



# BBB AUTO LINE PROGRAM SUMMARY

## *Audi*

Audi has agreed to arbitrate two types of consumer claims relating to its vehicles:

1. Claims covered by the terms of applicable state lemon laws; and
2. Claims covered by Audi's New Vehicle Limited Warranty but not covered by the applicable state lemon law.

The standards relevant to either type of claim as well as the remedies available thereunder (fully discussed below) are separate and distinct from one another.

Remedies under the two types of claims are *in the alternative*, meaning that a remedy may only be awarded under one claim or the other.

### LEMON LAW CLAIMS

A claim seeking relief under a state's lemon law must meet all standards set out by that state's lemon law.

#### Time Period for Filing Claims

Claims under a state's lemon law statute must be received by BBB AUTO LINE within the earlier of the time period for filing a civil or administrative action under such state law or 4 years from the date the vehicle was originally placed into service. A description of the standards of the applicable lemon law is provided with this Program Summary.

#### Remedies

If the claim meets all standards set out by the state's lemon law, the arbitrator will award a refund or replacement vehicle including all remedies specifically provided by the applicable state's lemon law statute **excluding** attorney's fees. An arbitrator may not award any penalties or multiple damages. The manner in which a consumer's refund is calculated, including but not limited to which charges and fees are to be refunded by the manufacturer and any allowances for the consumer's use of the vehicle and/or vehicle damage, will be determined with reference to the applicable state lemon law. However, in all cases, a refund will not include: (1) amounts constituting debt from a previous transaction or a trade-in over-allowance (often referred to as "negative equity"); or (2) amounts not paid by the consumer including manufacturer rebates or other credits. The award will be reduced or require payment for any damage to the vehicle exceeding normal wear and tear.

## **Customer Responsibilities**

If a repurchase or replacement is awarded, the customer will be responsible for turning over the vehicle with a current registration and all equipment and items provided at the point of sale (e.g. two keys, owner's literature, and charging cables if provided). The customer will be responsible for repairing any damage beyond normal wear and tear. Alternatively, Audi will deduct from the refund the cost for repairing any damage or replacing missing equipment on the vehicle at the time the vehicle is turned in. The customer will also be responsible for providing clear title to the vehicle and signing all documents necessary to effect transfer of title.

## **WARRANTY CLAIMS NOT COVERED BY THE LEMON LAW**

### **Time Period for Filing Claims**

Claims under the Audi New Vehicle Limited Warranty must be received within 4 years or 50,000 miles – whichever comes first – from the date the vehicle was originally placed into service.

### **Eligible Claims**

### **Eligible Claims**

Claims must allege a defect in material or workmanship covered by the Audi New Vehicle Limited Warranty and the claims must allege the defect continues to exist, unless the customer is only seeking reimbursement for past repairs. In addition, a vehicle will not be considered eligible for relief under this program if the vehicle was otherwise eligible for relief under the applicable state lemon and the Consumer failed to comply with any terms and / or conditions of the applicable state lemon law.

### **Eligible Vehicles**

The customer's vehicle must be:

- Owned or leased in the name of an individual; or
- Used primarily for personal, family or household purposes.

### **Remedies**

**The arbitrator may award the following remedies:**

- Repairs.
- Reimbursement for money the customer paid for repairs the arbitrator determines are entitled to coverage under Audi's New Vehicle Limited Warranty.
- Reimbursement for reasonably incurred towing costs and car rental costs – excluding car rental costs incurred for same day service.
- Repurchase of the vehicle (if allowed under state law and legal authority for such remedy must be cited).

- Diminution of value of the vehicle

The arbitrator may not award any attorney's fees, statutory or otherwise.

### **Repairs / Reimbursement for Repairs**

- The arbitrator may award repair of defects in material or workmanship. If repairs are awarded, the arbitrator may not order a change in the vehicle's options or its designs.
- The arbitrator may award reimbursement for money paid for the repair of defects in material or workmanship only if Audi or its dealer declined to repair the defects under the terms of the Audi New Vehicle Limited Warranty or to reimburse the consumer under an express warranty provision allowing for such reimbursement.

### **Repurchase**

The arbitrator may award a repurchase only if the arbitrator finds that the claim meets the following conditions:

- The defect(s) in material or workmanship was first reported to Audi or an authorized dealer within 2 years or 24,000 miles – whichever occurs first – after the vehicle's warranty start date;
- The defect(s) substantially impairs the use, value or safety of the vehicle to the reasonable consumer; and
- Either the same defect was subject to repair four or more times and continues to exist, or the vehicle was out of service for 45 or more cumulative calendar days for repairs to any defect(s); and

If a repurchase is awarded, the arbitrator may award up to the following remedies:

- **Owned vehicle repurchase** – The JD Power “clean” trade-in value at the time the award is issued less the mileage offset as set forth below. This will not include taxes, fees, and finance charges.
- **Leased vehicle repurchase** – To the lessor: pay-off amount pursuant to the lease. To the lessee: any trade-in allowance/downpayment and all base monthly payments actually paid, excluding all collateral charges (e.g., taxes, fees, and finance/lease charges), less the mileage offset as set forth below.

### **Deductions/Exclusions from a Repurchase Award**

The repurchase award will be reduced for the customer's use of the vehicle in accordance with the following formula:

Use # miles attributable to the customer Vehicle purchase Deduction/ = at the time of the arbitration hearing x price or gross Payment 100,000 capitalized cost

- The award will be reduced or require payment for damage to the vehicle exceeding normal wear and tear.
- The award will not include debt from a previous transaction.

- The award will not include amounts not paid by the consumer including manufacturer rebates or other credits.

### **Diminution of value of the vehicle**

- Any diminished value award shall set forth (1) the arbitrator's calculations, and (2) the evidence upon which the calculations are based, and the specific legal authority relied upon, each as presented or provided to the arbitrator by the parties.

### **Customer Responsibilities**

If a repurchase is awarded, the customer will be responsible for turning over the vehicle with a current registration and in a similar condition as it was at the time of the hearing. The customer will also be responsible for providing clear title to the vehicle and signing all documents necessary to effect transfer of the title.

### **CLAIMS THAT WILL NOT BE ARBITRATED**

- Claims involving salvaged or "total loss" vehicles, or vehicles otherwise not covered by a Audi USA Warranty.
- Claims alleging that an airbag failed to deploy or deployed when it should not have.
- Claims for vehicles not originally sold in the United States.
- Claims involving a vehicle defect if the customer alleges – either as part of the BBB AUTO LINE claim or at any other time – that the vehicle defect has caused an accident or fire that resulted in damage to any vehicle or damage to property.
- Claims involving a vehicle defect if the customer alleges – either as part of the BBB AUTO LINE claim or at any other time – that the vehicle defect has caused bodily injury.
- Allegations of fraud or other violations of law.
- Claims covered by insurance or by warranties of other manufacturers.
- Claims seeking compensation for legal fees or loss of wages.
- Claims seeking compensation for personal injury or mental anguish.
- Claims seeking punitive damages.
- Claims identical to any claim that was resolved by a previous mediation or arbitration, court action, settlement, or agreement between the customer and Audi.

### **OTHER IMPORTANT INFORMATION**

- The customer must own or lease the vehicle throughout the entire arbitration process.
- If the customer files suit or a state administrative action against Audi prior to the completion of the arbitration process, Audi will not be obligated to continue with the arbitration.
- Audi may, at its option, make an exception to the above-stated requirements for the eligibility of a vehicle.

- A test drive may be taken in the vehicle only if the customer has liability insurance that satisfies his/her state's minimum requirements.

**BBB AUTO LINE will let the parties know if other restrictions apply.**



## Virginia Lemon Law Summary

EXECUTIVE SUMMARY	
<b>TIME PERIOD FOR FILING CLAIMS</b>	18 months following original delivery to the consumer. A consumer who has resorted to an informal dispute settlement procedure may commence an action in court within the longer of (1) one year from manufacturer's final action in the procedure, as long as the procedure was initiated within the lemon law rights period; or (2) the original 18-month period.
<b>ELIGIBLE VEHICLE</b>	(1) Passenger car designed and used primarily for the transportation of no more than 10 persons including the driver; (2) pickup or panel truck (i) designed for the transportation of property and having a registered gross weight of 7,500 pounds or less, or (ii) registered for personal use, designed for transporting property, and in excess of 7,500 pounds but not in excess of 10,000 pounds; (3) motorcycle, auticycle, moped, or the self-propelled motorized chassis of a motor home; and (4) demonstrator or leased vehicle with which a warranty was issued.  Appears to cover used vehicles.
<b>ELIGIBLE CONSUMER</b>	(1) <b>Purchaser</b> , other than for purposes of resale, or the <b>lessee</b> of a motor vehicle used in substantial part for personal, family, or household purposes; (2) any person to whom the motor vehicle is transferred for the same purposes during the duration of any warranty applicable to the motor vehicle; and (3) any other person entitled by the terms of the warranty to enforce its obligations.
<b>TIME PERIOD FOR FIRST OCCURRENCE</b>	Manufacturer's warranty period
<b>TIME PERIOD FOR REASONABLE NUMBER OF ATTEMPTS TO REPAIR</b>	Lemon law rights period (18 months after original delivery to the consumer) – which is extended if manufacturer notified about nonconformity, but it is not repaired.
<b>PRESUMPTION OR DEFINITION</b>	<b>Presumption:</b> within 18 months following the date of the motor vehicle's original delivery, (1) three or more repair attempts; (2) one or more repair attempts to a serious safety defect; or (3) out of service due to repair for 30 or more calendar days.
<b>NOTICE TO MANUFACTURER</b>	Consumer or representative must notify manufacturer.
<b>FINAL OPPORTUNITY TO REPAIR</b>	If manufacturer is not notified that presumption is met, manufacturer must be allowed an opportunity to repair, not to exceed 15 days.
<b>REASONABLE ALLOWANCE</b>	Refund and replacement: up to date of first notice of nonconformity. May not exceed ½ of the amount allowed by IRS for business use of personal vehicle, plus any loss to fair market value from damage beyond normal wear and tear.

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<b>DISPUTE RESOLUTION</b>	Consumer may choose to use informal dispute settlement procedure if one exists but is not required to prior to seeking a lemon law remedy.
<b>DISCLOSURE TO SUBSEQUENT PURCHASER</b>	Yes.
<b>TITLE BRANDING</b>	No.

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VIRGINIA LEMON LAW SUMMARY	
1. <b>Citation</b>	Code of Virginia §§ 59.1-207.9 through 59.1-207.16:1.
2. <b>Motor vehicle covered</b>	<p>(1) A passenger car designed and used primarily for the transportation of no more than 10 persons including the driver;</p> <p>(2) A pickup or panel truck (i) designed for the transportation of property and having a registered gross weight of 7,500 pounds or less, or (ii) registered for personal use, designed for transporting property, and in excess of 7,500 pounds but not in excess of 10,000 pounds;</p> <p>(3) A motorcycle, autocycle, moped, or the self-propelled motorized chassis of a motor home; and</p> <p>(4) A demonstrator or leased vehicle with which a warranty was issued.</p> <p>Appears to cover used vehicles.</p>
3. <b>Consumer covered</b>	<p>(1) The purchaser, other than for purposes of resale, or the lessee of a motor vehicle used in substantial part for personal, family, or household purposes;</p> <p>(2) Any person to whom the motor vehicle is transferred for the same purposes during the duration of any warranty applicable to the motor vehicle; and</p> <p>(3) Any other person entitled by the terms of the warranty to enforce its obligations.</p>
4. <b>Nonconformity defined</b>	<p>A failure to conform with a warranty, a defect or a condition, including those that do not affect the drivability of the vehicle, that significantly impairs the use, market value or safety of the motor vehicle.</p> <p>“Significant impairment” means to render the motor vehicle unfit, unreliable or unsafe for ordinary use or reasonable intended purposes.</p>
5. <b>Warranty defined</b>	Any implied warranty or any written warranty of the manufacturer, or any affirmations of fact or promise made by the manufacturer in connection with the sale or lease of a motor vehicle that become part of the basis of the bargain. “Warranty” pertains to the obligations of the manufacturer in relation to materials, workmanship, and fitness of a motor vehicle for ordinary use or reasonable intended purposes throughout the duration of the lemon law rights period.
6. <b>Lemon law rights period</b>	The period ending 18 months after the date of the original delivery to the consumer of a new motor vehicle. The lemon law rights period is extended if the manufacturer has been notified of the existence of a nonconformity but the nonconformity has not been effectively repaired by the manufacturer, or its agent, before the expiration of the lemon law rights period.
7. <b>Manufacturer’s obligation to repair</b>	<p>If a motor vehicle does not conform to all warranties, and the consumer reports the nonconformity to the manufacturer, its agent or authorized dealer during the manufacturer’s warranty period, then the manufacturer, its agent or authorized dealer must make the necessary repairs to conform the motor vehicle to the warranties.</p> <p>The necessary repairs must be made even after the expiration of the manufacturer’s warranty period.</p>
8. <b>Manufacturer’s obligation to repurchase or replace</b>	If the manufacturer, its agents or authorized dealers do not conform the motor vehicle to any applicable warranty by repairing or correcting any nonconformity after a reasonable number of attempts during the <i>lemon law rights period</i> , the manufacturer must either replace or repurchase the motor vehicle. The consumer has an unconditional right to choose a refund rather than a replacement motor vehicle, and to drive the nonconforming motor vehicle until the replacement or repurchase is provided. Subtraction for reasonable allowance shall apply to either a replacement or refund. Mileage, expenses, and reasonable loss of use may be recovered by the consumer.

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## VIRGINIA LEMON LAW SUMMARY

<p>9. <b>Criteria for reasonable number of repair attempts</b></p>	<p>Presumed if, within 18 months following the date of the motor vehicle's original delivery, any of the following occurs:</p> <ol style="list-style-type: none"> <li>(1) The same nonconformity has been subject to repair three or more times by the manufacturer, its agents or authorized dealers, and the same nonconformity continues to exist;</li> <li>(2) The nonconformity that is a serious safety defect (a life-threatening malfunction that impedes the consumer's ability to control or operate the motor vehicle for ordinary use or reasonable intended purposes, or creates a risk of fire or explosion) has been subject to repair one or more times by the manufacturer, its agents or authorized dealers, and the same nonconformity continues to exist; or</li> <li>(3) The motor vehicle is out of service due to repair for a cumulative total of 30 calendar days, unless repairs could not be performed because of conditions beyond the control of the manufacturer, its agents or authorized dealers, including war, invasion, strike, fire, flood or other natural disasters.</li> </ol>
<p>10. <b>Notice of nonconformity and final opportunity to repair</b></p>	<p>The consumer or consumer's representative must notify the manufacturer of the need for correction or repair of the nonconformity. The manufacturer is deemed to have been notified if:</p> <ol style="list-style-type: none"> <li>(1) A written complaint of the defect or defects has been mailed to it;</li> <li>(2) The manufacturer has responded to the consumer in writing regarding a complaint; or</li> <li>(3) A factory representative has either inspected the motor vehicle or met with the consumer or an authorized dealer regarding the nonconformity.</li> </ol> <p>The manufacturer must clearly and conspicuously disclose to the consumer, in the warranty or owner's manual, that written notification of the nonconformity to the manufacturer is required.</p> <p>If the conditions of the <i>presumption</i> exist, and the manufacturer has not been notified that the conditions exist, then the manufacturer is given an additional opportunity to correct or repair the nonconformity, not to exceed 15 days.</p>
<p>11. <b>Affirmative defenses</b></p>	<p>It is an affirmative defense that:</p> <ol style="list-style-type: none"> <li>(1) The alleged nonconformity does not significantly impair the use, market value, or safety of the motor vehicle, or</li> <li>(2) The nonconformity is the result of abuse, neglect, or unauthorized modification or alteration of the motor vehicle by a consumer.</li> </ol>
<p>12. <b>Refund</b></p>	<p>Refund consists of:</p> <ol style="list-style-type: none"> <li>(1) The full contract price;</li> <li>(2) All collateral charges, meaning any sales-related or lease-related charges including but not limited to sales tax, license fees, registration fees, title fees, finance charges and interest, transportation charges, dealer preparation charges, or any other charges for service contracts, undercoating, rust proofing, or installed options, not recoverable from a third party. In addition, "collateral charges" for leased vehicles means capitalized cost reductions, credits and allowances for any trade-in vehicles, fees to another to obtain the lease, and insurance or other costs expended by the lessor for the benefit of the lessee;</li> <li>(3) Incidental damages, including expenses reasonably incurred in inspection, receipt, transportation, and care and custody of the motor vehicle rightfully rejected, any commercially reasonable charges, expenses or commissions in connection with effecting cover, and any other reasonable expense incident to the breach of warranty; and</li> <li>(4) An amount for mileage, expenses, and reasonable loss of use necessitated by attempts to conform the motor vehicle to the express warranty;</li> <li>(5) Less a reasonable allowance for the consumer's use of the vehicle up to the date of the first notice of nonconformity that is given to the manufacturer, its agents or authorized dealer.</li> </ol> <p>A leased vehicle must be returned to the manufacturer and the consumer's lease must be terminated by the lessor without penalty to the consumer. The lessor must transfer title to the manufacturer as necessary to effectuate the consumer's rights.</p>

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## VIRGINIA LEMON LAW SUMMARY

13. <b>Replacement</b>	<p>Replacement is a comparable motor vehicle acceptable to the consumer. The subtraction of a reasonable allowance for use shall apply to a replacement.</p> <p>A leased vehicle must be returned to the manufacturer and the consumer's lease must be terminated by the lessor without penalty to the consumer. The lessor must transfer title to the manufacturer as necessary to effectuate the consumer's rights.</p>
14. <b>Reasonable allowance</b>	<p>Applies to a refund and a replacement. A reasonable allowance for the consumer's use of the vehicle is up to the date of the first notice of a nonconformity to the manufacturer, its agents or authorized dealer. The reasonable allowance for use may not exceed 1/2 of the amount allowed per mile by the Internal Revenue Service for use of a personal vehicle for business purposes, plus an amount to account for any loss to the fair market value of the motor vehicle resulting from damage beyond normal wear and tear, unless the damage resulted from a nonconformity.</p>
15. <b>Refund of sales tax</b>	<p>Manufacturer refunds sales tax to the consumer. No provision for the manufacturer to obtain a refund of sales tax from the state.</p>
16. <b>Enhanced damages</b>	<p>In any action brought because the manufacturer failed to comply with the decision of an informal dispute settlement procedure, within the scope of the procedure's authority, the court may triple the value of the award plus award other equitable relief the court deems appropriate, including additional attorney's fees.</p>
17. <b>Attorney's fees</b>	<p>Any consumer who is successful in an action under the lemon law, or any defendant in any frivolous action brought by a consumer, will receive reasonable attorney's fees, expert witness fees, and court costs incurred by bringing such actions.</p>
18. <b>Statute of limitations</b>	<p>An action must be commenced within 18 months following the date of the motor vehicle's original delivery to the consumer. A consumer whose good faith attempts to settle the dispute in an informal dispute settlement procedure have not resulted in the satisfactory resolution of the matter, may file an action within the longer of (1) one year from the date of the manufacturer's final action in the procedure, if the procedure was initiated within the lemon law rights period; or (2) the original 18-month period.</p>
19. <b>Manufacturer-sponsored arbitration</b>	<p>If the manufacturer has established or participates in an informal dispute settlement procedure, it is the consumer's choice whether or not to use it prior to asserting lemon law rights.</p>
20. <b>State-sponsored arbitration</b>	<p>Not specified.</p>
21. <b>Dealer liability</b>	<p>Not specified.</p>
22. <b>Restrictions on resale of returned vehicles</b>	<p>A manufacturer or distributor must disclose to any dealer licensed in Virginia that the motor vehicle being transferred to the dealer was returned to the manufacturer or distributor under the lemon law or by judgment, decree, or arbitration award in Virginia or any other state,.</p> <p>If the returned vehicle is then made available for resale or for another lease, prior to sale or lease the manufacturer must disclose to the Virginia dealer in writing in a clear and conspicuous manner, on a separate piece of paper in 10 point capital type, that the motor vehicle was returned to the manufacturer, distributor or factory branch; the nature of the defect that resulted in the return; and the condition of the motor vehicle at the time of transfer to the dealer. It is the responsibility of the dealer that receives this disclosure to give notice of its contents to any prospective purchaser or lessee prior to sale or lease, and to transfer the disclosure or a copy to the next purchaser or lessee. A dealer's responsibility to disclose ceases upon the sale or lease of the affected motor vehicle to the first purchaser or lessee not for resale or lease.</p>

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VIRGINIA LEMON LAW SUMMARY	
23. <b>Point of sale notice of lemon law rights</b>	Not specified.
24. <b>Limitation on waiver</b>	Not specified.

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