

CAN I BACK OUT OF THE CONTRACT I SIGNED AND GET MY MONEY BACK?

As California attorneys we have been asked from time to time, “Can I back out of the contract I signed and get my money back?”

This simple question never was easy to answer. Of course the facts of each case are important to the answer, but consumers should be able to obtain at least a general answer to their question without reams of legal research. The answer isn't found in one place. The following may aid you if you are asked the question.

There is a broad general basis where one alleges that the transaction was induced by the following which, if proven, may release one from the contract and allow for a refund of money and sometime damages as well. These are contracts that are:

1. Against Public Policy; or obtained by
 - a. Coercion
 - b. Duress
 - c. Fraud
 - d. Mutual mistake of fact
 - e. Undue influence

However in certain types of transactions one can get out of the deal by giving written notification to the other party during a set period of time, even where there is a signed contract and money paid. One can get a full refund. This time period to withdraw we call “cooling off time”. In other types of transaction one can withdraw from the contract, because the law protects parties and allows that party to withdraw where the deal is against the public policy of the state of California.

2. Age discrimination claims **21 days to consider and 7 days** to revoke.([29 USCA § 626\(f\)\(1\)](#))
3. Attorney fee contracts based on a contingency to obtain a divorce. C.C. 1669: The validity of a contingent fee contract in a divorce action is to be determined in light of the factual background of the particular case and the considerations of public policy appropriate thereto. Not every such contract is to be voided as violative of public policy. *Krieger v. Bulpit* 40 Cal 2d 97. If attorneys are financially interested in preventing reconciliation the contract is usually void. *Ayres v. Lipschutz* 68 Cal App 134.
4. Campground membership: **10 days** if the party has not inspected the campground and money is paid back within **10 days** after documents given back. (C.C. 1812.304 (a))
5. Credit service organization. In a contract between buyer and credit service organization, there is a **5-day** cooling off period.(C.C. 1789.16(a) (1).)

6. Dance lesson contract: the cooling off period is **180** days the party gets a copy of the contract. Payment for unused lessons must be paid back within 10 days. If cancelled after **180 days the studio can keep 10 per cent of the unused payments with the remainder fully refunded.** ([C.C. 1812.54\(b\)\(1\).](#))
7. Dating service contract: **3 days**. C.C.1694.1 (a)
8. Door to door sales contracts generally over \$ 25: **3 days** exclusive of Sundays and holidays. ([C.C. 1689.5\(e\)](#), [1689.6](#))
9. Financing of property such as a mortgage or a trust deed: the cooling off period is **3 days** (regulation Z)
10. Gym or health studio contract: **3 days** excluding Sunday and holidays after written notice of right to get out of contract and refund of any fees must be paid within 10 days. C.C.1812.85 (b) 1, (b) 4
11. Incompetent persons signing a contract. Civil Code 38: A person entirely without understanding has no power to make a contract of any kind, but that person is liable for the reasonable value of things furnished if necessary for the support of that person or his/her family.
12. Individual life insurance policy no less than **10 day cooling** off period with premiums refunded within 30 days ([[Ca Ins § 10127.9](#)])
13. Individual or group policies providing credit life insurance or credit disability insurance **30 day cooling off for policies issued after 1999**([[Ca Ins § 779.14\(b\)](#)]).
14. Medical provider agreements to waive jury trial and use arbitration for disputes: **30 days**.(CC 1295)
15. Minor's contracts, (persons who are non-emancipated and under 18 years of age), for the purchase of real property. Fam Code 6701. A minor cannot make a contract relating to real property or any interest therein.
16. Minor's contracts, (persons who are not emancipated and less than 18 years of age) for artistic, creative or professional sports services unless approved by the court. (Family Code 6750) Valid contract; no disaffirmance if the court has approved the contract. 6751 Family Code.
17. Minor's contracts, (persons who are not emancipated and less than 18 years of age) with an attorney for a contingency fee unless approved by the court. (Family Code 6602). This type of contract is void unless approved by a court.
18. Minor's contracts, (persons who are not emancipated and less than 18 years of age) for non-necessities of life. Family Code 6710/6712: Normally a minor can disaffirm a contract prior to reaching majority; However, for necessities, no disaffirmance allowed.
19. Sale of real property before foreclosure. In a sale before foreclosure of real property: **5 days** after signing the contract or by 8 am of the day scheduled for the foreclosure ([Ca Civil § 1695.4\(a\)](#)) **Note:** Only the equity seller has the right to cancel the contract within this time frame.
20. Second home sites in rural areas: **14 days**. ([B. & P.C. 11028](#))
21. Seniors (over 60) individual life insurance contracts and annuity contracts: **30 days** ([Ca Ins § 10127.10](#))

22. Swimming pool construction: generally **3 days** if a third party is financing the construction under regulation Z (Federal Truth in Lending Act: 15 USC 1601 et seq.)
23. Trust deed given on a home as security for a credit account: **3 days** after the latest of receipt of notice of your right to cancel, or Truth in Lending disclosure, or the date the security interest is given.
24. Weight loss contracts the cooling off period **is 3 days**. C. C. 1694.6

FINAL NOTE: This list is not exhaustive and may be changed by state law, court decisions or the facts of any given case. This is a general list but may help a party to a contract in giving timely notice to timely withdraw from the deal. When in doubt don't sign the contract. If the purchase affects one's life style, obtain legal advice before signing the contract. If problems arise after signing, seek immediate legal advice.

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