

New Car

BUYING GUIDE



Why Buy New?

When you buy a new vehicle off the lot, you gain the advantage of knowing what you're buying.

A used car may have been driven by an owner who was unconcerned with maintenance, which can lead to significant issues. Investing in a new vehicle is the only way to bring it home in the condition intended by the manufacturer.

Before visiting a dealership, it's good practice to save up for a down payment. Having the funds to put toward your loan can help gain better terms, lower the monthly obligation and give yourself more equity. The experts at Commonwealth One Federal Credit Union suggest saving putting down at least 20% of the vehicle's cost upfront.

MANUFACTURER WARRANTY

While you shouldn't expect to face many mechanical problems with a new car, a manufacturer warranty provides peace of mind against defects from the factory.

It's essential to understand the automaker's terms and conditions regarding what is covered. The salesman at your local dealership can provide you with the policies. In addition to this standard coverage, find out if your dealer offers an extended warranty to take over protection once the OEM



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protection expires.

THE LATEST TECHNOLOGY

Automakers are consistently exceeding last year's models in terms of technology. When you buy new, you acquire the most cutting-edge safety features, mechanical improve-

ments and interior upgrades.

Many new vehicles are also fitted with enhanced power-trains, which limits the time necessary for service. But maintenance like an oil and filter change may cost more, initially, for a new vehicle. Long term, some manufacturers suggest you only need the

service every 10,000 miles rather than 3,000 miles which was the standard only a few years ago.

CUSTOMIZE YOUR PURCHASE

Buying a new vehicle puts you in charge when creating a car to your specifications. Ask

your dealership about customizing your ride with options that aren't available on the showroom floor. Keep in mind, the process will take time before your vehicle is delivered from the factory, so you should have a backup mode of transportation in place.

Compare Vehicle Warranties

One of the most significant advantages of buying a new car is obtaining the manufacturer's warranty.

Depending on the automaker, guarantees range from three years or 36,000 miles to lifetime coverage. When researching your new vehicle, it's essential to consider the OEM coverage.

Maintaining new automobiles can be expensive. In addition to regular maintenance, repairs for increasingly complex computer and mechanical systems can be expensive. In many cases, your vehicle will be better cared for at the dealership, even for minor services. While the costs may be more substantial than at an independent shop, technicians are highly trained in the manufacturer's specifications.

FORD

Whether you're in the market for an F-150 pickup truck or an SUV, the manufacturer offers a substantial warranty for most major components. Here is what you can expect, according to Ford.

Bumper-to-bumper: Three years or 36,000 miles

Powertrain: Five years or 60,000 miles

Safety restraint system: Five years or 60,000 miles

Diesel engine: Five years or 100,000 miles

The warranty start date

occurs when you take delivery of your new vehicle or the day it is first put into service.

GM

A similar warranty backs General Motor vehicles. In addition to bumper-to-bumper and a powertrain guarantee, the group also provides roadside assistance and

courtesy transportation for five years or 60,000 miles. When you bring your new vehicle home from the dealership, the contract information for assistance can be found in your Owner's Manual.

CHRYSLER

Vehicles offered by Chrysler come with the same three year

or 36,000 mile, bumper-to-bumper coverage. Under the manufacturer's warranty, these items are only covered for 12 months or 12,000 miles, whichever occurs first.

- Brake components like rotors, pads and drums.
- Wiper blades.
- Clutch disc or modular clutch assembly.

• Windshield and rear window.

A bumper-to-bumper guarantee doesn't always mean every part is covered under warranty, only vital components that are necessary for the operation of a vehicle. It's crucial to read the fine print of the coverage to understand the limitations.



Buying Online Vs. In Person

Modern technology has changed the way consumers shop in nearly every industry and the automotive market is no exception.

Have you considered buying a car online? Many dealerships have opened their virtual doors to online sales, which adds convenience for a buyer. While it's easy to complete the process of buying a vehicle online, don't forget the importance of visiting the lot to complete a test drive.

Before committing to an investment for a brand-new car or truck, make sure it's a good fit for you, your family and your driving habits. When test driving, try to take the vehicle along on paths of your daily commute to see how it works with your lifestyle.

Once you have set your sights on your dream car, consider if buying online or in-person is the better avenue.

BENEFITS OF BUYING ONLINE

While buying online can widen your reach to available dealerships, it's still a good idea to buy local, even if the cost is slightly higher. Not only will buying locally keep a portion of your money in your community's economy, but it's also a way to obtain perks from the dealer. You may be



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able to negotiate terms like loaner cars or discounted services when dealing with an online sales associate.

LOW-PRESSURE BUYING

Purchasing a vehicle online also lowers the stress of visiting the dealership lot. You can browse inventory without the pressures of making an immediate decision. You may

also find it more comfortable to negotiate with the salesman from the comfort of your home.

BENEFITS OF BUYING IN-PERSON

When shopping for a new vehicle in the traditional fashion of visiting a dealership personally, you can also gain unique advantages.

FIND ANSWERS IMMEDIATELY

When committing to a sizable investment like purchasing a new car, it's common to have questions regarding price, loan terms and features. When buying online, it may take time for someone to respond to your inquiries. However, in-person buying presents the opportunity to find out the

answers you seek immediately.

NOTICE FINE DETAILS

Visually inspecting vehicles in person provides a better perspective of its features over online browsing. Take note of the interior designs you favor, the amount of technology inside and how the size of the automobile will fit into your daily commute.

Do Your Research, Avoid Mistakes

When investing in a new car, take the time to research the potential purchase. The process of buying a vehicle is much more involved than merely signing papers and driving off with a new set of wheels.

Make sure you know what you want before heading to the dealership.

If you plan to finance your new ride, be proactive and research your credit score prior to visiting the dealer. According to the Fair Credit Reporting Act, nationwide credit-reporting services must provide you with a free report annually.

Once you have your document, check it for accuracy and dispute any erroneous activity. Your score will show lenders how reputable your financial history is and positive marks can lead to lower interest rates.

MAKE A LIST OF VEHICLES

Whether you visit a lot or browse 2020 models on a website, making a list of vehicles that fit your needs is ideal. Take advantage of visual tours of the cars and configure different options, trim levels and colors to get an idea of the cost you should expect.

Of course, it's crucial to buy



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within your means to avoid being unable to pay your monthly obligation comfortably. Do your best to stick to the list of automobiles that make sense to your budget before visiting the dealer for test drives. You don't want to be enticed by a different model on the lot that may be priced higher.

LOOK FOR INCENTIVES

Both manufacturers and dealerships often offer cost-saving incentives to drive business and entice buyers into making a purchase. While the motivations certainly make sense for those selling vehicles, you also get to take advantage of great deals and savings.

Check out the automaker's

website to discover low APR financing, no-interest loans and specially priced deals. During the buying process, ask your salesman about any available rebates for new purchases.

PRE-APPROVED FINANCING

If you walk into a dealership

without a financial agreement from a lender, you are typically subject to their terms. Most dealers work with institutions across the country, meaning your payment cannot be made in person.

You can work with a lender in your local community by making an appointment to discuss an auto loan.

Buy for Fuel Efficiency

Buying a new vehicle presents excellent opportunities to obtain the latest and greatest features and sleekest automobiles.

While manufacturers continuously one-up each when creating lavish interiors and exteriors, what's under the hood offers far-reaching benefits as well.

When browsing new vehicles, you have likely reviewed the MPG, or miles per gallon, promoted by the manufacturer. Compare the rating with similar cars between automakers before committing to a purchase. Not only can you save money with great fuel efficiency, but an efficient vehicle also limits the pollution it puts into our environment.

According to the Environmental Protection Agency, in model year 2017, carbon dioxide emissions were at an all-time low, while fuel efficiency was at a record high. In a study by the agency, it was found that 12 of the 13 largest manufacturers selling in the United States improved these factors between the model years 2012 and 2017.

IMPROVE YOUR FUEL EFFICIENCY

To keep your vehicle's fuel economy the best it can be, change the way you drive. Did you know that a warmed-up engine is more efficient than



a cold one? The United States Department of Energy says short trips taken from a cold start can use up to twice as much fuel.

Here are more tips from the DOE to improve the way your vehicle consumes fuel.

- Avoid idling when you can; it can cost as much as \$0.02 per minute.

- An extra 100 pounds in

your vehicle can decrease fuel economy by 1%.

- Keeping tires inflated to the recommended pressure can improve fuel efficiency by about 4%.

- Using the wrong viscosity of motor oil can decrease efficiency by 1-2%.

FUEL-EFFICIENT MODELS

If you are still searching for

the perfect vehicle, check out these great options for fuel economy, as reported by the Kelley Blue Book.

2020 Ford Escape: 41 MPG combined: 44 city/37 highway.

2020 Toyota RAV4 Hybrid: 40 MPG combined: 41 city/38 highway.

2020 Lexus UX: 39 MPG combined: 41 city/38 high-

way.

2020 Nissan Kicks: 33 MPG combined: 31 city/36 highway.

The KBB also rated impressive driving distances for electric cars and their MPGe, or miles per gallon equivalent. The 2020 Hyundai Kona Electric took first place after being evaluated for 120 MPGe combined.

Buying at the Right Time

Buying a vehicle shouldn't be a spur of the moment decision.

Waiting for certain months of the year can result in huge savings as dealerships aim to unload inventory before new models roll onto their lots.

Use the time of the year as part of your strategy to buy the perfect car for a great price.

If you need a new car now, it can be beneficial to do your shopping throughout the week. Dealerships are often crowded on the weekends, which may limit the time a salesman will have to spend with you. When visiting the lot early in the week, an associate is often more willing to negotiate to make a deal. Experts at Bankrate suggest Monday is traditionally the slowest day of the week for dealerships and they are eager to make the most of limited opportunities.

END OF THE YEAR

You may not realize that dealerships typically have sales quotas regarding their new and used models, both monthly and annually. Crunch time is the last few months of the year. To obtain these achievements, the sale's associates can be more willing to offer better deals.



BEFORE THE NEW MODEL YEAR

Another way to score great savings is to wait until the new model year vehicles make their appearance and buy last year's model when the price drops. The resource center Edmunds states most new

cars make their debut during the fall months, making the end of summer a sweet spot to begin planning your purchase.

Of course, you should also analyze the newer release to find out if the advancements are worth giving up for its predecessor. Check out new safe-

ty features, fuel economy and reliability reports, as the updates may be worth the extra money.

THREE-DAY WEEKENDS

Certain weekends make sense for saving on a new vehicle purchase. Keep an eye

out for sales at your local dealership to celebrate Memorial Day, Presidents Day and the Fourth of July.

Sales lots are known for their specials that offer MSRP discounts, attractive financing and the most significant price cuts of the year.



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Car Buying Do's and Don'ts

If you go into a dealership without an idea of how you will finance the vehicle you have in mind or how your financial reputation stands, the process can be a nightmare.

Avoid a high-pressure setting where a poor decision can be made by understanding your responsibilities when buying a new car.

DO: RESEARCH VEHICLES

The first step of purchasing a vehicle is choosing the type that works for you. While you don't necessarily have to narrow your search down to a specific make and model, knowing the size and options you require is a great start.

Compare different models offered by automakers to find the right blend of must-haves and nice-to-haves like a flashy interior, four-wheel drive and fuel efficiency.

Also research the price differences through dealerships by searching on their websites. Use this knowledge to your advantage during negotiations.

DON'T: VISIT THE LOT WITHOUT PRE-APPROVED FINANCING

Visit your local credit union or financial institution to acquire a pre-approved offer before visiting the dealership. Knowing what you're qualified for can help avoid making mistakes by purchasing a vehicle outside of your financial means. You will also gain leverage in negotiations as financing is a factor that helps most dealers land deals. Make sure to be completely open about the fact that are already financially backed to make a salesman work harder to earn your business.

DO: HAVE A DISCUSSION WITH YOUR INSURANCE AGENT

Whether you finance or pay for a new car with cash, acquiring full coverage from your insurance provider is necessary. Replacing a new vehicle can be catastrophic to your finances if it is totaled in an accident and you are left without insurance protection.

Discuss the types of vehicles you are considering purchasing with your agent to get an idea of what the new policy may cost you. Consider writing down a few vehicle identification numbers from a dealer's website so they can give you an accurate quote.