

**NEW MOTOR VEHICLE WARRANTIES (EXCERPT)**  
**Act 87 of 1986**

**257.1405 Informal dispute settlement procedure.**

Sec. 5. If a manufacturer has established or participates in an informal dispute settlement procedure, the provisions of this act shall not apply to any consumer who has not first resorted to such procedure, if such procedure does all of the following:

(a) Complies with the Magnuson-Moss warranty—federal trade commission improvement act, Public Law 93-637, 88 Stat. 2183, and 16 C.F.R. 703 (1975). An informal dispute settlement procedure which the federal trade commission rules does not comply with 16 C.F.R. 703 (1975) shall be considered as not meeting the requirements of this subdivision.

(b) Requires that the manufacturer is bound by any decision reached if the consumer agrees to it.

(c) Provides that the consumer is not obligated to accept the decision and may pursue the remedies provided for under this act.

(d) Requires the manufacturer to initiate the process necessary to implement any final settlement not more than 30 days after the settlement has been reached.

**History:** 1986, Act 87, Eff. June 25, 1986.

**Popular name:** Lemon Law