

# Used Car

## BUYING GUIDE



# Buy from a Reputable Dealer

Buying a used car can mean you have more options available in one place. Rather than offering just one brand of vehicles, a used lot will feature makes and models from numerous manufacturers.

However, the variety of options can lead to trouble if you don't research the seller first.

Unless you know a seller, making a used car purchase from an online seller or an unreliable dealer can lead to headaches and significant issues. Since it's impossible to know how an automobile was treated by the previous owner, buying from a dealership who stands by their sale is crucial.

So, how do you know who offers quality vehicles at affordable prices?

## RESEARCH REVIEWS

One way to get an idea about how a dealership operates and treats its clientele is to read reviews. Pay attention to balanced reviews that express feelings regarding a purchase, any follow-up actions and, most importantly, how customers were treated during the sales process.

In addition to ratings, you can reach out to previous customers and discuss how they felt about their experience.



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Try to ask close friends or family who have dealt with the dealership to gain honest and straightforward answers. One of the most important factors to consider is how comfortable the sales team made the process. Avoid dealers who use pushy sales tactics.

## TEST DRIVE AT DIFFERENT LOTS

The test drive is a must when purchasing a used vehicle. During the drive, you should pay attention to how the car operates, question any noises and judge how it will fit into your daily life. During this step, it's also an excellent

time to get to know the salesperson you will deal with. While you're cruising through town, consider if they are willing to answer your inquiries or seem more concerned in merely making the sale.

## LOOK FOR A WARRANTY

A reputable dealership will

offer some guarantee on their used vehicles. Ask about extended options once their original warranty expires.

Since you won't always know the condition of the used car before purchasing, this additional insurance can provide you with peace of mind.



# Negotiate for the Best Deal

Before buying a used vehicle, you should create a budget.

Consider different types of cars or trucks and determine how much the monthly payment will cost you. You will also need to factor in additional expenses like fuel use, insurance and maintenance fees.

You can get ahead of the curve by visiting with a lender and receiving a pre-approved offer before visiting the car lot. If you are already financially backed, a salesperson may be more willing to work with you during negotiation, as lending is often a sales tactic that helps sell vehicles. Knowing the amount you can borrow is also key when determining how much you can spend on a purchase.

## **FIND OUT THE AVERAGE PRICES**

When researching different vehicles, pay attention to the average price in your area. You can discover the costs by visiting different dealerships, their websites and submitting VIN information on pricing software.

Once you have a list of the average prices, use it as a strategy when negotiations begin. Be honest and open with your salesman when discussing more affordable options throughout the area. If they fear losing your business, it can cause them to be more flexible with their asking price.

## **BE WILLING TO WALK AWAY**

When the deal isn't going your way, it's essential to walk away rather than make a buying decision you will later regret. Express to the sales team that you are going to keep your options open and

visit a competitor's lot to find out if they are more willing to work with you. Often, this can lead to a dealer becoming more open to negotiations.

## **MAKING AN OFFER**

Once an asking price has been established, you can use

your knowledge of the costs of similar vehicles to your advantage. Your first counteroffer should not be the highest amount you are willing to pay. Instead, start substantially less than the budget you developed to allow the salesman room to make another

offer.

Pay attention to the state of the vehicle to make your offer more plausible. For instance, if there is chipped paint or the tires are in need of replacement, ask for the repairs or factor the costs into your bid.





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# The Best Time to Buy Used

Both new and used vehicles experience times throughout the year when you can score a better deal. On a previously owned lot, a fluctuation in inventory can often lead to dealers to be more flexible with negotiations to move the cars.

If possible, plan for a used car purchase. If you already have a mode of transportation, you can avoid feeling rushed at the lot and make a well-informed decision. You should also keep your potential trade-in in peak condition when it's time to begin the buying process. It's often a good investment to get it

detailed or fix minor issues before a dealer inspects it and makes an offer.

## BUYING AROUND THE HOLIDAYS

When you wait to buy around the holidays, you can take advantage of more options as new car buyers trade in their previously

owned vehicles. Pay attention to the different dealerships in your area to find out when they host significant sales.

Frequently, these exclusive deals are offered around three-day weekends like Labor Day, Memorial Day and Independence Day.

The automotive industry also commonly participates in

the Black Friday shopping phenomenon. Visit the dealer's website after these holidays to discover more options on their used lot.

## NEW MODEL YEAR

Another advantageous time of the year to make a used car purchase is after the new models roll into a dealer's showroom. According to the Auto Trader, new model year cars typically make their debut in late summer or fall. It's another time where the used lot can see a boost in inventory as customers begin pur-

chasing the latest automobiles offered by a manufacturer.

## WAIT UNTIL WINTER

While you probably want to avoid test driving and walking around a used lot during the winter, so do other car buyers. This season is typically a slower time for dealerships, so their willingness to make a sale can open doors to great values.

Test driving during the cold can also reveal problems a car has that wouldn't be immediately seen during the warmer months.

# Check the Reliability

When searching for a used car, you risk buying a vehicle that was improperly maintained by a previous owner.

Even after a dealership performs an inspection and completes necessary repairs, irreversible damage may be present in essential components like the engine and powertrain.

Take the time to research the reliability ratings of different vehicles before deciding which model to purchase. One way to check the history of a vehicle is by obtaining the VIN and using software to track significant incidents it endured. For instance, many vehicle history reports will disclose any accidents it was involved in, substantial repairs or devastating experiences like flooding. If a car has multiple notes on its record, it is usually beneficial to avoid it.

## CHECK FOR RECALLS

Another beneficial strategy is to review a potential vehicle for unresolved recalls.

Manufacturers often announce a recall when the automaker or the National Highway Traffic Safety Administration deems a model has a safety-related defect that doesn't comply with federal standards.

While the manufacturer covers the cost of repairing a recall, it can be an inconvenience

to be without your vehicle for the length of the restitution. You can check to see if a used car is involved by visiting the NHTSA's Safety Issues and Recalls page. Enter the VIN, and the search software will disclose both current and resolved safety issues. If a vehicle does require service, insist that the dealership cor-

rects the problem before you make a purchase.

## REVIEW RELIABILITY RATINGS

Organizations like J.D. Power and Associates rank vehicles by reliability from surveying consumer insights after three years of ownership. When searching for a used car

that you will use as a primary driver, check different scores in these essential categories. Use these rankings to make the best decision regarding which vehicle you bring home.

## CHECK FOR SAFETY

Perhaps the most crucial consideration to make when

choosing a car is how it ranks in safety features. You can find valuable information by using the United States Department of Transportation's website. The group performs numerous tests to determine how safe a vehicle is during accidents, its included technology and how it accommodates car seats.





# Get the Best Pre-Approved Offer

Receiving pre-approval for your used car loan is crucial before visiting the dealer.

It's a beneficial way to understand the terms and conditions you will face based on the cost of a used vehicle. However, being pre-approved is more involved than visiting a lender and asking for a loan.

For the best results, you should analyze your credit rating before meeting with a lender. If you are unsure of your score, submit to receive a free copy. Analyze your documents to ensure it is accurate, as poor marks can make you appear unreliable for financial backing. If you feel there are errors on your credit report, the Federal Trade Commission suggests these steps to find a resolution.

- Tell the credit reporting company in writing about the inaccuracy.

- Dispute the negative remark with the information provider or creditor.

- If it is found to be a genuine error, the provider must tell the credit reporting company to update or delete the item.

Once you understand your credit and establish a reliable score, you should search for a loan from multiple lenders.

## CONSIDER THE ANNUAL PERCENTAGE RATE

When acquiring an auto



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loan, one of the most significant considerations to make is the annual percentage rating, or APR. This percentage will deem the amount of interest you will pay over your term. When you find a lender who offers a low APR, your responsibility for interest is limited, making it easier to

pay more each month and lower the principle amount.

## THE MONTHLY PAYMENT

While you shouldn't make a purchase based on the monthly payment alone, it is a good practice to ensure you can afford it comfortably. Keep in mind, a vehicle pur-

chase features many more expenses than your monthly responsibility.

You should also leave space in your budget to cover maintenance fees, repairs and fuel costs.

## THE LENGTH OF A LOAN

According to the United

States Federal Reserve System, in 2017, the average car loan was for 69 months and \$30,294. While a used car may not be quite as expensive, you should still consider how long you want to make payments. Many lenders will give you options on how long the loan will extend.

# Common Private Owner Scams

While buying a used vehicle from a reputable dealer is generally safer than from a private owner, some deals may entice you to make a purchase. When dealing with a third-party seller, it's crucial to proceed with caution.

Sellers often advertise their used cars for sale online or in newspaper classifieds. Usually, they are buying a new vehicle and merely trying to sell their previous automobile to make more profit than they would when trading in. However, there are times when a sale is fraudulent and may cause you legal headaches or wind up with a defective vehicle.

Before committing to buying from a private seller, consider these common scams in the industry, as reported by the National Consumers League.

## TOO GOOD TO BE TRUE

If you find a deal that offers a vehicle for way below market value, you should expect something to be awry. One instance could be that the car has severe mechanical problems that aren't disclosed in the advertisement.

Other incidents include a



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scam where you communicate with a seller only through digital means. The NCL suggests a fraudulent auto deal consists of the owner claiming that the car is outside of the country and requires payment for shipping.

They will usually request a payment through a bank-to-bank transfer or money order before you even see the car.

## AN ESCROW SCAM

Another common tactic used by dishonest sellers is a fake escrow service that promises your funds will be held in an account until both parties are satisfied with the transaction.

Typically, a legitimate buyer will be asked to fund a portion of the vehicle's amount for shipment or delivery of

the model. In reality, once the money is transferred, a seller will cut off contact regarding the sale.

## BUYING FROM A PRIVATE OWNER

Unless you know the seller or are informed by trusted peers that they are reliable, it's best to avoid buying a used car in this fashion. However, if

you are familiar with the owner, take proper steps to ensure the sale is honest.

You can make sure the title is clean for a vehicle by reporting the VIN to proper authorities. Don't forget to visit the seller and inspect the car and take a test drive. You should also have the automobile inspected by a certified mechanic in your area.



# Conduct a Walk-Around

Before you take a test drive of a potential used vehicle, conduct a physical assessment of its exterior.

You don't have to be a master mechanic to judge the basic condition of a car on the dealership's lot. Here are some things to look for, as recommended by Consumer Reports.

## BODY AND PAINT

Be sure to look over the paint job on a used vehicle for signs of chipping or fading. Manufacturers use a layer of clear coat to protect the paint underneath. Once this protective element is damaged, it's common for it to continue degrading and ultimately affect the color.

In addition to ensuring it is in excellent condition visually, you should also look for signs of rust. Unless it is maintained, the problem can become a serious safety hazard by weakening the frame and other systems relative to supporting the vehicle.

## CHECK THE WINDOWS

You should also be keen on analyzing the damage to a windshield and surrounding glass. Small chips can lead to expensive repairs if they're not corrected immediately. If you notice a chip or ding in a window, express that you want it repaired before a deal is made.

## WORKING LIGHTS

Request that a salesman operates all working lights while you stand outside the vehicle and inspect their operation. Check both high and low beam headlights, turn signals and both parking and brake lights.

## TIRES

Operating a vehicle with

degraded tires can cause severe safety hazards. Ensure the rubber is free of protruding wires, which commonly occurs when the tread wears down.

You should also check that it has at least 2/32 of tread left, as recommended by the Tire Industry Association. Bring along a depth gauge to test the vehicle.

It's also a good idea to ensure the tires match one another. You can identify the unit's size by a code etched into the rubber. An example of what you are looking for is a tag like P215/65R15.

When decoded, this code means:

P: service description, in this case, passenger car.  
215: tire width, usually mea-

sured in millimeters.

65: The aspect ratio signifies the section height compared to the section width.

R: internal construction (stands for radial).

15: rim size for which the tire is intended.

Make sure the codes on each tire are the same, as a mismatch can lead to early wear and alignment issues.



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