

NEW JERSEY MOTOR VEHICLE DEALER COMPLIANCE MANUAL

Applicable to Licensed Motor Vehicle Dealers

Version Date: May 2026

Prepared for by New Jersey Motor Vehicle Dealer Association LLC for ADMS Tenants
(Educational Resource Only)

NJ STATUTES AND REGULATIONS

Volume One

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Preliminary Statement / Preface

This Dealer Compliance Manual has been compiled as a practical, tenant-focused reference tool to help licensed motor vehicle dealers operating in New Jersey understand the primary state and federal laws, regulations, and requirements that govern their business operations. It organizes and summarizes the most relevant statutes and rules in clear, concise language while preserving all key legal points, remedies, prohibitions, and compliance obligations contained in the original reference materials.

Important Disclaimers

This manual is provided for educational purposes only to assist ADMS tenants. ADMS is a commercial landlord and does not sell vehicles, provide legal advice, act as a dealer, or assume any dealer compliance responsibilities. Dealers are solely responsible for their own full compliance with all applicable MVC rules, statutes, regulations, and local laws. Laws and regulations change. Always consult the official NJ Motor Vehicle Commission (MVC) website, current statutes (N.J.S.A. and N.J.A.C.), federal sources, and your own qualified attorney for authoritative, up-to-date guidance.

Nothing in this manual creates any warranty or legal obligation on the part of ADMS.

Dealers are strongly encouraged to review the original source links provided throughout and to implement internal compliance checklists, staff training, and record-keeping systems based on these requirements.

NJ Statutes, Rules, and Regulation

1. The Consumer Fraud Act, N.J.S.A. 56:8-1 et seq.

The New Jersey Consumer Fraud Act (the “CFA”) is a powerful, pro-consumer law enacted to protect buyers from deceptive, misleading, or unconscionable practices in the marketplace. It allows victims to sue for deceptive business practices and potentially recover triple their actual financial damages, plus reasonable attorney fees.

The CFA makes illegal three main categories of unlawful conduct:

- **Affirmative Acts:** Committing fraud, deception, false pretense, or misrepresentation (e.g., lying about a vehicle’s condition or origin).
- **Knowing Omissions:** Intentionally concealing, suppressing, or omitting a material fact with the intent that others rely on it.
- **Regulatory Violations:** Violating specific rules established by the NJ Division of Consumer Affairs (e.g., used vehicle advertising standards).

Primary Provisions & Remedies:

- **Treble Damages:** If a consumer wins a lawsuit under the CFA, the court can award “treble damages”—meaning the business must pay 3 times the consumer's actual financial loss.
- **Shifting Attorney Fees:** The CFA includes a fee-shifting provision. If a consumer wins, you are legally required to pay the consumer's court costs and lawyer fees.
- **No Proof of Intent Required for Affirmative Acts:** For affirmative misrepresentations, consumers do not need to prove the business intended to deceive them; an innocent misrepresentation is enough to trigger liability. However, to win on a claim of “knowing omission,” the consumer must prove the business acted knowingly.



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New Jersey Statutes Annotated

Title 56. Trade Names, Trade-Marks and Unfair Trade Practices

Chapter 8. Frauds, Etc., in Sales or Advertisements of Merchandise (Refs & Annos)

N.J.S.A. 56:8-2

56:8-2. Fraud, etc., in connection with sale or advertisement of merchandise or real estate as unlawful practice

Effective: August 5, 2022

Currentness

The act, use or employment by any person of any commercial practice that is unconscionable or abusive, deception, fraud, false pretense, false promise, misrepresentation, or the knowing, concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise or real estate, or with the subsequent performance of such person as aforesaid, whether or not any person has in fact been misled, deceived or damaged thereby, is declared to be an unlawful practice; provided, however, that nothing herein contained shall apply to the owner or publisher of newspapers, magazines, publications or printed matter wherein such advertisement appears, or to the owner or operator of a radio or television station which disseminates such advertisement when the owner, publisher, or operator has no knowledge of the intent, design or purpose of the advertiser.

Credits

L.1960, c. 39, p. 138, § 2. Amended by L.1967, c. 301, § 2, eff. Feb. 15, 1968; L.1971, c. 247, § 1, eff. June 29, 1971; L.1975, c. 294, § 1, eff. Jan. 19, 1976; L.2022, c. 96, § 1, eff. Aug. 5, 2022.

N. J. S. A. 56:8-2, NJ ST 56:8-2

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N.J.S.A. 56:8-3

56:8-3. Investigation by Attorney General; powers and duties

Currentness

When it shall appear to the Attorney General that a person has engaged in, is engaging in, or is about to engage in any practice declared to be unlawful by this act, or when he believes it to be in the public interest that an investigation should be made to ascertain whether a person in fact has engaged in, is engaging in or is about to engage in, any such practice, he may:

- (a) Require such person to file on such forms as are prescribed a statement or report in writing under oath or otherwise, as to all the facts and circumstances concerning the sale or advertisement of merchandise by such person, and such other data and information as he may deem necessary;
- (b) Examine under oath any person in connection with the sale or advertisement of any merchandise;
- (c) Examine any merchandise or sample thereof, record, book, document, account or paper as he may deem necessary; and
- (d) Pursuant to an order of the Superior Court impound any record, book, document, account, paper, or sample of merchandise that is produced in accordance with this act, and retain the same in his possession until the completion of all proceedings in connection with which the same are produced.

Credits

L.1960, c. 39, p. 138, § 3.

N. J. S. A. 56:8-3, NJ ST 56:8-3

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N.J.S.A. 56:8-19

56:8-19. Action or counterclaim by injured person; recovery of treble damages and costs

Currentness

Any person who suffers any ascertainable loss of moneys or property, real or personal, as a result of the use or employment by another person of any method, act, or practice declared unlawful under this act or the act hereby amended and supplemented may bring an action or assert a counterclaim therefor in any court of competent jurisdiction. In any action under this section the court shall, in addition to any other appropriate legal or equitable relief, award threefold the damages sustained by any person in interest. In all actions under this section, including those brought by the Attorney General, the court shall also award reasonable attorneys' fees, filing fees and reasonable costs of suit.

Credits

L.1971, c. 247, § 7, eff. June 29, 1971. Amended by L.1997, c. 359, § 1, eff. Jan. 15, 1998.

N. J. S. A. 56:8-19, NJ ST 56:8-19

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2. The Used Car Lemon Law, N.J.S.A. 56:8-67 to 80 protects buyers of used passenger vehicles purchased from licensed dealers for over \$3,000, with under 100,000 miles and less than 7 years old. It requires mandatory dealer warranties based on mileage (up to 90 days/3,000 miles) and covers significant, recurring defects that impair safety or value.

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N.J.S.A. 56:8-67

56:8-67. Definitions

Currentness

As used in this act:

“As is” means a used motor vehicle sold by a dealer to a consumer without any warranty, either express or implied, and with the consumer being solely responsible for the cost of any repairs to that motor vehicle.

“Consumer” means the purchaser or prospective purchaser, other than for the purpose of resale, of a used motor vehicle normally used for personal, family or household purposes.

“Covered item” means and includes the following components of a used motor vehicle: Engine--all internal lubricated parts, timing chains, gears and cover, timing belt, pulleys and cover, oil pump and gears, water pump, valve covers, oil pan, manifolds, flywheel, harmonic balancer, engine mounts, seals and gaskets, and turbo-charger housing; however, housing, engine block and cylinder heads are covered items only if damaged by the failure of an internal lubricated part. Transmission Automatic/Transfer Case--all internal lubricated parts, torque converter, vacuum modulator, transmission mounts, seals and gaskets. Transmission Manual/Transfer Case--all internal lubricated parts, transmission mounts, seals and gaskets, but excluding a manual clutch, pressure plate, throw-out bearings, clutch master or slave cylinders. Front-Wheel Drive--all internal lubricated parts, axle shafts, constant velocity joints, front hub bearings, seals and gaskets, Rear-Wheel Drive--all internal lubricated parts, propeller shafts, supports and U-joints, axle shafts and bearings, seals and gaskets.

“Dealer” means any person or business which sells or offers for sale a used motor vehicle after selling or offering for sale three or more used motor vehicles in the previous 12-month period.

“Deduction for personal use” means the mileage allowance set by the federal Internal Revenue Service for business usage of a motor vehicle in effect on the date a used motor vehicle is repurchased by a dealer in accordance with section 5 of this act,¹ multiplied by the total number of miles a used motor vehicle is driven by a consumer from the date of purchase of that vehicle until the time of its repurchase.

“Director” means the Director of the Division of Consumer Affairs in the Department of Law and Public Safety.

“Excessive wear and tear” means wear or damage to a used motor vehicle beyond that expected to be incurred in normal circumstances.

“Material defect” means a malfunction of a used motor vehicle, subject to a warranty, which substantially impairs its use, value or safety.

“Repair insurance” means a contract in writing to refund, repair, replace, maintain or take other action with respect to a used motor vehicle for any period of time or any specified mileage and provided at an extra charge beyond the price of the used motor vehicle.

“Service contract” means a contract in writing to refund, repair, replace, maintain or take other action with respect to a used motor vehicle for any period of time or any specific mileage or provided at an extra charge beyond the price of the used motor vehicle.

“Used motor vehicle” means a passenger motor vehicle, excluding motorcycles, motor homes and off-road vehicles, title to, or possession of which has been transferred from the person who first acquired it from the manufacturer or dealer, and so used as to become what is commonly known as “secondhand,” within the ordinary meaning thereof but does not mean a passenger motor vehicle, subject to a motor vehicle lease agreement which was in effect for more than 90 days, which is sold by the lessor to the lessee, or to a family member or employee of the lessee upon the termination of the lease agreement.

“Warranty” means any undertaking, in writing and in connection with the sale by a dealer of a used motor vehicle, to refund, repair, replace, maintain or take other action with respect to the used motor vehicle, and which is provided at no extra charge beyond the price of the used motor vehicle.

Credits

L.1995, c. 373, § 1, eff. July 3, 1996. Amended by L.1997, c. 22, § 1, eff. Feb. 27, 1997.

Footnotes

1 N.J.S.A. § 56:8-71.

N. J. S. A. 56:8-67, NJ ST 56:8-67

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N.J.S.A. 56:8-67.1

56:8-67.1. Sale of leased vehicle to certain individuals warranted

Currentness

A lessor who is a dealer and who sells or offers for sale a used passenger motor vehicle, subject to a motor vehicle lease agreement which was in effect for more than 90 days, to a consumer who is not the lessee, or a family member or employee of the lessee upon the termination of the lease agreement, shall be subject to the provisions of P.L. 1995, c.373 (C.56:8-67 et seq) including the bonding requirement of section 11 of that act (C.56:8-77).

Credits

L.1997, c. 22, § 2, eff. Feb. 27, 1997.

N. J. S. A. 56:8-67.1, NJ ST 56:8-67.1

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N.J.S.A. 56:8-68

56:8-68. Unlawful practices; used motor vehicles

Currentness

It shall be an unlawful practice for a dealer:

- a. To misrepresent the mechanical condition of a used motor vehicle;
- b. To fail to disclose, prior to sale, any material defect in the mechanical condition of the used motor vehicle which is known to the dealer;
- c. To represent that a used motor vehicle, or any component thereof, is free from material defects in mechanical condition at the time of sale, unless the dealer has a reasonable basis for this representation at the time it is made;
- d. To fail to disclose, prior to sale, the existence and terms of any written warranty, service contract or repair insurance currently in effect on a used motor vehicle provided by a person other than the dealer, and subject to transfer to a consumer, if known to the dealer;
- e. To misrepresent the terms of any written warranty, service contract or repair insurance currently in effect on a used motor vehicle provided by a person other than the dealer, and subject to transfer to a consumer;
- f. To fail to disclose, prior to sale, the existence and terms of any written warranty, service contract or repair insurance offered by the dealer in connection with the sale of a used motor vehicle;
- g. To misrepresent the terms of any warranty, service contract or repair insurance offered by the dealer in connection with the sale of a used motor vehicle;
- h. To represent, prior to sale, that a used motor vehicle is sold with a warranty, service contract or repair insurance when the vehicle is sold without any warranty, service contract or repair insurance;
- i. To fail to disclose, prior to sale, that a used motor vehicle is sold without any warranty, service contract, or repair insurance; and
- j. To fail to provide a clear written explanation, prior to sale, of what is meant by the term "as is," if the used motor vehicle is sold "as is."

Credits

L.1995, c. 373, § 2, eff. July 3, 1996.

N. J. S. A. 56:8-68, NJ ST 56:8-68

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N.J.S.A. 56:8-69

56:8-69. Written warranty on a used motor vehicle: minimum durations

Currentness

It shall be an unlawful practice for a dealer to sell a used motor vehicle to a consumer without giving the consumer a written warranty which shall at least have the following minimum durations:

- a. If the used motor vehicle has 24,000 miles or less, the warranty shall be, at a minimum, 90 days or 3,000 miles, whichever comes first;
- b. If the used motor vehicle has more than 24,000 miles but less than 60,000 miles, the warranty shall be, at a minimum, 60 days or 2,000 miles, whichever comes first; or
- c. If the used motor vehicle has 60,000 miles or more, the warranty shall be, at a minimum, 30 days or 1,000 miles, whichever comes first, except that a consumer may waive his right to a warranty as provided under section 7 of this act.¹

Credits

L.1995, c. 373, § 3, eff. July 3, 1996.

Footnotes

¹ N.J.S.A. § 56:8-73.

N. J. S. A. 56:8-69, NJ ST 56:8-69

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N.J.S.A. 56:8-70

56:8-70. Dealer required to correct failure or malfunction of covered items; excluded repairs

Currentness

The written warranty shall require the dealer, upon failure or malfunction of a covered item during the term of the warranty, to correct the malfunction or defect, provided the used motor vehicle is delivered to the dealer, at his regular place of business, and subject to a deductible amount of \$50 to be paid by the consumer for each repair of a covered item. This written warranty shall exclude repairs covered by any manufacturer's warranty, or recall program, as well as repairs of a covered item required because of collision, abuse, or the consumer's failure to properly maintain such used motor vehicle in accordance with the manufacturer's recommended maintenance schedule, or from damage of a covered item caused as a result of any commercial use of the used motor vehicle, or operation of such vehicle without proper lubrication or coolant, or as a result of any misuse, negligence or alteration of such vehicle by someone other than the dealer.

Credits

L.1995, c. 373, § 4. eff. July 3, 1996.

N. J. S. A. 56:8-70, NJ ST 56:8-70

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N.J.S.A. 56:8-71

56:8-71. Failure to correct material defect; refund of purchase price; affirmative defenses

Currentness

a. If, within the periods specified in section 3 of this act,¹ the dealer or his agent fails to correct a material defect of the used motor vehicle, after a reasonable opportunity to repair the used motor vehicle, the dealer shall repurchase the used motor vehicle and refund to the consumer the full purchase price, excluding all sales taxes, title and registration fees, or any similar governmental charges, and less a reasonable allowance for excessive wear and tear and less a deduction for personal use of such vehicle. Refunds shall be made to the consumer and lienholder, if any, as their interests appear on the records of ownership kept by the Director of the Division of Motor Vehicles.

b. It shall be an affirmative defense to any claim under this section that:

(1) The alleged material defect does not substantially impair the use, value or safety of the used motor vehicle; or

(2) The material defect is the result of abuse, neglect or unauthorized modification or alteration of the used motor vehicle by anyone other than the dealer or his agent.

c. It shall be presumed that a dealer has a reasonable opportunity to correct or repair a material defect in a used motor vehicle, if:

(1) The same material defect has been subject to repair three or more times by the dealer or his agent within the warranty period, but the material defect continues to exist; or

(2) The used motor vehicle is out of service by reason of waiting for the dealer to begin or complete repair of the material defect for a cumulative total of 20 or more days during the warranty period.

Credits

L.1995, c. 373, § 5, eff. July 3, 1996.

Footnotes

1 N.J.S.A. § 56:8-69.

N. J. S. A. 56:8-71, NJ ST 56:8-71

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N.J.S.A. 56:8-72

56:8-72. Term of written warranty extended by time spent waiting for dealer to begin or complete repairs

Currentness

The term of any written warranty offered by a dealer in connection with the sale of a used motor vehicle shall be extended by any time period during which the used motor vehicle is waiting for the dealer or his agent to begin or complete repairs of a material defect of the used motor vehicle.

Credits

L.1995, c. 373, § 6, eff. July 3, 1996.

N. J. S. A. 56:8-72, NJ ST 56:8-72

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N.J.S.A. 56:8-73

56:8-73. Election to waive warranty on used vehicle with over 60,000 miles; form and content of waiver

Currentness

Notwithstanding any provision of this act to the contrary, a consumer, as a result of a price negotiation for the purchase of a used motor vehicle with over 60,000 miles, may elect to waive the dealer's obligation to provide a warranty on the used motor vehicle. The waiver shall be in writing and separately stated in the agreement of retail sale or in an attachment thereto and separately signed by the consumer. The waiver shall state the dealer's obligation to provide a warranty on used motor vehicles offered for sale, as set forth in sections 3 and 4 of this act.¹ The waiver shall indicate that the consumer, having negotiated the purchase price of the used motor vehicle and obtained a price adjustment, is electing to waive the dealer's obligation to provide a warranty on the used motor vehicle and is buying the used motor vehicle "as is."

Credits

L.1995, c. 373, § 7, eff. July 3, 1996.

Footnotes

¹ N.J.S.A. §§ 56:8-69 and 56:8-70.

N. J. S. A. 56:8-73, NJ ST 56:8-73

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N.J.S.A. 56:8-74

56:8-74. Dealer deemed to have given warranty in absence of written waiver

Currentness

If a dealer fails to give a written warranty required by this act, the dealer nevertheless shall be deemed to have given the warranty as a matter of law, unless a waiver has been signed by the consumer in accordance with section 7 of this act.¹

Credits

L.1995, c. 373, § 8, eff. July 3, 1996.

Footnotes

¹ N.J.S.A. § 56:8-73.

N. J. S. A. 56:8-74, NJ ST 56:8-74

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N.J.S.A. 56:8-75

56:8-75. Consumer rights and remedies not affected

Currentness

Nothing in this act shall in any way limit the rights or remedies which are otherwise available to a consumer under any other law.

Credits

L.1995, c. 373, § 9, eff. July 3, 1996.

N. J. S. A. 56:8-75, NJ ST 56:8-75

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N.J.S.A. 56:8-76

56:8-76. Vehicles not covered by warranty

Currentness

The provisions of sections 3, 4, and 5¹ shall not apply to: any used motor vehicle sold for less than \$3,000; any used motor vehicle over seven or more model years old; any used motor vehicle which has been declared a total loss by an insurance company and with respect to which the consumer, at or prior to the time of sale, has been advised in writing that the used motor vehicle has been declared a total loss by an insurance company; or, any used motor vehicle with more than 100,000 miles.

Credits

L.1995, c. 373, § 10, eff. July 3, 1996.

Footnotes

¹ N.J.S.A. §§ 56:8-69, 56:8-70 and 56:8-71.

N. J. S. A. 56:8-76, NJ ST 56:8-76

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N.J.S.A. 56:8-77

56:8-77. Bond requirements

Currentness

To assure compliance with the requirements of this act, a dealer shall provide a bond in favor of the State of New Jersey in the amount of \$10,000, executed by a surety company authorized to transact business in the State of New Jersey by the Department of Insurance and to be conditioned on the faithful performance of the provisions of this act. This bond shall be for the term of 12 months and shall be renewed at each expiration for a similar period. The Director of the Division of Motor Vehicles shall not issue a dealer's license and shall not renew a license of any dealer who has not furnished proof of the existence of the bond required by this act.

Credits

L.1995, c. 373, § 11, eff. July 3, 1996.

N. J. S. A. 56:8-77, NJ ST 56:8-77

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N.J.S.A. 56:8-78

56:8-78. Rules and regulations

Currentness

The Director shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c. 410 (C.52:14B-1 et seq) to effectuate the purposes of this act.

Credits

L.1995, c. 373, § 12, cff July 3, 1996.

N. J. S. A. 56:8-78, NJ ST 56:8-78

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N.J.S.A. 56:8-79

56:8-79. Consumer awareness program

Currentness

The director shall implement a consumer awareness program which shall advise consumers of the requirements, protections and benefits provided by this act, within 120 days following enactment of this act.

Credits

L.1995, c. 373, § 13, eff. July 3, 1996.

N. J. S. A. 56:8-79, NJ ST 56:8-79

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N.J.S.A. 56:8-80

56:8-80. Administrative fee

Currentness

The director may establish an administrative fee, to be paid by the consumer, in order to implement the provisions of this act, which fee shall be fixed at a level not to exceed the cost for the administration and enforcement of this act.

Credits

L.1995. c. 373. § 14. eff July 3, 1996.

N. J. S. A. 56:8-80, NJ ST 56:8-80

Current with laws through L.2025. c. 271 and J.R. No. 17

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3. The Truth in Consumer Contract Warrant and Notice Act, N.J.S.A. 56:12-14 to 18 (“TCCWNA”) is a law designed to prevent people from writing illegal terms or clauses into contracts or warranties. If a written agreement contains a provision or clause that violates New Jersey or Federal law, then it is a violation of TCCWNA.

New Jersey Statutes Annotated
Title 56. Trade Names, Trade-Marks and Unfair Trade Practices
Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-14

56:12-14. Short title; Truth-in-Consumer Contract, Warranty and Notice Act

Currentness

This act shall be known and may be cited as the "Truth-in-Consumer Contract, Warranty and Notice Act."

Credits

L.1981, c. 454, § 1.

N. J. S. A. 56:12-14, NJ ST 56:12-14
Current with laws through L.2025, c. 271 and J.R. No. 17

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Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-15

56:12-15. Consumer contract, warranty, notice or sign; violation of legal right
of consumer or responsibility of seller, lessor, etc.; prohibition; exemptions

Currentness

No seller, lessor, creditor, lender or bailee shall in the course of his business offer to any consumer or prospective consumer or enter into any written consumer contract or give or display any written consumer warranty, notice or sign after the effective date of this act which includes any provision that violates any clearly established legal right of a consumer or responsibility of a seller, lessor, creditor, lender or bailee as established by State or Federal law at the time the offer is made or the consumer contract is signed or the warranty, notice or sign is given or displayed. Consumer means any individual who buys, leases, borrows, or bails any money, property or service which is primarily for personal, family or household purposes. The provisions of this act shall not apply to residential leases or to the sale of real estate, whether improved or not, or to the construction of new homes subject to "The New Home Warranty and Builders' Registration Act," P.L.1977, c. 467 (C. 46:3B-1 et seq.).

Credits

L.1981, c. 454, § 2.

N. J. S. A. 56:12-15, NJ ST 56:12-15
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New Jersey Statutes Annotated

Title 56. Trade Names, Trade-Marks and Unfair Trade Practices

Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-16

56:12-16. Provision for waiver of rights under act; nullity; statement
of provisions void, unenforceable or inapplicable in New Jersey

Currentness

No consumer contract, warranty, notice or sign, as provided for in this act, shall contain any provision by which the consumer waives his rights under this act. Any such provision shall be null and void. No consumer contract, notice or sign shall state that any of its provisions is or may be void, unenforceable or inapplicable in some jurisdictions without specifying which provisions are or are not void, unenforceable or inapplicable within the State of New Jersey; provided, however, that this shall not apply to warranties.

Credits

L.1981, c. 454, § 3.

N. J. S. A. 56:12-16, NJ ST 56:12-16

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New Jersey Statutes Annotated

Title 56. Trade Names, Trade-Marks and Unfair Trade Practices

Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-16.1

56:12-16.1. Consumer contracts for the purchase, lease or repair of a motor vehicle;
prohibition on provisions waiving consumer's right to make certain statements, or
penalizing consumer for such statements; violations; penalties; private right of action

Effective: April 16, 2018

Currentness

a. Notwithstanding the provisions of P.L. 1981, c. 454 (C.56:12-14 et seq.) or any other law to the contrary, and in addition to any other remedy available under law, a consumer contract for the purchase, lease or repair of a motor vehicle shall not contain any provision which waives a consumer's right to make any statement, or penalizes a consumer for making any statement, including a statement posted on the Internet, regarding the manufacturer, seller or lessor of the motor vehicle, or its employees or agents, or concerning any goods or services rendered pursuant to the contract.

b. If the Attorney General determines that a manufacturer, seller or lessor is in violation of this section, the Attorney General may impose upon that manufacturer, seller or lessor a civil penalty in an amount up to \$5,000 for the first violation and up to \$10,000 for each and every subsequent violation, collectible in an action brought in the name of the Attorney General pursuant to the provisions of the "Penalty Enforcement Law of 1999," P.L. 1999, c. 274 (C.2A:58-10 et seq.).

c. In addition to the penalties described in subsection b. of this section, or any other remedy available under law, any person aggrieved by a violation of this section may bring an action in Superior Court to recover damages.

Credits

L.2017, c. 371, § 1, eff. April 16, 2018.

N. J. S. A. 56:12-16.1, NJ ST 56:12-16.1

Current with laws through L.2025, c. 271 and J.R. No. 17

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Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-17

56:12-17. Violations; civil liability to aggrieved consumer: action; termination of contract

Currentness

Any person who violates the provisions of this act shall be liable to the aggrieved consumer for a civil penalty of not less than \$100.00 or for actual damages, or both at the election of the consumer, together with reasonable attorney's fees and court costs. This may be recoverable by the consumer in a civil action in a court of competent jurisdiction or as part of a counterclaim by the consumer against the seller, lessor, creditor, lender or bailee or assignee of any of the aforesaid, who aggrieved him. A consumer also shall have the right to petition the court to terminate a contract which violates the provisions of section 2 of this act¹ and the court in its discretion may void the contract.

Credits

L.1981, c. 454, § 4.

Footnotes

¹ N.J.S.A. § 56:12-15.

N. J. S. A. 56:12-17, NJ ST 56:12-17

Current with laws through L.2025, c. 271 and J.R. No. 17

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N.J.S.A. 56:12-18.1

56:12-18.1. Deleting consumer's personal information in motor vehicle; motor vehicle dealers who take possession of motor vehicle for purpose of resale or lease; violations; penalties; definitions

Effective: January 16, 2024
Currentness

a. Whenever a motor vehicle dealer takes possession of a motor vehicle from a consumer for the purpose of resale or lease, the motor vehicle dealer shall offer to delete the consumer's personal information in the motor vehicle, including, but not limited to, navigation history, paired phones, and garage door codes, by performing data clearing protocols in accordance with the Guidelines for Media Sanitization developed by the National Institute of Standards and Technology using techniques specified by the vehicle manufacturer to overwrite data or by using a menu option to reset the device to original factory settings.

b. A motor vehicle dealer who violates the provisions of this section shall be subject to a civil penalty of \$500 for a first offense, and \$1,000 for any subsequent offense, to be collected and enforced by the Director of the Division of Consumer Affairs in the Department of Law and Public Safety in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L. 1999, c. 274 (C.2A:58-10 et seq.). The Superior Court shall have jurisdiction over proceedings for the enforcement of the penalty provided by this section.

c. A motor vehicle dealer may charge a reasonable fee for services performed in connection with the requirements of this section. The dealer shall disclose the fee to the consumer prior to performing the service and shall advise the consumer that the consumer may attempt to delete the personal information themselves or through another vendor.

d. As used in this section:

"Motor vehicle" has the same meaning as defined in R.S.39:1-1.

"Motor vehicle dealer" means any business that engages in selling or leasing motor vehicles to consumers.

Credits

L.2023, c. 314, § 1, eff. Jan. 16, 2024.

N. J. S. A. 56:12-18.1, NJ ST 56:12-18.1
Current with laws through L.2025, c. 271 and J.R. No. 17

4. The Service Contract Act, N.J.S.A. 56:12-86 through 12-96, regulates the sale and issuance of service contracts (commonly known as extended warranties or vehicle service contracts) in New Jersey to protect consumers from underfunded or unreliable providers. A “service contract” is defined as any contract or agreement (for a separate fee) under which a provider agrees to repair, replace, maintain, or service consumer property — including motor vehicles — for operational or structural failure due to defects, workmanship issues, or normal wear and tear. It may also cover incidental costs such as towing, rental cars, or road-hazard protection for vehicles.

Key requirements include:

- Service contracts may only be sold in compliance with the Act.
- Providers must give “assurance of faithful performance” (e.g., through insurance, a reimbursement policy, or other approved financial safeguards) so they can honor claims even if the provider fails.
- Specific disclosure, contract-content, and record-keeping rules apply.
- Service contracts are explicitly not insurance and are exempt from Title 17 insurance regulation (but reimbursement insurance policies themselves remain regulated).

Violations are treated as unlawful practices under the CFA, exposing sellers (including dealer) to penalties, refunds, and enforcement by the Division of Consumer Affairs.

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N.J.S.A. 56:12-86

56:12-86. Rules and regulations

Currentness

The director of the Division of Consumer Affairs shall promulgate rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c. 410 (C.52:14B-1 et seq.) as may be needed to effectuate the purposes of this act.

Credits

L.1995, c. 233, § 12, eff. Aug. 21, 1995.

N. J. S. A. 56:12-86, NJ ST 56:12-86

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N.J.S.A. 56:12-87

56:12-87. Definitions regarding service contracts

Effective: August 1, 2023
Currentness

As used in this act:

“Administrator” means a person who performs the third-party administration of a service contract, pursuant to the provisions of section 5 of P.L.2013, c. 197 (C.56:12-91), on behalf of a provider.

“Consumer” means a natural person who buys other than for purposes of resale any property that is distributed in commerce and that is normally used for personal, family, or household purposes and not for business or research purposes.

“Director” means the Director of the Division of Consumer Affairs in the Department of Law and Public Safety.

“Division” means the Division of Consumer Affairs in the Department of Law and Public Safety.

“Emergency, life safety, or property safety goods” means any goods provided for installation in, as part of, or for addition to, a system designed to prevent, respond to, alert regarding, suppress, control, or extinguish an emergency or the cause of an emergency, or assist evacuation in the event of an emergency, which emergency could threaten life or property. Examples of these systems include fire alarm, fire sprinkler, fire suppression, fire extinguisher, security, gas detection, intrusion detection, access control, video surveillance and recording, mass notification, public address, emergency lighting, patient wandering, infant tagging, and nurse call.

“Leased motor vehicle excess wear and use protection” means the repair, replacement, or maintenance of property, or indemnification for repair, replacement, or maintenance, due to excess wear and use, damage for items such as tires, paint cracks or chips, interior stains, rips or scratches, exterior dents or scratches, windshield cracks or chips, missing interior or exterior parts or excess mileage that results in a lease-end charge, or any other charge for damage that is deemed as excess wear and use by a lessor under a motor vehicle lease.

“Maintenance agreement” means a contract of limited duration that provides for scheduled maintenance only, and does not include repair or replacement of the property subject to the contract.

“Motor vehicle ancillary protection product” means a contract or agreement between a provider and a consumer for a specific duration, for a provider fee or other separately stated consideration, to perform one or more of the following with respect to a motor vehicle:

(1) the repair or replacement of tires or wheels on a motor vehicle damaged as a result of coming into contact with road hazards including but not limited to potholes, rocks, wood debris, metal parts, glass, plastic, curbs, or composite scraps;

(2) the removal of dents, dings, or creases on a motor vehicle that can be repaired using the process of paintless dent removal without affecting the existing paint finish and without replacing vehicle body panels, sanding, bonding, or painting;

(3) the repair of small motor vehicle windshield chips or cracks which may include replacement of the windshield for chips or cracks that cannot be repaired;

(4) the replacement of a motor vehicle key or key-fob in the event that the key or key-fob becomes inoperable or is lost or stolen;

(5) leased motor vehicle excess wear and use protection; or

(6) other services which may be approved by the director, that are consistent with the provisions of P.L.2013, c. 197 (C.56:12-87 et seq.).

“Non-original manufacturer's part” means a replacement part not made for or by the original manufacturer of the property, commonly referred to as an “after market part.”

“Person” means any natural person, company, corporation, association, society, firm, partnership, or other similar legal entity.

“Premium” means the consideration paid to an insurer for a reimbursement insurance policy, and is subject to any applicable premium tax.

“Provider” means a person who is contractually obligated to the service contract holder under the terms of the service contract.

“Provider fee” means the consideration paid by a consumer for a service contract, and is not subject to any premium tax.

“Public utility” means a public utility as defined in subsection a. of R.S.48:2-13.

“Reimbursement insurance policy” means a policy of insurance issued to a regulated entity to either provide reimbursement to, or payment on behalf of, the regulated entity under the terms of the insured service contracts issued or sold by the regulated entity, or, in the event of the non-performance of a regulated entity, to provide or pay for, on behalf of the regulated entity, all covered contractual obligations incurred by the regulated entity.

“Regulated entity” means a provider or an administrator.

“Service contract” means a contract or agreement between a provider and a consumer for any duration, for a provider fee or other separately stated consideration, to perform, or to provide indemnification for the performance of, the maintenance, repair, replacement, or service of property for the operational or structural failure of the property due to a defect in materials or workmanship or due to normal wear and tear, and which may include additional provisions for incidental payment of indemnity under limited circumstances. In the case of a motor vehicle, such circumstances may include towing, rental, and emergency road services, and other road hazard protections. A service contract may provide for the maintenance, repair, replacement, or service of the property for damage resulting from power surges or interruption, or accidental damage from handling. A service contract also includes a motor vehicle ancillary protection product. Service contracts may provide for leak or repair coverage to house roofing systems. A “service contract” does not include a contract in writing to maintain structural wiring associated with the delivery of cable, telephone, or other broadband communication services or a contract in writing related to the delivery of satellite television or broadband communication services.

56:12-87. Definitions regarding service contracts, NJ ST 56:12-87

“Service contract holder” or “contract holder” means a consumer who is the purchaser of a service contract or is entitled to the contractual benefits under the terms of the contract.

“Warranty” means a warranty made solely by the manufacturer, importer, or seller of property or services without additional consideration, that is incidental to, and not negotiated or separated from, the sale of the property or services, that guarantees indemnity for defective materials, parts, mechanical or electrical breakdown, labor, or workmanship, or provides other remedial measures, including repair or replacement of the property or repetition of services.

Credits

L.2013. c. 197. § 1. eff. July 16, 2014. Amended by L.2020. c. 86. § 1. eff. Dec. 1, 2020; L.2022. c. 91, § 1. eff. Aug. 1, 2023.

N. J. S. A. 56:12-87, NJ ST 56:12-87

Current with laws through L.2025. c. 271 and J.R. No. 17

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Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-88

56:12-88. Issuance or sale of service contracts; exemptions; nature of service contracts

Effective: July 16, 2014

Currentness

- a. Service contracts may be issued, offered for sale, or sold in this State only in accordance with the provisions of this act.
- b. The following shall be exempt from the provisions of this act:
- (1) warranties;
 - (2) maintenance agreements;
 - (3) service contracts on property if the property for which the service contract is sold has a purchase price of \$250 or less, excluding sales tax;
 - (4) mechanical breakdown insurance policies offered by licensed insurers pursuant to the insurance laws of this State;
 - (5) motor club or association membership contracts that primarily provide for roadside assistance and towing services in situations that involve impairment of the operation of a member's motor vehicle, for reasons that include, but are not limited to, mechanical breakdown or adverse road conditions;
 - (6) newspapers that accept or publish advertising for items that fall within the scope of this act;
 - (7) service contracts on emergency, life safety, or property safety goods; and
 - (8) service contracts issued, offered, or sold:
 - (a) by a public utility to the extent that the public utility is regulated by the Board of Public Utilities, or by a person providing central heating and air conditioning services, but only with respect to a service contract regarding the product sold to a consumer or installed or repaired for the consumer at the consumer's household by a utility, a subsidiary of a utility, or a person providing central heating and air conditioning services; or

(b) to any person other than a consumer.

c. Service contracts are not insurance in this State or otherwise regulated under Title 17 of the Revised Statutes. The making, proposing to make, issuing, marketing, offering, selling, administering of, or providing contractual obligations for, a service contract shall not be construed to be the business of insurance and shall be exempt from regulation as insurance pursuant to Title 17 of the Revised Statutes, however nothing in this act shall be construed to exempt the making, issuing, marketing, offering, or selling of a reimbursement insurance policy from any applicable provisions of Title 17 of the Revised Statutes.

Credits

L.2013, c. 197, § 2, cff. July 16, 2014.

N. J. S. A. 56:12-88, NJ ST 56:12-88

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N.J.S.A. 56:12-89

56:12-89. Names of service contract providers

Effective: August 1, 2023
Currentness

A regulated entity that provides or administers service contracts in this State, shall not use in its name, products, descriptions of products, advertisements, or any other materials the words "insurance," "casualty," "surety," "mutual" or any other word descriptive of the insurance, casualty, or surety business, and shall not use a name deceptively similar to the name or description of any insurance or surety corporation, or to the name of any other regulated entity registered pursuant to section 4 of P.L.2013, c. 197 (C.56:12-90) except that nothing in this section shall prevent a regulated entity that provides or administers service contracts in this State, from using the terms to indicate that service contracts do not constitute insurance, guaranties, warranties or extended warranties. A regulated entity that provides or administers service contracts in this State may use in its name, products, descriptions of products, advertisements or any other materials the terms "guaranty" or "warranty," but only if the regulated entity clearly and conspicuously makes the following disclosure in any consumer contract or agreement, any product description made available to a consumer, and any advertisements and related materials in which that term is used: "The product being offered is a service contract and is separate and distinct from any product or service warranty which may be provided by the manufacturer, importer, or seller," or, if the service contract is in the nature of a home warranty, "The product being offered is a service contract and is separate and distinct from any product or service warranty which may be provided by the home builder or manufacturer." A regulated entity that provides or administers service contracts in this State may use in its name, products, descriptions of products, advertisements or any other materials the term "extended warranty," but only if the regulated entity clearly and conspicuously makes the following disclosure in any consumer contract or agreement, any product description made available to a consumer, and any advertisements and related materials in which that term is used: "The product being offered is a service contract and is separate and distinct from any product or service warranty which may be provided by the manufacturer, importer, or seller, and does not extend the term of any original product or service warranty that the manufacturer, importer, or seller may have provided," or, if the service contract is in the nature of an extended home warranty, "The product being offered is a service contract and is separate and distinct from any product or service warranty which may be provided by the home builder or manufacturer, and does not extend the term of any original product or service warranty that the manufacturer, importer, or seller may have provided."

Credits

L.2013, c. 197, § 3, cff. July 16, 2014. Amended by L.2022, c. 91, § 2, cff. Aug. 1, 2023.

N. J. S. A. 56:12-89, NJ ST 56:12-89
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N.J.S.A. 56:12-90

56:12-90. Provision or administration of service contracts; requirement of assurance of faithful performance; financial responsibility; joint and several liability

Effective: August 1, 2023

Currentness

a. Except as otherwise provided in subsection d. of this section, a person shall not provide or administer service contracts in this State unless the person complies with one or more of the following means of assuring faithful performance to its contract holders:

(1) each service contract shall be insured under a reimbursement insurance policy issued by an insurer licensed, registered, or otherwise authorized to transact the business of insurance in this State, and which complies with the provisions of section 6 of P.L.2013, c. 197 (C.56:12-92);

(2) a funded reserve account shall be established and maintained for its obligations under each contract issued and outstanding in this State, with reserves calculated at not less than 40% of gross consideration received, then less the amount of claims paid under those contracts. If those reserves fall below the minimum required, the provider has 90 days to come into compliance without violating this section. The reserve account shall be subject to examination and review by the director pursuant to section 10 of P.L.2013, c. 197 (C.56:12-96); or

(3) alone or together with the provider's parent or other affiliated corporation, the provider shall maintain a net worth or stockholders' equity of not less than \$100,000,000. Upon request by the director, the provider shall provide the director with a copy of the provider's or its parent's or other affiliated corporation's most recent Form 10-K or Form 20-F, or successor form containing substantially the same information, filed with the Securities and Exchange Commission within the last 12-month period, or if the provider, or parent or other affiliated corporation, does not file this form with the Securities and Exchange Commission, a copy of the entity's audited financial statements, which show a net worth of the provider, or parent or other affiliated corporation, of not less than \$100,000,000. If the provider's parent's or other affiliated corporation's form or financial statements are filed to meet the provider's means of assuring faithful performance to its contract holders, the parent or other affiliated corporation shall agree to guarantee the obligations of the provider.

b. Except with respect to a provider that complies with paragraph (1) or (3) of subsection a. of this section or with respect to an insurer that the Commissioner of Banking and Insurance has determined meets financial solvency standards established under Title 17 of the New Jersey Statutes, in addition to the requirements set forth in subsection a. of this section, the provider shall maintain a bond, having a value of not less than five percent of the gross consideration received per annum, less claims paid, on the sale of the service contract for all service contracts issued and in force, but not less than \$25,000, in order to provide service contracts in this State. The provider shall name the division as a party on the bond, and shall notify the division, in writing, in the event of the cancellation or non-renewal of the bond.

c. In addition to any applicable damages and penalties pursuant to subsection a. of section 10 of P.L.2013, c. 197 (C.56:12-96), a person who provides or administers a service contract that is not in compliance with P.L.2013, c. 197 (C.56:12-87 et al.) or that is issued by a provider that is not in compliance with P.L.2013, c. 197 (C.56:12-87 et al.) shall be jointly and severally liable for all covered contractual obligations arising under the terms of such non-compliant contract or under the terms of any service contract issued at a time when the provider of the contract is non-compliant.

d. A person who administers service contracts in this State is required to comply with one or more means of assuring faithful performance as set forth in paragraph (1) through (3) of subsection a. of this section; or the means of assuring faithful performance of a service contract set forth in subsection a. of this section adopted by the provider of the service contract shall apply to indemnify that person's conduct with respect to administering the service contract.

Credits

L.2013, c. 197, § 4, eff. July 16, 2014. Amended by L.2022, c. 91, § 3, eff. Aug. 1, 2023.

N. J. S. A. 56:12-90, NJ ST 56:12-90

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N.J.S.A. 56:12-91

56:12-91. Authority to appoint administrator

Effective: July 16, 2014

Currentness

A provider of any service contract issued, offered for sale, or sold in this State may appoint an administrator to perform the third-party administration of any contract, which shall include, but not be limited to:

- a. maintaining the accounts, books, papers, documents, and other records concerning the provider's activities and transactions regulated under this act;
- b. performing or arranging the collection, maintenance, or disbursement of payments on behalf of the provider, related to any claim arising under the provider's contracts; or
- c. participating in the processing or adjustment of any claim arising under the provider's contracts.

Credits

L.2013, c. 197, § 5, eff. July 16, 2014.

N. J. S. A. 56:12-91, NJ ST 56:12-91

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N.J.S.A. 56:12-92

56:12-92. Reimbursement insurance policies; requirements

Effective: July 16, 2014
Currentness

a. An insurer issuing a reimbursement insurance policy to a provider for any service contract issued, offered for sale, or sold in this State shall:

(1) be deemed to have received the premium for the insurance upon the payment of the provider fee by a consumer for a service contract issued by an insured provider;

(2)(a) provide reimbursement to, or payment on behalf of, the provider under the terms of the contract; or

(b) in the event of the provider's non-performance, provide or pay for, on behalf of the provider, all covered contractual obligations incurred by the provider;

(3) accept a claim arising under the contract directly from a contract holder, if the provider does not comply with any contractual obligation pursuant to the contract within 60 days of presentation of a valid claim by the contract holder; and

(4) terminate or not renew the policy covering the contract only after a notice of termination or nonrenewal is presented to the director, at least 10 days prior to the termination or nonrenewal of the policy, which termination or nonrenewal shall not reduce the insurer's responsibility for any insured contract issued or sold prior to the date of termination or nonrenewal.

b. This section shall not be construed to limit the right of the insurer to seek indemnification or subrogation against the provider if the insurer provides or pays, or is obligated to provide or pay, for any covered contractual obligation incurred by the provider.

Credits

L.2013, c. 197, § 6, eff. July 16, 2014.

N. J. S. A. 56:12-92, NJ ST 56:12-92
Current with laws through L.2025, c. 271 and J.R. No. 17

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N.J.S.A. 56:12-93

56:12-93. Service contracts; requirements of writing; contents

Effective: July 16, 2014

Currentness

A service contract issued, offered for sale, or sold in this State shall be written in a simple, clear, understandable, and easily readable way and shall contain the requirements set forth in this section, as applicable:

- a. the provider's name, principal or other appropriate business address, and telephone number;
- b. the administrator's name, principal or other appropriate business address, and telephone number;
- c. the service contract holder's name and address, to the extent this information is furnished by the contract holder, provided, however, that a provider that bills a consumer for the provider fee on a periodic basis at a physical or electronic address provided by the service contract holder shall be exempt from the requirement of this subsection;
- d. the provider fee, or a reference to any other documentation which contains the provider fee and the terms under which the contract is sold;
- e. the property subject to coverage by the service contract, the contractual obligations of the provider with respect to that property, any limitations, exceptions, and exclusions, a toll-free telephone number for claim service, and complete instructions for making a claim for service on or replacement of the property covered by the contract, or for reimbursement for service on or replacement of the property;
- f. the amount of any deductible or service fee, as applicable;
- g. whether the provider's use of refurbished, reconditioned, or non-original manufacturer's parts is permitted;
- h. whether the service contract provides for consequential damages or preexisting conditions;
- i. the contractual obligations of the service contract holder, including, but not limited to, the duty of the contract holder to comply with the provisions of the owner's manual for the property and to protect the property against any further damage;
- j. the conditions governing the transferability of the service contract;

k. the conditions governing the cancellation of the service contract by the service contract holder, which shall:

(1) permit the contract holder, if the contract holder makes no claim arising under the contract, to cancel the contract:

(a) within 10 days of receipt of the contract, or a longer period specified in the contract, if delivered at the time of purchase; or

(b) within 20 days of the date the contract was sent to the contract holder, or a longer period specified in the contract, if not delivered at the time of purchase; and

(2) if cancelled within the time period specified in subparagraph (a) or (b) of paragraph (1) of this subsection, require the provider to provide the contract holder with the full purchase price or amount paid on the contract by refund or credit to the account of the contract holder, and to additionally pay the contract holder a 10% per month penalty, based upon the purchase price of the contract, if the refund or credit is not completed within 45 days of the cancellation of the contract;

l. the conditions governing cancellation of the service contract by the provider, prior to the expiration of the contract, which shall:

(1) require, except as provided in paragraph (2) of this subsection, that the provider mail a written notice to the contract holder at the contract holder's last known address:

(a) which contains the reason for the cancellation and the effective date of the cancellation; and

(b) is delivered at least five days prior to the effective date of the cancellation; and

(2) explain that a written notice shall not be required if the reason for cancellation is nonpayment of the provider fee, a material misrepresentation or omission, or a substantial breach of contractual obligations concerning the property or its use; and

m. whether the service contract is insured by a reimbursement insurance policy, and:

(1) if insured, the contract shall contain:

(a) the insurer's name, principal or other appropriate business address, and telephone number accompanied by a conspicuous statement in substantially the following form: "Obligations of the provider under this service contract are insured under a service contract reimbursement insurance policy"; and

(b) information concerning the procedure for the contract holder to present a claim arising under the contract directly to the reimbursement insurance company, pursuant to the insurer's obligations set forth in section 6 of this act,¹ in the event that the provider does not comply with any contractual obligation pursuant to the contract within 60 days of presentation of a valid claim by the contract holder; or

(2) if not insured, the contract shall contain a conspicuous statement in substantially the following form: "Obligations of the provider under this service contract are backed by the full faith and credit of the provider."

Credits

L.2013, c. 197, § 7. eff. July 16, 2014.

Footnotes

1 N.J.S.A. § 56:12-92.

N. J. S. A. 56:12-93, NJ ST 56:12-93

Current with laws through L.2025, c. 271 and J.R. No. 17

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New Jersey Statutes Annotated

Title 56. Trade Names, Trade-Marks and Unfair Trade Practices

Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-93.1

56:12-93.1. Payment for maintenance that exceeds vehicle purchase price prohibited; service contracts for leased motor vehicle excess wear and use protection

Effective: December 1, 2020

Currentness

In the case of a service contract that provides for leased motor vehicle excess wear and use protection, as defined in section 1 of P.L.2013, c. 197 (C.56:12-87), the contract shall not provide for a payment for maintenance that exceeds the purchase price of the vehicle.

Credits

L.2020, c. 86, § 2. eff. Dec. 1, 2020.

N. J. S. A. 56:12-93.1, NJ ST 56:12-93.1

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Title 56. Trade Names, Trade-Marks and Unfair Trade Practices

Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-94

56:12-94. Provision of receipt and copy of service contract to service contract holder

Effective: July 16, 2014

Currentness

A service contract shall not be issued, offered for sale, or sold in this State unless the provider or seller, if not the provider, presents:

- a. a receipt for, or other written evidence of, the purchase of the service contract to the contract holder: and
- b. a copy of the service contract to the service contract holder, which may be presented electronically or in writing, at the point of sale or within a reasonable period of time from the date of purchase.

Credits

L.2013, c. 197, § 8, eff. July 16, 2014.

N. J. S. A. 56:12-94, NJ ST 56:12-94

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Title 56. Trade Names, Trade-Marks and Unfair Trade Practices

Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-95

56:12-95. Maintenance of records by service contract providers

Effective: July 16, 2014

Currentness

a. A provider of any service contract issued, offered for sale, or sold in this State shall keep accurate accounts, books, papers, documents, and other records concerning the activities and transactions regulated under this act.

b. The provider's accounts, books, papers, documents, and other records shall include:

(1) a copy of each contract issued or sold;

(2) the name and address of each service contract holder, to the extent this information is furnished by the contract holder; and

(3) information concerning any claim arising under each contract, which shall include, but not be limited to, the date of claim filing, claim description, and provider's response.

c. (1) Except as provided by paragraph (2) of this subsection, the provider shall retain all records related to a contract required by the provisions of this section for at least one year after the expiration of all contractual obligations under the terms of the contract.

(2) A provider discontinuing business in this State shall maintain the means of assuring faithful performance to its contract holders as required by subsection a. of section 4 of this act and all records related to each contract issued or sold in this State until the provider submits appropriate proof, satisfactory to the director, that it discharged or transferred its contractual obligations for all contracts so issued or sold.

d. The records required and maintained pursuant to this section may be maintained electronically or through other record keeping technology, but if maintained in a format other than by hard copy, the records shall be capable of duplication to legible hard copy at the request of the director.

Credits

L.2013, c. 197, § 9, eff. July 16, 2014.

N. J. S. A. 56:12-95, NJ ST 56:12-95

Current with laws through L.2025, c. 271 and J.R. No. 17

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Title 56. Trade Names, Trade-Marks and Unfair Trade Practices

Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-95.1

56:12-95.1. Required disclosures for regulated entities; contents

Effective: August 1, 2023

Currentness

A regulated entity shall disclose, in a manner and form prescribed by the director the following:

- a. the identities of all of the principals of the regulated entity and, if applicable, of any parent company or other affiliated entity that provides or administers service contracts in the United States;
- b. information regarding any litigation or enforcement matters concerning service contracts filed or prosecuted during the prior five years in which a principal identified in subsection a. of this section was named or involved; and
- c. information concerning the regulated entity's business operations, which shall include the total amounts collected in provider's fees and the total amounts paid out in claims or charges for services provided under the contract.

Credits

L.2022, c. 91, § 4, eff. Aug. 1, 2023.

N. J. S. A. 56:12-95.1, NJ ST 56:12-95.1

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Title 56. Trade Names, Trade-Marks and Unfair Trade Practices

Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-95.2

56:12-95.2. Advertisement using public utility trade name or other identifying information;
service contracts not exempt under § 56:12-88; required disclosures; construction of section

Effective: August 1, 2023

Currentness

a. A service contract that is not offered by a public utility but which is advertised by any entity, including an entity affiliated with a public utility, using a public utility's trade name, or other identifying information, shall not qualify as exempt pursuant to section 2 of P.L.2013. c. 197 (C.56:12-88).

b. An advertisement for a service contract that is offered by an entity other than a public utility in a manner that uses a public utility's trade name or other identifying information shall clearly and prominently disclose:

(1) that the service contract is not being offered by the public utility but by a third party entity that is not part of the public utility, and that an entity other than the public utility will be responsible for performing the services advertised;

(2) the name of the provider that offers the service contract and, if applicable, the name of the administrator;

(3) the provider's contact information and, if applicable, the administrator's contact information;

(4) that the communication is an advertisement; and

(5) if applicable, that the billing for the services to be provided will be conducted through a public utility and that the public utility is an entity other than the provider.

c. Nothing in this act shall be construed to impose liability on news media for accepting or publishing advertising that may fall within the scope of this section.

Credits

L.2022, c. 91, § 5, eff. Aug. 1, 2023.

N. J. S. A. 56:12-95.2, NJ ST 56:12-95.2

Current with laws through L.2025, c. 271 and J.R. No. 17

New Jersey Statutes Annotated

Title 56. Trade Names, Trade-Marks and Unfair Trade Practices

Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-95.3

56:12-95.3. Registration of service contract providers and administrators; contents of registration form; fees; refusal to issue or renew registration; revocation or suspension of registration

Effective: August 1, 2023

Currentness

- a. A person shall not provide or administer a service contract in this State, unless the person has registered with the division.
- b. The registration application and renewal shall be on a form provided by the division and shall:
 - (1) disclose the address, ownership, and nature of business of the regulated entity;
 - (2) be renewed annually on July 1 or other date established by the director; and
 - (3) be accompanied by a fee of \$300 per registration and annual renewal.
- c. A registration application or registration renewal shall not be considered filed until all required information and fees are received by the division.
- d. Any regulated entity that fails to register prior to the sale of a service contract shall pay a late filing fee of \$100 for each 30-day period, or portion thereof, that the registration is late. A regulated entity that fails to timely renew its registration shall pay a late fee of \$50 for each 30-day period, or portion thereof, that the annual renewal filing fee is late. The late fees authorized by this subsection shall be in addition to all other penalties authorized by law, including civil penalties for the sale of any service contract while unregistered.
- e. The director may refuse to issue or renew, and may revoke or suspend, any registration for failure to comply with, or violation of, the provisions of P.L.2022 c. 91 (C.56:12-95.1 et al.) or any regulation promulgated pursuant thereto, or the provisions of P.L.1960, c. 39 (C.56:8-1 et seq). A refusal, revocation, or suspension shall not be made except upon reasonable notice to, and opportunity to be heard, by the applicant registrant.

Credits

L. 2022, c. 91, § 6, eff. Aug. 1, 2023.

N. J. S. A. 56:12-95.3, NJ ST 56:12-95.3

Current with laws through L.2025, c. 271 and J.R. No. 17

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Title 56. Trade Names, Trade-Marks and Unfair Trade Practices

Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-95.4

56:12-95.4. Publication of information regarding regulated entities

Effective: August 1, 2023

Currentness

The division may publish any non-confidential information regarding any regulated entity registered, or required to be registered, under section 6 of P.L.2022, c. 91 (C.56:12-95.3) on a publicly accessible webpage operated by the division.

Credits

L.2022, c. 91, § 7. eff. Aug. 1, 2023.

N. J. S. A. 56:12-95.4, NJ ST 56:12-95.4

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Title 56. Trade Names, Trade-Marks and Unfair Trade Practices

Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-95.5

56:12-95.5. Notification of automatic contract renewal; contents; cancellation; construction of section

Effective: August 1, 2023

Currentness

a. A provider that provides any service to a consumer pursuant to a service contract the term of which is a specified period of 12 months or longer and that automatically renews for a specified period of more than one month, unless the consumer cancels the contract, shall provide the consumer with written or electronic notification of the automatic renewal provision. Notification shall be provided to the consumer not less than 30 days nor more than 60 days before the cancellation deadline pursuant to the automatic renewal provision. This notification shall disclose clearly and conspicuously:

(1) that unless the consumer cancels the contract, the contract will automatically renew; and

(2) methods by which the consumer may obtain details of the automatic renewal provision and cancellation procedure, whether by contacting the provider at a specified telephone number or address, by referring to the contract, or by any other method. At a minimum, such methods shall include, for each consumer:

(a) an online method for the consumer to cancel the contract and a mailing address to which written cancellation requests may be addressed; or

(b) a telephone number that the consumer may call to cancel the contract.

b. As part of the provider's routine business practice, where the business has failed for any reason to comply with the provisions of this section, the contract holder may cancel the contract and receive the unearned portion of the contract subject to the automatic renewal provision less the amount of claims paid during that automatic renewal period, which amount shall be refunded as of the date on which the provider is notified of the error.

c. The provider shall provide written or electronic notification to the consumer not less than 30 days nor more than 60 days before any change in the procedures required of the consumer to cancel the automatic renewal provision.

d. All cancellation requests are required to be acknowledged within five business days of receipt and honored within 10 business days of receipt, and applied as of the date of receipt or, if permitted by the service contract, applied at the end of the holder's monthly billing cycle. If a cancellation request is honored within five business days of receipt, the acknowledgement requirement of this subsection shall be deemed to have been satisfied.

c. Nothing in this section shall be construed to prevent a contract holder from recovering on a claim that would be valid and covered had the regulated entity acted in compliance with P.L.2022, c. 91 (C.56:12-95.1 et al.).

Credits

L.2022, c. 91, § 8, eff. Aug. 1, 2023.

N. J. S. A. 56:12-95.5, NJ ST 56:12-95.5

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N.J.S.A. 56:12-96

56:12-96. Violation; enforcement

Effective: July 16, 2014
Currentness

- a. A violation of any of the provisions of this act shall be an unlawful practice and a violation of P.L. 1960, c. 39 (C. 56:8-1 et seq.).
- b. In order to enforce the provisions of this act, the director may conduct examinations of any provider, administrator, seller, or other person subject to the provisions of this act. Upon request by the director, a provider, administrator, seller, or other person shall make any accounts, books, papers, documents and other records required and maintained pursuant to section 9 of this act¹ available to the director for inspection which are necessary to enable the director to reasonably determine compliance with this act.

Credits

L.2013, c. 197, § 10, eff. July 16, 2014.

Footnotes

¹ N.J.S.A. § 56:12-95.

N. J. S. A. 56:12-96, NJ ST 56:12-96
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5. The Used Car Inspection Law, N.J.S.A. 39:10-26 through 10-30, requires licensed motor vehicle dealers to sell only used passenger motor vehicles that meet New Jersey's official safety inspection standards (i.e., capable of obtaining a certificate of approval under the MVC's Motor Vehicle Inspection Law, N.J.S.A. 39:8 et seq.) when the vehicle is intended to be registered in this State.

Key protections it provides:

- Dealers are prohibited from selling a non-compliant used car at retail unless the buyer specifically waives the requirement in writing.
- If the vehicle fails inspection after sale (and no waiver was signed), the dealer must repair the defects at no charge to the buyer or refund the full purchase price (provided the defects are not due to the buyer's actions).
- Dealers must inform buyers of these obligations before the sale and ask whether the car will be registered in New Jersey.

This is a consumer-protection measure designed to prevent dealers from selling "lemons" or unsafe used vehicles without disclosure or recourse. It is separate from (but often works alongside) the Used Car Lemon Law and the general used-car warranty regulations.

New Jersey Statutes Annotated

Title 39. Motor Vehicles and Traffic Regulation

Subtitle 2. Other Laws Regulating Motor Vehicles

Chapter 10. Purchase, Sale and Transfer of Motor Vehicles

II. Standards for Used Motor Vehicles

N.J.S.A. 39:10-26

39:10-26. Standards for used motor vehicles for sale

Currentness

Unless otherwise provided in this act, no motor vehicle dealer shall sell at retail any used passenger motor vehicle to be registered in this State, unless such vehicle, meets the standards for the issuance of a certificate of approval as provided in chapter 8 of Title 39 of the Revised Statutes.

Credits

L.1971, c. 76, § 1.

N. J. S. A. 39:10-26. NJ ST 39:10-26

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Title 39. Motor Vehicles and Traffic Regulation

Subtitle 2. Other Laws Regulating Motor Vehicles

Chapter 10. Purchase, Sale and Transfer of Motor Vehicles

II. Standards for Used Motor Vehicles

N.J.S.A. 39:10-27

39:10-27. Failure to meet standards; liability of seller

Currentness

In the event that any such used passenger motor vehicle is sold at retail and has any defect, which results in its rejection for failure to meet the standards for issuance of such a certificate of approval, in the absence of a waiver as provided in this act, the seller shall make, or cause to be made, all the necessary repairs, without charge, or return the full purchase price to the purchaser; provided that such defect or defects are not the result of the purchaser's own act.

Credits

L.1971, c. 76, § 2.

N. J. S. A. 39:10-27, NJ ST 39:10-27

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Title 39. Motor Vehicles and Traffic Regulation

Subtitle 2. Other Laws Regulating Motor Vehicles

Chapter 10. Purchase, Sale and Transfer of Motor Vehicles

II. Standards for Used Motor Vehicles

N.J.S.A. 39:10-28

39:10-28. Specification of intended registration in written agreement; informing purchaser of dealer's responsibilities

Currentness

Prior to entering into any agreement for the retail sale of a used passenger motor vehicle, the dealer shall inquire as to whether the vehicle to be purchased is intended for registration in this State in the condition sold and, if so, such fact shall be specified in the written agreement between the dealer and the purchaser, and the dealer, prior to execution of the agreement of sale, shall inform the purchaser of the dealer's responsibilities under this act.

Credits

L.1971, c. 76, § 3.

N. J. S. A. 39:10-28, NJ ST 39:10-28

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Chapter 10. Purchase, Sale and Transfer of Motor Vehicles
II. Standards for Used Motor Vehicles

N.J.S.A. 39:10-29

39:10-29. Waiver of dealer's obligation: effect

Effective: November 1, 2017

Currentness

Any agreement of retail sale may contain a provision whereby the purchaser waives the dealer's obligation under section 2 of P.L.1971, c. 76 (C.39:10-27); provided, however, a waiver shall be separately stated in the agreement of retail sale and separately signed by the purchaser, and further provided that such a waiver shall include a brief description of known defects that may need to be resolved in order to obtain a certificate of approval for the motor vehicle pursuant to R.S. 39:8-2 or R.S. 39:8-3. The signing of a waiver by the purchaser shall also serve to eliminate any criminal responsibility placed upon any motor vehicle dealer by P.L.1971, c. 76 (C.39:10-26 et seq.).

Credits

L.1971, c. 76, § 4. Amended by L.2017, c. 182, § 1, eff. Nov. 1, 2017.

N. J. S. A. 39:10-29, NJ ST 39:10-29

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II. Standards for Used Motor Vehicles

N.J.S.A. 39:10-30

39:10-30. Violations; penalty

Currentness

Any dealer who fails to comply with the provisions of this act is a disorderly person.

Credits

L.1971, c. 76, § 5.

N. J. S. A. 39:10-30, NJ ST 39:10-30

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6. The Consumer Protection Leasing Act, N.J.S.A. 56:12-60 through 70, protects consumers who lease motor vehicles by imposing strict disclosure and substantive requirements on lessors (including dealers).

It mandates clear, detailed, and conspicuous written disclosures of all material lease terms (monthly payments, residual value, fees, early termination rights, etc.) and regulates how lessors calculate and charge for early termination, excess mileage, and wear-and-tear. It also gives lessees a one-business-day right to review the lease contract before signing (which can be waived in writing).

Violations are treated as unlawful practices under the CFA. The Act is widely regarded as one of the strongest motor-vehicle leasing consumer-protection statutes in the country and supplements federal Regulation M.

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Title 56. Trade Names, Trade-Marks and Unfair Trade Practices
Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-60

56:12-60. Short title; Consumer Protection Leasing Act

Currentness

Sections 1 through 8 and sections 11 through 14 of this act¹ shall be known and may be cited as the "Consumer Protection Leasing Act."

Credits

L.1994, c. 190, § 1, eff. June 21, 1995.

Footnotes

1 N.J.S.A. §§ 56:12-60 to 56:12-67 and 56:12-68 to 56:12-70 and effective date provision.

N. J. S. A. 56:12-60, NJ ST 56:12-60

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Title 56. Trade Names, Trade-Marks and Unfair Trade Practices
Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-61

56:12-61. Definitions

Effective: January 22, 2000
Currentness

As used in sections 1 through 8 and sections 11 through 14 of this act: ¹

“Adjusted capitalized cost” means the agreed upon amount which serves as the basis for determining the periodic lease payment and a portion of the lessee's early termination liability, computed by subtracting from the gross capitalized cost any capitalized cost reduction.

“Business day” means every day other than a Saturday, a Sunday, or a day on which State-chartered banks in New Jersey are required to be closed.

“Capitalized cost reduction” means any payment made by cash, check, rebates or similar means that are in the nature of down payments made by the lessee and any net trade-in allowance granted by the lessor at the inception of the lease for the purpose of reducing the gross capitalized cost but does not include any periodic lease payments due at the inception of the lease or all of the periodic lease payments if they are paid at the inception of the lease.

“Director” means the Director of the Division of Consumer Affairs in the Department of Law and Public Safety.

“Division” means the Division of Consumer Affairs in the Department of Law and Public Safety.

“Fair market value commercial lease” means a contract or other agreement between a lessor and a lessee in which the vehicle is to be used primarily for business or commercial purposes and which provides an option for the purchase of the vehicle by the lessee from the lessor at its fair market value at the end of the lease term.

“Fleet lease” means a contract or other agreement between a lessor and a lessee entered into after the effective date of this act and in which the vehicles are to be used primarily for business or commercial purposes that is either: a written agreement for the use of at least two vehicles that includes an agreement for an option to use at least one additional motor vehicle; or a written agreement for the lease of five or more vehicles.

“Gross capitalized cost” means the amount, which, when reduced by the amount of the capitalized cost reduction, equals the adjusted capitalized cost. The gross capitalized cost shall include, the cost of the vehicle and, without limitation, taxes, registration, license, acquisition, assignment and other fees and charges for insurance, for a waiver of the contractual obligation to pay certain liability in the event the motor vehicle is damaged, stolen or otherwise lost, for accessories and their installation, for delivering, serving, repairing or improving the motor vehicle and for other services and benefits incidental to the lease. It may also include, with respect to a vehicle or other property traded-in in connection with a lease, the unpaid balance of any amount financed under an outstanding vehicle loan agreement or vehicle retail installment contract or the unpaid portion of the early termination obligation under any other obligation of the lessee.

“Lease” means a contract or other agreement between a lessor and a lessee, other than a fleet lease, a fair market value commercial lease, or a TRAC lease, entered into after the effective date of this act for the use of a motor vehicle by the lessee for a period of time exceeding 120 days, whether or not the lessee has the option to purchase or otherwise become the owner of the motor vehicle at the expiration of the lease. A lease shall not be deemed to be a retail installment contract, as defined in subsection (b) of section 1 of P.L.1960, c. 40 (C.17:16C-1), unless the lessee, for no or for a nominal consideration, becomes the owner, or has the option of becoming the owner, of the motor vehicle at the end of the term of the lease.

“Leasing dealer” means a person who, in the ordinary course of business, offers or enters into motor vehicle leases or who in the course of any 12-month period offers or enters into more than three motor vehicle leases. The term “leasing dealer” shall not include a person to whom a lease is assigned by a leasing dealer.

“Lessee” means a person who leases a motor vehicle under a lease.

“Lessor” means a leasing dealer who holds title to a motor vehicle leased to a lessee under a lease or a leasing dealer who holds the lessor's rights under the lease or a person to whom a lease is assigned.

“Motor vehicle” or “vehicle” means a motor vehicle as defined in R.S.39:1-1, except the living facilities of motor homes.

“Purchase option price” means total cost to the lessee, excluding sales tax, to purchase the motor vehicle at the end of the lease term.

“Residual value” means the projected fair market value of the motor vehicle at the end of the lease term.

“TRAC lease” means a contract or other agreement between a lessor and a lessee which contains a “terminal rental adjustment clause,” as that provision is defined in subsection (h) of 26 U.S.C. s.7701 .

Credits

L.1994, c. 190, § 2, eff. June 21, 1995. Amended by L.1999, c. 293, § 1.

Footnotes

1 N.J.S.A. §§ 56:12-60 to 56:12-67 and 56:12-68 to 56:12-70.

N. J. S. A. 56:12-61, NJ ST 56:12-61

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Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-62

56:12-62. Lease requirements; contents; disclosures

Currentness

Every lease:

- a. Shall be in writing and contain all of the terms and conditions of the lease agreement between the lessor and the lessee and shall be signed by the lessor and lessee;
- b. Shall state the names and addresses of all parties, and the phone number of the leasing dealer. If the dealer knows the identity of the party to whom the leasing dealer intends to assign the lease, the dealer shall include in the lease the name, address and telephone number of the assignee. If the leasing dealer does not include the name, address and telephone number of the assignee in the lease, the dealer or the assignee shall, promptly upon assignment, mail or personally deliver to the lessee the name, address and telephone number of the assignee;
- c. Shall state the dates when the lease is executed by the parties;
- d. Shall identify the lease with the term "lease" in 14-point bold type and shall be in a style and format to be determined by the director by regulation;
- e. Shall be completed in full without any blank spaces to be filled in after the lease is signed by the lessee;
- f. Shall specify the periodic basis or intervals when the lease payments shall be payable;
- g. Shall provide the following information concerning the conditions of the lease:
 - (1) Whether or not the lessee has the option to purchase the motor vehicle at the end of the lease term, and if so, either:
 - (a) the purchase option price, or
 - (b) the method for ascertaining the purchase option price. If the lease includes a method for determining the purchase option price, and that method is based upon an amount set forth in a publication, the identity of the publication and the classification contained within the publication to be used, shall be included. If the publication ceases to exist, the lessor shall immediately notify the lessee of that fact and inform the lessee of the identity of the comparable publication which will be utilized to ascertain

the purchase option price. If a method for ascertaining the purchase option price not set forth in a publication is included in the lease, the lease shall set forth a good faith estimate of the amount, using that method;

(2) The total amount of all payments required at the inception of the lease term, including any refundable security deposit, any trade-in allowance and any nonrefundable payment such as a down payment or capitalized cost reduction, required at the beginning of the lease, or a statement that no payment is required at the beginning of the lease;

(3) The number of periodic payments to be paid during the term of the lease and the amount of each payment;

(4) A description of the standards to be used by the lessor in determining excessive wear or damage, and any liability the lease imposes upon the lessee at the end of the term of the lease, including any liability which may be imposed upon the lessee because of excessive wear or damage of the motor vehicle and any disposition costs imposed upon the lessee;

(5)(a) If the lease contains a purchase option, the total cost of the lease, assuming there is no default and that the lessee exercises the purchase option at the end of the term of the lease, which shall be the sum of: (i) the total amount of all payments required at the beginning of the lease; (ii) the total amount to be paid in periodic payments during the term of the lease; (iii) the amount of any liability the lease imposes upon the lessee at the end of the term of the lease; and (iv) the purchase option price.

(b) If the lease does not contain a purchase option or if the purchase option price is not set forth in the lease, the total fixed cost of the lease, which shall be the sum of (i), (ii) and (iii) of subparagraph (a) of this paragraph.

(c) For purposes of calculating the total cost of the lease under subparagraph (a) of this paragraph or the total fixed cost of the lease under subparagraph (b) of this paragraph, the amount of the refundable security deposit and insurance shall be excluded;

(6) The formula which shall be used by the lessor to calculate the total liability of the lessee if the lease is terminated by the lessee;

(7) The residual value of the vehicle;

(8) The total number of miles or the number of miles per month or year which the vehicle may be driven without additional charge as permitted under the terms of the lease, and the charge per mile for the miles driven in excess of that permissible mileage;

(9) The liability of the lessee in the event the motor vehicle is damaged, stolen or otherwise lost. In the event the motor vehicle is damaged, stolen or lost and is deemed a total loss by the insurance company, and the lease contains a provision whereby the difference between the insurance proceeds and the amount due under the terms of the lease shall be waived if the lessor receives the insurance proceeds and if the lessee has otherwise complied with all other promises contained in the lease (including, where applicable, the requirement that the lessee pay the deductible under any insurance coverage), the lease shall disclose that the lessee shall have no further liability. Otherwise, the lease shall disclose the option on the part of the lessee to purchase from the lessor or from a third party, either insurance or damage waivers, if available, to indemnify him for the difference between the insurance proceeds and the amount due under the terms of the lease;

(10) The gross capitalized cost of the vehicle, the capitalized cost reduction and the adjusted capitalized cost when the cost of the vehicle for the purpose of calculating the gross capitalized cost exceeds the manufacturer's suggested retail price; and

h. Shall provide the following information concerning the motor vehicle to be leased:

(1) If the odometer reads in excess of 1,000 miles, an explanation of the prior use of the motor vehicle using the following terms, as applicable: personal, family or household, demonstrator, livery, daily rental, police, prior wreckage, unknown; provided that the lessor may insert "unknown" only if the lessor does not know the prior use of the motor vehicle;

(2) The odometer reading at the beginning of the lease term;

(3) The make, model, and year;

(4) The number of engine cylinders;

(5) Whether the transmission is automatic or manual;

(6) Whether the brakes and steering mechanism are power assisted or manual;

(7) Whether or not the vehicle is air conditioned;

(8) The vehicle identification number of the vehicle; and

(9) If the vehicle is required to have a Monroney label, the manufacturer's suggested retail price as set forth on the Monroney label.

Credits

L.1994, c. 190, § 3, eff. June 21, 1995.

N. J. S. A. 56:12-62, NJ ST 56:12-62

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New Jersey Statutes Annotated

Title 56. Trade Names, Trade-Marks and Unfair Trade Practices

Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-63

56:12-63. Disclosures made in lease or in addendum to lease

Currentness

The disclosures required by subsections g. and h. of section 3 of this act¹ may be made in the lease or in an addendum to the lease. If the required disclosures are made in an addendum to the lease, the addendum shall refer to the lease, and shall be separately signed by the lessee prior to signing the lease.

Credits

L.1994, c. 190, § 4, eff. June 21, 1995.

Footnotes

¹ N.J.S.A. § 56:12-62.

N. J. S. A. 56:12-63, NJ ST 56:12-63

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Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-64

56:12-64. Compliance with requirements of federal law

Currentness

Compliance with the requirements of the federal "Consumer Leasing Act of 1976," Pub. L. 94-240 (15 U.S.C. s.1667 et seq.) and Federal Reserve Board Regulation M, 12 CFR s.213, to the extent that they are substantially similar to the requirements of this act, as the same may be amended from time to time, shall constitute compliance with subsections f. and g. of section 3 of this act.¹

Credits

L.1994, c. 190, § 5, eff. June 21, 1995.

Footnotes

¹ N.J.S.A. § 56:12-63.

N. J. S. A. 56:12-64, NJ ST 56:12-64

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Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-65

56:12-65. Default on lease; cancellation or termination of lease; notice required

Currentness

a. If a lessee is 15 days or more in default of the periodic payments due on the lease and the lessor wishes to declare a default and cancel or terminate the lease, the lessor shall personally deliver to the lessee or send by first class, certified mail at the lessee's last known address as shown on the records of the lessor, a notice of cancellation. A lessee who is in default under a lease solely for failure to make a payment required by the lease shall have the right to reinstate the lease, subject to the provisions of this section. If the lessee has the right to reinstate the lease, the notice of cancellation shall provide that the lessee has 15 days to reinstate the lease by paying all past due periodic payments, late fees and other amounts due under the lease, and, if the motor vehicle has been repossessed, the cost to the lessor of repossessing, storing and transporting the motor vehicle. Such costs may include a reasonable attorney's fee and court costs, if actually incurred by the lessor and if provided for in the lease. Upon payment within the 15-day period to the lessor of the amounts due, the lessor shall reinstate the lease as if the lessee had not been in default of payment. The lessor shall not be required to reinstate a lease more than once during the term of the lease. The lessee has no right to reinstatement if the default is for any reason other than or in addition to the failure to make a payment required by the lease.

b. In the event of the death of a lessee before the expiration of a lease, there shall be no default if the lessee's surviving spouse continues to make payments to the lessor in accordance with the terms of the lease notwithstanding the death of the lessee.

Credits

L.1994, c. 190, § 6, eff. June 21, 1995.

N. J. S. A. 56:12-65, NJ ST 56:12-65

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Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-66

56:12-66. Excessive wear or damage to leased vehicle; professional appraisal; invoice

Currentness

a. Where the lessee is liable at the end of the lease term for charges for excessive wear and damage to the motor vehicle, the lease (or the addendum) shall contain a statement that the lessee may obtain at the end of the lease term, at the lessee's expense, a professional appraisal of the amount required to repair or replace parts or the amount which the excessive wear and damage reduces the value of the vehicle. This professional appraisal shall be performed by an independent third party agreed to by the lessee and the lessor, which appraisal shall be final and binding on the parties.

b. Within 10 business days of the return of the motor vehicle to the lessor, the lessor shall mail or deliver to the lessee an invoice for amounts claimed by the lessor for excess wear and damage. The invoice shall contain in 10 point bold face type a notice of the lessee's right under subsection a. of this section to obtain an independent appraisal of excess wear and damage. The notice shall also provide that: (i) the lessor must be advised in writing within seven business days following the earlier of the date of the mailing or delivery of the invoice if the lessee elects to obtain an independent appraisal; (ii) any such appraisal must be conducted within ten business days following the date that the lessor is notified of the lessee's election; and (iii) that if the lessee fails to notify the lessor within the time allotted that the lessee has elected an independent appraisal, the lessor's invoice will be deemed to be final and binding on the parties.

c. Within 15 business days after the lessee's obligations under the lease have been determined and satisfied, which shall include but not be limited to, the lessee's liability for excess wear and damage under this section, the lessor shall credit to the lessee's account or mail to the lessee any refund of any security deposit due to the lessee.

d. Nothing in this section shall limit the lessee's obligation for any charge for excess mileage as provided in the lease.

Credits

L.1994, c. 190, § 7, eff. June 21, 1995.

N. J. S. A. 56:12-66, NJ ST 56:12-66

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Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-67

56:12-67. Vehicle to be returned if credit not approved; notice required

Currentness

a. No leasing dealer may permit a prospective lessee to take possession of a motor vehicle subject to a lease if such lease is contingent upon the approval of the lessee's credit unless the lessee is provided with, and acknowledges receipt of a notice on a separate page from any other notice, term or condition of the lease, which provides substantially the following: NOTICE: YOUR LEASE IS SUBJECT TO CREDIT APPROVAL. IF YOUR CREDIT IS NOT APPROVED YOU MUST RETURN THE VEHICLE. The notice may contain the name, address, phone number and logo of the leasing dealer, and shall contain an acknowledgment by the lessee of the receipt of the notice.

b. (1) No lease shall bind a lessee or lessor unless both the lessee and lessor have had one business day to review the lease contract before the signing of the contract.

(2) No leasing dealer may permit a prospective lessee to take possession of a motor vehicle subject to a lease unless the lessee is provided with a conspicuous notice which provides substantially the following: NOTICE: THE LESSEE AND THE LESSOR SHALL BE ENTITLED TO REVIEW THE CONTRACT FOR ONE BUSINESS DAY BEFORE SIGNING THE CONTRACT IMMEDIATELY ADJACENT TO THE SIGNATURE LINE OF THE CONTRACT.

c. The leasing dealer shall complete the credit check of the prospective lessee within 5 business days of both the leasing dealer and lessee signing the lease.

Credits

L.1994, c. 190, § 8, eff. June 21, 1995.

N. J. S. A. 56:12-67, NJ ST 56:12-67
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Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-68

56:12-68. Consumer awareness program

Currentness

The director shall implement a consumer awareness program which shall advise consumers of the requirements, protections and benefits provided by this act.

Credits

L.1994, c. 190, § 11, eff June 21, 1995.

N. J. S. A. 56:12-68, NJ ST 56:12-68

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Chapter 12. Consumer Contracts (Refs & Annos)

N.J.S.A. 56:12-69

56:12-69. Rules and regulations

Currentness

The director shall promulgate rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c. 410 (C. 52:14B-1 et seq.) as may be needed to effectuate the purposes of this act.

Credits

L.1994, c. 190, § 12, eff. Dec. 23, 1994.

N. J. S. A. 56:12-69, NJ ST 56:12-69

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N.J.S.A. 56:12-70

56:12-70. Violations; unlawful practice

Currentness

It is an unlawful practice and a violation of P.L.1960, c. 39 (C. 56:8-1 et seq.) to violate any provision of this act.

Credits

L.1994, c. 190, § 14, eff. June 21, 1995.

N. J. S. A. 56:12-70, NJ ST 56:12-70

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