

# NEW CAR

## Buying Guide





# Considering an Electric Car?

If you're in the market for a new car and are looking for a complete change of pace from the vehicles you owned in the past, an electric car might be the breath of fresh air you need.

There are, of course, many factors you should consider before making the investment.

The Department of Motor Vehicles states that an electric vehicle is one that's powered by an electric motor rather than a gasoline engine. While hybrid vehicles are sometimes confused as electric, they rely on fuel and incorporate a battery and engine to boost efficiency.

An electric vehicle is different because it relies solely on an electrical power plant, which makes it great for the environment and can save you money by not needing to fill up at the gas station.

But are these specially engineered vehicles right for you and the area where you live?

## PROS AND CONS

One of the biggest advantages an owner of an electric vehicle receives is the low cost of maintenance and the fuel savings. Since there are fewer moving parts, repairs will not be required as frequently as a gas-powered vehicle.

You also might qualify for a tax break when you purchase an eco-friendly vehicle and sometimes a discount from your utility company if you plan to charge it at home.

The downside to an electric car is that many places in the country just aren't ready for them yet. If you find yourself low on a charge, it might be hard to find a charging station.

Keep in mind that proper planning is required every time you get behind the wheel to prevent yourself being stranded and in need of a recharge.

Another shortcoming is since these vehicles are so new to the market, there won't be as many options from which to choose.

## WHERE TO BUY AN ELECTRIC VEHICLE

Not every dealership in the country has gotten behind the electric car craze. By researching your local area and surrounding communities, you should be able to find one that keeps a few in stock or can order one.

Try not to go too far out of town, as the dealership will likely be the best place to take it back for service. The technicians there will be highly trained to deal with the intricate electrical system that makes your vehicle run.



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# Importance of a Down Payment

**W**hen buying a new car, you should be prepared to pay for a portion of the vehicle up front. Not only will it help ease the amount of your monthly payments, but it usually means a lender will offer you a better interest rate.

While providing a down payment might not make or break your chances of owning your dream car, it certainly has an important role in the process.

## WHY LENDERS PREFER DOWN PAYMENTS

When you pay a percentage of a new vehicle upfront, a lender looks at it as a way to reduce its risk in case you are unable to make the payments. Due to the way vehicles quickly depreciate, loan holders might have trouble making their money back when trying to resell it after a repossession.

Requiring a down payment is one way lenders protect themselves when loaning out a significant amount of money.

## HOW IT BENEFITS YOU

Just as a lender has many great advantages when a down payment is presented, so do you as a buyer.

Especially for those with less-than-perfect credit, the best way to improve your chances of being approved for a loan is to offer an initial payment.

This will place you in a different category that you wouldn't have been considered for with a poor score.

By offering a down payment, you also can qualify for a more expensive car that

might not have been an option initially. It can sometimes significantly lower your monthly payment and interest rate, giving you more options when choosing a vehicle.

A down payment also gives you equity in your car, which means you won't owe more than it's worth. This is a huge advantage in case of an accident resulting in a total loss.

## HOW MUCH SHOULD YOU PUT DOWN?

While there is no set amount for a down payment, the experts at Edmunds recommend 20 percent of a vehicle's cost.

Of course, there are a couple of different factors that can impact the amount you should be prepared to pay.

**Credit score:** When your score is high, the need for a

huge down payment is lowered. A solid-payment history shows lenders that they are at low risk when they approve you for a loan.

**Vehicle cost:** Typically, the more expensive the vehicle, the larger amount of money will be required initially.

Don't forget that your trade-in value can be used as a portion of your down payment.







# Buying a Truck for Towing

If you plan to travel the country with a trailer, camper or even a boat behind you, the towing capabilities of a new truck will make your travels more comfortable than ever. Modern pickups feature roomy cabins that are just as luxurious — if not more so — than passenger cars.

Thanks to an incredible amount of options in your local dealership's showroom, it will be no problem to find the truck that matches your needs. Before purchasing, it is important to test drive a few different options to get a good feel of a truck's performance.

There also are a few other factors you should consider which can help you understand exactly which vehicle is right for you.

## HOW MUCH TRUCK DO YOU NEED?

Consider how much weight you

will need to tow. Depending on the size of a vehicle and its drivetrain configuration, you will find 2018 trucks with towing capacities ranging from around 10,000 to 32,500 pounds.

Determine the weight of your average load and choose a truck that meets your needs and allows for a little more weight than you usually carry. If you typically carry a lighter load, the power of a one-ton truck might be more than you'll ever need.

Plus, these larger trucks can carry a cost that's several thousand dollars higher than a smaller truck that can

still get the job done.

## 4X4 OR TWO-WHEEL DRIVE?

According to the pros at Auto Trader, a four-wheel-drive truck will feature a slightly lower towing capacity than its two-wheel-drive cousins. This is largely due to the weight of extra components required to keep all the wheels turning.

A two-wheel drive pickup will be suitable for those who will drive primarily on highways.

You're better off with a 4x4 when traveling off road, at work sites or the soft ground of a boat ramp.

## SAFE DRIVING WHILE HAULING

Pulling a trailer requires special attention from the driver and extreme caution to operate properly. The Department of Motor Vehicles recommends becoming familiar with how your cargo and truck maneuver together and practicing backing up in an open lot.

Turning requires much more space and can mean disaster when trying to learn on the highway.

Before you hit the road, you should always ensure your trailer is connected to its hitch or fifth-wheel and check that all lights are working.

# Researching Rides

**T**oday's new cars are stocked with amazing features both regarding safety and technology. By taking the time to research a few different models before even walking onto a dealer's lot, you'll have the upper hand in scoring a great deal and buying within your means.

Utilizing resources such as the Insurance Institute for Highway Safety's rating system allows you to scrutinize details to discover the safest car to bring home. This tool is incredibly helpful for parents who will be using their vehicles to transport young children.

While the protection a new car offers should be one of your main priorities, there are some other useful factors you should research to make your buying experience a breeze.

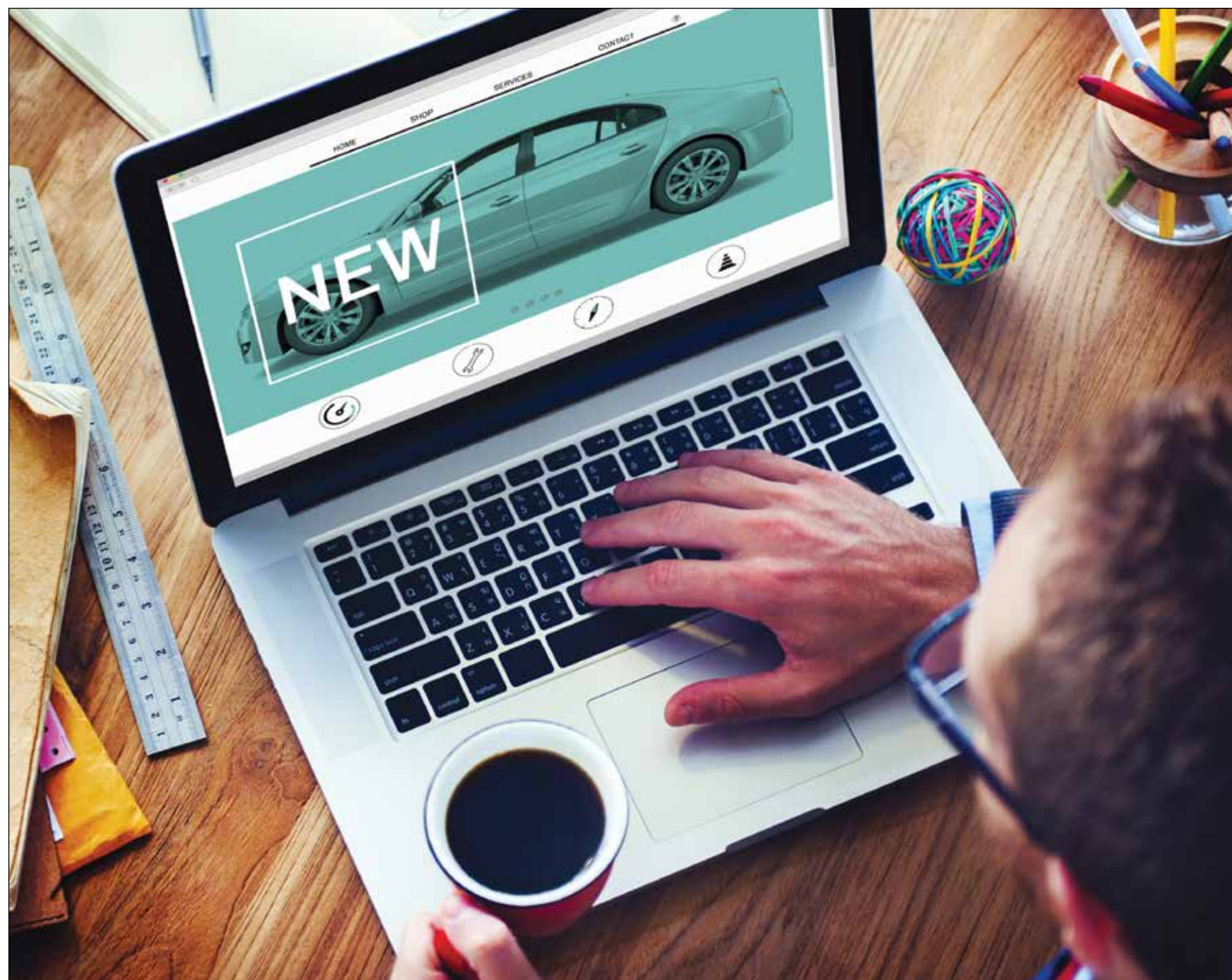
## **FIND PRICES FOR THE SAME MODEL AT DIFFERENT DEALERSHIPS**

Having a firm grasp on the sale price of a vehicle in several different dealerships in your area might give you the edge in negotiating a better price.

Don't be afraid to tell your salesman of the deals you find elsewhere. They might be willing to beat the final cost or include some awesome extras to entice you into buying from them.

You also can benefit from discovering similar models in different lots around your community.

Even if you are headstrong on a certain vehicle, you might find a type from



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a competing manufacturer that works better for your likes and budget.

## **IT SAVES TIME ON THE LOT**

When you head to a dealership, it can be easy to get distracted by the incredible features on vehicles you might not have considered. Try to keep your eyes on the few models you studied and deemed appropriate for your budget and lifestyle.

Making a spur-of-the-moment purchase on something so expensive as a car can have disastrous results financially.

## **SHOW YOUR SALESMAN YOU KNOW YOUR STUFF**

When you know the ins and outs of the vehicle you are considering, you will have a sense of confidence when negotiating. This is a big advantage

when trying to work out a price that satisfies both parties.

It also will help to know the trim levels of a particular model. Rather than including individual "extras" like in the past, manufacturers package different features into separate sub models. If there is a trim that works best for you but isn't on the lot, see if the salesman can order you one. You might even be able to arrange delivery to your home.



# Dealership Fees and Taxes

The sticker price on a new vehicle is not always the final price you will pay. When budgeting for a vehicle, prepare for unexpected fees and taxes.

Ask your salesman for a breakdown of the extra costs that might arise when closing the deal.

It is advisable to pay for these fees up front rather than bundling them with your loan. Every dollar you finance is subject to interest rates set by your lender. Be sure to thoroughly read the fine print of your sales contract so you won't be caught off guard by unforeseen fees.

## COMMON DEALERSHIP FEES

The extra charges you will accrue are important to the buying process.

Here are some of the common fees you might see on your contract, as reported by the Department of Motor Vehicles:

**Documentation:** The extensive paperwork needed to legally sell and purchase a new vehicle is not performed for free. Typically, dealers will cover their costs by adding these fees to a contract.

**Advertising:** To help cover the cost of advertising, automobile manufacturers charge



these extra fees for the vehicles they deliver to the dealer. Scrutinize your contract to be sure you're only paying this charge once.

**Trade-in:** Sometimes a trade-in requires extra attention before it can be considered marketable. A dealership might

include a fee to cover the costs of the work they need to perform before they can resell it.

A lot of dealers are willing to work with you when negotiating the extra fees. If there isn't any room in the final price, ask for extra services such as oil changes or car washes to be

worked into the deal.

## PAYING SALES TAX

Depending on the state, there are different requirements for sales tax you pay on a new vehicle. It is important to have a firm understanding of your location's regulations.

Sometimes, you can score a great deal after taking advantage of rebates, but you may be responsible for paying tax on the cost of a vehicle before discounts are applied.

Work with your sales professional to ensure you are properly paying the taxes owed.

# Buying Online vs. In Person

**W**ith online shopping on the rise, it's no surprise that many dealerships are inviting potential buyers into their showrooms from the comfort of their living rooms.

According to the United States Department of Commerce, internet purchases totaled \$453.3 billion in 2017, an increase of 16 percent from the previous year.

Both buying online or in person from a reputable dealership have their own pros and cons. While the processes may be completely different, the final result is the same: You will find the perfect vehicle with the help of a professional.

Learn the advantages of both to find out which method will benefit you the most.

## BUYING ONLINE

When you purchase a new vehicle from a dealer's website, you will be in contact with a sales team through phone, email, text and sometimes a live chat. The online team will offer the initial quote, work out negotiations and list the exact fees you should expect.

It is a way to streamline the process without spending too much time in a brick-and-mortar building.

## IN PERSON

While buying online might save you time and be convenient in the right situation. Sometimes, visiting a dealership and meeting with a sales associate face to face is the best way to discover the answers you desire.

For many people, meeting in person to discuss such a

large investment is more comfortable and easier to understand than doing so through a screen.

Visiting a dealership also means you can test drive several different models and might even see a vehicle on the lot you didn't expect to be interested in. Keep your options open and explore the

showroom to bring home the perfect vehicle.

## TAKE ADVANTAGE OF BOTH

Get the best of both buying options by utilizing the benefits each provides.

Start with researching the perfect vehicle by looking at a local dealership's inventory

and choose a few different vehicles that peak your interest. With several new cars in mind, head to the physical lot to test drive them and make sure they are what you expect.

Once you decide which vehicle to make an offer on, choose your preferred shopping method.



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# Questions to Ask your Salesman

**B**uying a new car can be a sizable investment so it's important to know the right questions ask your salesman before signing on the dotted line.

The details can sometimes easily get lost in the excitement of driving off the lot in a new car and forgetting to ask the questions that matter.

Don't develop buyer's remorse once you get the vehicle home and discover it doesn't meet your needs. When shopping for a new car, prepare to pick your salesman's brain about the following factors.

## WHAT KIND OF INSURANCE RATES SHOULD YOU EXPECT?

It can be difficult to receive quotes for insurance prices when shopping for your new vehicle.

The professional at your local dealership should be able to give you a general idea of the cost you should expect. Some vehicles that make a policy more expensive include sports cars, hybrids and luxury vehicles.

Don't get stuck with a premium you can't afford because you failed to ask this important question.

## HOW EXPENSIVE ARE REPAIRS?

Depending on the vehicle, maintenance and general repairs can be much more expensive than an older vehicle. Ask if your salesman will work with the service manager to give you an idea of what you can expect for the cost of repairs not under warranty.

Automobile manufacturers are relying on high-quality fluids to properly lubricate new, efficient engines. Don't



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be surprised if an average oil change is much higher than a vehicle that uses conventional oil.

## WHAT DOES THE WARRANTY COVER?

Most new cars are backed by a warranty from the manufacturer. Some automakers cover bumper to bumper

or are more specific to the power-train. Make sure you are familiar with exactly what yours will pay for, so you can budget for repairs that aren't covered.

## WHY ARE THERE MILES ON YOUR POTENTIAL PURCHASE?

You may think that because a vehi-

cle has never had an owner, its odometer should be sitting on zero.

The longer a car sits on the lot, the more likely it is to have been test-driven by potential buyers. Don't be afraid to negotiate a better price on a car if it has several hundred miles before you even drive it off the lot.