

# How to Buy a Used Car

Used cars are becoming the vehicle of choice. While the prices are usually lower than new vehicles, the buying process can be somewhat tricky. Community Spirit Credit Union is here to help you and provide some helpful steps to make the experience as simple and easy as possible.

## 1. Know what you can Afford

Before considering the purchase of a used car, decide the amount you are willing to spend. If you're taking out a loan, Community Spirit Credit Union can help you calculate your maximum loan and monthly payment amount that won't put a strain on your budget and discuss different loan options so you have a financial plan in place before buying. There are financial calculators available online to help you estimate a monthly payment. Don't forget to consider the costs of tax, title, registration and insurance on the vehicle.

## 2. Know what you want to Buy

Figuring out how much you want to spend is the easy part. Now you have to determine the vehicle that's right for you. It is important to know what type of vehicle you want to purchase, including any special extras. You should determine how the type of vehicle fits into your needs and how much mileage on the vehicle is acceptable. Then, take all of this information and compare it with the amount you can afford. You should also consider how much it will cost to insure the vehicle you're purchasing and what affect it will have on your monthly budget.

## 3. Search in Various Places

Take the time to search car ads from as many different sources as possible to find out what is available in your area. A large reputable dealer with a brand franchise will likely have a variety of used cars for sale on the lot. There are many online sources where you can find used vehicles for sale through dealerships or private sellers.

## 4. Do your Homework

Once you've found a used car you want to purchase, make sure you do your homework to ensure you're making a safe and sound decision.

- Check the history of the vehicle. The more you know, the better off you will be.

You want to be sure there is no salvage title on the vehicle or any type of accident in its history. You can obtain this information from various sources online, such as Carfax ([www.carfax.com](http://www.carfax.com)) or Autocheck ([www.autocheck.com](http://www.autocheck.com)). You should also ask the owner or dealer to see the car's maintenance records.

- Take it for a test drive. When you test drive the vehicle, you should be focused on how the vehicle feels not only during normal driving but also during acceleration and applying the brakes. Check out every interior function inside the car (headlights, interior lights, windows, radio, etc) to verify they all work. Check the tires to make sure they have good tread.
- Take the vehicle to a trusted mechanic. This type of check-up should be relatively inexpensive and will help you to avoid purchasing a lemon. Ask your mechanic how often they see this make and model of vehicle in for repairs.
- Be wary of a quick sale. If you're buying from a private seller and the asking price is well below the value, you should ask the seller why. Beware of sellers who are really anxious to sell their car quickly. This may be a red flag that there's something wrong with the vehicle.

## 5. Negotiate your Best Price

It's time to get down to numbers. The car's value on sites like the National Automobile Dealers Association ([www.nadaguides.com](http://www.nadaguides.com)) or Kelley Blue Book ([www.kbb.com](http://www.kbb.com)) should be considered but you should also weigh what you discovered during the test drive and inspection of the car. Don't be afraid to make a low offer and if you have to move up, do so in small increments. Don't budge from your maximum price and don't be afraid to walk away if something doesn't seem right during negotiations.

## 6. Close the Deal

Before you sign anything, make sure to get everything you've been promised in writing, especially anything that relates to a money back guarantee or a warranty. Sign an "As Is" paper only if you know you're getting a pristine vehicle because that document overrides anything else you've been promised. Keep in mind that federal and state consumer protection laws govern sales of used cars by dealers to consumers but they do not govern sales by private sellers to consumers. Once you've purchased a car from a private individual, your legal options are limited. If you're buying from a private individual, you'll want to verify if there are any liens on the vehicle. If so, the title is in possession of the lending institution and you will want to make sure the balance of the loan is paid off. If the lender is local, you can ask to conduct the sale where the title is held so once the money has changed hands and the balance of the loan is paid; the title can be signed over to you.



## Are You Ready?

You are now armed with the tools you need to make a smart purchase and Community Spirit Credit Union is here for you every step of the way.