

Magnuson Warranty Act

Understanding the Magnuson-Moss Warranty Act

The Magnuson-Moss Warranty Act is the federal law that governs consumer product warranties. Passed by Congress in 1975, the Act requires manufacturers and sellers of consumer products to provide consumers with detailed information about warranty coverage. In addition, it affects both the rights of consumers and the obligations of warrantors under written warranties.

In passing the Act, Congress intended to fulfill several main goals:

- To ensure that consumers have access to complete information about warranty terms and conditions
- To ensure that consumers can compare warranty coverage before buying
- To promote competition on the basis of warranty coverage
- To strengthen existing incentives for companies to perform their warranty obligations in a timely and thorough manner and to resolve any disputes with a minimum of delay and expense to consumers

The Federal Trade Commission (FTC) adopted three Rules under the Act: the Rule on Disclosure of Written Consumer Product Warranty Terms and Conditions (the Disclosure Rule), the Rule on Pre-Sale Availability of Written Warranty Terms (the Pre-Sale Availability Rule), and the Rule on Informal Dispute Settlement Procedures (the Dispute Resolution Rule). In addition, the FTC has issued an interpretive rule that clarifies certain terms and explains some of the provisions of the Act.

The Act and the Rules establish three basic requirements:

1. Warrantors must designate a written warranty as either "full" or "limited"
2. Warrantors must state certain specified information about warranty coverage in a single easy-to-read document
3. Warrantor and sellers must ensure that warranties are available where their warranted consumer products are sold so that consumers can read them before buying

The Magnuson-Moss Act also prohibits certain activities:

- Disclaimer or modification of implied warranties – customers must always receive the basic protection of the implied warranty of merchantability
- "Tie-in sales" provisions (that require a purchaser to buy an item or service from a particular company to use with a warranted product in order to be eligible to receive a remedy under the warranty)

- Deceptive warranty terms

The Act also contains a number of other provisions that affect warrantors and consumers. For additional information about the Magnuson-Moss Warranty Act, contact the Federal Trade Commission or visit the [FTC Web site](#).