

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 1999, the Motor Vehicle Board processed 14,206 complaints. This process is considerably less complicated and less expensive than going to court.

This is the eighth annual report published on the Lemon Law since the Texas Legislature established the requirement in 1991. The information in the 1999 report includes: a summary of the complaint process; lists of complaints filed; defects reported; complaints closed; vehicles ordered repurchased or replaced; and, a complaint resolution analysis.

Pursuant to a rules review, the Motor Vehicle Board made several changes to the Lemon Law Rules (16 TAC Sections 107.1 - 107.11). A change was made to Section 107.9 which made it clear that incidental expenses claimed by consumers are not limited to the expenses listed in the section. In addition, categories were added to include: loss or damage to personal property; attorney fees (if the consumer retains counsel after notification the respondent is represented by counsel); and, items or accessories added to the vehicle. Section 107.10 was changed to extend the disclosure requirement to all vehicles reacquired by a manufacturer, converter, or distributor to settle a warranty claim, including vehicles transferred to Texas for resale.

The Motor Vehicle Board is negotiating a multi-year, three phase contract to update its database to an integrated automated system and develop database applications to provide improved access by the staff and the public. Phase three of the contract will include web publishing, electronic commerce and document imaging. Electronic commerce will include filing complaints via the Internet and sending and receiving correspondence and documents electronically. Document imaging will allow for electronic files to the extent allowed by law.

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 Motor Vehicle Board continues to strive to improve the program.

Sincerely,

Robert C. Barnes
Chairman, Motor Vehicle Board

September 2000

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VEHICLE COVERED



PASSENGER CARS



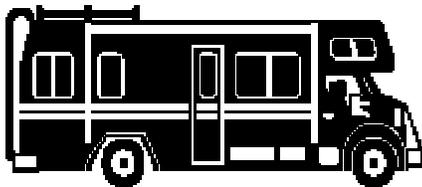
**LIGHT TRUCKS
INCLUDES MINI-VANS AND
SPORT UTILITY VEHICLES**



**MOTORCYCLES
(MC)**



**ALL TERRAIN VEHICLES
(ATV)**



**MOTOR HOMES
(MH)**



**TOWABLE RECREATIONAL VEHICLES
(TRV)**



MEDIUM TRUCKS



**HEAVY TRUCKS
(HT)**

INTRODUCTION

The report includes text and charts to illustrate the resolution of 964 complaints during 1999. Some of the complaints processed in CY99 involved 499 carryovers from the end of CY98, plus 890 new complaints that were received in 1999. Chart A shows an overview of the program results for CY99 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 recreation vehicles. Prices of the vehicles complained against ranged from a few thousand dollars to over five hundred thousand dollars for a luxury motor home.

CHART A
SUMMARY OF PROGRAM RESULTS

	CY97	CY98	CY99
Complaints Filed	1291	1034	890
Complaints Closed	1316	1230	964
Prehearing Settlements	635	430	290
Hearings Scheduled	475	618	593
Final Orders (Hearings Held)	182	242	223
Repurchase/Replacement Orders	56	73	72

COMPLAINT PROCESS

PROVISIONS OF THE TEXAS LEMON LAW

According to the TMVC Code:

[Section 6.07](#) provides **new** motor vehicle owners, lessors, or lessees who purchase or lease their vehicles from licensees of the Motor Vehicle Board 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** vehicles or new vehicles purchased or leased from non-licensees of the Motor Vehicle Board, 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 chart describes the complaint process and time span which may vary depending on the case. A resolution of the complaint may be reached at any stage in the process.

**CHART B
COMPLAINT PROCESS AND TIME SPAN**

1. **RECEIPT OF COMPLAINT**
A Consumer files a written complaint with the Motor Vehicle Division and may submit a \$35.00 filing fee if the vehicle meets eligibility for filing under Section 6.07.
2. **10 DAYS FROM RECEIPT OF COMPLAINT:**
The Motor Vehicle Division notifies the vehicle manufacturer, the selling dealer, and the servicing dealers of receipt of the complaint.
3. **35 DAYS FROM RECEIPT OF COMPLAINT:**
The Consumer Advisors attempt to resolve the complaint through mediation. A mediation inspection may be scheduled.
4. **90 DAYS FROM RECEIPT OF COMPLAINT:** The Administrative Law Judge schedules and conducts a hearing on the complaint.
5. **135 DAYS FROM RECEIPT OF COMPLAINT:**
The Administrative Law Judge issues a Decision and Final Order.
6. **150 DAYS FROM RECEIPT OF COMPLAINT:**
If a party does not agree with the Administrative Law Judge's Decision and Final Order, a Motion for Rehearing may be filed with the Director of the Motor Vehicle Division or with the Motor Vehicle Board.
7. **165 DAYS FROM RECEIPT OF COMPLAINT:**
The Director or the Motor Vehicle Board rules on the Motion for Rehearing.
8. **CLOSE COMPLAINT**
Parties may still file an appeal in the District Court in Travis County.

RESPONSIBILITIES OF THE 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 either Section 6.07 or Section 3.08(i), the Consumer Advisor serves as a liaison between the consumer and representatives of the manufacturer and dealer. Often, their assistance results in resolution of complaints soon after filing.

AFTER A HEARING IS SCHEDULED: The 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 consumer’s and manufacturers’ representatives present. The Motor Vehicle Division’s inspector analyzes the facts based on the inspection of the vehicle and the evidence that the consumer could prove, should a hearing be required. Very often, the parties reach an agreement during the inspections to resolve the complaint. In CY99, 64 inspections were conducted throughout the state. In 59% of these cases, the inspection resolved the complaint. Chart C shows the results of the inspections held in CY99.

CHART C MEDIATION INSPECTIONS				
Manufacturer	Section 3.08(i)		Section 6.07	
	Held	Resolved	Held	Resolved
DaimlerChrysler	9	9	23	13
Damon (MH)	0	0	1	0
Ford	2	2	10	5
General Motors	2	1	10	6
Isuzu	2	0	2	2
Kawasaki	0	0	1	0
Kia	0	0	1	0
Mercedes-Benz	0	0	1	0
TOTALS	15	12	49	26
PERCENT RESOLVED	80%		53%	

HEARINGS

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

WHAT TO EXPECT AT A HEARING

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

WHAT TO EXPECT FOLLOWING A HEARING

- The Administrative Law Judge considers all of the evidence received at a hearing and issues a written decision and order at a later date. Generally, orders require one of the following:
- Repurchase or replacement of the vehicle by the manufacturer with a reasonable allowance for the consumer's use of the vehicle deducted
- Repair of the vehicle under the manufacturer's warranty, or
- Dismissal of the complaint if 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 Motor Vehicle Division's Director or the Motor Vehicle Board. In CY99, 59 motions for rehearing were filed with the Motor Vehicle Division's Director and 17 motions for rehearing were filed with 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 Motor Vehicle 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 a hearing are appealed. Only two Lemon Law cases were appealed in CY99. Both appeals were filed by the manufacturer's of the vehicles.

COMPLAINTS FILED

Chart D shows how many complaints were filed against manufacturers (listed alphabetically by make) for CY97 through CY99.

Although the complaints filed decreased 13.9% from CY98, some manufacturers (with a market share greater than 5% - sales over 66,260) experienced sharper declines. For example, the complaints filed against DaimlerChrysler Motors Corporation and General Motors Corporation decreased 27.1% and 14.6%, respectively. On the other hand, the complaints filed against Ford Motor Company only decreased 4.4%. Despite the decrease in complaints filed, some manufacturers experienced an increase such as American Honda Motor Company, Inc. (23.1%) and Gulf States Toyota, Inc. (11.1%).

CHART D COMPLAINTS FILED - BY MANUFACTURER AND MAKE				
MANUFACTURER	MAKE	CY97	CY98	CY99
Airstream (MH)		1	2	2
Alpha Leisure (TRV)		0	1	0
AM General		1	1	1
American Iron Horse (MC)		0	1	0
Beaver Coaches (MH)		2	1	1
Big Dog (MC)		1	0	0
Blue Bird (MH)		0	0	1
BMW		7	5	2
Coachmen (MH)		1	4	1
	Chrysler	39	31	23
	Dodge	117	108	81
	Eagle	8	1	0
	Jeep	31	39	32
	Plymouth	35	24	12
DaimlerChrysler TOTAL		230	203	148
Damon (MH)		1	4	2
Excelsior Henderson (MC)		0	0	1
Fleetwood (MH/TRV)		8	19	12
	Ford	222	164	149
	Lincoln	11	9	8
	Mercury	31	8	16
Ford TOTAL		264	181	173
Forest River (MH/TRV)		0	0	2
Four Winds (MH)		1	1	0
Freightliner (HT)		2	5	2
	Buick	12	11	6
	Cadillac	12	8	12
	Chevrolet	291	234	222
	GMC	70	51	33
	Oldsmobile	13	15	18
	Pontiac	67	59	32
General Motors TOTAL		465	378	323
Georgie Boy (MH)		3	1	2
Gulf Stream (MH)		2	2	2
Harley Davidson MC)		2	0	1
Holiday Rambler (MH/TRV)		6	4	3
	Acura	1	3	1
	Honda	15	10	15
Honda TOTAL		16	13	16
Hyundai		26	16	13
Illusion (MC)		0	0	1
Isuzu		15	15	18
Jaguar		1	1	2
Kawasaki (MC)		5	1	1
Keystone (TRV)		2	1	1
Kia		34	50	43
K-Z Inc. (TRV)		0	0	1
Land Rover		13	2	3

CHART D				
COMPLAINTS FILED - BY MANUFACTURER AND MAKE				
MANUFACTURER	MAKE	CY97	CY98	CY99
Mazda		30	9	14
Mercedes-Benz		1	4	4
Mitsubishi		41	17	19
Monaco Coach (MH)		1	3	2
National (MH)		0	2	1
Navistar (HT)		0	2	1
Newmar (MH)		2	1	1
	Infiniti	1	0	2
	Nissan	25	23	11
Nissan TOTAL		26	23	13
Nissan Diesel	UD	1	0	0
	Kenworth	1	2	0
	Peterbilt	0	1	0
Paccar TOTAL (HT)		1	3	0
Polaris (ATV)		2	1	0
Porsche		1	0	1
R-Vision Inc. (TRV)		0	0	1
Rexhall (MH)		1	1	1
Saab		0	1	1
Safari (MH)		1	2	1
Saturn		8	1	3
	Serro	0	0	0
	Scotty	1	0	0
Serro (TRV) TOTAL		1	0	0
Shasta Industries (MH)		2	0	0
Subaru		2	1	0
Suzuki (MC)		4	6	1
Teton (TRV)		0	2	0
Thor (MH/TRV)		0	1	2
Tiffin Motor Homes (MH)		0	2	0
	Lexus	1	2	0
	Toyota	33	16	20
Toyota TOTAL		34	18	20
Triumph (MC)		1	0	0
Ural America (MC)		0	0	1
	Audi	0	1	0
	Volkswagen	14	12	9
Volkswagen TOTAL		14	13	9
Volvo		4	7	7
	VolvoGM	1	0	1
	WhiteGMC	0	0	0
VolvoGM (HT) TOTAL		1	0	1
Western RV (TRV)		0	0	1
Winnebago (MH)		2	2	6
Yamaha (MC)		1	0	1
TOTAL COMPLAINTS FILED		1291	1034	890

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Chart E shows how many complaints were filed by model and it includes a complaint filed index (CFI). The market share in Chart E 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 E:

There are 18 models (with a market share greater than 1% - sales over 13,250), up from 14 last year, having a CFI of 1.0 or below, including 8 models with a CFI below 0.5. Those 18 models from lowest to highest CFI are:

- | | |
|--------------------|--------------------------|
| • Toyota Corolla | • Dodge Durango |
| • Ford Expedition | • Ford Escort |
| • Honda Accord | • Ford Ranger |
| • Honda Civic | • GMC Sierra 1500 Pickup |
| • Ford Taurus | • Chevrolet Blazer |
| • Ford F150 Pickup | • Ford Explorer |
| • Toyota Camry | • Chevrolet Cavalier |
| • Ford F250 Pickup | • Dodge Ram 1500 Pickup |
| • Chevrolet Tahoe | • Pontiac Grand Am |

There are 8 (down from 9 last year) with a market share greater than 1% having a CFI greater than 1.0. Those 8 models from lowest to highest CFI are:

- Dodge Caravan Van
- Chevrolet Suburban C/K 1500
- Ford Mustang
- Chevrolet S10 Pickup
- Jeep Grand Cherokee
- Ford F350 Pickup
- Chevrolet Malibu

CHART E						
COMPLAINT FILED INDEX BY MAKE AND MODEL						
MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
Acura	RL (MH)	1	0.11%	Unknown		
Airstream	Cutter Bus (MH)	2	0.22%	Unknown		
AM General	Hummer	1	0.11%	Unknown		
Beaver Coaches	Marquis (MH)	1	0.11%	Unknown		
Blue Bird	LX 1 (MH)	1	0.11%	Unknown		
BMW	300 Class	1	0.11%	4,795	0.3842%	0.29
	Z3	1	0.11%	1,075	0.0861%	1.30
Buick	Century	1	0.11%	7,970	0.6386%	0.18
	LeSabre	2	0.22%	8,585	0.6879%	0.33
	Park Avenue	1	0.11%	3,142	0.2518%	0.45
	Regal	2	0.22%	4,281	0.3430%	0.66
Cadillac	Catera	4	0.45%	929	0.0744%	6.04
	DeVille	2	0.22%	6,991	0.5602%	0.40
	Eldorado	3	0.34%	1,000	0.0801%	4.21
	Seville	3	0.34%	2,340	0.1875%	1.80
Chevrolet	Astro Van	6	0.67%	5,358	0.4293%	1.57
	Blazer	7	0.79%	13,064	1.0468%	0.75
	C/K 1500 Pickup	53	5.96%	68,391	5.4800%	1.09
	C/K 2500 Pickup	7	0.79%	6,803	0.5451%	1.44
	C/K 3500 Pickup	13	1.46%	4,936	0.3955%	3.69
	Camaro	8	0.90%	6,195	0.4964%	1.81
	Cavalier	10	1.12%	17,750	1.4223%	0.79
	Corvette	10	1.12%	2,661	0.2132%	5.27
	G10 Van	3	0.34%	3,248	0.2603%	1.30
	Geo Metro	1	0.11%	2,066	0.1655%	0.68
	Geo Prizm	3	0.34%	3,082	0.2470%	1.36
	Geo Tracker	3	0.34%	2,327	0.1865%	1.81
	Impala	1	0.11%	5,156	0.4131%	0.27
	Lumina	7	0.79%	5,927	0.4749%	1.66
	Malibu	33	3.71%	15,745	1.2616%	2.94
	Monte Carlo	7	0.79%	3,781	0.3030%	2.60
	S10 Pickup	12	1.35%	14,159	1.1345%	1.19
	Suburban C/K 1500	23	2.58%	30,925	2.4779%	1.04
	Suburban C/K 2500	4	0.45%	1,208	0.0968%	4.64
	Tahoe	6	0.67%	16,447	1.3179%	0.51
Venture	5	0.56%	4,518	0.3620%	1.55	
Chrysler	300M	2	0.22%	3,074	0.2463%	0.91
	Cirrus	2	0.22%	1,496	0.1199%	1.87
	Concorde	3	0.34%	3,217	0.2578%	1.31
	LHS	2	0.22%	1,091	0.0874%	2.57
	Sebring	12	1.35%	4,687	0.3756%	3.59
	Town & Country Van	2	0.22%	3,147	0.2522%	0.89
Coachmen	Catalina (MH)	1	0.11%	Unknown		

CHART E COMPLAINT FILED INDEX BY MAKE AND MODEL						
MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
Damon	Daybreak (MH)	1	0.11%	Unknown		
	Ultrasport (MH)	1	0.11%	Unknown		
Dodge	Avenger	1	0.11%	1,375	0.1102%	1.02
	Caravan Van	10	1.12%	13,778	1.1040%	1.02
	Dakota Pickup	9	1.01%	5,920	0.4744%	2.13
	Durango	5	0.56%	13,373	1.0715%	0.52
	Intrepid	2	0.22%	8,224	0.6590%	0.34
	Neon	5	0.56%	7,599	0.6089%	0.92
	Ram 1500 Pickup	24	2.70%	38,551	3.0890%	0.87
	Ram 2500 Pickup	5	0.56%	10,207	0.8179%	0.69
	Ram 3500 Pickup	4	0.45%	Unknown		
	Ram Van B150	7	0.79%	2,434	0.1950%	4.03
	Ram Van B250	3	0.34%	581	0.0466%	7.24
	Stratus	6	0.67%	6,396	0.5125%	1.32
	Excelsior Henderson	Super X (MC)	1	0.11%	283	0.0227%
Fleetwood	American Dream (MH)	1	0.11%	Unknown		
	Bounder (MH)	1	0.11%	Unknown		
	Discovery (MH)	5	0.56%	Unknown		
	Pace Arrow (MH)	2	0.22%	Unknown		
	Prowler (TRV)	1	0.11%	Unknown		
	Southwind (MH)	2	0.22%	Unknown		
Ford	Aerostar Van	1	0.11%	Unknown		
	Aspire	1	0.11%	Unknown		
	Contour	6	0.67%	8,411	0.6740%	1.00
	Crown Victoria	2	0.22%	9,384	0.7519%	0.30
	Econoline E150 Van	11	1.24%	4,973	0.3985%	3.10
	Econoline E350 Van	3	0.34%	3,235	0.2592%	1.30
	Escort	8	0.90%	21,323	1.7086%	0.53
	Expedition	4	0.45%	28,253	2.2638%	0.20
	Explorer	22	2.47%	39,864	3.1942%	0.77
	F150 Pickup	20	2.25%	74,380	5.9599%	0.38
	F250 Pickup	9	1.01%	26,769	2.1449%	0.47
	F350 Pickup	17	1.91%	13,641	1.0930%	1.75
	Mustang	18	2.02%	22,091	1.7701%	1.14
	Ranger	12	1.35%	28,844	2.3112%	0.58
	Taurus	6	0.67%	23,758	1.9037%	0.35
	Thunderbird	1	0.11%	Unknown		
	Windstar Van	8	0.90%	11,294	0.9050%	0.99
	Forest River	Georgetown (MH)	1	0.11%	Unknown	
Sandpiper (TRV)		1	0.11%	Unknown		
Freightliner	FL60	2	0.22%			
	Freightliner (HT) Total	2	0.22%	6,167	0.4941%	0.45
GMC	Jimmy	2	0.22%	3,290	0.2636%	0.85
	Safari	3	0.34%	1,767	0.1416%	2.38

CHART E COMPLAINT FILED INDEX BY MAKE AND MODEL						
MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
GMC (con't.)	Savana G1500	3	0.34%	808	0.0647%	5.21
	Savana G2500	1	0.11%	380	0.0304%	3.69
	Sierra 1500 Pickup	10	1.12%	19,170	1.5360%	0.73
	Sierra 3500 Pickup	4	0.45%	527	0.0422%	10.64
	Sonoma	3	0.34%	3,351	0.2685%	1.26
	Suburban C/K 1500	3	0.34%	4,552	0.3647%	0.92
	Suburban C/K 2500	2	0.22%	187	0.0150%	15.00
	Yukon	2	0.22%	4,869	0.3901%	0.58
Georgie Boy	Cruise-Master (MH)	1	0.11%	Unknown		
	Swinger (MH)	1	0.11%	Unknown		
Gulf Stream	Conquest (MH)	1	0.11%	Unknown		
	Friendship (MH)	1	0.11%	Unknown		
Harley Davidson	FLHTCI (MC)	1	0.11%	Unknown		
Holiday Rambler	Aluma-Lite (TRV)	1	0.11%	Unknown		
	Alumascape (TRV)	1	0.11%	Unknown		
	Imperial (MH)	1	0.11%	Unknown		
Honda	Accord	6	0.67%	28,363	2.2727%	0.30
	Civic	5	0.56%	20,613	1.6517%	0.34
	Passport	4	0.45%	1,953	0.1565%	2.87
Hyundai	Accent	2	0.22%	2,263	0.1813%	1.24
	Elantra	6	0.67%	5,033	0.4033%	1.67
	Sonata	4	0.45%	1,577	0.1264%	3.56
	Tiburon	1	0.11%	751	0.0602%	1.87
Illusion	Hardtail (MC)	1	0.11%	Unknown		
Infiniti	I30	1	0.11%	2,562	0.2053%	0.55
	Q45	1	0.11%	746	0.0598%	1.88
Isuzu	Amigo	2	0.22%	737	0.0591%	3.81
	Hombre Pickup	2	0.22%	1,219	0.0977%	2.30
	Rodeo	13	1.46%	7,542	0.6043%	2.42
	Trooper	1	0.11%	1,455	0.1166%	0.96
Jaguar	XJ Series	1	0.11%	588	0.0591%	1.90
	XK8	1	0.11%	31	0.0025%	45.23
Jeep	Cherokee	7	0.79%	6,021	0.4824%	1.63
	Grand Cherokee	18	2.02%	17,301	1.3863%	1.46
	Wrangler	7	0.79%	6,164	0.4939%	1.59
Kawasaki	1500 Vulcan (MC)	1	0.11%	Unknown		
Keystone	Sprinter (TRV)	1	0.11%	Unknown		
Kia	Sephia	28	3.15%	4,284	0.3433%	9.17
	Sportage	15	1.69%	3,347	0.2682%	6.28
K-Z, Inc.	Sportsmen (TRV)	1	0.11%	Unknown		
Land Rover	Discovery	2	0.22%	1,278	0.1024%	2.19
	Range Rover	1	0.11%	369	0.0296%	3.80
Lincoln	Mark VIII	1	0.11%	Unknown		
	Navigator	4	0.45%	4,375	0.3506%	1.28
	Town Car	3	0.34%	6,757	0.5414%	0.62

CHART E COMPLAINT FILED INDEX BY MAKE AND MODEL						
MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
Mazda	626	3	0.34%	8,313	0.6661%	0.51
	B2300 Pickup	2	0.22%	Unknown		
	B2500 Pickup	2	0.22%	2,775	0.2224%	1.01
	B4000 Pickup	1	0.11%	480	0.0385%	2.92
	MX-5 Miata	1	0.11%	1,472	0.1179%	0.95
	Protégé	5	0.56%	6,392	0.5122%	1.10
Mercedes-Benz	C Class	1	0.11%	1,767	0.1416%	0.79
	E Class	1	0.11%	2,844	0.2279%	0.49
	ML320	1	0.11%	1,738	0.1393%	0.81
	SL/SLK Class	1	0.11%	1,214	0.0973%	1.16
Mercury	Cougar	4	0.45%	4,470	0.3582%	1.25
	Grand Marquis	4	0.45%	11,012	0.8824%	0.51
	Mountaineer	4	0.45%	3,369	0.2699%	1.66
	Mystique	1	0.11%	2,853	0.2286%	0.49
	Sable	1	0.11%	4,901	0.3927%	0.29
	Tracer	1	0.11%	2,256	0.1808%	0.62
	Villager Van	1	0.11%	2,701	0.2164%	0.52
Mitsubishi	3000GT	1	0.11%	362	0.0290%	3.87
	Diamante	5	0.56%	597	0.0478%	11.74
	Eclipse	3	0.34%	4,643	0.3720%	0.91
	Galant	3	0.34%	4,846	0.3883%	0.87
	Montero	3	0.34%	318	0.0255%	13.23
	Montero Sport	4	0.45%	6,452	0.5170%	0.87
Monaco Coach	Windsor (MH)	2	0.22%	Unknown		
National	Tradewinds (MH)	1	0.11%	Unknown		
Navistar	International 9400	1	0.11%			
	Navistar (HT) Total	1	0.11%	6,436	0.5157%	0.22
Newmar	Dutch Star (MH)	1	0.11%	Unknown		
Nissan	Altima	1	0.11%	8,591	0.6884%	0.16
	Frontier	1	0.11%	10,741	0.8606%	0.13
	Maxima	3	0.34%	10,703	0.8576%	0.39
	Pathfinder	2	0.22%	4,578	0.3668%	0.61
	Quest Van	2	0.22%	2,653	0.2126%	1.06
	Sentra	1	0.11%	5,574	0.4466%	0.25
Nissan Diesel	UD 2000	1	0.11%			
	Nissan Diesel Total	1	0.11%	517	0.0414%	2.71
Oldsmobile	Alero	1	0.11%	5,371	0.4304%	0.26
	Aurora	6	0.67%	796	0.0638%	10.57
	Cutlass	4	0.45%	1,577	0.1264%	3.56
	Eighty-Eight	1	0.11%	1,634	0.1309%	0.86
	Intrigue	5	0.56%	4,526	0.3627%	1.55
	Silhouette Van	1	0.11%	1,973	0.1581%	0.71

CHART E						
COMPLAINT FILED INDEX BY MAKE AND MODEL						
MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
Plymouth	Breeze	2	0.22%	3,253	0.2607%	0.86
	Neon	3	0.34%	4,816	0.3859%	0.87
	Voyager Van	7	0.79%	9,161	0.7340%	1.07
Pontiac	Bonneville	2	0.22%	2,225	0.1783%	1.26
	Firebird	7	0.79%	5,361	0.4296%	1.83
	Grand Am	11	1.24%	15,386	1.2328%	1.00
	Grand Prix	3	0.34%	7,338	0.5880%	0.57
	Sunfire	6	0.67%	5,668	0.4542%	1.48
	Trans Sport Van	3	0.34%	None		
Porsche	Boxster	1	0.11%	860	0.0689%	1.63
Rexhall	Aerbus (MH)	1	0.11%	Unknown		
R-Vision, Inc.	Trail Harbor (TRV)	1	0.11%	Unknown		
Saab	9-5	1	0.11%	453	0.0363%	3.10
Safari	Serengeti	1	0.11%	Unknown		
Saturn	SC	1	0.11%	2,820	0.2260%	0.50
	SL	2	0.22%	9,591	0.7685%	0.29
Suzuki	GS500EW (MC)	1	0.11%	Unknown		
Thor	Tahoe (TRV)	1	0.11%	Unknown		
	Travel Eze (TRV)	1	0.11%	Unknown		
Toyota	4Runner	1	0.11%	11,261	0.9023%	0.12
	Avalon	3	0.34%	5,414	0.4338%	0.78
	Camry	8	0.90%	27,187	2.1784%	0.41
	Corolla	2	0.22%	15,218	1.2194%	0.18
	Sienna	3	0.34%	6,365	0.5100%	0.66
	Solara	1	0.11%	Unknown		
	Tacoma Pickup	2	0.22%	9,344	0.7487%	0.30
Ural America	Deco Classic (MC)	1	0.11%	Unknown		
Volkswagen	Cabrio	2	0.22%	383	0.0307%	7.32
	Jetta	3	0.34%	5,653	0.4530%	0.74
	New Beetle	3	0.34%	4,747	0.3804%	0.89
	Passat	1	0.11%	2,910	0.2332%	0.48
Volvo	850	4	0.45%	None		
	S70	3	0.34%	2,868	0.2298%	1.47
VolvoGM	770	1	0.11%			
	VolvoGM (HT) Total	1	0.11%	1,158	0.0928%	1.21
Western RV	Alpenlite (TRV)	1	0.11%	Unknown		
Winnebago	Adventurer (MH)	1	0.11%	Unknown		
	Chieftain (MH)	2	0.22%	Unknown		
	Itasca (MH)	2	0.22%	Unknown		
	Luxor (MH)	1	0.11%	Unknown		
Yamaha	XVS65AC-B (MC)	1	0.11%	Unknown		
TOTAL COMPLAINTS FILED		890	100%			

Chart F shows how many defects, by component system or category, consumers reported on filing their complaints. Consumers reported 1,618, or 1.82 defects per vehicle, with the engine (performance/emissions) category being the most common (17.74%). By comparison, in CY98 consumers reported 1,843 defects, or 1.78 defects per vehicle. The engine (performance/emissions) category was also the most common (15.41%).

CHART F DEFECTS REPORTED		
CATEGORY	NUMBER	PERCENT OF TOTAL REPORTED
Engine (mechanical)	176	10.88%
Engine (performance/emissions)	287	17.74%
Air conditioning and heating	102	6.30%
Automatic transmission	138	8.53%
Standard transmission	28	1.73%
Driveline (axles and driveshaft) / vibrations	87	5.38%
Brakes	216	13.35%
Electrical	127	7.85%
Suspension and steering	185	11.43%
Body and trim	160	9.89%
Paint	21	1.30%
Water leaks	54	3.34%
Safety devices, seat belts, airbags	13	0.80%
Other	24	1.48%
TOTAL DEFECTS REPORTED	1618	100%

Chart G shows the predominate defect claimed by consumers on filing their complaints for vehicles with a market share of one percent or greater. The engine (performance/emissions) category was a predominate defect on 8 of the 26 models listed. The engine (mechanical) and the brakes category were both predominate defects on 6 of the 26 models listed.

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

Example: Dodge Durangos had a total of 12 defects reported on 5 complaints that were filed. Three of the defects reported were automatic transmission complaints and another three were driveline (axles & driveshaft)/vibrations complaints. There were two defects reported in both the engine (performance/emissions) category and the body and trim category and one defect reported in both the brakes category and the suspension and steering category. The defect percentage for each of the predominate defects is found by dividing the 3 reported defects by the 5 complaints received, which equals 0.6 or 60%.

CHART G PREDOMINATE DEFECTS REPORTED (MARKET SHARE GREATER THAN 1%) BY MAKE AND MODEL				
MAKE	MODEL	COMPLAINTS FILED	DEFECT	DEFECT % FOR MAKE
Chevrolet	Blazer	7	Engine (performance/emissions)	57%
Chevrolet	C/K 1500 Pickup	53	Brakes	32%
Chevrolet	Cavalier	10	Engine (performance/emissions)	50%
			Body and trim	50%
Chevrolet	Malibu	33	Brakes	64%
Chevrolet	S10 Pickup	12	Engine (performance/emissions)	50%
Chevrolet	Suburban C/K 1500	23	Brakes	35%
Chevrolet	Tahoe	6	Suspension and steering	30%
Dodge	Caravan Van	10	Engine (mechanical)	40%
			Brakes	40%
Dodge	Durango	5	Automatic transmission	60%
			Driveline (axles & driveshaft) vibrations	60%
Dodge	Ram 1500 Pickup	24	Automatic transmission	33%
Ford	Escort	8	Engine (performance/emissions)	50%
Ford	Expedition	4	Driveline (axles & driveshaft) vibrations	50%
Ford	Explorer	22	Engine (mechanical)	59%
Ford	F150 Pickup	20	Driveline (axles & driveshaft) vibrations	67%
Ford	F250 Pickup	9	Engine (performance/emissions)	33%
			Brakes	33%
			Suspension and steering	33%
Ford	F350 Pickup	17	Engine (performance/emissions)	59%
Ford	Mustang	18	Suspension and steering	39%
Ford	Ranger	12	Engine (performance/emissions)	33%
Ford	Taurus	6	Brakes	50%
GMC	Sierra 1500 Pickup	10	Suspension and steering	50%
Honda	Accord	6	Engine (mechanical)	50%
Honda	Civic	5	Engine (mechanical)	40%
			Paint	40%
Jeep	Grand Cherokee	18	Driveline (axles & driveshaft) vibrations	33%
Pontiac	Grand Am	11	Engine (mechanical)	27%
			Engine (performance/emissions)	27%
Toyota	Camry	8	Body and trim	50%
Toyota	Corolla	2	Engine (mechanical)	50%
			Electrical	50%
			Suspension and steering	50%

COMPLAINTS CLOSED

Chart H shows 391 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., 62 which is 16% of the total resolved
- Not pursued (some may have settled with the initiation of communication by the Motor Vehicle Division between the consumer and the manufacturer), 39 which is 10% of the total resolved
- Consumer received relief, 290 which is 74% of the total resolved

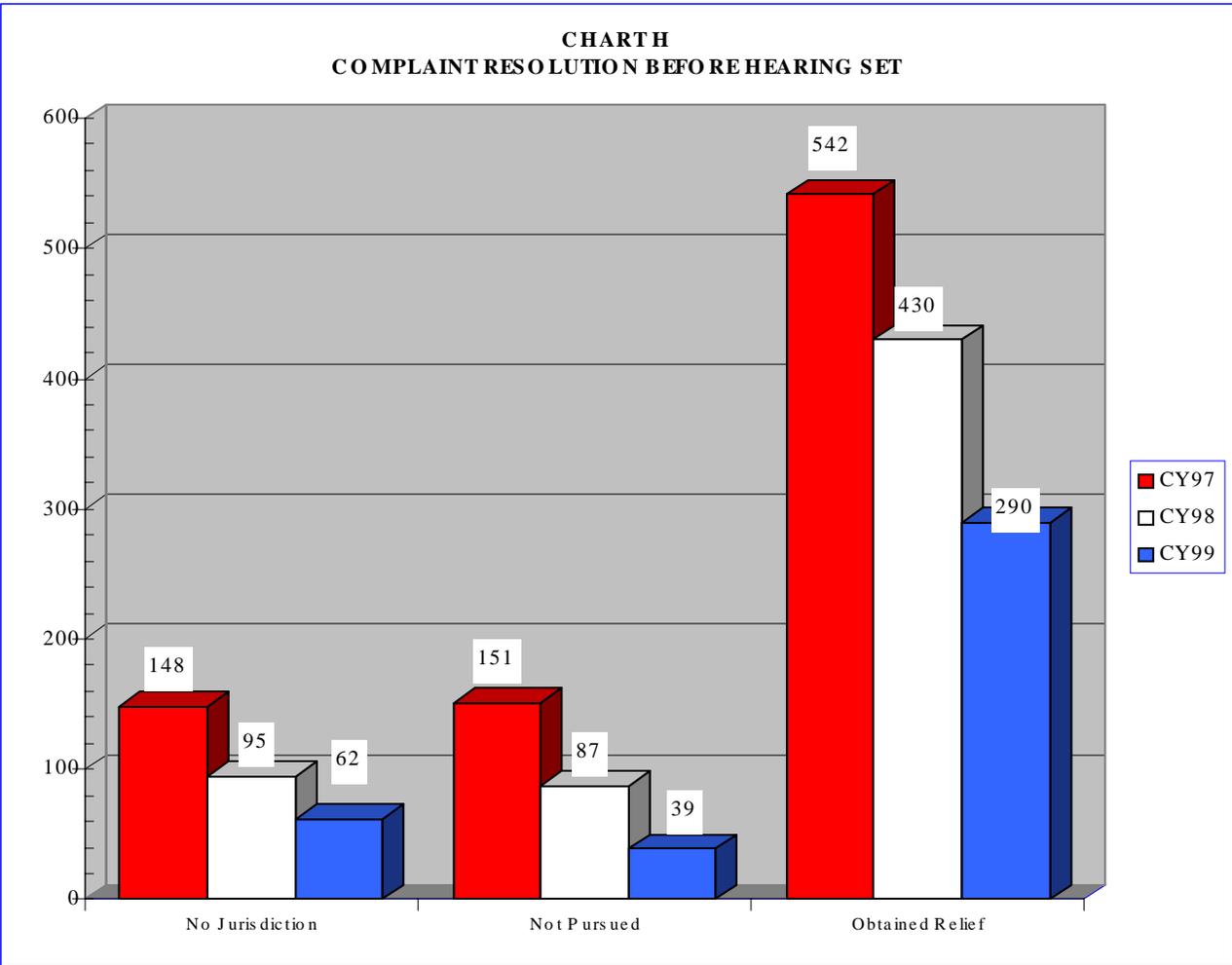


Chart I shows the number of cases settled in CY99. Before a decision was issued, 541 complaints settled at various stages of the process.

- 290 settled prior to scheduling of a hearing
- 108 settled after a hearing was set but before the hearing was held
- 143 settled after a hearing convened

Of those that settled:

- 111 were repurchased
- 167 were given trade assistance

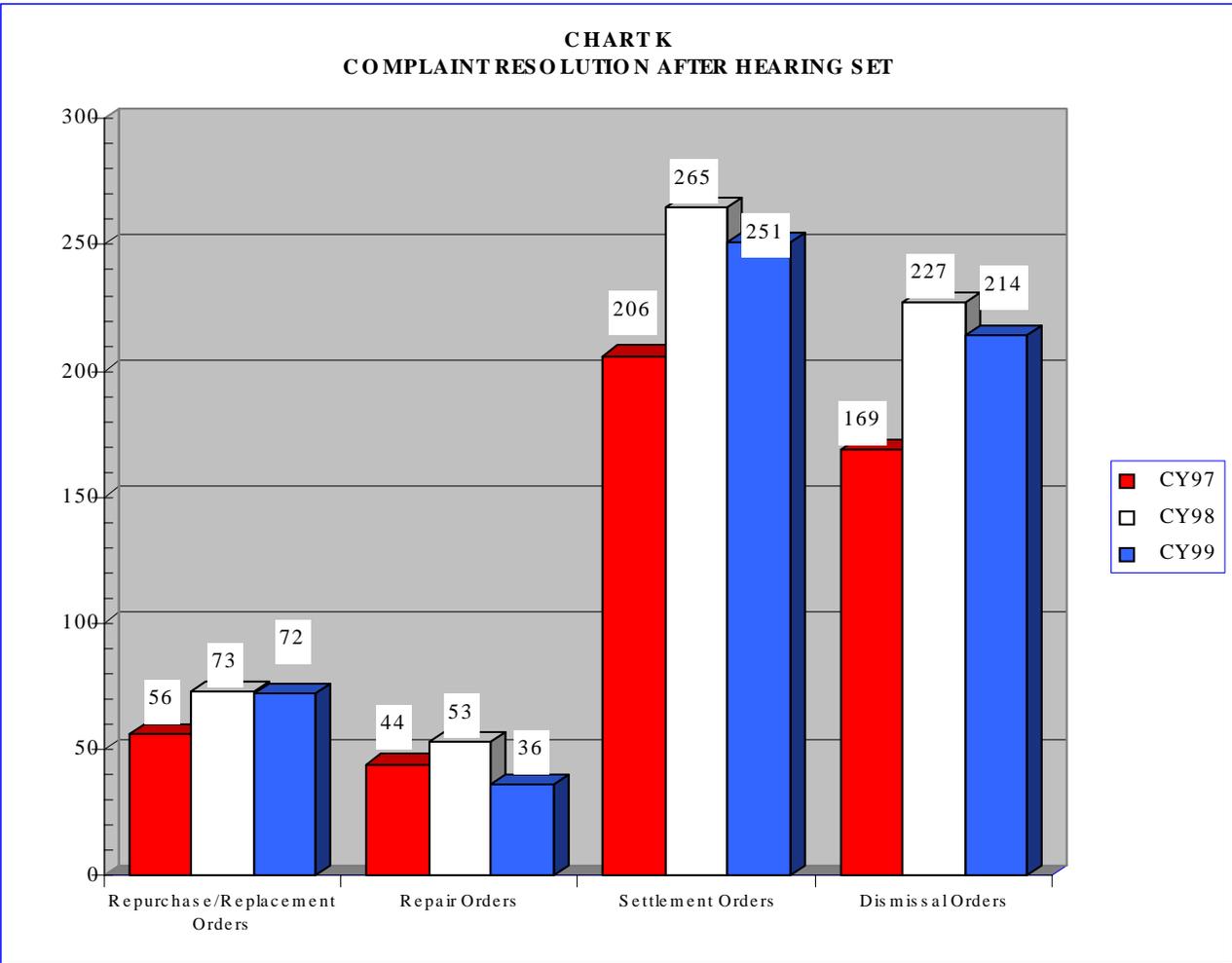
CHART I SETTLEMENTS			
	Prior to Hearing Scheduled	After Hearing Scheduled but Before Hearing Convened	After Hearing Convened
Repurchased	69	24	18
Trade-assists	103	28	36
Repaired	78	27	28
Extended Service Contract	32	12	25
Others	8	17	36
TOTAL	290	108	143

Chart J describes the vehicles (listed alphabetically by manufacturer) that were repurchased or replaced by trade assistance before a hearing convened. The last three years are shown for comparison. The decrease from prior years is attributable to a reduction in the number of complaints filed.

CHART J									
REPURCHASE/REPLACEMENT/TRADE ASSIST SETTLEMENTS									
BEFORE HEARING CONVENED - BY MANUFACTURER									
MANUFACTURER	REPURCHASE			TRADE ASSIST			TOTAL		
	CY97	CY98	CY99	CY97	CY98	CY99	CY97	CY98	CY99
Airstream	0	0	0	0	0	1	0	0	1
Big Dog	1	0	0	0	0	0	1	0	0
BMW	1	1	1	1	0	2	2	1	3
Coachmen	0	0	0	1	0	1	1	0	1
DaimlerChrysler	7	4	11	71	73	49	78	77	60
Fleetwood	0	0	1	2	2	0	2	2	1
Ford	14	9	4	63	37	25	77	46	29
Fourwinds	0	1	0	0	0	0	0	1	0
General Motors	94	61	51	59	33	35	153	94	86
Holiday Rambler	1	0	0	1	0	0	2	0	0
Honda	0	0	0	0	1	2	0	1	2
Hyundai	0	2	3	3	5	1	3	7	4
Isuzu	1	1	1	3	0	2	4	1	3
Jaguar	0	0	0	0	0	1	0	0	1
Kawasaki	2	0	0	0	0	0	2	0	0
Keystone	0	0	0	0	1	1	0	1	1
Kia	6	10	7	0	1	2	6	11	9
Land Rover	1	1	2	3	0	1	4	1	3
Mazda	1	1	1	0	0	0	1	1	1
Mitsubishi	9	6	6	6	0	1	15	6	7
Monaco Coach	0	1	0	0	1	0	0	2	0
Navistar	1	0	0	0	0	1	1	0	1
Nissan	1	1	0	2	2	0	3	3	0
Porsche	0	0	0	1	0	0	1	0	0
Saturn	2	4	1	0	1	0	2	5	1
Shasta Industries	0	0	0	1	0	0	1	0	0
Subaru	0	2	0	0	0	0	0	2	0
Suzuki	1	0	1	0	0	0	1	0	1
Thor	0	0	0	0	0	1	0	0	1
Toyota	0	1	1	2	0	0	2	1	1
Ural America	0	0	1	0	0	0	0	0	1
Volkswagen	2	0	1	3	2	4	5	2	5
Volvo	0	1	0	0	2	0	0	3	0
Winnebago	1	1	0	0	0	1	1	1	1
TOTAL	146	108	93	222	161	131	368	269	224

Chart K shows the orders that were entered in 573 cases scheduled for hearing. Some form of relief was granted in 63% of the cases. The following methods of resolution after the hearing was set and numbers resolved are:

- Ordered repaired, repurchased or replaced, 108 or 19% of the total resolved
- Settlement order, 251 or 44% of the total resolved
- Ordered dismissed (abandoned or not proven), 214 or 37% of the total resolved



Charts L₁ and L₂ reveal:

- The number of complaints closed **decreased** 21.6% from CY98 and 26.7% from CY97
- The number of hearings scheduled **decreased** 7.2% from CY98 but **increased** 20.6% from CY97
- The number of final orders issued **decreased** 7.9% from CY98 but **increased** 22.5% from CY97
- The number of vehicles ordered repurchased or replaced **decreased** 1.4% from CY98 but **increased** 28.6% from CY97

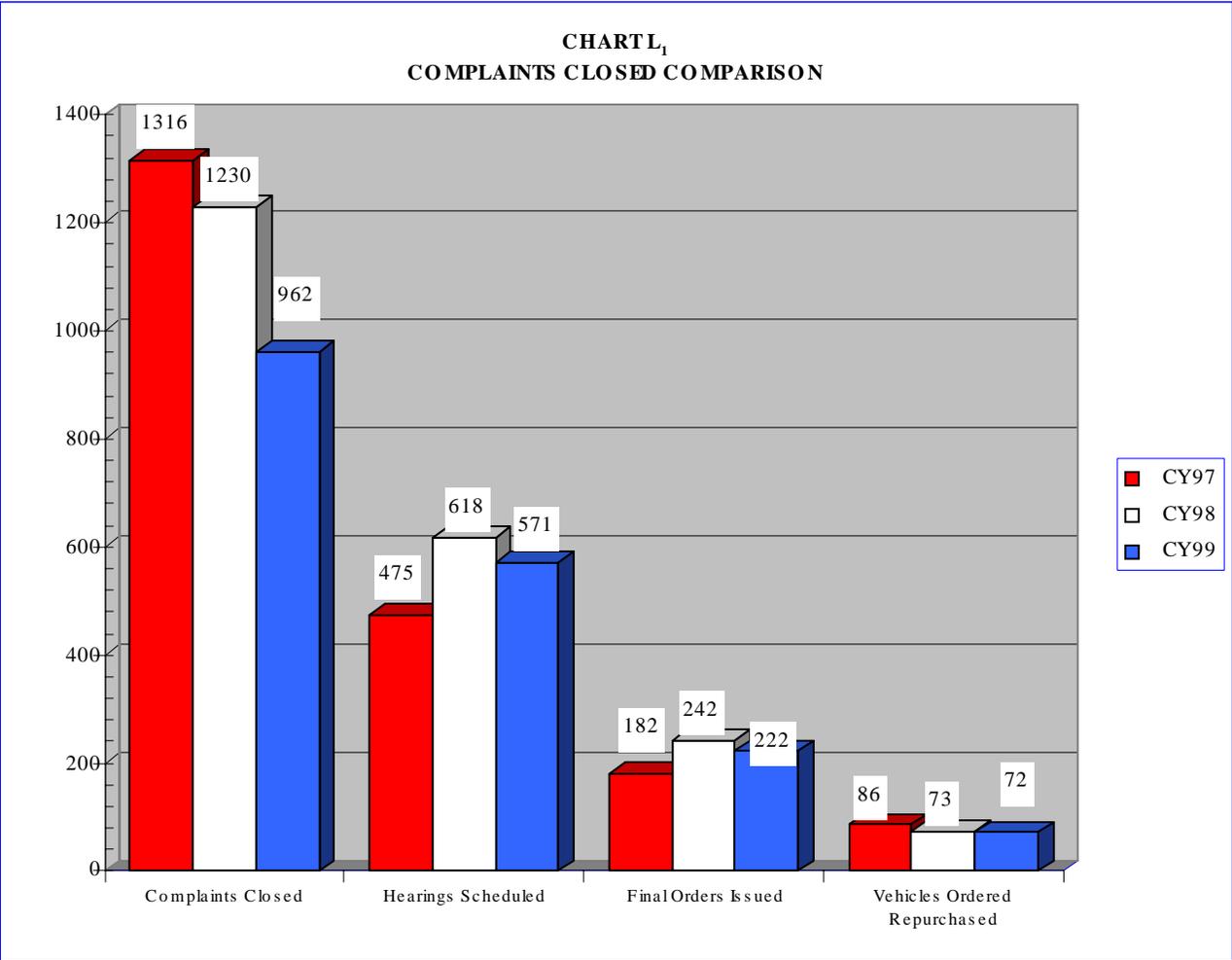


CHART L ₂					
COMPLAINTS CLOSED - BY MANUFACTURER AND MAKE					
MANUFACTURER	MAKE	COMPLAINTS CLOSED	HEARINGS SCHEDULED	FINAL ORDERS	REPURCHASE or REPLACEMENT ORDERS
Airstream		3	2	1	1
AM General		2	2	1	1
American Iron Horse		1	1	0	0
Beaver Coaches		2	2	2	1
Blue Bird		1	1	0	0
BMW		6	4	1	0
Coachmen		5	4	2	1
	Chrysler	21	8	1	0
	Dodge	93	49	9	3
	Eagle	0	0	0	0
	Jeep	36	14	3	0
	Plymouth	16	10	2	0
DaimlerChrysler TOTAL		166	81	15	3
Damon		3	2	0	0
Fleetwood		12	8	4	1
	Ford	160	104	53	12
	Lincoln	5	3	3	0
	Mercury	11	5	0	0
Ford TOTAL		176	112	56	12
Freightliner		1	0	0	0
Four Winds		0	0	0	0
	Buick	8	7	3	2
	Cadillac	10	6	3	0
	Chevrolet-Geo	225	141	48	19
	GMC	36	18	5	3
	Oldsmobile	15	7	2	0
	Pontiac	52	25	13	7
General Motors TOTAL		346	204	74	31
Georgie Boy		3	3	1	0
Gulf Stream		3	2	0	0
Harley Davidson		1	1	1	0
Holiday Rambler		4	3	0	0
	Acura	1	1	0	0
	Honda	17	14	7	5
Honda TOTAL		18	15	7	5
Hyundai		14	4	0	0
Illusion		1	1	1	1
Isuzu		20	14	6	1
Jaguar		3	2	2	0
Kawasaki		1	0	0	0
Keystone		2	2	1	1
Kia		42	28	7	3
K-Z, Inc.		1	1	0	0
Land Rover		3	0	0	0

CHART L ₂					
COMPLAINTS CLOSED - BY MANUFACTURER AND MAKE					
MANUFACTURER	MAKE	COMPLAINTS CLOSED	HEARINGS SCHEDULED	FINAL ORDERS	REPURCHASE or REPLACEMENT ORDERS
Mazda		14	8	4	1
Mercedes-Benz		4	3	3	0
Mitsubishi		21	12	9	2
Monaco Coach		2	0	0	0
National RV		2	2	1	0
Navistar		2	1	0	0
	Nissan	2	2	1	0
	Nissan	20	12	9	4
Nissan TOTAL		22	14	10	4
	Kenworth	2	2	0	0
	Peterbilt	1	1	0	0
Paccar TOTAL		3	3	0	0
Polaris		1	1	1	0
Porsche		1	0	0	0
Safari		3	2	1	0
Saturn		2	1	0	0
Suzuki		3	3	2	1
Teton		1	1	0	0
Thor		2	2	0	0
Tiffin	Tiffin	1	1	0	0
	Lexus	0	0	0	0
	Toyota	23	17	9	2
Toyota TOTAL		23	17	9	2
Ural America		1	0	0	0
	Audi	1	0	0	0
	Volkswagen	9	0	0	0
Volkswagen		10	0	0	0
Volvo		1	1	0	0
Winnebago		5	2	1	0
TOTAL CLOSED		964	573	223	72

There were 72 vehicles ordered repurchased or replaced after a contested hearing when an Administrative Law Judge found the complaint met the statutory requirements for relief under the Lemon Law.

Included are:

- | | | | |
|---|-------------------|---|------------------------------|
| ■ | 32 passenger cars | ■ | 1 towable recreation vehicle |
| ■ | 34 trucks | ■ | 1 motorcycle |
| ■ | 4 motor homes | | |

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

- The make's share of lemons (repurchase percentage) was obtained by dividing the number of that make's vehicles found to be lemons by the total number of vehicles found to be lemons by the Motor Vehicle Division (72).

Example: Mitsubishi had two vehicles repurchased, which would be 2 divided by 72, which equals .028 or 2.8%.

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

Example: Nissan has a repurchase percentage of 5.6% which, when divided by their market share of 3.51% , gives them a lemon index of 1.583.

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 CY99. 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*. The market percentage is used as an indicator of market percentage for all year makes involved in repurchase or replacement orders.
- Conversion vehicles (shown as "Conv") are listed alphabetically first by the party ordered to repurchase the vehicle then by the other involved parties.
- 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 M							
VEHICLES ORDERED REPURCHASED OR REPLACED - BY MAKE AND MODEL							
YR	MAKE	MODEL	PROBLEM AREA	PRICE	MARKET %	REPUR. %	LEMON INDEX
98	Airstream	Cutter (MH)	Body and Trim	\$ 69,583.08	Unknown	1.4%	Unknown
97	AM General	Hummer	Electrical, Suspension and Steering	\$ 69,633.88	Unknown	1.4%	Unknown
96	Beaver Coaches	Patriot (MH)	Air Conditioning and Heating, Body and Trim, Instrumentation	\$ 198,968.07	Unknown	1.4%	Unknown
96	Buick	LeSabre	Suspension and Steering	\$ 21,505.15	1.82%	2.8%	1.526
96	Buick	Skylark	Engine (mechanical), Electrical, Suspension and Steering	\$ 15,223.00	1.82%	2.8%	1.526
97	Chevrolet	Astro Van	Body and Trim	\$ 18,647.34	18.16%	26.4%	1.453
97	Chevrolet/ Travel Quest	Astro Van (Conv)	Water Leaks	\$ 18,103.47	18.16%	26.4%	1.453
98	Chevrolet	Blazer	Engine (mechanical)	\$ 22,001.02	18.16%	26.4%	1.453
98	Chevrolet	Blazer	Air Conditioning and Heating	\$ 21,632.38	18.16%	26.4%	1.453
97	Chevrolet	C/K 1500 Pickup	Water Leaks	\$ 18,980.49	18.16%	26.4%	1.453
98	Chevrolet	C/K 1500 Pickup	Engine (performance, emissions)	\$ 18,439.37	18.16%	26.4%	1.453
96	Chevrolet/Dealers Truck Equipment	C/K 3500 Pickup (Conv)	Engine (mechanical, performance, emissions)	\$ 22,215.39	18.16%	26.4%	1.453
96	Chevrolet	Cavalier	Body and Trim	\$ 10,359.59	18.16%	26.4%	1.453
97	Chevrolet	Cavalier	Water Leaks	\$ 14,372.87	18.16%	26.4%	1.453
96	Chevrolet	Corvette	Suspension and Steering	\$ 33,486.14	18.16%	26.4%	1.453
98	Chevrolet	Corvette	Engine (performance, emissions)	\$ 43,293.79	18.16%	26.4%	1.453
97	Chevrolet	Geo Metro	Body and Trim	\$ 11,316.00	18.16%	26.4%	1.453
97	Chevrolet	Geo Prizm	Engine (performance, emissions)	\$ 16,333.31	18.16%	26.4%	1.453
97	Chevrolet	Malibu	Body and Trim	\$ 16,418.93	18.16%	26.4%	1.453
97	Chevrolet	Malibu	Electrical	\$ 15,154.17	18.16%	26.4%	1.453
97	Chevrolet	Malibu	Brakes, Electrical, Body and Trim	\$ 15,686.44	18.16%	26.4%	1.453
97	Chevrolet	Suburban C/K 1500	Brakes	\$ 35,814.20	18.16%	26.4%	1.453
97	Chevrolet	Suburban C/K 1500	Suspension and Steering	\$ 29,143.16	18.16%	26.4%	1.453
97	Chevrolet	Suburban C/K 1500	Suspension and Steering	\$ 39,107.70	18.16%	26.4%	1.453
98	Coachmen	Catalina (MH)	Air Conditioning and Heating, Safety Devices, Television, Awnings	\$ 85,352.57	Unknown	1.4%	Unknown
97	Dodge	Caravan Van	Engine (performance, emissions)	\$ 25,326.05	8.80%	4.2%	0.474
97	Dodge	Neon	Manual Transmission	\$ 10,017.06	8.80%	4.2%	0.474
97	Dodge	Stratus	Automatic Transmission	\$ 13,510.67	8.80%	4.2%	0.474
97	Fleetwood	Jamboree (MH)	Water Leaks	\$ 43,594.30	Unknown	4.2%	Unknown
97	Ford	Crown Victoria	Engine (performance, emissions)	\$ 19,777.89	24.97%	16.7%	0.668
96	Ford/ Sherry Designs	Econoline E150 Van (Conv)	Engine (performance, emissions)	\$ 20,320.61	24.97%	16.7%	0.668
96	Ford/ LCM, Inc.	Econoline E150 Van (Conv)	Water Leaks	\$ 25,875.98	24.97%	16.7%	0.668
98	Ford/ Starcraft	Econoline E150 Van (Conv)	Water Leaks	\$ 22,365.44	24.97%	16.7%	0.668
98	Ford	Expedition	Driveline (axles and driveshaft), Vibrations	\$ 33,834.04	24.97%	16.7%	0.668
97	Ford	F150 Pickup	Electrical	\$ 23,417.17	24.97%	16.7%	0.668

CHART M							
VEHICLES ORDERED REPURCHASED OR REPLACED - BY MAKE AND MODEL							
YR	MAKE	MODEL	PROBLEM AREA	PRICE	MARKET %	REPUR. %	LEMON INDEX
97	Ford	F150 Pickup	Engine (performance, emissions)	\$ 15,107.77	24.97%	16.7%	0.668
99	Ford	F250 Pickup	Manual Transmission	\$ 28,397.75	24.97%	16.7%	0.668
99	Ford	F250 Pickup	Engine (performance, emissions)	\$ 19,879.79	24.97%	16.7%	0.668
97	Ford	F350 Pickup	Automatic Transmission	\$ 22,871.90	24.97%	16.7%	0.668
96	Ford	Mustang	Engine (mechanical), Manual Transmission	\$ 25,182.55	24.97%	16.7%	0.668
98	Ford	Mustang	Water Leaks	\$ 21,170.38	24.97%	16.7%	0.668
98	GMC	Sierra 2500	Automatic Transmission, Electrical	\$ 23,516.12	3.14%	4.2%	1.327
96	GMC	Sierra 3500	Engine (mechanical), Suspension and Steering	\$ 28,873.93	3.14%	4.2%	1.327
97	GMC	Suburban C/K 1500	Suspension and Steering	\$ 27,488.70	3.14%	4.2%	1.327
98	Honda	Accord	Engine (performance, emissions)	\$ 17,343.19	4.92%	6.9%	1.410
98	Honda	Accord	Brakes	\$ 20,246.80	4.92%	6.9%	1.410
98	Honda	Accord	Engine (performance, emissions)	\$ 22,345.05	4.92%	6.9%	1.410
98	Honda	Civic	Suspension and Steering	\$ 14,423.63	4.92%	6.9%	1.410
98	Honda	Passport	Engine (performance, emissions),	\$ 25,216.55	4.92%	6.9%	1.410
98	Illusion	Hardtail (MC)	Engine (mechanical), Body and Trim	\$ 23,103.64	Unknown	1.4%	Unknown
98	Isuzu	Rodeo	Driveline (axles and driveshaft), Vibrations, Suspension and Steering	\$ 25,714.90	0.95%	1.4%	1.466
98	Keystone	Sprinter (TRV)	Towing Mechanism	\$ 18,601.78	Unknown	1.4%	Unknown
97	Kia	Sepia	Brakes	\$ 10,983.13	0.58%	4.2%	7.236
97	Kia	Sportage	Manual Transmission	\$ 16,349.26	0.58%	4.2%	7.236
97	Kia	Sportage	Body and Trim	\$ 15,436.07	0.58%	4.2%	7.236
97	Mazda	B2300 Pickup	Automatic Transmission	\$ 13,808.18	1.79%	1.4%	0.776
97	Mitsubishi	Diamante	Automatic Transmission	\$ 28,938.96	1.79%	2.8%	1.551
98	Mitsubishi	Eclipse	Engine (mechanical)	\$ 18,821.87	1.48%	2.8%	1.879
98	Nissan	Maxima	Engine (performance and emissions)	\$ 20,542.18	3.51%	5.6%	1.583
98	Nissan	Pathfinder	Driveline (axles and driveshaft), Vibrations	\$ 23,052.04	3.51%	5.6%	1.583
99	Nissan	Pathfinder	Engine (performance and emissions)	\$ 21,507.20	3.51%	5.6%	1.583
97	Nissan	Quest Van	Driveline (axles and driveshaft), Vibrations	\$ 19,425.61	3.51%	5.6%	1.583
96	Pontiac	Firebird	Manual Transmission	\$ 18,977.18	3.51%	9.7%	2.771
98	Pontiac	Firebird	Engine (mechanical)	\$ 18,839.03	3.51%	9.7%	2.771
98	Pontiac	Firebird	Engine (mechanical), Body and Trim	\$ 20,013.95	3.51%	9.7%	2.771
98	Pontiac	Grand Am	Engine (performance and emissions)	\$ 16,416.62	3.51%	9.7%	2.771
97	Pontiac	Sunfire	Water Leaks	\$ 15,491.37	3.51%	9.7%	2.771
98	Pontiac	Sunfire	Air Conditioning and Heating	\$ 13,213.89	3.51%	9.7%	2.771
97	Pontiac	Trans Sport Van	Air Conditioning and Heating	\$ 24,116.01	3.51%	9.7%	2.771
96	Suzuki	X90	Air Conditioning and Heating	\$ 11,826.09	0.14%	1.4%	9.652
97	Toyota	Corolla	Paint, Water Leaks	\$ 11,877.70	6.25%	2.8%	0.445
97	Toyota	Paseo	Water Leaks	\$ 22,872.36	6.25%	2.8%	0.445
TOTAL VEHICLES REPURCHASED: 72				\$ 1,860,803.85			

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Chart N 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 fourth year, more new trucks were registered in Texas than new cars.

Vehicles registered in Texas in 1999:

■	Cars	571,010
■	Trucks	754,276

CHART N				
MARKET SHARE PERCENTAGE - BY MANUFACTURER AND MAKE				
		APPROXIMATE MARKET SHARE		
MANUFACTURER	MAKE	CARS	TRUCKS	COMBINED
	Bentley	0.005%	0.000%	0.002%
	Rolls Royce	0.002%	0.000%	0.001%
Bentley Total		0.007%	0.000%	0.003%
BMW		1.751%	0.005%	0.754%
	Chrysler	2.376%	0.417%	1.261%
	Dodge	4.151%	12.312%	8.796%
	Eagle	0.000%	0.000%	0.000%
	Jeep	0.000%	3.909%	2.225%
	Plymouth	1.442%	1.215%	1.312%
DaimlerChrysler Total		7.968%	17.853%	13.594%
Daewoo		0.319%	0.000%	0.138%
	Ford	15.522%	32.115%	24.965%
	Lincoln	1.650%	0.580%	1.041%
	Mercury	4.464%	0.805%	2.382%
Ford Total		21.636%	33.499%	28.388%
Freightliner		0.000%	0.818%	0.465%
	Buick	4.225%	0.000%	1.820%
	Cadillac	1.980%	0.259%	1.001%
	Chevrolet-Geo	10.922%	23.636%	18.158%
	GMC	0.000%	5.517%	3.140%
	Oldsmobile	2.440%	0.361%	1.257%
	Pontiac	6.301%	0.313%	2.893%
General Motors Total		25.867%	30.086%	28.268%
	Acura	1.345%	0.006%	0.583%
	Honda	8.843%	1.956%	4.924%
Honda Total		10.189%	1.962%	5.506%
Hvundai		1.685%	0.000%	0.726%
Isuzu		0.000%	1.665%	0.948%
Jaguar		0.375%	0.000%	0.162%
Kia		0.750%	0.444%	0.576%
Land Rover		0.000%	0.218%	0.124%
Mazda		3.154%	0.759%	1.791%
Mercedes-Benz		1.512%	0.342%	0.846%
Mitsubishi		2.245%	0.898%	1.478%
Navistar		0.000%	0.853%	0.486%

CHART N				
MARKET SHARE PERCENTAGE - BY MANUFACTURER AND MAKE				
MANUFACTURER	MAKE	APPROXIMATE MARKET SHARE		
		CARS	TRUCKS	COMBINED
Nissan Total	Infiniti	0.826%	0.166%	0.450%
	Nissan	4.355%	2.868%	3.509%
		5.181%	3.034%	3.959%
PACCAR Total	Kenworth	0.000%	0.259%	0.148%
	Peterbilt	0.000%	0.332%	0.189%
		0.000%	0.591%	0.336%
Porsche		0.257%	0.000%	0.111%
Saab		0.169%	0.000%	0.073%
Saturn		2.503%	0.000%	1.078%
Subaru		0.184%	0.141%	0.159%
Suzuki		0.139%	0.148%	0.144%
Toyota Total	Lexus	1.536%	0.952%	1.203%
	Toyota	8.627%	4.445%	6.247%
		10.163%	5.397%	7.450%
Volkswagen	Audi	0.359%	0.000%	0.155%
	Volkswagen	2.502%	0.015%	1.087%
		2.861%	0.015%	1.241%
Volvo		1.067%	0.154%	0.547%
All Others		0.016%	0.721%	0.417%
		100%	100%	100%

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Considering the number of complaints filed, the number of repurchase or replacement orders was relatively small in CY99. Accordingly, it may be more beneficial to focus attention on the total number of complaints closed by the Motor Vehicle Division and compare how manufacturers responded to their respective share of complaints.

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

DaimlerChrysler Motors Corporation and General Motors Corporation 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 repurchase or replaced 176 vehicles in CY99. These were not counted in determining their lemon index from Chart M and, therefore, the manufacturers were not required to issue a disclosure statement on resale of the vehicles. In addition, several of the lower volume manufacturers have settled all of their cases.

On the other hand, it is also clear that certain manufacturers (with a market share greater than 1% - sales over 13,250) are unlikely to settle their complaints prior to a hearing, i.e., American Honda Motor Company, Inc., Mazda Motors of America, Inc., Nissan North America, Inc., and Gulf States Toyota, Inc.

CHART O				
SETTLEMENT RATE - BY MAKE OF VEHICLE				
VEHICLE MAKE	NUMBER OF COMPLAINTS CLOSED	NUMBER SETTLED	SETTLEMENT PERCENTAGE	REPURCHASED/ REPLACED
Acura	1	1	100%	1
Airstream	3	1	33%	1
AM General	2	1	50%	0
American Iron Horse	1	0	0%	0
Audi	1	1	100%	1
Beaver Coaches	2	0	0%	0
Blue Bird	1	1	100%	0
BMW	6	5	83%	3
Buick	8	4	50%	3
Cadillac	10	6	60%	4
Chevrolet	225	129	57%	66
Chrysler	21	13	62%	6
Coachmen	5	1	20%	1
Damon	3	0	0%	0
Dodge	93	66	71%	36
Fleetwood	12	7	58%	1
Ford	160	74	46%	37
Freightliner	1	1	100%	0
Georgie Boy	3	2	67%	1
GMC	36	24	67%	14
Gulf Stream	3	3	100%	0
Harley Davidson	1	0	0%	0
Holiday Rambler	4	2	50%	0
Honda	17	5	29%	1
Hyundai	14	10	71%	5
Illusion	1	0	0%	0
Infiniti	2	1	50%	0
Isuzu	20	9	45%	5
Jaguar	3	1	33%	1
Jeep	36	28	78%	22
Kawasaki	1	0	0%	0
Kenworth	2	2	100%	0

CHART O				
SETTLEMENT RATE - BY MAKE OF VEHICLE				
VEHICLE MAKE	NUMBER OF COMPLAINTS CLOSED	NUMBER SETTLED	SETTLEMENT PERCENTAGE	REPURCHASED/ REPLACED
Keystone	2	1	50%	1
Kia	42	26	62%	10
K-Z, Inc.	1	1	100%	0
Land Rover	3	3	100%	3
Lincoln	5	1	20%	1
Mazda	14	5	36%	1
Mercedes-Benz	4	0	0%	0
Mercury	11	6	55%	2
Mitsubishi	21	12	57%	8
Monaco Coach	2	0	0%	0
National RV	2	1	50%	0
Navistar	2	2	100%	2
Nissan	20	9	45%	0
Oldsmobile	15	11	73%	7
Peterbilt	1	1	100%	0
Plymouth	16	11	69%	5
Polaris	1	0	0%	0
Pontiac	52	27	52%	13
Porsche	1	0	0%	0
Safari	3	0	0%	0
Saturn	2	1	50%	1
Suzuki	3	1	33%	1
Teton	1	1	100%	1
Thor	2	2	100%	2
Tiffin	1	1	100%	0
Toyota	23	7	30%	3
Ural America	1	1	100%	1
Volkswagen	9	8	89%	4
Volvo	1	1	100%	1
Winnebago	5	3	60%	2
TOTAL CLOSED	964	541		278

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CONCLUSION

Despite a 12.9% increase in motor vehicle sales from 1997 to 1999, the number of complaints filed decreased 31% in the same time period. In our view, the decrease is attributable to a strong economy, improved vehicle quality and heightened competition. Although it is obvious improvements in the quality of vehicles will result in fewer warranty claims and therefore fewer consumers resorting to arbitration programs for relief, the other two reasons for the decline may require a brief explanation. When the economy is strong, most consumers continue to have good credit and thus are more likely to resolve their complaints by just trading in their vehicles, which negates the necessity of resorting to an arbitration program. Also, a more competitive marketplace, coupled with a desire by manufacturers to increase or at least maintain market share, has resulted in more emphasis being placed on customer satisfaction programs, which has resulted again in fewer customers resorting to an arbitration program for relief.

The statistics for CY99 further 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. DaimlerChrysler Motors Corporation, Ford Motor Company and General Motors Corporation together voluntarily repurchased or replaced (by providing trade assistance) 216 vehicles in CY99.

Also, statistics reveal that in 63.6% of the complaints closed in CY99, consumers received some type of relief totaling more than \$5.5 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 71.2%.

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 (800) 622-8682, for further clarification. This report and additional Lemon Law information are available from the Texas Department of Transportation or on the Internet.

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