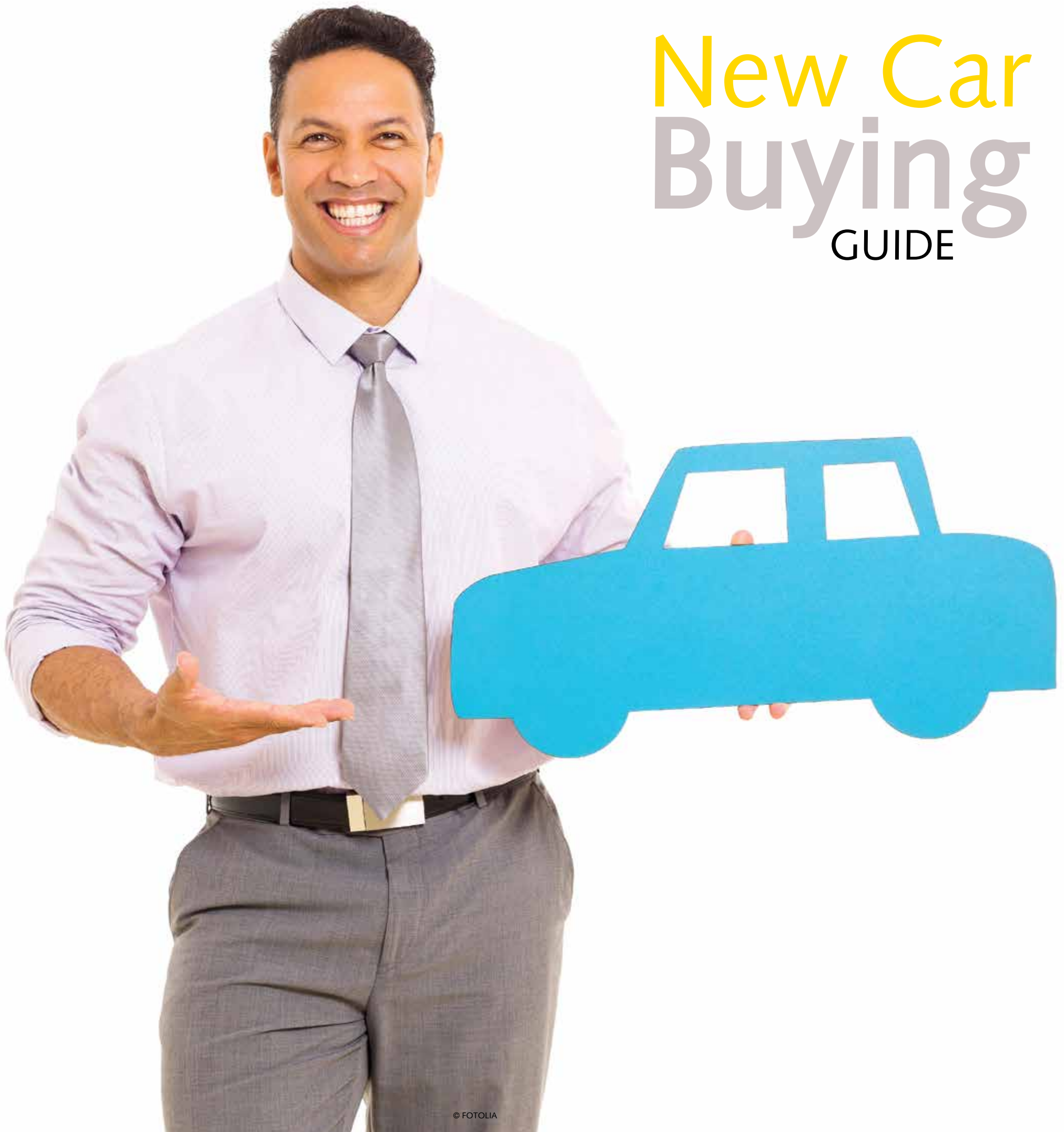


New Car Buying GUIDE



Benefits and Pitfalls

Second to purchasing a home, buying a new car is one of the largest purchases most people make.

Consider your decision carefully by weighing the following pros and cons of new car ownership.

BENEFITS

Low interest rates:

Depending on your credit score, you could secure a rate as low as 1.35 percent! This is a historic low for the automotive industry.

Warranties: If a component of the car malfunctions for some reason, your new car will still be under warranty. This means you are not liable for the repairs. While some used cars will come with a limited warranty, new car warranties are fairly extensive. The average is at least three years or 36,000 miles. You can sometimes have the option of extending the warranty or pay for more comprehensive coverage if you choose.

Better reliability: New cars are more reliable by default, because all of their parts are new and have not seen extensive road wear. This can be a major benefit if you travel a lot for work and require a dependable vehicle to get you there.

Cutting-edge technology: New cars often come with navigation systems, Internet access and the latest safety features,

such as lane departure warnings and automatic braking.

These perks are great for staying safe while also enjoying the modern benefits that technology has to offer.

PITFALLS

More expensive: A new car

will require a considerable down payment, as well as hefty monthly payments. However, if you've surveyed your financial state carefully and budgeted appropriately, the expense of a new car should be manageable.

Insurance: New cars are generally more expensive to insure

because you will be required to carry full coverage until the car is paid off. But remember that there are exceptions. Other factors that weigh heavily on insurance premiums are age of the driver and the driver's driving record.

Depreciation: Cars depreci-

ate in value as soon as they are driven off the lot. And while there are exceptions to this rule (think classics), you will most likely be spending a great deal of money on something you won't get a return on investment for. You know, besides the luxury of mobility.



Trends in Automobiles

More people than ever bought cars in 2016, according to AutoData — a whopping 17.55 million cars to be exact. If you did not purchase one of these vehicles, chances are you will be in the market for a new ride soon.

The average age of a vehicle on the roads in the United States is approximately 12 years. Your new car will probably be very different from your current one. Below are four trends you should have on your radar.

TECHNOLOGY COMES STANDARD

One of the great things about new cars is advancements in technology. Not only are these advancements crucial to state-of-the-art safety features, but they go a long way toward your personal comfort.

Cars are increasingly loaded with Internet connections and extensive “infotainment” systems that connect to both Apple and Android operating systems.

MORE ELECTRIC

Automakers are investing heavily in alternative fuel options — producing an all-time high number of all-electric and hybrid vehicles. While sales of these models did decline in 2016, rising gas prices and environmental concerns are just a few reasons these vehicles are sure to see a comeback.

RE-IMAGINING THE OLD

Many automakers also bringing new innovations to some of their older models.



This includes Ford, which plans to bring a new spin on its cult-favorite Bronco come 2020. In addition, Volkswagen earlier this year revealed a modern concept of its micro-bus, which became popular in the 1970s that will be self-driv-

ing and electric that has been dubbed the VW Buzz.

MILLENNIAL MINDSET

There has been a noticeable growth in vehicles that seem to cater to millennial sensibilities. One of these is transpor-

tation services. Automakers are noticing that many of the up-and-coming generation do not want to own vehicles and are instead investing in their own ride-sharing programs.

Another concept in the works by Fiat Chrysler is a

concept minivan that would allow its passengers to plug in multiple devices for content sharing. No word when, or if, this will hit the market, but automakers definitely are thinking creatively about wooing millennials.

Choosing a Vehicle

The automotive marketplace is saturated with options: big, small, extended cab, two-door, hatch-back, and the list goes on. Before you can even begin your search, you can narrow down your options by choosing a style of vehicle.

To be sure, there is a style for everyone. Here are the reigning top five-selling body styles on the market today.

SPORTS CARS AND CITY CARS

While it may seem strange to see these two types of vehicles in the same category, they share several characteristics. They are generally the smallest types of vehicles you will encounter, and they make driving in tight traffic or cities much more manageable. Downside: Space is at a premium.

PASSENGER CARS

These are typically sedans and four-door models. They are roomier than city cars, but still offer the maneuverability of a small car. Before purchasing one, be sure to have someone else drive it while you take a ride in the backseat, as this area is designed differently from model to model. The last thing you want is a car no one else likes to ride in.

TRUCKS

Trucks are cargo vehicles. While they vary greatly in size and power, they all have the ability to haul a variety of goods — which you will be asked to do, no doubt, by close friends and family. There are models with extended beds,



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extended cabins and even four-doors, which make it easier on backseat-riding passengers.

SUVS AND MINIVANS

SUVs and minivans are big-

ger and offer more passenger and cargo capacity.

Translation: Perfect family vehicles. They typically feature optional third-row seating, which allows you to decide when more cargo space or

passenger space is needed.

CROSSOVERS

Built like an SUV, drives like a car: This is the crossover. They tend to have a hatch-back like an SUV and are

raised slightly higher than a car, but maintain many design features from passenger vehicle cars. This includes independent rear suspension, lighter weight and a better fuel economy.



Be Financially Prepared

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A new car is a significant purchase — typically the second-largest purchase consumers will ever make.

Because of this, purchasing a vehicle often requires taking out a substantial loan and making years of monthly payments. Be financially prepared for the purchase by being conscious of your budget and following the subsequent six steps.

KNOW YOUR CREDIT SCORE

This three-digit number follows you around wherever you go, and is designed to predict your finan-

cial risk or stability. Financial institutions and loan officers will check this number to better understand your likelihood of paying off loans.

If your credit score isn't in great shape, you can expect to pay higher interest rates or lower amounts for loan approval. Knowing your credit score — and improving it, if need be — before you start the shopping process will help you gauge what you can expect.

ADJUST YOUR BUDGET

Your total expenses for transportation should never rise above 10 percent of your monthly income. Make sure there is plenty of room in your budget for your estimated monthly payment.

If it looks like things are

stretched thin, consider putting off the purchase for a few months to save a larger down payment. Look at different, but similar models to the vehicle you've chosen. You might find one that has all the features you are looking for without the luxury-brand price tag.

TALK TO YOUR INSURANCE AGENT

There is more to the cost of a car than the purchase price. Give your insurance agent a call and let them know the makes and models you are considering.

While they won't be able to give you an exact quote until they know the specific car you intend to purchase, they should be able to give you a rough estimate. This will help you budget your month-

ly transportation expenses.

GET PRE-APPROVED

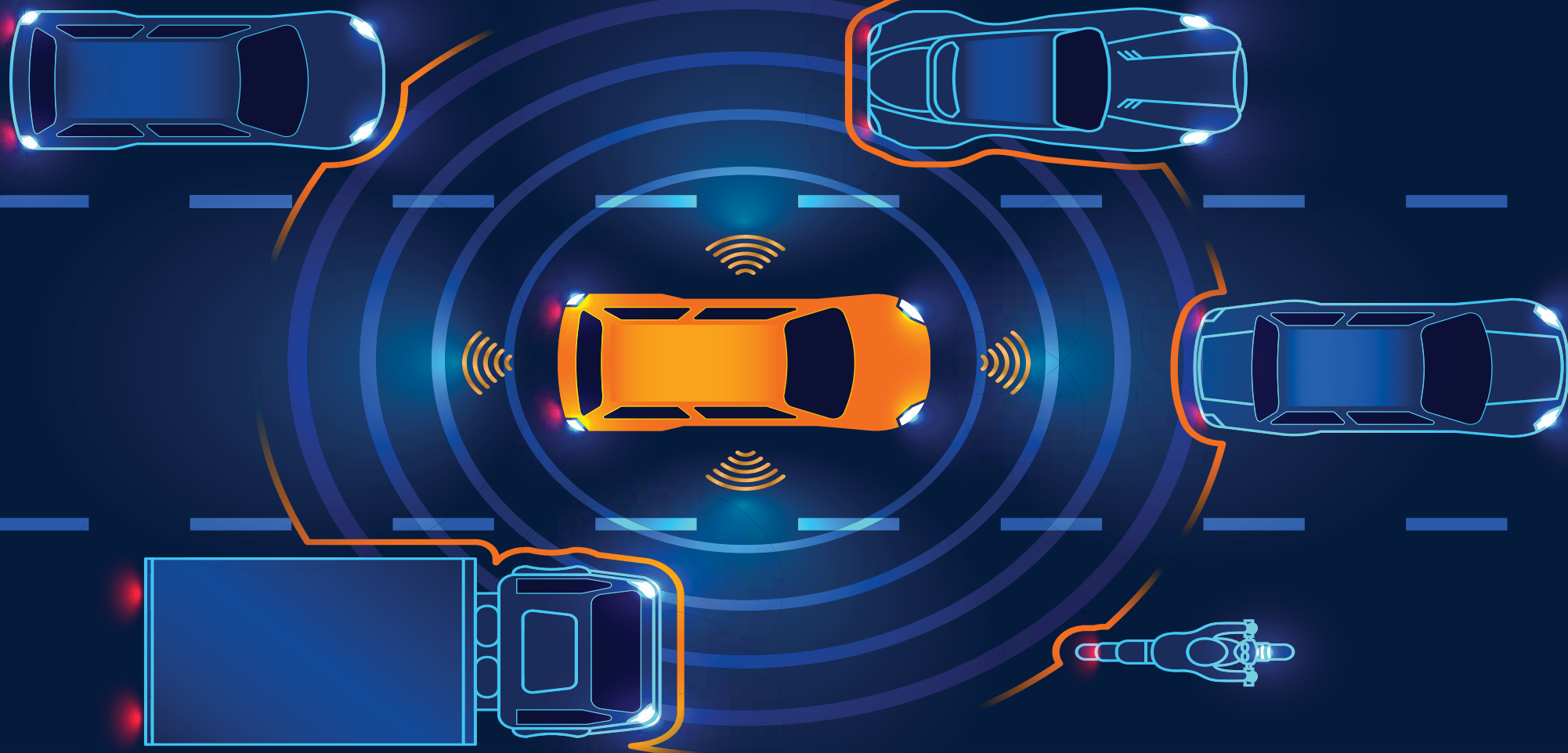
Getting pre-approved by your bank or lending institution will make the purchase process much easier.

By getting pre-approved, you can hit the lots knowing what amount you need to stay under. This will help you have some negotiating power during the transaction process.

SHOP AROUND

Be sure to visit more than one local dealership and also don't be afraid to negotiate.

While you can be more sure that the sticker price reflects a fair price on a new car more than you can on a used car, there is generally still a little flexibility.



Top Safety Features

If you are in the market for a new car, consider one with advanced safety systems. Here are just a few safety features that are helping drivers avoid and mitigate collisions.

BACKUP CAMERAS

Almost a standard feature now, backup cameras are attached to the rear of a vehicle to aid in backing up, helping eliminate the rear blind spot.

Many of these cameras are also now equipped with sensors to alert you if you are getting too close to hitting a curb or other object.

LANE DEPARTURE WARNINGS

These warning features alert drivers when they are crossing marked lanes through visual, audible or vibration warning. Another great feature of these systems is that they require drivers to use their turn signal if they are leaving a lane intentionally — a benefit to everyone else on the road.

This technology is still evolving. If driving lanes are covered or faded, or

there is inclement weather, these systems can be less reliable. Remember that there is no replacement for awareness on the roads.

AUTOMATIC EMERGENCY BRAKING

This feature does just what it implies: Brakes are automatically applied by the safety system to prevent collision or reduce speed when it becomes reckless. Most systems alert the driver first of an impending crash.

If the driver does not respond quickly enough, or in an appropriate manner, the car's safety system will

engage to prevent or reduce the severity of a crash.

ADAPTIVE CRUISE CONTROL

Adaptive cruise control takes “cruising” to the next level. Not only can you set your speed, but it uses a combination of lasers, radar and cameras to keep a constant distance between your vehicle and the one ahead of you.

Additionally, if traffic slows, some systems will automatically slow the car down — even to a complete stop in stand-still traffic — and bring it back up to speed when traffic resumes.



5 Steps to Buying New

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Shopping for a new car is at once exciting and overwhelming. Make the process smoother by knowing what to expect before you hit the lots.

If you go into the process informed, you can bypass a lot of undue stress and purchase a vehicle you are pleased with at a price you can afford.

Here are five steps to take before purchasing a new car:

1. Know what you like and dislike about your current vehicle. This will help you make a “wish list” for your next vehicle. Also, start taking mental notes when you are passenger in the vehicles of friends and family.

2. Consider the future. While it is difficult to know what the future holds in the present time, you cannot ignore what is likely to happen. If you see yourself starting a family in the coming few years, it would not do you good to

purchase a sports car now with only two seats. Make sure you’re in a position to trade in these types of vehicles for more family-friendly options when the time comes.

3. Conduct market research. If you’ve narrowed down your car search to a body style (passenger car, SUV, minivan, truck or crossover) be sure to research these models by several different automakers.

While some vehicles are truly a “step ahead” of their competition, for others, you may find you will pay more just for

the luxury of owning a specific brand. It’s also good to check out maintenance prices for each vehicle in your area, as this can be drastically different from each make and model.

Be honest with your salesperson. It can be instinctive to project ourselves in certain ways — by insinuating that we can pay more than we can, for example. Remember, the salesperson is there to sell cars. They want to sell you a car, but if you give them incorrect information, it can leave you both feeling frustrated.

The Best Time to Buy

We all want to get the best deal possible. One factor that can affect the purchase price over which consumers have control is timing.

Here are four ways to work time in your favor:

1. Fall and winter. These months offer the greatest potential discounts. Dealerships are motivated to turn over their inventory, and frequently offer reduced prices or bonuses to make a deal more attractive. This does not mean, however, that the deals offered will apply to the model you are interested in, so be careful.

2. During the week. Visiting a dealership during the week might not garner a better deal, but it will most likely get you more personal attention. Saturdays and Sundays are the most popular days to purchase a new vehicle, for the most obvious reason that a majority of people have the weekends off from work. Garnering more time and attention could possibly work in your favor.

3. At the end of the month. Just like the end of the year, this salespeople are focused on meeting their quotas at the end of the month. Frequently, auto sales staff are evaluated based on their performance.

By shopping near the end of the month, you might encounter a salesperson who is anxious to boost his num-

bers before monthly or quarterly evaluations begin.

4. Late in the day. If a salesperson hasn't made a sale all

day, she might be more inclined to sweeten the deal to make a sale before closing. And since you should shop

around to several dealerships before purchasing, you can try out a few of these techniques.

