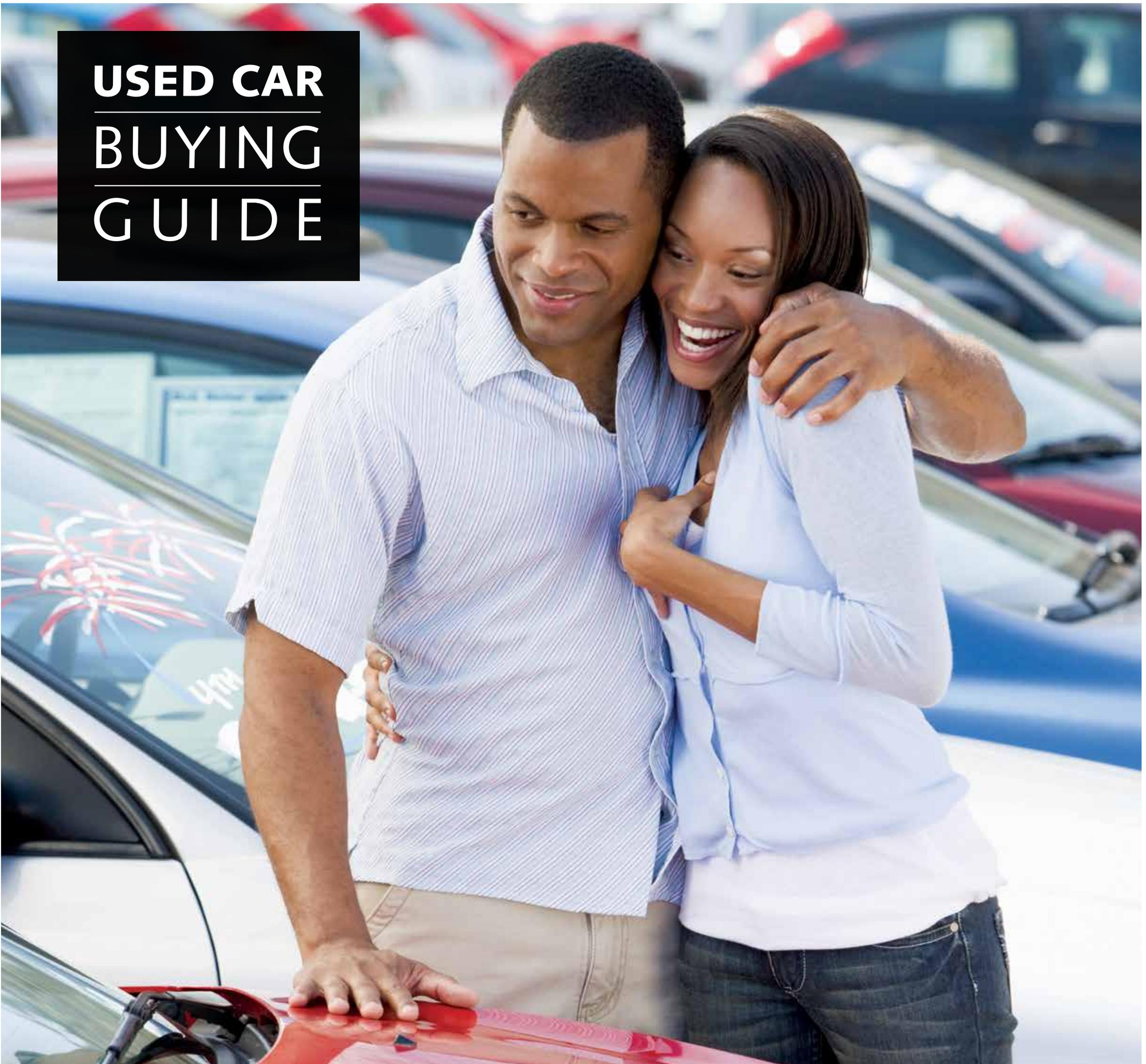


USED CAR BUYING GUIDE



Before You Buy

Buying a used car makes the most sense for many consumers looking for a quality vehicle at a good price. With vehicles lasting longer than ever thanks to improved roads and engineering, it's the perfect time to buy.

The Manheim 2014 Used Car Market Report, citing CNW Marketing Research, says U.S. franchised new-vehicle dealers sold 15.6 million used vehicles in 2013.

This total is nearly equal to their new vehicle sales. Industrywide, according to the report, used-vehicle sales totaled almost 42 million in 2013.

DO SOME RESEARCH

Now that you know buying a used car has become common practice across the United States, it's time for you to take the first step. With any major purchase, you should have an understanding of what you can afford before you begin researching.

Tabulate your monthly bills and see where you need your car payment to fit. If you're paying cash for a used car, make sure you're not leaving yourself in a compromised position financially in case other expenses pop up.

When you're ready to research, look no further than your local newspaper or online advertisements. All of your local dealers probably have some kind of Internet presence that makes browsing for a used car easier than ever.



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RESOURCES

There are many available tools to help you find out if a specific used car is right for you.

You can easily obtain an independent review of a vehi-

cle's history by checking a trusted database service that provides such information.

These agencies gather information from state and local authorities, salvage yards, and insurance companies to paint a comprehensive picture for

consumers.

FTC TIPS

The Federal Trade Commission offers the following tips, whether you're buying a used car from a dealer or

an individual:

- Examine the car fully before deciding to purchase it;
- Test drive the car under varied road conditions; and
- Ask for the car's maintenance record from the owner, dealer or repair shop.

Certified Pre-Owned

As consumers, we want long-lasting products at fair pricing. Thanks to the Certified Pre-Owned (CPO) designation, buyers of used cars can now experience just that.

CPO cars typically have an extended factory warranty and require in-depth inspections.

Dealers have enjoyed growth in this segment of vehicles because of the trust a consumer has for the CPO designation and a lagging supply of lower-mileage dealer trade-ins available, according to the National Automobile Dealers Association.

For many dealerships, certified used or certified pre-owned vehicles feature warranties that extend beyond the initial coverage of the new auto purchase. Some are even recognized by the original vehicle manufacturer, depending on how long the car has been operational.

GETTING CERTIFIED

Before a vehicle can be labeled a CPO, its manufacturer must conduct a certified inspection to determine if it is worth the additional warranty coverage. Upon passing the inspection, the vehicle is authorized with the classification, and the additional warranty will take effect when the original coverage expires.



All warranties are different, so be sure to check into the details on what your warranty covers and for how long. In many cases, certified buyers enjoy many of

the same benefits as new auto buyers.

SERVICE

The CPO classification is

not to be confused with extended service contracts. Used vehicles that are sold with extended warranties may not be factory certified but can have service con-

tracts that were purchased at an additional cost from a third party.

Most extended service contracts do not require manufacturer's inspection, which may leave you unprotected for any problems further down the road. Be sure to understand the type of agreement you are entering before settling on a final price.

HIGHER PRICES

Generally, autos with a certified authorization are more expensive than regular used vehicles. However, the additional cost may be perceived as acceptable to a buyer seeking some assurance on the vehicle's engine, body and operational integrity.

If the final price is more than you're comfortable settling for, you may be able to negotiate down, depending on how much of a gap is between the numbers. Then again, you may be willing to pay a little more for the CPO classification.

Take your time when making your decision and be sure to weigh the pros and cons of both possible outcomes.

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Smart Shopping

There have never been so many tools at the disposal of the used car consumer. Online databases offer digital browsing. Watchdog groups are scouring for fraudulent sellers.

Buying used is no longer considered a dicey proposition with no protection for the buyer. Instead it is a common occurrence with built-in protection and an assortment of vehicles from which to choose.

Depending on how much you are looking to spend, you may be able to come up with enough cash to completely pay your vehicle off before it even comes off the lot.

WHERE TO SHOP

Buying from a dealer or car lot may be your best option if you're hoping for some kind of protection through a manufacturer's warranty. Dealerships offer special deals and financing packages throughout the year that can help you save a bundle if you buy at the right time.

Buying from an independent seller can also have its benefits. Prices may be cheaper and the process quicker. The key to using an individual seller is being able to locate enough information on the prospective car.

SHOP FOR SAFETY

The National Highway Traffic Safety Administration credits air bags with saving approximately 2,000 lives



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over the past decade. Most new models offer door-, pillar- or roof-mounted air bags for better protection, but many used cars may not.

Be sure to check for air bags on any car you are considering purchasing. Other safety

features to consider are anti-lock brakes, traction control and overall size of the car.

WEB RESEARCH

Shopping online has helped level the playing field

for consumers. This is true in used car purchases as it is in many other marketplaces that require strong research for a consumer to find the best deal.

Online you can search local dealers and even private par-

ties for the right fit. By researching aspects such as color, size or car history, you can walk into any car dealership feeling confident that you will make an educated, smart decision on buying your next vehicle.

Used Car Rule

If you've looked into buying a used car, you've seen the sticker that explains key information, such as whether the vehicle comes with a warranty. But what is the origin of that sticker?

It may be older than you realize. Since 1985, the Used Car Rule has been in effect. The standard requires car dealers to display a window sticker known as the Buyers Guide on the used car that they offer for sale.

The Buyers Guide is enforced by the Federal Trade Commission, which directs dealers to disclose whether it offers a warranty, as well as its terms and conditions, duration of coverage, the percentage of total repair costs the dealer will pay and which vehicle systems are covered.

In states that do not allow sales of as-is used cars, dealers must display an alternative version of the Buyers Guide.

WHICH VEHICLES REQUIRE STICKERS?

The Buyers Guide requires that stickers be displayed on used light-duty vans, light-duty trucks, demonstrators and program cars. The Department of Motor Vehicles defines demonstrators as new cars that haven't been owned but have been driven by dealer staff, and program cars as low-mileage, current-model-year vehicles returned from short-term leases or rentals.



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Conversely, Buyers Guides do not have to be posted on motorcycles and most recreational vehicles, per the FTC requirements. Also, anyone who sells fewer than six cars per year isn't required to post one.

INCLUDED INFO

The FTC guide is comprised of a list of specifications that must explain the following:

- Whether the vehicle is being sold as is or with a war-

ranty; and

- What percentage of the repair costs a dealer will pay under the warranty

It also encourages buyer vigilance, prompting these reminders:

- Spoken promises are diffi-

cult to enforce;

- Get all promises in writing;

- Keep the Buyers Guide for reference after the sale; and

- Ask to have the car inspected by an independent mechanic before you buy.

Buying High Mileage

Many people may cringe at the idea of buying a car with more than 150,000 miles on it. But many experts say that the amount of miles on a car is not as important as how those miles were amassed.

You may be able to find out if the seller was diligent about following the manufacturer's recommended service schedule. You also should consider factors such as how many miles were from in-town driving compared to highway miles, because some miles are harder on a vehicle than others.

IMPACT

The reading on the odometer can certainly give you an insight into how often a car was driven. But that number may not give you an accurate measurement on which to base your decision.

A city car can have a more grueling background than one that is most often driven on interstates — even if the city car has many fewer miles on it. That's because it makes more stops, turns more corners and overall inflicts more wear and tear on its parts.

That being said, some damage to a vehicle can be caused by years of service rather than age. Any parts made of rubber have a limited natural life span because they can crack, wear down and leak. So a car that doesn't have a particularly large number of miles on it can still be in need of some serious maintenance if it has been around for a while.



CONSIDERATIONS

When trying to decide whether or not to buy a used car with high mileage, consid-

er the likelihood of you wanting to resell the vehicle in the next few years. Many people will purchase a high-mileage car to fill a gap until they can

afford to buy something newer.

Others may not be worried about getting their money back through resale and plan

on using the car or truck as an extra vehicle for hauling or short trips. Factor in your needs before settling on a purchase price with the seller.

Test Driving a Used Car

The worst thing you can do when buying a used car is signing the dotted lines without first taking it out for a spin. You owe it to yourself and your finances to experience how your prospective car functions.

Dealers are used to having customers request a test drive. If you're buying from an individual, be sure to insist for a test drive as well. For both cases, allow yourself about 20 minutes to get a feel for the quality and reliability of the car.

FIRST IMPRESSION

Before you even get into the vehicle, conduct a simple preliminary check:

Assess the tires for splits or excessive wear. Look for major damage along the interior and check the carpets, switches and emergency features on the interior. Does the horn sound? Do the lights work? Are the windshield wipers functioning correctly?

By checking these few things you can rest assured that you've done your research. Uncovering a major flaw now can help save you the time it takes for a test drive and any negotiating, as well.

DURING THE DRIVE

The privately operated website DMV.org offers a checklist to assess how a used car performs on a test drive. See www.dmv.org for the full list. Here are a few of the department's recommendations.

- Is the car easy to start, meaning does it turn over on the first try?



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- In an automatic transmission, does the car move smoothly from gear to gear?

- In a manual, does the clutch easily engage with no abnormal sounds?

- Is there a pull to either side

as you drive or brake?

- How does the car idle when you're stopped?

FINAL QUESTIONS

If you are testing a car for

sale by an individual, you also should request their file of maintenance records. This can include receipts of recent repairs, allowing you to see if there have been recurring problems with any major parts

of the used vehicle.

If the seller claims to not have any reports, you may consider looking elsewhere. Red flags such as a lack of maintenance records should cause you concern.

Landing the Right Price

Once your research and test driving are done, you may feel stressed out and ready to relax. Not so fast.

The negotiation phase can be the most important of the car buying process because of how much money you can save. And price is only one part of the negotiations. Many dealers will throw in extra warranty protection and maintenance plans as incentives for you to buy.

Here's the catch. You may have to use some negotiation tactics to earn these add-ons. Have a price point in your head for where you would like the overall sale and your monthly payments to remain.

If the dealer will not come down on price, it may be time to start focusing on the extras that can make just as big a difference in the money you end up spending on your vehicle.

NEGOTIATION TIPS

Follow these guidelines when negotiating:

- **Be patient.** Don't start negotiating right off the bat. Settle into the buying process a bit before asking for reductions. The longer you spend interacting with a sales professional, the more effort they will exert in keeping you on the hook.

- **Body language.** A strong negotiation starts with your posture and eye contact. Look your co-negotiator in the eye when you deliver



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your proposed price, and keep your tone conversational and direct.

- **Be reasonable.** The sticker price is the sticker price for a reason. You can immediately discredit your offer if it is too far off what the seller is expecting to earn for the

sale. Remember that a negotiation is a compromise on both sides to get the deal done.

THE BUDGET

If you've put enough time and research into what you

can afford, you should have a great understanding of a price that would be too far out of your reach to afford. Stick to your budget.

The last thing you want to happen is to sign a long-term payment contract and then drive home with a major case

of buyer's remorse, wondering where you're going to find the money to pay for your new ride.

Trust your budget and remind yourself that there are other cars on the lot if you can't find a sticking price for your first choice.