

THE THREE-DAY COOLING OFF RULE

In an attempt to protect consumers from unfair selling practices often used in door-to-door sales, the Federal Trade Commission (FTC) created the Home Solicitations Trade Practices Rule. The FTC defines door-to-door sale as the sale, lease or rental of goods or services used primarily for personal, family, or household purposes and costing \$25 or more. The rule would apply to a door-to-door sale of courses of instruction or training. (Personal Tennis Lessons) A “door-to-door” sale does not have to occur at the buyer’s front door for the rule to apply. A sale that meets the other criteria will be “door-to-door” if it is made at any place other than the seller’s normal place of business.

The rule applies to sales at the buyer’s home, workplace, dormitory, and fairgrounds. The rule also applies when the consumer invites the salesperson to make a presentation in his or her home. Some examples of door-to-door sales are sales and shows in rented hotel or convention centers, salesmen who come to your door and salesmen who approach you in public places such as malls and restaurants. The rule does not protect consumers against telephone or television solicitations.

The following purchases are NOT COVERED by the Cooling-Off Rule:

- Purchases under \$25.
- Purchases for goods not used for personal, family or household needs.
- Purchases made entirely by mail or telephone.
- Pre-arranged home visits after the buyer has been to the seller’s place of business.
- Purchases needed to take care of an emergency.
- Purchases made based on your request for the seller to do repairs or maintenance on your personal property (If the seller goes above and beyond your requests, those purchases are covered)
- Purchases involving any of the following:
 - Real estate
 - Insurance
 - Securities
 - Cars, vans, trucks, or other motor vehicles sold at temporary locations, provided the seller has one permanent place of business
 - Arts and crafts sold at fairs, malls, civic centers and schools

The rule creates a three-day cooling off period, allowing consumers to withdraw from a sale for any reason or no reason at all for three days. The consumer who purchases a door-to-door sale has until midnight of the third business day after the sale to cancel the transaction. Federal

holidays and Sundays are excluded from the three days when computing time. The date of the sale does not count when counting the three days.

In order to cancel a sale that falls under this rule, the BUYER MUST:

1. Mail or hand deliver a certified notice of cancellation to the seller by midnight of the third business day;
2. Use the cancellation form if one is provided by the seller or write your own letter of cancellation if the seller did not provide you with a cancellation form;
3. Make goods that have already been delivered available for pick-up by the seller and follow the seller's instructions for return of the merchandise. The goods must be in the same condition as you received them in. Return of the merchandise is at the seller's expense. If the seller fails to pick the goods up within 20 days, the consumer may retain the goods with no further obligation to the seller.

Often, consumers call the seller and attempt to cancel the sale. The seller may state that the sale is cancelled. The consumer may later discover that the sale was not cancelled. When the consumer calls the seller again, the seller denies receiving the oral cancellation. By this time, the three-cooling off period has expired, and the consumer can no longer cancel the purchase of the goods. Don't sit on your hands! If you regret a purchase, send in the written cancellation within the three days provided by law!

To file a complaint or to get free information on consumer issues, visit www.ftc.gov or call toll-free, 1-877-382-4357.