

Hyundai: Can't Make Your Car Payment? Just Give it Back

Hyundai Offers Deal to Let Consumers Return Cars if They Lose Their Jobs

By RUSSELL GOLDMAN

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Korean automaker Hyundai says it has "got your back" and has launched a new promotion that will allow consumers to break contracts and return recently purchased cars if they lose their [jobs or incomes](#).

The Hyundai Assurance program, which lets you "return your vehicle and walk away from your loan obligation," up to \$7,500, is the first such promotion of its kind, but comes amid a slew of new campaigns aimed at inducing Americans to buy cars during the [worst recession in a generation](#).

The auto industry has taken a [particularly hard hit](#) in recent months, but few of the innovative attempts to get buyers into dealerships -- including GM's and Toyota's [zero percent](#) financing and GM's offer to lock in gas prices at \$1.99 -- have yet to work, according to Jack Nerad, a market analyst at Kelley Blue Book.

"None of these promotions are working that well," Nerad said. "Everyone would like consumer confidence to be higher and sales to be higher. The companies are trying all kinds of incentives but also throwing their hands up and saying, 'It doesn't matter how much we offer, nothing seems to work.'"

One of two new [television commercials](#) launched by Hyundai this weekend promises that if you "buy any new Hyundai and in the next year you lose your income, we'll let you return it."

According to a company statement, loss of income includes "involuntary unemployment, physical disability, loss of driver's license due to medical impairment, international employment transfer, self-employed personal bankruptcy" and "accidental death."

Analysts predict consumers, still cautious about the state of the economy, will buy 10 million to 12.4 million new cars and trucks in 2009, a significant drop from the 16.7 million annual average in the past decade and less than the 13 million sales estimated for 2008.

While much of the attention given to the auto industry's abysmal year focused on American manufacturers, a report released by Hyundai today showed the South Korean company had not been spared.

Hyundai Auto Sales

In a statement released last week, Hyundai Motor Co. and its affiliate Kia Motors Corp. cut their joint 2008 sales

forecast by 12.5 percent and said they had sold about 4.2 million vehicles, down from the 4.8 million the company had predicted.

The two companies, which dominate the South Korean car industry, form the world's fifth biggest automotive group but represent only a small piece of the U.S. auto market.

As of last month, Hyundai was responsible for 3.1 percent of auto sales in the United States.

In order to qualify for the promotion, owners have to have made two payments on their loan or lease. According to a company statement, Hyundai would then decide the value of the car and whether the owner qualifies.

Owners could still be liable for a portion of the value if the amount owed on the vehicle exceeds \$7,500 at the time of the giveback.

"I think it's a fascinating idea because anything that can boost consumer confidence is worth a shot," Nerad said.

The program could also save people's credit rating, Nerad said.

"Instead of having your car repossessed and damaging your finances and credit rating, you get to return it -- no questions asked," he said.

Some of those Americans still in the market to buy a car say the offer is at the very least intriguing.

"I'm in the market for a new car and Hyundai looks like a deal," said Sam Friedman, 24, an accountant from New York.

"Despite the economy, I'm still looking. I was originally thinking about buying American and I thought it was important to buy American, but once I saw the Hyundai deal it is something I would take into consideration," he said.

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