



**USED CAR** BUYING  
GUIDE

# Test Drive 101

**A** test-drive is crucial to finding the best value in a used car. Few buyers know how to perform an examination that will separate the good from the bad.

Following these test-driving tips will boost your chances of finding a safe, reliable used car.

## PERFORM A PRE-TEST INSPECTION

Before getting behind the wheel, test the vehicle for proper oil, coolant and transmission fluid levels, correct tire pressure and more.

Open the hood. Any overpowering odor is big trouble. Look for signs of poor maintenance. Pull the oil and transmission dipsticks and look for dirty fluid or low levels. Open the oil filler cap. Dark, sludgy deposits on the interior mean oil changes were infrequent. Check hoses and fan belts for cracking. Lie on the ground and look under the car for such things as leaking shock absorbers and dented skid plates on SUVs. Both before and after the test, look under the car for signs of oil or fluid loss.

When you start the car and as you accelerate or decelerate, check the rearview mirrors for signs of smoking from the tailpipe. If you can see through the wheels, look at the brake rotors for cracking, grooving or discoloration. On some cars you can inspect brake pad thickness without removing a wheel.



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## BE CONSISTENT

It's best if you can drive the same roads, but running the same speeds is crucial. A speed of 35 mph on surface streets and 60 on freeways will give good results.

Make identical motions with the steering wheel. Look

for dead spots in the steering that might indicate a problem with the steering rack or suspension bushings. Go out of your way to hit bumps and notice the sounds and reactions of the suspension. If you see a problem that doesn't crop up anywhere else, re-run

the route in your current car for a benchmark.

## TURN OFF THE RADIO

Unless you're testing the sound system, switch it off. Periodically turn off the air conditioner or heater fan, but leave the windows up. This

will allow you to hear unusual noises.

Attempt to separate normal noises from those caused by wind, tires and car problems. If you hear a troubling noise, try to isolate it by changing speeds or switching road surfaces.

# Steps For Buying

**M**any of us remember when buying a used car ranked up there with a trip to the dentist. Today's consumer has so much information at his fingertips that the experience of buying a used car is much less stressful.

Here are some steps you should take for buying a used car.

## **DECIDE WHAT YOU CAN AFFORD**

Before considering the purchase of a used car, establish the amount you are willing to spend or, if taking a loan, calculate your maximum monthly payment.

Once you figure out how much your payment should be, research your financing options, which include dealerships or manufacturers. Third-party financing generally can be obtained without having to indicate a specific make or model of vehicle ahead of time.

Don't forget to consider the costs of tax, title, registration and insurance for your new car. Assorted fees and other costs will add roughly 10 percent to the purchase price.

Once you've established a price limit, steer clear of vehicles that barely squeeze under the threshold. Leave yourself some wiggle room and shop for a less flashy vehicle with lower mileage or an older one in tip-top shape. You wouldn't want to buy the car of your dreams only to have it drain your bank account because you didn't factor in all of the costs of ownership.



## **RESEARCH THE RIGHT CAR**

Figuring out how much you want to spend is the easy part; next you have to find the vehicle that's right for you. Most buyers are not sure what's out there or even what they need and want.

First, make a list of all the things you need your vehicle to do and then make a list of all the things you admire in a vehicle. Cross-reference the two. You should end up with a list of required and desired characteristics, which you

can use to eliminate models that won't work for you.

## **USE HELPFUL TOOLS**

There is a lot of information available on the Internet, but most buyers simply don't use that available informa-

tion to their best advantage. Other useful tools include the various websites for manufacturers. Often, you can learn specifics about not only the new cars but that manufacturer's previous models, as well.

# High-mileage Cars

**M**ost car buyers would prefer to drive off the lot with a brand new vehicle, but in the real world, people are bound by real budgets. This can make purchasing a used car a better economic choice.

Conventional wisdom suggests that any item purchased secondhand should be more on the “gently used” side. But is it ever a good idea to purchase a car that’s racked up more than 100,000 miles?

It depends.

There are many good reasons to purchase a vehicle with over 100,000 miles on its odometer. Most late-model vehicles are engineered to run well past 100,000 miles, and with proper maintenance and care, they should be able to double that number.

That “proper maintenance and care” factor will determine which high-mileage car you purchase. You need to know not only the mileage of the car but how it was treated while it accrued those miles. The best way to obtain that information is to turn to two main sources: the vehicle’s maintenance history report and your mechanic.

Buyers also can ask the seller for service records. Vehicle inspection by a trusted mechanic also is a must. Safety should be your top concern when purchasing a high-mileage car, therefore the tires, suspension and brakes — a car’s top safety features — should be subject to extra special scrutiny.

Even if you select a



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high-mileage car that meets all of your safety and financial requirements, it’s important to know that these cars come with their own special set of drawbacks. Both the extended and factory warranties will be expired by the time you take ownership, and you’ll be facing higher overall

maintenance costs due to obsolete parts. Plus, high-mileage cars are more likely to have changed hands a few times, so you’ll never know how well it was cared for by each owner.

It’s best to stay away from premium and luxury vehicles. A luxury car for a rock-bot-

tom price might seem very appealing, but in reality it can cause you a tremendous headache.

In addition to the inherent high maintenance costs and hard-to-find parts that come with purchasing a high-mileage vehicle, remember that luxury cars depreciate much

more rapidly than standard vehicles.

At the end of the day, when deciding whether to buy a car that’s used or extremely used, education is your best asset. Make sure you learn the facts and weigh all the pros and cons before spending your hard-earned money.

# Finding a Dealership

**I**t is important to choose a dealership you can trust. Positive business-to-customer relationships are not only good for the consumer but the dealer, as well.

The best dealers work hard to cultivate life-long customers through every aspect of the car buying process.

Here are some suggestions for finding a reliable dealer:

## READ DEALER REVIEWS

Many dealer reviews are honest reviews from customers just like you. These reviews can provide a good idea of overall dealership quality. Of course you shouldn't believe everything you read, and reviews shouldn't be your only source of information.

## DEALER LONGEVITY

Selling cars is a tough business, and dealerships come and go. This is particularly true of car dealers opening their doors for the first time less than 12 months ago. Is the dealer from whom you buy a car going to be there in the future when you need assistance? It is usually a safer bet to purchase a vehicle from a well-established dealer who has been a member of the community for a number of years.

## BETTER BUSINESS BUREAU

Check the Better Business Bureau website for your state. The BBB keeps records about



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customer complaints for up to 36 months, and these records show if the complaint was resolved in accordance with BBB policies. Comparing sever-

al dealers in the same area can quickly reveal trouble spots.

## FACILITIES

How a dealership staff cares

for the facility says a lot about the dealership. Good dealers take pride in their showroom and their facilities. Look around when you first pull into

the lot. Are the facilities clean, orderly and in good repair? Are the cars on the lot clean? Are the sales, service and support staff dressed professionally? Is the service area neat and tidy?

## CUSTOMER SERVICE

When you are on the lot or in the showroom shopping for a car, does the sales and service staff treat you with respect? If you feel uncomfortable, you probably are better off shopping elsewhere.

## ASK AROUND

Ask your friends, family and co-workers where they purchased their vehicles and if they had a good experience. Most people are happy to share their experiences when asked, especially if the experience was unusually good or bad.

## J.D. POWER

J.D. Power and Associates maintains Customer Satisfaction Index (CSI) and Sales Satisfaction Index (SSI) studies that give an overview of customer satisfaction ranked by manufacturer. The results from these studies are widely available. The SSI study measures the overall dealership experience, dealership facility, salesperson, paperwork, finance and delivery process on a 1 to 5 scale.

# Trade-in Tips

**Y**ou've decided on a car trade-in. Although you realize selling your car yourself will net you the best deal, the one-stop shopping convenience of buying a new car and trading in the old at the dealership appeals to you.

The trouble is, dealers have experience on their side, and extracting the best deal takes research, savvy and a bold approach.

Below are a few ways to navigate a car trade-in.

**Research the value.** There are numerous websites where this information is available, including Edmunds, Kelley Blue Book, AutoTrader and the National Automobile Dealers Association. Check for similar cars being auctioned on eBay, or if you have a CarMax store nearby, take your car there for a free appraisal.

**Make sure the time is right.** Convertibles don't sell well in the winter, but four-wheeldrive vehicles do. If you owe more on your car trade-in than you think you'll get from a dealer, you're in a very weak bargaining position. When gas prices go up, people demand more fuel-efficient cars and the values of trucks and SUVs go down.

**Spruce up the car.** Give the car the equivalent of "curb appeal" so the potential buyer's initial reaction is positive. Rid the car of any pet or smoke odors. Remove all your personal items, wash the vehicle and vacuum the inside.

**Show your records.** If



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you've kept all the maintenance records on your car, take them with you and ask the dealer if you can get more for your car because of them.

**Negotiate the new purchase and car trade-in separately.** Rather than negotiat-

ing the new car price first, start the deal with the car trade-in, especially if you have a fairly popular car.

**What should you say?** Start your negotiation by letting the salesperson know you've done some research. Say

something like, "I was researching cars online to see what I can get for this car," not, "It's worth \$4,000 and not a penny less.' "

**Explore the tax advantage.** All but eight states allow you to pay sales tax on the pur-

chase price of the new vehicle minus what the dealer gives you for your trade-in. The reduction in sales tax in states with rates of 9 percent to 11 percent can be substantial. Check your state's tax advantage.

# Check Out a Car's History

**A** vehicle history report (VHR), also referred to as a VIN CHECK, used car report or car history report is a detailed document that provides vehicle information about the history of a particular car, boat, truck or RV.

In order to obtain a VHR to verify a car's history, you'll need to know the vehicle identification number.

A car report or VIN checker can reveal any other strikes against a vehicle that might make you think twice about signing on the dotted line, such as:

- past ownership;
- any liens held on the vehicle;
- vehicle maintenance;
- title history blemishes;
- faulty odometer settings;
- flood damage;
- accident history;
- title check; and
- whether a vehicle was determined to be a lemon.

You can find your car's VIN in several places. In addition to appearing in the manual and on several important documents, the VIN also is printed on a sticker and adhered to various parts of the car. Check the doorjamb on the driver's side, the front of the engine block, underneath the spare tire, and the rear wheel well.

A number of online services offer free basic VHRs. If you intend to eventually purchase a VHR, run your free report with a trusted and reputable service, such as AutoCheck. This will allow you to assess the company and become familiar with the site's interface



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before purchasing a complete VHR.

Several dealerships will list a used car with a link to a free CARFAX VHR report. You may also search for used cars on CARFAX's website. Each listing comes with a free CARFAX

VHR.

When running a free VHR, you will need to enter the VIN. You also may need to provide a ZIP code, license plate number or the state in which the car is registered. After providing all the requested information and

accepting any terms and conditions, click "Submit" or "Run." The site will automatically load your free VHR.

A complete VHR will separate information into categories such as vehicle history and report summary, value calcula-

tor, ownership history, title history, additional history and detailed history. A free report will contain components of each section with general information. Since the free VHR is vague, it also may be harder to interpret.

# Age vs. Mileage

In the world of used cars, two factors have a major effect on price: mileage and age. An 8-year-old car is usually less expensive than a 2-year-old car, and a 100,000-mile car is normally less expensive than a 20,000-mile car.

But what about a 2-year-old car with 100,000 miles? Or an 8-year-old car with only 20,000 miles? If you're buying a car, should you be more concerned about its miles or its age?

Here are some things to keep in mind.

## MILEAGE MATTERS

If you're buying a used car, mileage should be a huge factor in your decision. After all, a car's odometer is a measure of how much life it's lived — so a car with only 70,000 miles is worth a lot more than one that's covered 170,000 miles. Engine parts, suspension components are only designed to last so long, and a car with too many miles is rarely a good decision.

That said, the way a car has added its miles is important to understand. A vehicle with all city miles will have a lot more wear and tear than one that's had all highway miles, since highway miles are easier on a car. Likewise, a car with a dedicated owner who takes care of every issue or problem and maintains the car perfectly according to the manufacturer schedule will likely last a lot longer than a car owned by someone who doesn't do much maintenance.



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## AGE MATTERS, TOO

But while mileage matters, a car's age can be just as big of a deal — and in some cases, it's even more important than mileage. For instance, a 10- or 15-year-old car with only 30,000 or 40,000 miles may be appealing. But given that the driver hasn't spent that much time behind the wheel in the last 10 or 15

years, have they spent much time doing maintenance?

More importantly, when it comes to an older car with low miles, you should be worried about rubber parts and other components that don't normally age well if they aren't exercised. A 6- or 7-year-old car that has spent much of its life sitting, for instance, might cause more

concern than a 10-year-old car that's been well maintained.

As you can see, age and miles may not matter as much as you think. Instead, it's the way the car has been taken care of during its life that is important. A 5-year-old car with only 50,000 miles may have many more problems than a 10-year-old car

with twice the odometer reading. It all depends on the type of vehicle, the type of owner and the type of maintenance that's been performed. This is one of the reasons it's a good idea to get a pre-purchase inspection before buying a car — and it's why you can't judge a car's condition based solely on its age and miles.