



NATIONAL CENTER FOR DISPUTE SETTLEMENT PROGRAM RULES

for the Informal Non-Binding Resolution of Automobile Warranty Disputes

12400 Coit Rd, Suite 1230, Dallas, TX 75251

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1. Introduction

The National Center for Dispute Settlement (“NCDS”) is a private, independent, impartial organization that administers auto warranty disputes in accordance with the Magnuson-Moss Warranty Federal Trade Commission Improvements Act of 1975 (“Magnuson-Moss”).¹ Pursuant to this statute, numerous original equipment manufacturers now offer consumers an informal dispute resolution mechanism for disputes that may arise under explicit warranties at the time of sale.

To ensure utmost speed, Magnuson-Moss and applicable Federal Trade Commission (“FTC”) Regulations require all eligible warranty disputes to be processed and closed within forty (40) days from the date the claim is filed with NCDS.

In fulfilling its administrative function, NCDS abides by the highest standards of impartiality, fairness, and integrity. The following Rules (“Rules”) govern the conduct of the NCDS informal dispute resolution process.

2. Authority

These Rules apply whenever a vehicle manufacturer agrees in their warranty documents to establish an informal dispute settlement mechanism. If a consumer has a dispute, while the vehicle is still under warranty, the consumer may elect to use this process to resolve their dispute, free of charge. Any decision rendered by an arbitrator under this program is non-binding. If the consumer accepts the decision, the vehicle manufacturer is bound by the decision and will be required to comply with its terms within the time frame

¹ The Magnuson-Moss Warranty Federal Trade Commission Improvements Act (P.L. 93-637), a/k/a, the Magnuson-Moss Warranty Act, is a United States federal law (15 U.S.C. § 2301 et seq.), which governs warranties on consumer products. The law does not require any product to have a warranty (it may be sold “as is”), but if it does have a warranty, the warranty must comply with this law.

specified. If the consumer rejects the decision, the consumer may pursue other legal remedies.

3. Initiation of Administrative Process

Consumers can eFile a claim at www.ncdsusa.org. Alternatively, consumers can print and complete the current claim form at www.ncdsusa.org and either mail, fax, or email it to NCDS. NCDS will conduct an eligibility determination to establish that the matter is properly in arbitration. The dispute must be under warranty and must not have been filed previously. Once NCDS initiates the case, no new or different claim may be added without compliance of all pre-arbitration requirements, the written agreement of the parties, and the consent of the arbitrator.

4. Appointment of Arbitrator(s)

NCDS shall appoint a single arbitrator from its National Panel of qualified arbitrators to hear and decide the dispute. Nothing in this section prevents the parties from settling their dispute at any time before the occurrence of an oral hearing, or a hearing by documents only.

5. Qualifications and Impartiality of Arbitrator(s)

All persons on the NCDS National Panel are deemed competent to hear and decide automobile warranty disputes. An arbitrator selected to serve under these Rules must, at the time of appointment or as soon afterwards as it becomes known, disclose to NCDS any information likely to affect impartiality or create an appearance of partiality or bias. Such information includes past and present financial, business, personal or professional relationships with any of the parties, their representatives or witnesses, or employees of NCDS or the vehicle manufacturer. Upon receipt of such information from the arbitrator or any other source, NCDS shall decide whether the arbitrator should be disqualified. If the disclosure of information occurs at the oral hearing, and either party objects, the arbitrator shall be disqualified and a new arbitrator shall be appointed promptly by NCDS. Any determination on arbitrator disqualification shall be conclusive.

6. Time and Place of Hearing

The arbitrator has the authority to fix the date, time, and place of hearing. Notice of hearing logistics shall be given to the parties by NCDS at least ten (10) calendar days in advance, unless the time period is waived by the parties. Under Magnuson-Moss, all claims must be processed and closed within forty (40) days of the date the claim is received by NCDS.

7. Representation

Any party to arbitration may retain an attorney to represent them at the hearing. In fairness to all parties, a party retaining an attorney must advise NCDS in writing at least five (5) days in advance of their hearing of the name and contact information of the attorney. Failure to follow this rule may result in an adjournment of the scheduled

hearing. Nothing in this rule prevents a party from having a non-attorney represent them at the hearing.

8. Attendance at Hearings – Open Proceedings

All parties to the dispute, and their representatives if any, are entitled to attend the hearing. Unless excused by the arbitrator, the registered owner of the vehicle shall be present. Witnesses may attend the hearing subject to the arbitrator's authority to limit attendance or sequester witnesses during all or part of the hearing. The arbitrator shall determine whether any other person may attend the hearing, and such determination is conclusive. Under federal law, arbitrations conducted under these rules are open proceedings. This means that a member of the general public, or a state or federal regulator, may attend and observe the hearing.

9. Arbitration in the Absence of a Party

The arbitration may proceed in the absence of a party or representative who has received notice and fails to be present or fails to obtain an adjournment. A decision shall not be made solely on the default of a party.

10. Postponements

Scheduled hearings may be postponed by the arbitrator only for good cause.

11. Stenographic Record

As an informal proceeding, a stenographic record is typically not taken of the hearing. However, any party who wishes to make such a provision for a certified court stenographer may do so at their own expense. A copy of the transcript must be provided, at the party's expense, to the arbitrator. The parties may make appropriate notes of the proceedings, but audio or video recordings are strictly prohibited.

12. Communication with the Arbitrator

There shall be no communication between any party or representative of a party and the arbitrator other than at the hearing.

13. Evidence

The parties may offer such evidence as is relevant and material to the dispute. The presentation of evidence lies within the domain of the parties, unless the arbitrator determines it is cumulative. For oral hearings only, all evidence must be received by NCDS two (2) business days prior to the scheduled hearing date for proper processing. The deadline for submission of evidence for documents only cases is a specific date that is noted in the document only hearing letter. Arbitrators have been instructed not to request evidence as this is deemed to violate their oath of neutrality. The arbitrator shall be the sole judge of the relevance and materiality of the evidence offered. Conformity with the legal rules of evidence shall not be necessary. Unless excused by the arbitrator,

the vehicle which is the subject of the dispute shall be available at the hearing, in the event either party would like a test drive. A test drive is considered a part of the proceeding and shall be conducted in a manner consistent with the Rules. No arbitrator shall operate the vehicle during the test drive. If a test drive is conducted, the vehicle owner will be required to provide current driver's license, registration, and proof of insurance.

14. Evidence Presentation for a Hearing by Documents Only

Unless otherwise stated, the consumer may elect a documents-only hearing, which means neither party will be permitted to offer live testimony. Under a documents-only hearing, once the deadline for the submission of final documents expires, all evidence timely received will be forwarded to the arbitrator for review and disposition on the merits. A decision of a panel under this Rule has the same force and effect as an oral hearing decision.

15. Closing of Oral Hearings

The arbitrator shall ask each party whether they have any further proofs to offer, including witnesses. Upon hearing negative replies, the arbitrator shall declare the hearing closed. If additional proofs are to be supplied, the arbitrator will keep the hearing open for the duration of the time specified. At the end of this time, the hearing will be closed. Once the hearing is closed, no further proofs will be admitted. The decision to permit additional proofs rests solely with the arbitrator.

16. Time, Form and Delivery of Decision

The decision, which shall be in writing and explained, shall be rendered no later than seven (7) calendar days after the closing of the hearing. The decision shall be signed by the arbitrator. Parties shall accept as legal delivery the placing of the decision in the mail addressed to each party or representative if any, at their last known address, or by email.

17. Modification or Clarification of Decision

Within twenty (20) days of the date of mailing the decision, any party may request clarification of the decision. Application for clarification must be sent to NCDS for transmittal to the arbitrator and all other parties. A request for clarification must set forth the specific portion(s) of the decision subject to the request. The arbitrator is not empowered to reexamine the merits of any claim already decided but may clarify the decision if the arbitrator finds it is not within the scope of the warranty or its coverage or has improperly identified a party or made an error not otherwise affecting the merits of the case. Written objections to the clarification must be delivered to NCDS for transmittal to the arbitrator and simultaneously sent to all parties within ten days of the request. The arbitration shall rule on the feasibility of the clarification and shall proceed to clarify if feasible, subject to the limitations set forth in this Rule, within ten days of receipt of the deadline for the filing of any objections.

18. Interpretation of Rules

Except where the rules specifically state otherwise, the arbitrator shall interpret and apply these rules insofar they relate to the arbitrator's powers and duties. All other rules shall be interpreted and applied by NCDS.

19. Applications to Court and Exclusion of Liability

By proceeding in any manner under these Rules, the parties agree:

- a. Neither NCDS, its officers, directors or employees, nor any arbitrator appointed to serve under these Rules is a necessary party in any judicial proceedings respecting the arbitration; and,
- b. Neither NCDS, its officers, directors or employees, nor any arbitrator appointed to serve under these Rules shall be liable to any party or entity for any act or omission.

20. Remedies Post-Decision

After the arbitrator's decision is rendered, the consumer will receive a letter from NCDS indicating that if they are dissatisfied with the decision, the warrantor's intended actions, or eventual performance, they may pursue other legal remedies, including small claims court. A consumer may refile a new claim, provided the consumer has acquired new evidence since the last hearing decision was issued, and the vehicle is still covered under the applicable warranty. Please note that the Manufacturer may deny eligibility under their program for the refiled case. Finally, the consumer may seek a clarification of the decision, consistent with the requirements set forth in these Rules.