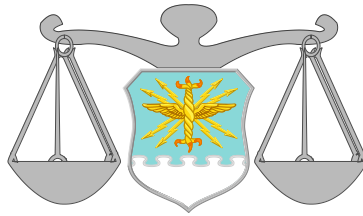


# **BUYING A USED CAR: HOW TO AVOID BEING CHEATED**



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## CHECKLIST FOR BUYING A USED CAR

### *Some Things to Think About*

#### **Budget:**

Determine how much you can afford to spend a month, including insurance and possible repairs.

#### **Financing:**

Get pre-approved from a bank or credit union you trust. Compare the ADR of different banks and credit unions. **DONT FINANCE AT THE DEALER**—you are more likely to get ripped off.

#### **Research:**

Compare price, features, resale value, and reliability to determine which car is best for you or your family. Good sources of information on the Internet are Consumer Reports ([www.consumerreports.org](http://www.consumerreports.org)), Popular Mechanics ([www.popularmechanics.com](http://www.popularmechanics.com)), and Motor Trend ([www.motortrend.com](http://www.motortrend.com)). Don't impulse buy. Shop around, and go to several different dealers. Make a list of potential vehicles and get a copy of each car's Buyer's Guide, if possible. Buyer's Guides are required for all used cars sold by dealers and will tell you:

- Make, model, year, and VIN
- Whether the car has a warranty or is being sold as is
- What the warranty covers
- Whether there is a service contract to purchase
- Reminder to ask for inspection
- List of major components that could break

#### **Price:**

Some dealers set the price of used cars \$4000-\$5000 above market value. Check each vehicle at NADA ([www.nada.com](http://www.nada.com)) or Kelley Blue Book ([www.kbb.com](http://www.kbb.com)). Information is key to negotiating the best price. Don't let the dealer charge you for extras such as rust-proofing and upholstery protection.

#### **Reaching a Decision:**

Once you've decided on a car, research the title. Make sure it has never been flooded, junked, or stolen. Check [www.jus.state.nc.us/cpframe.htm](http://www.jus.state.nc.us/cpframe.htm) for recently flooded cars in North Carolina, or buy a title history report at [www.carfax.com](http://www.carfax.com). Get the car inspected by a certified mechanic, and have them provide you with a list of repairs the car will need immediately and in the next year.

#### **Warranties:**

The best warranty to get is a full warranty for a specified period of time. Read all warranties and make sure they cover all parts and labor for at least thirty days. Limited warranties generally are not worth the money and will not cover the full cost of what goes wrong with the car. If the manufacturer's warranty is still in effect, ask to see it. If an outside company is responsible for the warranty, make sure they are legitimate. If you are buying from an private person, make sure the warranty is transferable.

#### **Taking Ownership:**

Don't sign anything until you have seen the title. Make sure the person selling the car is the owner, and that the title does not have a lien on it, or is stamped "flooded" or "salvaged". Don't ever drive a car off the lot without the title.

### ***Questions to Ask the Dealer***

1. Has the car ever been in an accident?
2. Does the car have any defects?
3. Does the car have any chronic maintenance problems?
4. Has the car been flooded?
5. What is the car's maintenance history?

### ***Quick Tips***

1. Handle trade-ins as a separate transaction from the purchase of your car.
2. Avoid high profit, low value extras, such as extended service contracts and auto club memberships.

### ***How to Know a Car Has Been Rebuilt After an Accident***

1. Paint chips off or does not match.
2. Paint over spray on fenders and chrome.
3. Misaligned fenders.
4. Uneven tread wear on tires indicates misalignment possibly caused by frame damage.
5. Mold or air freshener in car suggests cover-up of water damage or leak.
6. Door that does not close properly.
7. Trunk does not close squarely.
8. Things bent underneath car indicate structural damage.
9. Uneven surfaces of body or frame could be seam sealer or welding.

***\*NOTE: Spoken promises are not binding. GET IT IN WRITING***