

## **VOLKSWAGEN SETTLEMENT: FACT SHEET**

A comprehensive settlement of many claims relating to Volkswagen's (VW) "Dirty Diesel" emission fraud case was recently announced by the federal court in San Francisco where a federal EPA lawsuit, a federal FTC lawsuit and consumer class action lawsuits were filed. Among other things, the settlement provides consumers with the option to either sell affected vehicles back to VW, or to have the vehicles repaired to fix the emissions violations.

The details of the settlement are available at [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com), and through the Federal Trade Commission website, [www.ftc.gov/VWSettlement](http://www.ftc.gov/VWSettlement). Additional online resources will likely be made available by VW and the court.

### **Vehicles Covered by this Agreement**

Although the diesel emissions fraud involved "defeat devices" installed in both 2.0 liter and 3.0 liter engine cars and SUVs, **the current settlement covers only vehicles with the 2.0 liter engines**. VW, the state attorneys general, federal regulators, and the consumer class action lawyers continue to negotiate about what relief will be available later to owners of the 3.0 liter engines.

The specific 2.0 liter engine vehicles covered by the settlement are the following vehicles purchased or leased in the US:

<b>Model Year</b>	<b>Vehicle Make and Model</b>
2009	VW: Jetta, Jetta Sportwagen
2010	VW: Golf, Jetta, Jetta Sportwagen Audi: A3
2011	VW: Golf, Jetta, Jetta Sportwagen Audi: A3
2012	VW: Golf, Jetta, Jetta Sportwagen, Passat Audi: A3
2013	VW: Beetle, Beetle Convertible, Golf, Jetta, Jetta Sportwagen, Passat Audi: A3
2014	VW: Beetle, Beetle Convertible, Golf, Jetta, Jetta Sportwagen, Passat
2015	VW: Beetle, Beetle Convertible, Golf, Golf Sportwagen, Jetta, Passat Audi: A3

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### **Consumer Options**

Consumers who **purchased** an affected vehicle have the option of either 1) selling it back to VW, or 2) having it fixed with an Approved Emissions Modification. Under either option, consumers will also receive additional restitution from VW.

Consumers who **leased** an affected vehicle have a similar option, and can either 1) terminate the lease with no penalty, or 2) have the car fixed with an Approved Emissions Modification. Under either option, lessees will also receive additional restitution from VW.

### **The Buyback and Restitution Option**

For car owners who choose the Buyback option, VW will pay the National Automobile Dealers Association (“NADA”) value of the car as of September 2015 when the VW fraud became public, plus an additional cash payment as “Owner Restitution.” The minimum Owner Restitution payment for any vehicle—to be paid on top of the vehicle value—will be a minimum of \$5,100, and some class members may receive as much as \$10,000 in restitution if they choose the Buyback option.

For those owners who sold the car after September 18, 2015, the settlement equitably divides the Owner Restitution payment approximately 50/50 between the previous owner before September 18, 2015 and the current owner.

### **The Repair and Restitution Option**

Car owners who want to keep their vehicle and get it fixed and modified to meet the EPA emissions requirements will need to wait for final EPA approval of VW’s proposed engine modifications. Once a modification is approved, consumers can bring their vehicle into a local dealership to be fixed at no cost to them; they also will receive at that time an Owner Restitution payment as described above. That means owners who keep their cars will receive between \$5,100 - \$10,000 each, in addition to the repairs at no cost. VW will also offer extended warranties and disclosures of the modifications made to fix the emissions problem.

Note that the EPA approval process might not be complete for many months, perhaps as late as 2018 for some engine models. Consumers who want to keep their vehicles will therefore need to wait to find out whether their car can be fixed with an Approved Emission Modification.

If a modification for a particular engine type ultimately is not approved, owners who waited for a potential repair and fix would be eligible to get a Buyback on the same terms as described above.

### **The Leased Vehicle Options**

Lessees may terminate their leases without any termination fee and receive a cash Restitution payment equal to approximately half of what the owner of the identical car would receive under the buyback plan. Consumers with an active lease who want to hold on to their cars may choose

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to wait to see whether there will be an Approved Emissions Modification for their car, as described above. If those lessees elect to keep their cars under their leases with the repairs, they too will receive Restitution.

### **Timing of the Options**

By late July 2016 the VW settlement website will allow consumers to enter their Vehicle Identification Number (VIN) and mileage to see the exact Vehicle Value and Owner (or Lessee) Restitution amount for their vehicle, based on its model year, trim line, and factory options.

VW has committed to processing approximately 5,000 bought back cars per week. VW has agreed to begin the Buyback program immediately after the Court grants final approval of the settlement, most likely by the end of the summer of 2016.

### **Use of Vehicles While Awaiting Fix or Buyback**

If owners and lessees ask whether they may continue to drive their vehicles without fixing the emissions systems, even if the car might fail a state inspection, the answer for now is “yes.” Once an acceptable emissions system modification is acceptable, however, we encourage owners and lessees to either obtain the emissions fix or sell their vehicle back to VW.

### **Participating in the Buyback or Repair Programs**

The summary here is not intended to provide specific guidance on participating in the VW Restitution program, as the State of Colorado is not administering the program, nor is Colorado processing any claims or handling any disputes. Consumers who have an affected vehicle should receive notice from Volkswagen beginning fifteen days after the Court’s approval of the Consent Decree explaining in more detail the process for obtaining a fix or buyback. In the meantime, consumers who believe they have an affected vehicle should go to the VW or FTC websites listed above and follow the appropriate steps to determine eligibility and to participate in any of the available remedies. In addition, many consumers will receive notices from the federal court regarding their rights as potential beneficiaries of the private class action lawsuits filed against VW. Those court class action notices will contain important information about the legal rights of VW owners and lessees, including instructions for participating in the program or opting out.

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## Environmental Components

A concurrent settlement with the EPA and DOJ includes a number of provisions designed to address damage to the environment from the installation of “defeat devices, including:

- **Environmental Mitigation Fund:** Volkswagen will pay \$2.7 billion into a trust to support environmental programs throughout the country to reduce emissions of NO<sub>x</sub>. This fund, also subject to court approval, is intended to mitigate the total, lifetime excess NO<sub>x</sub> emissions from the 2.0-liter diesel vehicles identified below. Colorado would be entitled to approximately \$61 million of the trust,
- **Zero Emission Vehicles:** Volkswagen has committed to investing \$2 billion over the next 10 years for the development of non-polluting cars, or Zero Emission Vehicles (ZEV), and supporting infrastructure.

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The full details of the consumer program are available online at [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com) or [www.ftc.gov/VWSettlement](http://www.ftc.gov/VWSettlement).