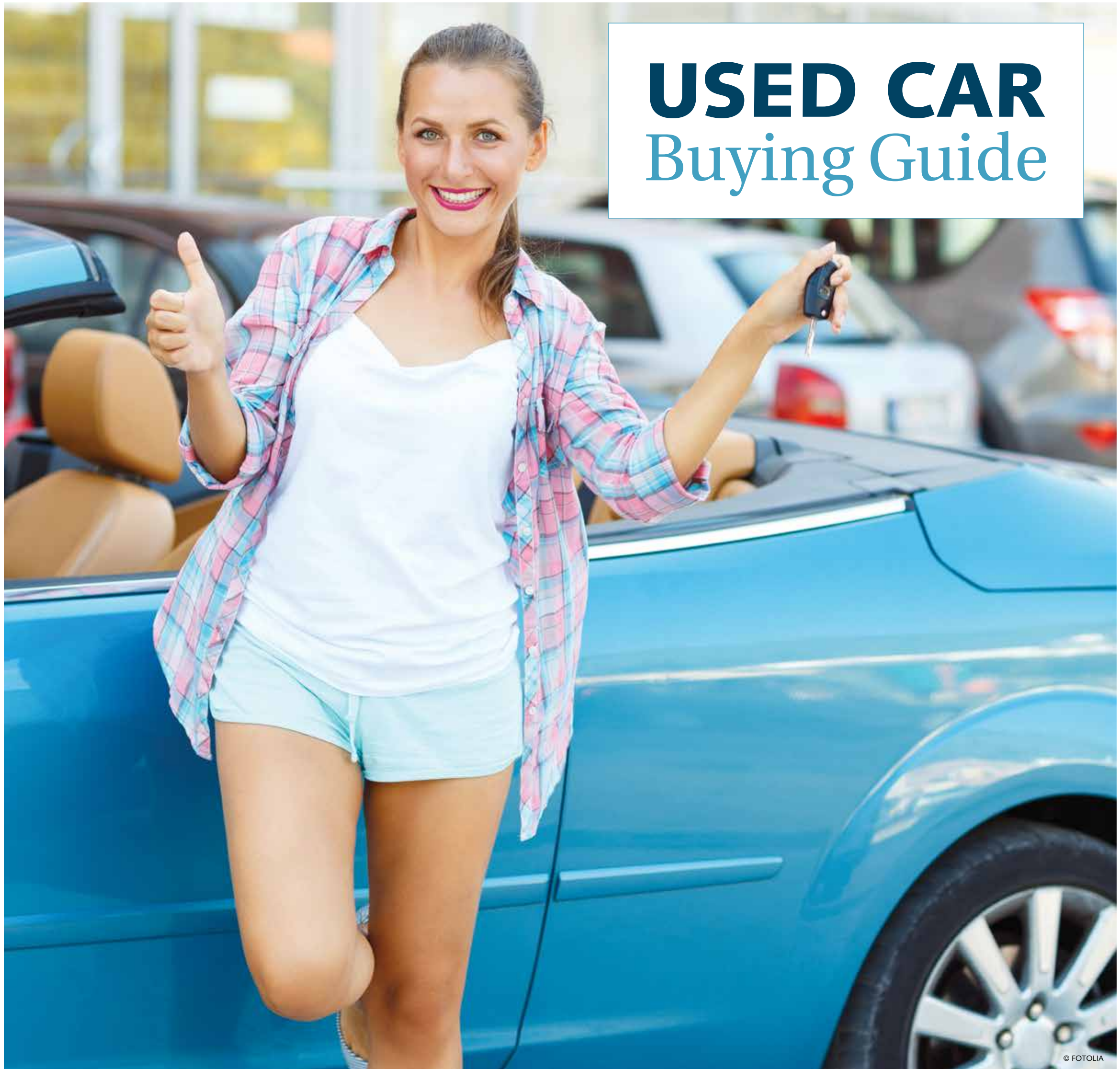


# USED CAR Buying Guide



# Buying From a Dealer

Scouring websites or magazines where private parties sell their used vehicles may seem attractive due to the low price points.

You may save a few dollars, but you don't know what you are truly getting unless you buy from an officially licensed dealer.

Knowing and trusting a private party when you are planning to purchase a used vehicle is one thing, but buying from an unknown seller can prove disastrous. It is easy to acquire the history of a vehicle using the vehicle identification number (VIN), but this will only show you major events in the life of the automobile, not nuances that may become major problems later.

The only way to get a good grasp on the condition of a used vehicle is to spend quality time behind the wheel. Sometimes these issues arise once it is too late to back out of the deal. It is in your best interest to head to your local dealership when considering a used vehicle purchase.

## LESS PAPERWORK AND FINANCIAL BACKING

Purchasing a vehicle from a dealership gives you freedom from the sometimes-confusing paperwork that goes into transferring a title or registering a new vehicle. A major benefit you gain from buying from a dealer is this paperwork is prepared for you.

You also will have the

advantage of acquiring a loan on location at the dealership. Dealers have extensive networks of financial institutions and might be able to offer better interest rates than you might find when applying for a loan on your own.

## BUY CERTIFIED PRE-OWNED

When you buy a used vehicle from a private party, you are taking the risk of buying something unreliable or even unsafe. Many dealerships offer certified pre-owned vehicles. These models are put through extensive inspections and repairs and often carry impressive warranties.

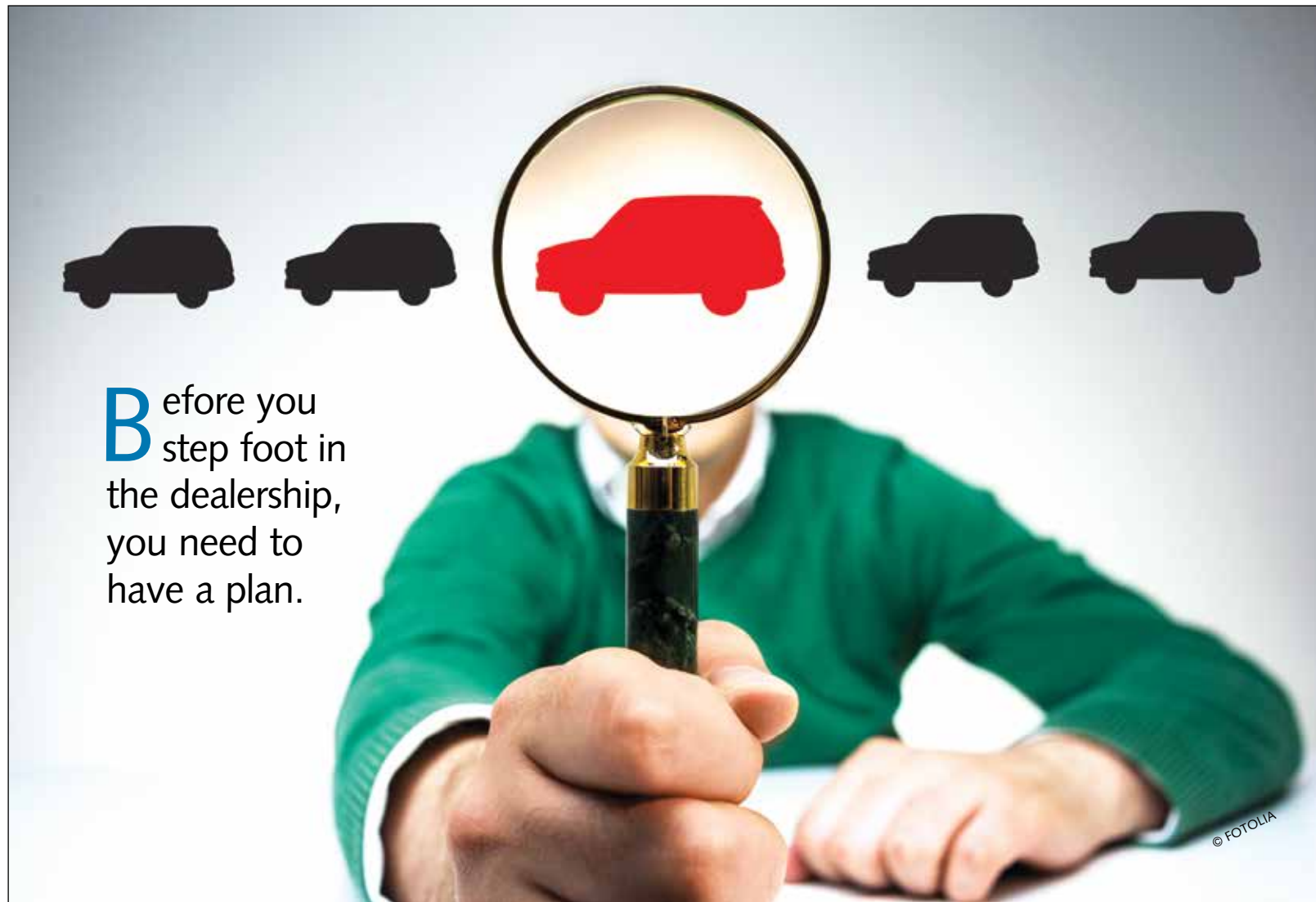
These thorough inspections are crucial to those who live in areas that require emissions and other types of testing on vehicles.

## CONVENIENCE

Arranging a meeting with a private party to look at the vehicle you are considering can be difficult.

Buying from a dealership allows you to visit the lot on your own schedule and gives you the ability to look at numerous models at the same time. You also will feel more comfortable performing the test drive with a salesperson than a seller with whom you are unfamiliar.





**B**efore you step foot in the dealership, you need to have a plan.

# Preparing to Purchase

This blueprint will provide you with negotiation tactics, a budget in mind and a good feel for which vehicle you will ultimately purchase.

Knowing exactly what you want before you enter the showroom gives you the confidence to get the best deal.

## **KNOW YOUR BUDGET**

You might choose to visit a local financial institution with which you already do business to get pre-approved for a loan. There, you will be supplied with an interest rate,

monthly payment and the total amount you can spend on a used vehicle. Remember, the total loan should not be looked at as the amount you should spend, only your approval amount.

DMV.org recommends not spending more than 20 percent of your monthly take-home pay on a monthly used vehicle payment. Keep other monthly expenses, such as your house payment, groceries, utilities and savings in mind when planning your budget.

## **CHOOSING A VEHICLE**

Once you have decided how much you will be willing to spend on a used vehicle, it's time to begin researching different models.

A few things you should ask yourself:

- **How much space do you require?** Families with several children should consider an SUV or minivan. Both have roomy cabins that are easy to move around in. Many models even feature third-row seating that will fold away for even more space.

- **How much do you plan to drive?** Long commutes to work, constant traveling and even joyriding can cost you big bucks at the fuel pumps. If any of these apply to you, look for a vehicle that boasts an impressive mpg performance.

- **Do you really need that navigation system?** Vehicle manufacturers have included innovative technological features in their vehicles for years. You will likely come across some in the used car lot. Determine which features you need rather than want. You can

often find the same model with less features for a lot less money.

## **KNOW WHAT IT'S WORTH**

Once you have located a few vehicles of interest, obtain the blue book value. You can find an estimated price from Kelley Blue Book based on the make, model, year and condition.

This will give you an average wholesale amount you should expect from the dealership. Also research similar models at other dealerships to use in negotiations.

# Defining 'As Is'

If you have spent any time searching for a used vehicle, you have likely read “as is” in numerous advertisements. These two words should automatically raise a red flag in regards to vehicles.

“As is” can be defined as the legal term describing the status of an item for sale. This vehicle can legally be sold without any known issues being disclosed. “As is” keeps the seller free from any legal trouble when a problem arises after the sale.

## FROM A DEALER

When you buy “as is” from a dealer, you are not taking as big a risk as buying from a private seller. While this vehicle will typically come with no warranty, dealerships must meet legal requirements for safe and legal operation before the sale.

## FROM A PRIVATE SELLER

A private seller is not required to give you information on problems with the vehicle. Safety or performance issues might not be discovered until you find them yourself. This is a big gamble to take, especially in regards to safety.

Depending on your state, there are no requirements that a private seller must ensure a vehicle will pass inspections before selling it. It is crucial to understand your state’s laws on private selling if you are planning to take an “as is” risk from a private party.

You can find yourself in a world of trouble by spending



a good amount of money on a vehicle that isn’t even legal to drive in your state.

Some other issues you might experience from private sellers:

• **Inaccurate odometer reading:** Auto savvy sellers

can lower the number of miles the odometer reads. It might look good on the dashboard, but the vehicle’s important components might have more wear on them that you know.

• **Inaccurate accident his-**

**tory:** Sellers are not required to disclose any accidents the vehicle has experienced.

• **Salvage vehicle:** If a vehicle is ever deemed “totaled,” it is declared a salvage vehicle and must be stated on the title.

If you are planning to take a gamble and make an “as is” purchase from a private party, be sure to run the vehicle identification number (VIN) history. You might discover information that was not disclosed.

# Inspecting a Used Vehicle

**B**y visually inspecting a used vehicle, you can gain a good understanding of how it was treated by previous owners. It is easy to find imperfections.

Before even getting into a vehicle for a test drive, there are key elements to inspect.

## TIRE CONDITION

Walk around the vehicle and assess each tire individually. Bring along a tread-depth gauge to measure the amount of life left in a tire. If the tires have less than a quarter-inch of tread, you should negotiate a new set of tires or a price reduction.

Also, make sure the tires are the same brand and model. You can get this information on the sidewall of the tire. Different sizes will affect ride comfort and cause premature wear to tires.

## LEAKS

Let the engine run while you inspect the tires. Then look under the vehicle to find any puddles or notice any leaks. Point out any leak to your salesperson.

## LIGHTS

Stand in front of and behind the vehicle as the salesman performs a light test. You should check both bright and dim functions of the headlights, turn signals, stop lights and hazards. If any light is not working, request repair as part of the deal.

## CHECK THE BODY

Body repair is difficult and



© FOTOLIA

costly. Look from the front corners of a vehicle, you can typically find any ripples or paint runoff that indicates a body repair was performed. Inquire about the vehicle's accident history. Your salesperson will have access to the incident report.

## UNDER THE HOOD

Raise the vehicle's hood and watch the engine run. Does it engage securely? If it seems to be moving too much, there could be a mounting issue. Listen for noises such as knocks or hissing, which can indicate mechanical problems.

## IN THE CAB

While inside, test every feature on the dashboard. Make sure the heat and air conditioning both function properly and efficiently. Check that each power lock works, power windows operate correctly and media centers work. Also check

the condition of the interior for clean carpet or well-maintained leather seats.

Any of these issues should be addressed when noticed. Some repairs can be performed, but if the damage is too extensive, it might be best to look at another option.

# The Test Drive

The test drive is an important part of any vehicle purchase. It is your opportunity to see how well the vehicle drives and how it will meet your needs. A test drive also makes it easy to avoid purchasing a vehicle with safety or mechanical issues.

Before heading to the lot, have several vehicle models in mind. If you happen to fall in love with the first model you test drive, it is still important to stick with your intentions to try other options. The comparisons you make from driving several vehicles will ultimately land you in the perfect one.

## PLAN A ROUTE

Before going in for your test drive, travel around the perimeter to find roads in different conditions. You will want to travel down roads that will test the important components of the vehicle.

Here are some great conditions to look for when planning a route:

- **Bumpy roads:** A less-than-smooth road is a great way to test a vehicle's suspension system. Use these roads to listen for noises coming from the shocks or struts and make sure the ride is still comfortable.

- **Sharp turns:** Find roads that offer sharp turns. You will get a good grasp on what kind of condition a steering system is in. Pay attention to any noises or pulling when turning.

- **Interstates:** Be sure to get the vehicle to interstate speeds. This speed allows you to notice acceleration performance, alignment and shifting



© FOTOLIA

conditions of the transmission. Issues with any of these might mean big problems in the future.

- **Stop and go:** Traveling down roads with many stop lights or signs will show you how well the brake system is

performing. If you notice vibrations or noises, the brake issues should be addressed before purchase.

## FROM INSIDE THE CAB

There also are things you should look for inside a vehi-

cle during a test drive.

When you have the vehicle up to the high speeds on the interstate, pay attention to any vibration from the steering wheel. There could be an indication of serious issues with the vehicle's suspension or

alignment system.

Watch the dashboard for any kind of warning lights. These lights indicate a problem. It might not be significant, but ask your salesperson to have the dealership's service team diagnose the issue.

# Mistakes to Avoid

**P**urchasing a used vehicle comes with many great benefits but can also get you in trouble if you don't take proper precautions. If you are in the market for a used vehicle, you should know some of the most common mistakes consumers make.

Used vehicles can be more prone to repairs depending on how well the previous owner maintained the vehicle. Checking the history of a vehicle will show you any maintenance performed, an accident report or incidents such as repossessions.

## BUYING WITHIN YOUR BUDGET

When planning your budget, there is more to look at than the monthly payment. While you should be able to comfortably afford the bottom line, it is crucial to understand the cost of regular maintenance.

Some newer import vehicles require a specially formulated oil to operate properly. This oil does amazing things for a vehicle but comes at an exceptionally higher price than engines that require conventional lubrication. Don't be surprised to spend more than \$100 on an oil change for vehicles which require these special materials.

Some used vehicles will be loaded with great features such as touchscreens, WiFi or navigation systems. The technology used to keep these components running efficiently might be hard on your wallet.

Check with your dealer's service department to get average prices on regular maintenance needs.



## DON'T SKIP THE EXTENDED WARRANTY

Buying a used vehicle from a dealership will usually mean you have an option to buy an extended warranty. These extensions can be crucial if the vehicle turns out to be less

reliable than you thought.

Having an extended warranty can pay for itself if your vehicle requires excessive attention. By the time you add up the amounts of parts and labor, the bottom line can quickly grow into a much larg-

er figure than your warranty premium.

## SHOP AROUND

If you think you already know exactly which model you are seeking, you could miss out on an exciting

option you had not considered.

Be sure to do your research and travel to different dealers to see their inventory. Your local dealerships will have a variety of different makes and models on their used lots.

# Asking the Right Questions

When purchasing a used vehicle, you might not know how the vehicle was treated by its previous owner, any accidents it may have been involved in or if it might begin experiencing issues as soon as you drive off the lot. Buying from a dealership can alleviate issues that could arise, especially if the vehicle has been inspected and repaired.

However, it is still important to know your vehicle's history. Your salesperson will have a thorough report of all history and service records of your vehicle.

Learn how to ask the important questions before making a deal.

## ASK TO SEE THE SERVICE RECORDS

This is a telling way to discover any abuse the vehicle might have experienced from a previous owner. This record will show you the history of basic maintenance, such as oil changes, tire rotations or other repairs such as engine rebuilds. A vehicle that hasn't been properly maintained will likely cause you expensive issues down the road.

When you are researching a model, be sure to look into any manufacturer recalls. If the repair is not listed on the service record, ask if the issue is still covered by the manufacturer. If not, it may be best to look at different options.

## ASK ABOUT THE FEATURES

Before you drive home a used vehicle, make sure it works for you and your family. A manual transmission is a tough adjustment for someone used to using an automatic. Some used vehicles won't have the convenient extras



such as power locks and windows, a sunroof or powered mirrors. Be sure to make sure the models you're interested in have exactly what you're looking for.

## ASK ABOUT CONDITION

Dealerships and value appraisers use a system of poor, fair, good and excellent when determining the value of a vehicle.

Some factors that can lower the category your vehicle falls into are a damaged interior, rust on the exterior, soiled carpets or performance issues.

Ask your salesperson which condition a particular used vehicle falls into, and be sure to look it over thoroughly to ensure you agree with the dealer's assessment.