

USED CAR Buying Guide



Research Safety Ratings

The National Highway Traffic Safety Administration reported that more than 37,000 lives were lost due to traffic accidents in 2016 in the United States.

Don't get behind the wheel of a vehicle that may put you at a heightened risk of becoming injured or worse.

The Insurance Institute for Highway Safety tests vehicles with the following two aspects in mind.

- **Crashworthiness:** How well a vehicle protects its occupants during a crash.
- **Crash avoidance and mitigation:** Determined by technology that helps prevent a crash or lessen its severity.

The first aspect is rated by six performance tests: driver-side small overlap front, passenger-side small overlap front, moderate overlap front, side, roof strength and head restraints. When researching your potential purchase, each piece is rated as good, acceptable, marginal or poor.

This will give you a good idea of how well a vehicle can defend itself during an accident.

The second consideration looks at the performance of headlights and crash-prevention systems tested under performance-track tests.

OLDER CARS LACK NEW TECHNOLOGY

To take advantage of the latest and greatest safety technology, a new car will lead the way as manufacturers aggressively compete for buyer cred-



Before purchasing a used car from your dealer, you can get an idea of how safe it is by doing research on a model's official safety rating.

ibility and trust. However, you can still find incredible features in addition to saving a lot of money when you buy used.

Look for vehicles featuring innovative safety options while you're viewing cars on the dealerships' lots. Most have been included on popular models for a few years already.

- **Blind spot warning:** Radars and cameras scan the perimeter and alert you when another vehicle is approaching your blind spot. It's a big

advantage to have when changing lanes.

- **Backup camera:** Placing a vehicle in reverse will automatically display a view of what's behind you in the cab.

- **On-board assistance:** Many manufacturers are sync-

ing their vehicles to call centers that assist during emergencies, provide roadside assistance and even give directions.

SAFE FOR KIDS?

If you have young children,

it's important that a used vehicle can keep them safe. You can ask your local salesman for a copy of an owner's manual to glean some knowledge on the vehicle's basic safety features.

Some modern car seats use new technology to safely connect to a car rather than the traditional anchor system that's been in use for years. Make sure both your car seat and potential purchase are compatible.

Buy Within your Needs

Today's vehicles are packed with exciting features, comfortable amenities and undeniable power that makes it easy to be distracted while shopping.

With all the inventive technology might come an incredible price — one that can be out of your budget's comfort zone.

By keeping it simple and sticking to the necessities needed from a vehicle, you can get a great car at a reasonable price. Buying used is a great option for anyone looking for a change in the way they get around without breaking the bank.

Visit your local used car dealership to see if the perfect vehicle for you is already on the lot.

CREATE A BUDGET AND STICK WITH IT

While planning your budget for this exciting investment, be honest with what you can afford. Remember that a new vehicle carries more expenses than just a monthly payment. Following are some other factors you should consider before you get the keys.

Plan for repairs. A used car will require general repairs and maintenance, some of which might not be covered under warranty. Make sure there is enough room in your budget to put toward an emergency fund to avoid large expenses that you can't fore-

see.

Increase in fuel costs. Always compare the used car's gas mileage and your current vehicle. Especially if you are upgrading from a small sedan to a beefy pick-up truck, you should budget for more fuel use.

Higher insurance costs. If

you're financing a vehicle, banks typically require that it be insured by a full-coverage policy. Call your insurance company to find out how much the new addition might impact your current premium.

CREATE A CHECKLIST

Sure, the 8-inch media center, heated leather seats and on-board WiFi look tempting.

However, if you're on a budget, it might be best to stick to the basics when creating your used car checklist. Consider the things that are most important to you and the people who will use the

vehicle. Are the seats comfortable? Do the air conditioning and heating system perform well? Is there ample seating room for the whole family?

You can find base models of your favorite vehicles that don't include expensive options, yet still perform to your expectations.



Know a Vehicle's History

One reason many people avoid buying used is they do not know the vehicle's history. Fortunately, with a little research and help from a dealer, you can gain an in-depth perspective on how the vehicle was treated and any incidents in which it was involved.

Did you know there are 17 numbers listed on every vehicle that denote different aspects and keeps a record of its history? A vehicle identification number (VIN) became standard in automobiles when the National Highway Traffic Safety Administration required them in 1954.

During its inception, the VIN's length and format were different depending on the vehicle. That was until 1981, when all numbers began containing 17 letters and numbers. This is still the standard today.

IMPORTANCE OF A VIN

According to the Department of Motor Vehicles, a vehicle identification number is a specialized code that displays helpful information such as where the vehicle was built, which engine powers it, the manufacturer and the model year.

The VIN also shows you important information about the vehicle's history and previous owners' actions with the vehicle. Consider these tips from the DMV while researching the VIN of a vehicle you are considering purchasing.

- **Past owners:** The VIN will show you each time the vehicle's title changed hands. Investigate how many owners it has had and mileage driven between different owners to see how hard it might have



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been driven.

- **Title and accident history:** Incidents such as accident reports, flood damage and salvage title branding can be exposed by researching a VIN. Performing a title check will ensure you that a seller is the actual owner of the vehicle they are selling.

- **Faulty odometer:** Pay

attention to the current odometer and the mileage you see while researching a VIN. If it was ever lower on its history report, it's a good indicator that someone might have tampered with the mileage to make the sale more attractive.

Buying used comes with awesome advantages and a few risks that can make some hesi-

tant to commit. However, when you buy from a certified used car dealer, the guarantee that a vehicle is legal to be sold and has had a thorough inspection gives great peace of mind.

WHERE TO FIND A VIN

A vehicle identification number is featured in several places on a vehicle. When researching

a used car, you can find it on the lower-left corner of the dashboard (visible by looking in the windshield), under the hood near the front of the engine, inside driver's door jamb and the front of the car's frame. Make sure VINs match, as sometimes parts with a label on them are replaced due to damage.

Why Buying Used Makes Sense

Buying used doesn't mean buying old. Lightly used models often are traded in for the new lineup.

It is common to find used vehicles in great condition with low mileage — ones that come at a much lower cost than you will find when buying new.

CONSIDERABLE SAVINGS

According to the Kelley Blue Book, a car's market value takes the greatest depreciation after the first year, with cars shedding about 60 percent of their original purchase price within the first five years.

You can take advantage of the lower market value by finding a great deal at your local used car dealership.

Of course, you will want to be careful if you find a deal that seems too good to be true. While shopping for a used vehicle, consider mileage, age and the integrity of the interior and exterior. Ask your dealer about available guarantees or extended warranties.

CERTIFIED PRE-OWNED GUARANTEES

According to the Department of Motor Vehicles, a certified pre-owned (CPO) vehicle is a used vehicle that has gone through an inspection, refurbishment and certification process. To be certified, it must be authorized by the manufacturer or another authority — just like a dealership.

You can expect to pay a little more for a used car with a pre-owned guarantee, but you can also feel at ease that any issues have been resolved.

When shopping for this guarantee, the DMV recommends asking your salesman about the details of the

inspection. Here are some questions you should ask:

- What was inspected?
- Why was the inspection important?
- How does the inspection benefit you?

CPO WARRANTIES

In addition to buying a used car with a guarantee to prove it was inspected and repaired before rolling

on the lot, many times they also will come with a warranty.

The actual coverage might depend on who certified or is selling the vehicle, but you should look for these factors while going over the terms of your warranty:

- **What does it cover?** Discover if it is a bumper-to-bumper coverage or if only certain components are under warranty.

- **Mileage.** Most extended warranties will only be eligible until you reach a certain number of miles. Pay attention to your odometer and make sure to address any concerns before you reach your max.

- **Deductibles.** Find out how much it will cost you out of pocket to make necessary repairs. It is helpful when building an emergency savings plan for car repairs.



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Buying a Used Car With Bad Credit

While purchasing a used car with less-than-perfect credit is not impossible, there are certainly obstacles that make it more difficult. Before looking for lenders or shopping, it's a good idea to check the integrity of your credit score.

If you have already started the buying process but your credit is limiting your choice of vehicle, it might be ben-

eficial to take a step back and work on improving your score.

WHAT YOU CAN EXPECT

If waiting for an improvement in your credit score is not an option and transportation is urgently needed, you should be prepared for these circumstances:

- **Inflated interest rates:** Check your area for average interest rates and expect a low credit score to cause your rate to be higher than normal.

- **Large down payment:** You may be asked for a larger down payment than someone with ideal credit. This also can lower the taxes and fees, while widening the selection of vehicles you can afford.

- **Prepare to skip extras:** While a sound system, heated seats and a sunroof might seem like attractive options, your credit might hold you to choosing a base model without these features.

IS THERE HELP?

Many states are home to non-profit agencies that provide loans or vehicles to low-income customers or those with bad credit. Keep in mind, if your state does have one of these generous programs, there will be strict qualifications for people who are eligible.

You can find out more information on non-profits in your state by contacting the Community Transportation Association of America.

TIPS TO IMPROVE YOUR CREDIT

If you do have the ability to wait to purchase a vehicle until your credit score improves, remember these tips from Consumer Reports:

- Never max out credit cards. Your balance should be no higher than 20 percent of a card's limit.

- Keep credit card accounts open even if you're not using them. Unused credit impacts your long-term record.

- Receive a credit report and challenge any misinformation before attempting to get pre-approved for a loan.

With time and commitment to building your credit, you can overcome credit challenges and buy a used car.

Get the Most for your Trade-In

When buying a used vehicle, there is always the question of what to do with your old one. An extra car comes with the costs of insurance and registration fees.

Sometimes, Americans can get more money for their old cars by selling them themselves.

However, to save time, many choose to simply use it as a trade-in at their dealership in exchange for a credit toward buying a new car.

Do you know how to find the general value of your vehicle and how to present it to receive the biggest offer?

HOW A DEALER VALUES A TRADE IN

Don't be surprised if a dealer offers you a trade-in price lower than the actual value of your vehicle. It is their priority to make a profit on the investment when reselling your trade in.

This is not malpractice. It's simply part of how used car lots keep their inventory fresh and stay in business.

According to the Department of Motor Vehicles, here are the factors a dealer will use when determining your trade-in value.

- Current inventory.
- The car's model age. Newer



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trade-ins may come with lower offers, since they are competing against other new cars.

- A vehicle's engine type.

All these factors will significantly impact the amount of money a dealer will offer.

SCORE THE BEST OFFER

Presenting your used vehicle

as a viable automobile that will sell quickly is just as important as the lengths to which your dealership must go to make the cars on their lot attractive.

Would you be interested in making an investment toward a vehicle with poor maintenance? Neither will you dealer.

The DMV suggests taking

these steps before offering your vehicle as a trade in:

- Make sure to thoroughly wash the inside and outside of your car;
- Bring all records of maintenance to prove the car was taken care of; and
- Explain that you have a general idea of your car's trade-in value.

KNOW YOUR CAR'S VALUE

Taking advantage of tools such as the Kelley Blue Book can give shoppers an advantage by showing what you can expect when it comes to a trade-in offer. The price will be impacted by the condition of your vehicle, its model year and the number of features.

Avoiding Flood-Damaged Cars

In 2017, neighborhoods in Houston and south Florida were negatively impacted by Hurricanes Harvey and Irma, respectively.

Along with the devastating loss of life and property, many cars were damaged along the way. Some of those vehicles have been carelessly cleaned and put back into the used car marketplace — and it's up to consumers to identify potential issues before they are stuck with a flood-damaged car.

THE PROBLEM WITH FLOODED CARS

Even after the water recedes and a car dries out, auto experts say fixing up a water-damaged car is a health, safety and financial issue. Mold and mildew can grow on carpets and other soft surfaces. Electrical and mechanical systems can be subject to safety concerns.

Consumers who unknowingly buy a previously flooded vehicle are stuck with a car that is worth less than another car of similar age.

These issues underscore the importance of educating yourself on the history of the vehicle you are purchasing. Fortunately, there are many resources at your disposal for doing just that.



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DO YOUR RESEARCH

If you're buying a used car, always research the history of a vehicle before you purchase it. Find the automobile's Vehicle Identification Number (VIN) and check it against several databases.

You also should ask your dealer to run a VIN check

through a federally approved provider, which will provide you with a report that gives you a snapshot of the vehicle's title history. This may incur a small fee but will be worth the peace of mind.

The National Insurance Crime Bureau offers a free VIN check, which includes data on

flood-damaged cars. You also can pay for a report from companies such as Carfax or AutoCheck.

HAVE IT INSPECTED

One of the best things you can do to protect yourself from buying a flood-damaged car is to have it inspected. Take the

vehicle to a mechanic, who will be able to find signs that flood or water damage has occurred.

Be sure to provide your mechanic with a title history report to review with you. This will give him a clear understanding of where the car came from and potential issues it may have had in the past.