	1	13	15
Navistar	0	0	1	0	0	0	0	0	1
Nissan	2	2	1	5	3	2	7	5	3
Porsche	0	0	0	0	0	1	0	0	1
Saab	1	1	0	1	1	0	2	2	0
Saturn	1	5	2	0	4	0	1	9	2
Shasta Industries	0	0	0	0	0	1	0	0	1
Subaru	0	0	0	1	0	0	1	0	0
Suzuki	1	0	1	0	0	0	1	0	1
Toyota	0	0	0	0	0	2	0	0	2
Volkswagen	4	4	2	0	3	3	4	7	5
Volvo	1	0	0	0	1	0	1	1	0
Winnebago	0	0	1	0	1	0	0	1	1
TOTAL	113	113	146	185	274	222	298	387	368

Orders were entered in 475 cases scheduled for hearing. Some form of relief was granted in 64% of the cases. The following methods of resolution after the hearing was set and numbers resolved are:

- \* Ordered repaired, repurchased, or replaced, 100 or 21% of the total resolved
- \* Settlement order, 206 or 43% of the total resolved
- \* Ordered dismissed (abandoned or not proven), 169 or 36% of the total resolved

CHART J  
COMPLAINT RESOLUTION AFTER HEARING SET

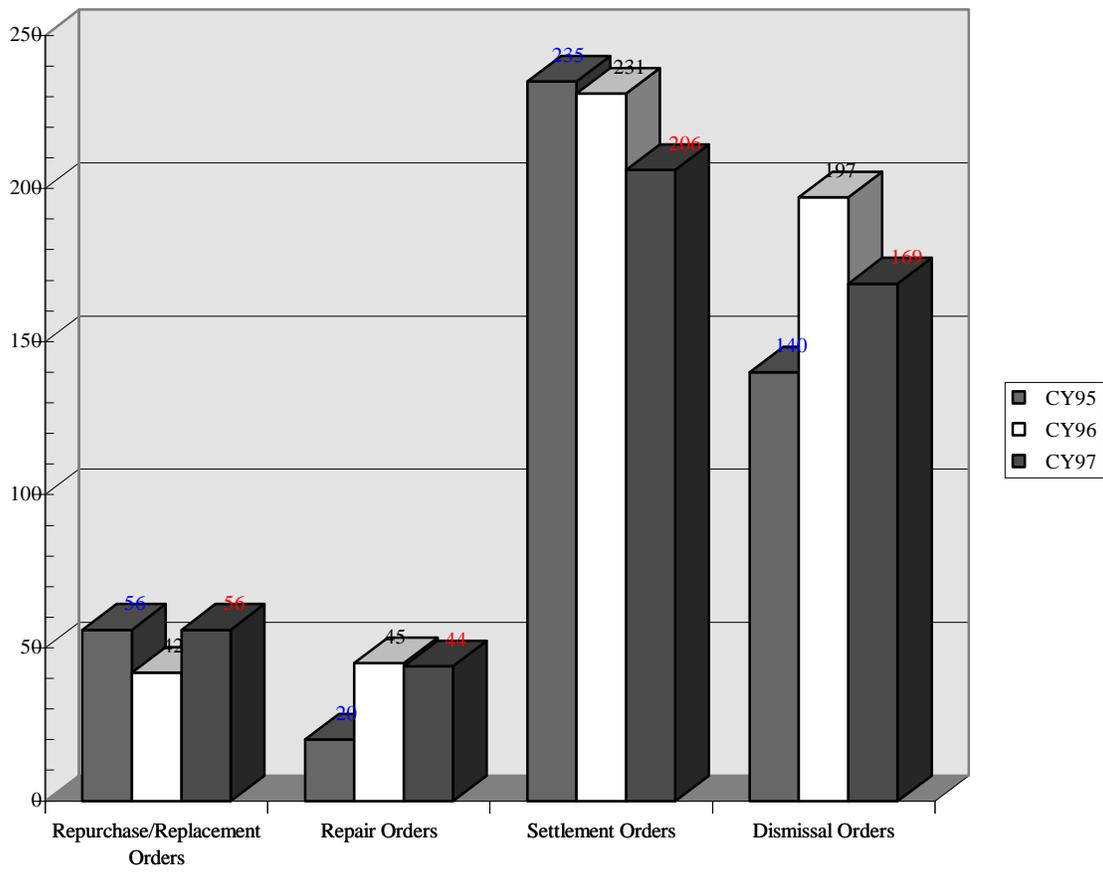


Chart K reveals:

- \* The number of complaints closed **increased** 4.4% from CY96 and 24.5% from CY95
- \* The number of hearings scheduled **decreased** 7.8% from CY96 and **increased** 4.2% from CY95
- \* The number of final orders issued **increased** 4% from CY96 and 40% from CY95
- \* The number of vehicles ordered repurchased or replaced **increased** 33.3% from CY96 and 1.8% from CY95

CHART K					
COMPLAINTS CLOSED - BY MANUFACTURER AND MAKE					
MANUFACTURER	MAKE	COMPLAINTS CLOSED	HEARINGS SCHEDULED	FINAL ORDERS	REPURCHASE or REPLACEMENT ORDERS
Airstream		1	1	0	0
AM General		2	2	1	1
Beaver Coaches *		1	1	1	1
Big Dog		1	0	0	0
BMW		10	3	1	0
	Chrysler	37	10	1	0
	Dodge	140	40	9	3
	Eagle	8	2	2	0
	Jeep	30	7	0	0
	Plymouth	32	8	5	1
<b>Chrysler TOTAL</b>		247	67	17	4
Coachmen		2	1	1	0
Cobra		1	1	0	0
Firan Motor Coach		1	1	0	0
Fleetwood		5	4	3	1
	Ford	239	112	53	13
	Lincoln	15	6	3	1
	Mercury	38	12	5	0
<b>Ford TOTAL</b>		292	130	61	14
Four Winds		1	1	1	0
	Buick	16	5	0	0
	Cadillac	15	7	2	1
	Chevrolet-Geo	282	74	18	6
	GMC	66	18	10	4
	Oldsmobile	8	3	0	0
	Pontiac	55	22	8	3
<b>General Motors TOTAL</b>		442	129	38	14
Georgie Boy		3	3	1	0
Gulf Stream		3	2	0	0
Harley Davidson		1	0	0	0
Holiday Rambler		5	3	1	0
	Acura	3	1	0	0
	Honda	16	10	3	0
<b>Honda TOTAL</b>		19	11	3	0
Hyundai		30	14	5	2
Isuzu		8	3	2	0
Kawasaki		6	2	0	0
Kia		34	14	11	5
Land Rover		13	2	2	1
Mallard		1	1	0	0
Mazda		30	14	9	5
Mercedes-Benz		1	1	1	0
Mitsubishi		42	11	0	0
Monaco Coach		2	1	1	1
Navistar		1	1	0	0

CHART K COMPLAINTS CLOSED - BY MANUFACTURER AND MAKE					
MANUFACTURER	MAKE	COMPLAINTS CLOSED	HEARINGS SCHEDULED	FINAL ORDERS	REPURCHASE or REPLACEMENT ORDERS
Newmar		3	3	3	1
	Infiniti	1	0	0	0
	Nissan	32	20	8	3
<b>Nissan TOTAL</b>		<b>33</b>	<b>20</b>	<b>8</b>	<b>3</b>
Nissan Diesel	UD	1	0	0	0
	Kenworth	2	2	1	0
	Peterbilt	1	0	0	0
<b>Paccar TOTAL</b>		<b>3</b>	<b>2</b>	<b>1</b>	<b>0</b>
Polaris		1	0	0	0
Porsche		1	0	0	0
Rolls-Royce	Bentley	1	1	1	1
Saab		1	0	0	0
Saturn		7	2	0	0
Serro	Scotty	1	1	0	0
Shasta Industries		1	0	0	0
Steel Stallions	Black Stallion	1	1	0	0
Subaru		1	0	0	0
Suzuki		2	0	0	0
Thor		1	1	1	1
Tiffin	Allegro Bay	1	1	0	0
Toyota		28	10	5	0
Volkswagen		14	2	0	0
Volvo		4	3	1	0
VolvoGM	WhiteGMC	1	1	1	1
Winnebago		4	3	1	0
Yamaha		1	0	0	0
<b>TOTAL CLOSED</b>		<b>1316</b>	<b>475</b>	<b>182</b>	<b>56</b>

\*Dismissed following litigation

There were 56 vehicles ordered repurchased or replaced after a contested hearing when an ALJ found the complaint met the statutory requirements for relief under the Lemon Law.

**Included are:**

- \* 24 passenger cars
- \* 27 trucks
- \* 5 motor homes

Chart L describes 55 of the 56 vehicles that were ordered repurchased or replaced by manufacturers according to the make and model (listed alphabetically). One vehicle description has been removed from the list due to litigation.

- \* 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 Division (55).

*Example: Land Rover had one vehicle repurchased, which would be 1 divided by 55, which equals 1.8.*

- \* 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.

*Example: Mazda had a repurchase percentage of 9.1% which, when divided by their market share of 1.86%, gives them a "lemon index" of 4.877.*

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 CY97. 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*. This market percentage is used as an indicator of market percentage for all year makes involved in repurchase or replacement orders.
- \* Motor homes (MH) and conversion vehicles (Conv) are listed alphabetically first by the party ordered to repurchase the vehicle then by the other involved parties. If more than one manufacturer, converter, or distributor was ordered to repurchase the vehicle, the percentage for each is listed.
- \* 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 L							
VEHICLES ORDERED REPURCHASED OR REPLACED - BY MAKE AND MODEL							
YR	MAKE	MODEL	PROBLEM AREA	PRICE	MARKET %	REPUR. %	LEMON INDEX
95	AM General	Hummer	Suspension and Steering, Central Tire Inflation System	\$ 47,030.87	Unknown	1.8%	Unknown
93	Bentley	Brooklands	Engine (mechanical), Electrical, Automatic Transmission, Brakes	\$ 131,095.61	0.01%	1.8%	181.818
95	Cadillac	DeVille	Suspension and Steering	\$ 34,100.50	1.12%	1.8%	1.619
95	Centurion/ Ford	F 150 Pickup (Conv)	Paint	\$ 21,498.40	Unknown	1.8%	Unknown
95	Chevrolet	Astro Van	Body and Trim	\$ 22,245.52	20.37%	10.91%	0.536
95	Chevrolet/ J.R.'s Custom	C1500 Pickup (Conv)	Brakes	\$ 17,063.70	Unknown	10.91%	Unknown
96	Chevrolet	C1500 Pickup	Brakes	\$ 17,836.77	20.37%	10.91%	0.536
96	Chevrolet	C1500 Pickup	Engine (mechanical, performance, emissions)	\$ 20,863.02	20.37%	10.91%	0.536
96	Chevrolet	Corvette	Electrical, Body and Trim	\$ 33,484.57	20.37%	10.91%	0.536
96	Chevrolet	Corvette	Engine (performance, emissions), Driveline, Suspension and Steering	\$ 33,237.25	20.37%	10.91%	0.536
95	Classic Conv/ Ford	E 150 Van (Conv)	Air Conditioning and Heating, Electrical, Body and Trim	\$ 22,488.42	Unknown	1.8%	Unknown
95	Dodge	Dakota Pickup	Brakes	\$ 6,846.97	7.45%	3.6%	0.488
96	Dodge	Grand Caravan Van	Engine (performance, emissions)	\$ 23,313.89	7.45%	3.6%	0.488
96	Fleetwood	Pace Arrow (MH)	Air Conditioning and Heating, Brakes, Electrical, Water Leaks	\$ 76,479.13	Unknown	1.8%	Unknown
95	Ford	Bronco	Brakes, Suspension and Steering	\$ 22,535.55	24.06%	20.0%	0.831
95	Ford	Contour	Engine (performance, emissions), Body and Trim	\$ 10,999.18	24.06%	20.0%	0.831
95	Ford	Contour	Air Conditioning and Heating, Standard Transmission, Body and Trim	\$ 13,451.21	24.06%	20.0%	0.831
95	Ford	Escort	Engine (performance, emissions)	\$ 10,290.35	24.06%	20.0%	0.831
96	Ford	F 250 Pickup	Brakes, Suspension and Steering	\$ 16,814.42	24.06%	20.0%	0.831
96	Ford	F 350 Pickup	Brakes	\$ 25,553.97	24.06%	20.0%	0.831
95	Ford	Mustang	Engine (performance, emissions), Brakes, Coolant Leak	\$ 14,797.21	24.06%	20.0%	0.831
96	Ford	Mustang	Engine (mechanical, performance, emissions), Electrical	\$ 19,531.30	24.06%	20.0%	0.831
96	Ford	Taurus	Air Conditioning and Heating	\$ 16,133.74	24.06%	20.0%	0.831
95	Ford	Thunderbird	Brakes	\$ 16,840.59	24.06%	20.0%	0.831
96	Ford	Thunderbird	Engine (performance, emissions), Brakes	\$ 15,142.70	24.06%	20.0%	0.831
95	GMC	G Van	Brakes, Body and Trim	\$ 16,267.78	3.43%	7.3%	2.121
95	GMC	Sierra 1500 Pickup	Brakes, Electrical, Body and Trim	\$ 16,722.87	3.43%	7.3%	2.121
95	GMC	Sierra 2500 Pickup	Engine (performance, emissions)	\$ 19,858.05	3.43%	7.3%	2.121
97	GMC	Yukon	Body and Trim	\$ 28,825.12	3.43%	7.3%	2.121
96	Hyundai	Elantra	Engine (mechanical, performance, emissions), Brakes	\$ 13,166.81	0.68%	3.6%	5.371
95	Hyundai	Sonata	Standard Transmission	\$ 12,648.56	0.68%	3.6%	5.371

CHART I VEHICLES ORDERED REPURCHASED OR REPLACED - BY MAKE AND MODEL							
YR	MAKE	MODEL	PROBLEM AREA	PRICE	MARKET %	REPUR. %	LEMON INDEX
96	Kia	Sephia	Engine (performance, emissions), Suspension and Steering, Electrical Body and Trim	\$ 11,043.79	0.41%	9.1%	22.173
96	Kia	Sephia	Engine (performance, emissions), Electrical, Bad Odor	\$ 10,554.10	0.41%	9.1%	22.173
95	Kia	Sportage	Air Conditioning and Heating, Brakes, Electrical, Suspension and Steering	\$ 13,601.93	0.41%	9.1%	22.173
95	Kia	Sportage	Electrical	\$ 15,229.45	0.41%	9.1%	22.173
95	Kia	Sportage	Engine (mechanical), Electrical, Air Conditioning and Heating, Suspension and Steering	\$ 19,631.25	0.41%	9.1%	22.173
96	Land Rover	Discovery	Water Leaks	\$ 42,517.01	Unknown	1.8%	Unknown
95	LCM, Inc/ Dodge	B2500 Van (Conv)	Electrical	\$ 25,895.11	Unknown	1.8%	Unknown
95	Lincoln	Town Car	Engine (performance, emissions), Suspension and Steering, Body and Trim	\$ 10,166.91	0.99%	1.8%	1.844
96	Mazda	B Series Pickup	Engine (mechanical)	\$ 11,636.89	1.86%	9.1%	4.877
94	Mazda	MPV Van	Engine (performance, emissions)	\$ 19,417.11	1.86%	9.1%	4.877
95	Mazda	Protégé	Body and Trim	\$ 13,754.94	1.86%	9.1%	4.877
95	Mazda	Protégé	Suspension and Steering	\$ 13,975.28	1.86%	9.1%	4.877
96	Mazda	Protégé	Suspension and Steering	\$ 13,310.12	1.86%	9.1%	4.877
95	Monaco Coach	Windsor (MH)	Air Conditioning and Heating, Driveline, Suspension and Steering, Brakes, Body and Trim, Water leaks	\$ 129,269.20	Unknown	1.8%	Unknown
94	Newmar	Country Star (MH)	Engine (mechanical, performance, emissions), Brakes, Body and Trim, Air Conditioning and Heating, Suspension and Steering, Electrical	\$ 84,823.72	Unknown	1.8%	Unknown
95	Nissan	300ZX	Suspension and Steering	\$ 27,743.58	4.33%	5.5%	Unknown
95	Nissan	Pickup	Engine (mechanical)	\$ 11,921.54	4.33%	5.5%	1.259
95	Nissan	Quest Van	Electrical	\$ 20,309.36	4.33%	5.5%	1.259
96	Plymouth	Voyager Van	Body and Trim, Water Leaks	\$ 20,053.42	1.67%	1.8%	1.091
95	Pontiac	Firebird	Engine (performance, emissions)	\$ 14,880.39	3.61%	5.5%	1.511
95	Pontiac	Grand Prix	Engine (mechanical, performance, emissions)	\$ 17,542.82	3.61%	5.5%	1.511
96	Pontiac	Grand Prix	Body and Trim, Water Leaks	\$ 17,510.13	3.61%	5.5%	1.511
94	Thor	Residency (MH)	Engine (mechanical), Automatic Transmission, Body and Trim, Failed Odometer, Propane System	\$ 112,657.28	Unknown	1.8%	Unknown
95	WhiteGMC	WIA64T	Engine (mechanical), Electrical	\$ 75,555.81	Unknown	1.8%	Unknown
<b>TOTAL VEHICLES REPURCHASED: 55</b>				<b>\$ 1,550,165.17</b>			

Chart M 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 second year, more new trucks were registered in Texas than new cars.

**The number of vehicles registered in Texas in 1997:**

* Cars	552,109
* Trucks	621,866

CHART M				
MARKET SHARE PERCENTAGE - BY MANUFACTURER AND MAKE				
		APPROXIMATE MARKET SHARE		
MANUFACTURER	MAKE	CARS	TRUCKS	COMBINED
BMW		1.452%	0.000%	0.683%
	Chrysler	2.282%	0.689%	1.435%
	Dodge	3.960%	10.538%	7.445%
	Eagle	0.156%	0.000%	0.073%
	Jeep	0.000%	4.457%	2.361%
	Plymouth	1.774%	1.572%	1.667%
	<b>Chrysler Total</b>		<b>8.171%</b>	<b>17.257%</b>
	Ford	16.122%	31.110%	24.062%
	Lincoln	1.749%	0.309%	0.986%
	Mercury	4.834%	0.849%	2.723%
	<b>Ford Total</b>	<b>22.704%</b>	<b>32.268%</b>	<b>27.770%</b>
	Buick	4.337%	0.000%	2.040%
	Cadillac	2.388%	0.000%	1.123%
	Chvrolet-Geo	12.547%	27.321%	20.373%
	GMC	0.000%	6.473%	3.429%
	Oldsmobile	2.723%	0.329%	1.455%
	Pontiac	7.234%	0.393%	3.611%
	<b>General Motors Total</b>		<b>29.229%</b>	<b>34.517%</b>
	Honda	8.509%	1.230%	4.653%
	Acura	1.172%	0.009%	0.556%
	<b>Honda Total</b>	<b>9.682%</b>	<b>1.239%</b>	<b>5.210%</b>
Hyundai		1.440%	0.000%	0.677%
Isuzu		0.000%	1.775%	0.940%
Jaguar		0.218%	0.000%	0.103%
Kia		0.549%	0.287%	0.410%
Land Rover		0.000%	0.188%	0.099%
Mazda		2.943%	0.907%	1.864%
Mercedes-Benz		1.245%	0.153%	0.667%
Mitsubishi		2.149%	0.586%	1.321%
Nissan		5.136%	3.622%	4.334%
Nissan Diesel		0.000%	0.029%	0.015%
Paccar	Kenworth	0.000%	0.210%	0.111%
Porsche		0.139%	0.000%	0.065%
Rolls Royce	Bentley	0.002%	0.000%	0.001%
Saturn		2.773%	0.000%	1.304%
Subaru		0.219%	0.025%	0.116%
Suzuki		0.119%	0.159%	0.140%
Toyota		7.654%	4.062%	5.752%
Volkswagen		0.890%	0.010%	0.424%
Volvo		1.003%	0.134%	0.543%
All Others		2.413%	2.701%	2.505%
		100%	100%	100%

Considering the number of complaints filed, the number of repurchase or replacement orders was relatively small in CY97. 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 N 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.

Clearly Chrysler Motors Corporation and General Motors Corporation are continuing their trend to settle more cases prior to the entry of an adverse decision through the hearing process. Together, the two manufacturers voluntarily repurchased or replaced 267 vehicles in CY97. These were not counted in determining their "lemon index" and, therefore, the manufacturers were not required to issue a disclosure statement on resale of the vehicles.

On the other hand, it is also clear that certain manufacturers (with a market share greater than 1%) are unlikely to settle their complaints prior to a hearing, i.e., Ford Motor Company, American Honda Motors, Inc., Mazda Motor of America, Inc., Nissan Motor Corporation U.S.A. and Gulf States Toyota, Inc.

<b>CHART N</b>				
<b>SETTLEMENT RATE - BY MAKE OF VEHICLE</b>				
<b>VEHICLE MAKE</b>	<b>NUMBER OF COMPLAINTS CLOSED</b>	<b>NUMBER SETTLED</b>	<b>SETTLEMENT PERCENTAGE</b>	<b>REPURCHASED/ REPLACED</b>
Acura	3	1	33%	0
Airstream	1	1	100%	1
Allegro Bay	1	1	100%	0
AM General	2	0	0%	0
Beaver Coaches	1	0	0%	0
Bentley	1	0	0%	0
Big Dog	1	1	100%	1
Black Stallion	1	0	0%	0
BMW	10	8	80%	2
Buick	16	12	75%	7
Cadillac	15	10	67%	5
Chevrolet	282	189	67%	119
Chrysler	37	24	65%	15
Coachmen	2	1	50%	1
Cobra	1	0	0%	0
Dodge	140	89	64%	46
Eagle	8	2	25%	1
Firan	1	1	100%	0
Fleetwood	5	2	40%	2
Ford	239	117	49%	66
Four Winds	1	0	0%	0
Georgie Boy	3	2	67%	0
GMC	66	39	59%	25
Gulf Stream	3	3	100%	0
Harley Davidson	1	0	0%	0
Holiday Rambler	5	3	60%	3
Honda	16	6	38%	1
Hyundai	30	14	47%	4
Infiniti	1	0	0%	0
Isuzu	8	5	63%	4
Jeep	30	19	63%	15
Kawasaki	6	4	67%	2
Kenworth	2	0	0%	0

<b>CHART N</b>				
<b>SETTLEMENT RATE - BY MAKE OF VEHICLE</b>				
<b>VEHICLE MAKE</b>	<b>NUMBER OF COMPLAINTS CLOSED</b>	<b>NUMBER SETTLED</b>	<b>SETTLEMENT PERCENTAGE</b>	<b>REPURCHASED/ REPLACED</b>
Kia	34	12	35%	7
Land Rover	13	6	46%	4
Lincoln	15	6	40%	3
Mallard	1	0	0%	0
Mazda	30	12	40%	1
Mercedes-Benz	1	0	0%	0
Mercury	38	25	66%	16
Mitsubishi	42	25	60%	17
Monaco Coach	2	0	0%	0
Navistar	1	1	100%	1
Newmar	3	0	0%	0
Nissan	32	15	47%	3
Oldsmobile	8	7	88%	3
Peterbilt	1	0	0%	0
Plymouth	32	17	53%	11
Polaris	1	0	0%	0
Pontiac	55	33	60%	20
Porsche	1	1	100%	1
Saab	1	0	0%	0
Saturn	7	4	57%	3
Scotty	1	1	100%	0
Shasta Industries	1	1	100%	1
Subaru	1	1	100%	0
Suzuki	2	1	50%	1
Thor	1	0	0%	0
Toyota	28	7	25%	2
UD	1	1	100%	0
Volkswagen	14	12	86%	5
Volvo	4	2	50%	0
WhiteGMC	1	0	0%	0
Winnebago	4	3	75%	2
Yamaha	1	1	100%	0
<b>TOTAL CLOSED</b>	<b>1316</b>	<b>748</b>		<b>421</b>

## CONCLUSION

The statistics for CY97 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. Chrysler Motors Corporation, Ford Motor Company and General Motors Corporation together voluntarily repurchased or replaced (by providing trade assistance) 352 vehicles in CY97.

Also, statistics reveal that in 64.4% of the complaints closed in CY97, consumers received some type of relief totaling more than \$6.5 million in benefits to consumers. However, with the exclusion of the complaints closed for no jurisdiction, not pursued, withdrawn, etc., the success rate rises to 77.3%.

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 the Texas toll free number 1-800-622-8682, for further clarification. This report and additional Lemon Law information are available on the Texas Department of Transportation's web site (<http://www.dot.state.tx.us>).

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Director-Consumer Affairs