

Used Car

BUYING GUIDE



Do your Homework

Do your homework before you begin shopping and actively looking for a used car for yourself or a loved one.

The Federal Trade Commission shares tips on what to think about and do before you purchase a used car for your family.

THE SEARCH PROCESS

Before you purchase a used vehicle there are few things you need to consider before handing over your hard-earned money. The search is a very important part of the used car buying process, you first have to begin by considering who will be driving the vehicle, how they drive and the maintenance cost for the vehicle. All of these factors can determine what the best vehicle may be.

Whether you are buying from a used dealership or from someone off the internet there are search factors to consider.

The make and model of the vehicle is important because some models are known to last longer than others.

BEFORE YOU BUY

Once you have found the make and model vehicle you want the next step of the search process begins. The Federal Trade Commission shares a few tips before you buy a used vehicle:

Test drive the car under var-



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ied road conditions — on hills, highways and in stop-and-go traffic.

Ask for the car's maintenance record from the owner, dealer or repair shop. If the owner of the vehicle or dealership allows it, bring your

mechanic or a trusted friend that knows about vehicles to come with you to inspect the vehicle. Have your mechanic or friend go through the vehicle checking parts, wear and tear and even get behind the wheel for the test drive.

If you don't have a mechanic or friend that knows about vehicles there are inspection checklist you can find online or on local magazines.

Before you determine the value of the vehicle you need to come prepared with your

own estimates.

Websites such as Kelley Blue Book, National Automobile Dealers Association Guides and Consumer Reports will give you an estimate of the current price on the market for vehicles.

Buyer's Guide

You can purchase a used car from various different avenues: franchised or independent dealers, rental car companies, leasing companies, used car superstores and online.

BUYER'S GUIDE

The FTC's used car rule requires dealers to display a buyer's guide in all used cars they offer for sale and to give it to buyers after sale. Some of the information in the FTC's buyer's guide includes:

- Major mechanical and electrical systems of the car.
- Whether the vehicle is being sold "as is" or with a warranty.
- Percentage of the repair costs a dealer will pay under the warranty.
- All promises in writing.
- Information about the right to ask to have the car inspected by an independent mechanic before you buy.

• Information about how to get a vehicle history report and to visit [FTC's.gov/usedcars](https://www.ftc.gov/usedcars) for information on how to get a vehicle history report, how to check for safety recalls and other topics.

• Dealer's contact information, including the contact for complaints

• A reminder that spoken promises are difficult to enforce.



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VEHICLE HISTORY

If you want a deeper look into your vehicle's history, you can visit websites such as the National Motor Vehicle Title Information System (NMVTIS) or [Vehiclehistory.gov](https://www.vehiclehistory.com) to get a vehicle history with title, insurance loss and salvage information.

The NMVTIS site shows approved providers of vehicle

history reports so you know you have good information about a vehicle you're considering purchasing.

If your vehicle report isn't showing up on the NMVTIS site, then look into some other approved providers such as:

- [Autocheck.com](https://www.autocheck.com)
- [Carfax.com](https://www.carfax.com)
- [Vinaudit.com](https://www.vinaudit.com)

RECALLED OR SALVAGED

Buying a used car means there is a chance the vehicle has been recalled or salvaged. The FTC defines recall as the manufacturer has recalled the vehicle because of a needed repair but the repair has not been done yet. The National Highway Traffic Safety Administration's website, [Safer.gov](https://www.safercar.gov), contains free listings of

vehicles that have been recalled.

A salvage is a vehicle that has been through flood damage, stolen but unrecovered or declared as a salvage.

The buyer's guide was made to protect you and make sure buyers are aware of what to look for when checking out a vehicle. Make sure you use the buyer's guide wisely.

Buying from a Dealer vs Owner

Being in the market for a used car gives you more options than you would have if you were looking for a brand new vehicle. For one, prices are more affordable and you have more options of vehicles to choose.

Another option you have is the choice between going to a used car dealer or buying a vehicle for sale by owner. We'll look at the pros and cons of both of these.

DEALER

Used car dealers often offer certified used cars, which means the vehicle has been looked at by a qualified mechanic before being placed for sale. These vehicles also come with some sort of mileage or maintenance warranty.

Car dealers have a wide variety of vehicles to choose from, giving you more options in color, make and model.

Car dealers' vehicles are usually of better quality than a used car from a private seller would be. Used car dealers' cars need to be in good condition to be sold.

Dealers' vehicles may come at a higher price than a private sale, but that is because



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the vehicle has been cleaned and made ready for sale.

Dealers may offer add-on service and warranty packages. If you don't like the pressure of these sales tactics, be firm from the beginning and make it clear that you're not interested in buying anything extra. Dealers work on commission, so it is in their best interest to sell upgrades.

Do your research by asking friends or family for dealer suggestions. You can also check the business's reputa-

tion with the Better Business Bureau.

PRIVATE SALE

The price is one of the best upsides to purchasing a vehicle from the owner. Typically, private sellers or owners don't make their yearly income off vehicles they sell. This means that a lot of the time they are willing to go down on prices during negotiations just to take the car out of their hands.

If you know what you're

looking for and have more information on pricing and value of the vehicle, you are more than likely to walk away with a good deal.

One way to get a great deal out of a used vehicle is to buy one from a person that is selling their vehicle because they are moving out of town or out of state.

More than likely they will let go of the vehicle for a steal of a price on your end just to get rid of it.

The most obvious risk of

buying from a private seller is there is no guarantee the vehicle you are purchasing from is in the best condition. To make sure of this you'll need to test drive the vehicle yourself to get a feel for yourself and bring along a friend or your mechanic to take a look at the car.

Setting up appointments to see the vehicle can be a pain itself. You're working with another person's schedule and it may be a long drive out to see the vehicle.



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Private Sales

While dealers offer a large selection of used cars and financing services in one stop, you might find a vehicle you love being offered by a private seller.

Proceed with caution to protect yourself during the sale.

RESEARCH YOUR AREA

Buying a vehicle you find for sale on an online site can be dangerous depending on the area you are purchasing from. Before committing to buying, research the area you are buying the vehicle from. See if

there is any history of crime or scams in the area.

Look into the seller and make sure your safety will not be compromised. Be wary of social media profiles that are newly set up or don't have much information.

GET INFO ON THE CAR

Once the seller checks out,

look for as much information on the car as you can find. Compare the price the seller is offering with websites such as Kelley Blue Book.

If possible, request a vehicle history report on the vehicle you're interested in. The report will show you if the vehicle was involved in any accidents or has had flood damage.

The vehicle report will give you whatever information was reported by police departments and insurance agencies. If you really want to make sure you know about the vehicle's complete condition, your best option would be to get a mechanic to inspect the vehicle or even test drive it yourself to be sure it's in good shape.

NEGOTIATING THE DEAL

Once you have checked out the vehicle, agreed on a price and ready to make the deal, there are a couple of things you need to remember before you walk away with the keys to your new car.

The seller should physically sign the vehicle over to you. Once you have the title in your name, you will need to take it to your county's department of motor vehicles.



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Used Cars for Teen Drivers

As your child gets older and turns into a teenager, the day will come when they will need to drive themselves and maybe their siblings to and from school or work.

A brand new top safety-rated vehicle may be the best choice for your teenager but may be out of budget for your family. Here are some tips on finding the best, most affordable option for you child.

HAVE A PLAN

Before you start searching for your teenager's first vehicle, plan out and

know your child's day to day schedule. How often and how far do they drive each day? This is important because it will determine what kind of car you will buy, the quality and in what condition.

If your child is just heading to school nearby and back home, you will not need to spend as much on a vehicle as you would if your child was driving 45 minutes or more to school

five days a week.

Look at your child's weekly schedule to see what fits best for their life.

OLD OR NEW?

The question of an older or newer used vehicle depends on your child's day-to-day schedule and the circumstances. Do you want this vehicle to last through college and until they can purchase their own vehicle? Or are you looking for a vehicle that will last until they graduate high school?

These are some of the questions you need to answer before you go shopping.

Whatever the circumstance, you want to make sure the vehicle is good enough to keep your child safe on the road.

The second question to consider is how well your child drives. Will they take a new car for granted and cause damage to it?

Having an older vehicle may be better if your child isn't as careful a driver as they should be.

Every teen is different, so consider how responsible your teenager is to determine if purchasing an older car they can put a few accidental dings into is the right move for your family.

Find Affordable Financing

If you are looking to invest into a pre-owned vehicle but don't have much cash on hand, you'll need a loan.

Here are some tips to help you find affordable financing options.

FINANCE BEFORE DEALER

If you want to save money on financing, get pre-approved for a loan before you even set a foot on a dealer lot. Anytime you go to a dealer, you need to make sure you come with options — options on vehicles, different dealers and even financing options. The dealer may be able to beat your pre-approved deal, but it's good to know all your options.

If you are purchasing from a private seller, you will need to show up with your own pre-approved financing. Talk to your lender and make sure they are aware you are purchasing from a private seller, because your options may be different.

FINANCING RISKS

Finding used car financing is similar to getting a car loan from a dealer, but there are some differences to note. Lenders consider used car loans to be riskier than a new car loan would be, so expect higher interest rates on the loan. Used car loans are riskier



because there's always the chance the vehicle may not be as up to par as a new vehicle would be.

To possibly ease the mind of your lender, consider a certified used car. Chances are it

will be easier to find a lender with lower rates.

FINANCING PREPARATIONS

Lenders review your credit score more than anything else

in your profile. If you have a bad credit score, you may expect a shorter loan period or higher interest rates than normal. If you have bruised credit, expect to be asked to make a higher down payment

or accept a shorter loan term than you would if you have high credit.

If you have great credit, you can expect a longer-term loan, lower down payment and lower interest rates.

Negotiating the Car Deal

You have just found the vehicle that's best for you and your family, the test drive went well and now it's time for quite possibly the scariest part of the car buying process — the negotiation.

Here are a few tips to remember before you talk a price to your seller.

INFORMATION AND PATIENCE WINS

The person with the most edge has the most information. This means doing your homework is key to getting on top of negotiating. Knowing everything about the vehicle will give you an edge because you'll know the actual worth of the vehicle and what aspects can bring value down or up.

Never negotiate under pressure. The more pressure and desperation you feel, the more likely you are to walk into a bad deal for yourself.

YOU HAVE OPTIONS

One of the most basic rules when buying a vehicle is to not fall in love with one vehicle. The more attached you feel you to a certain vehicle the more you are tempted to walk into a bad deal just to take home the vehicle you want. Remember that you have the most options. If you



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don't like the deal, there is always another dealer and another car to be discovered. Rather than make a deal under pressure, you have the power to walk away if a deal doesn't work for you.

USE THE POWER OF CASH

Websites such as Dave

Ramsey, Consumer Reports and more all say that cash is the best way to buy a car. In an age of card swiping and approving of loans cash is the most upfront and reliable source of payment to car dealers. Some dealers are even prepared to lower the price just because you have cash in hand.

Cash tells dealers you mean business.

LESS IS MORE

Dealing with car dealers can be very intimidating. Both of you are looking to be on top of the deal and win the competition. Whose price will win?

In that tension your mind

can scatter and cause you to say something you don't want to say or give too much information. In the negotiating world, less is more.

Be quiet and let the dealer talk.

Say simple things such as "That price is too high for me." Then see how the salesman reacts.