

How the heck do I buy a used car?



With John Ray and Darren Weigl



EVAN'S
AUTO CARE

Advantages of buying used over new

- Lower price
 - Lower taxes and fees
- Original owner absorbs most of the depreciation
 - 20-30% in the first year of the vehicle
 - Especially luxury vehicles
- Lower insurance rates
- Lower registration fees
- More car for the money
 - Options and trim packages



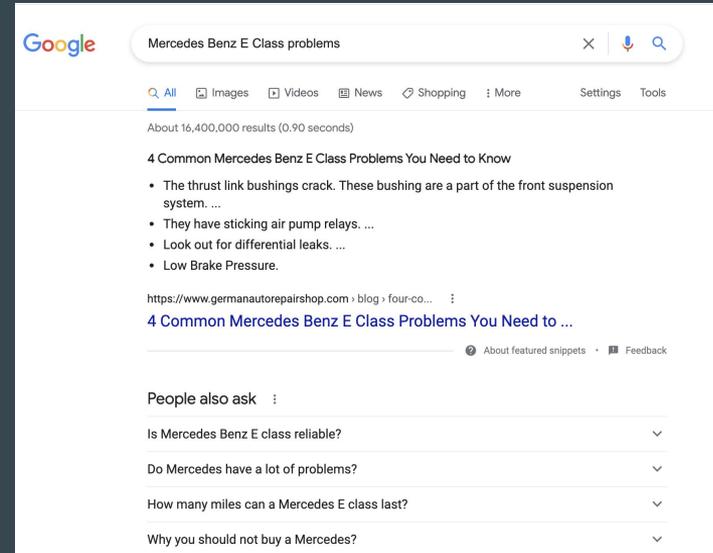
Make a plan based on your needs and budget

- Figure out what type of vehicle suits your needs
 - Commute in relation to gas mileage
 - Current and future needs, such as family size
 - Work necessities (cargo, presentation, etc)
 - Recreational needs
 - There are plenty of used car ratings, such as [U. S. News Used Car & Truck Rankings](#)
- What type of payment can you handle?
 - Factor insurance costs
- Can you afford the cost of repairs?
 - Sometimes a new vehicle or a lease could be the better option
 - Look into the cost of basic services, such as oil changes (Most European vehicles are way more expensive than other vehicles)



Research. Research. Research!!!

- Find out what other owners have to say about a specific year/make
 - A quick Google search of “Mercedes Benz E Class problems” will lead you to forums, articles, etc.
- Watch out for YouTubers
 - Most are looking to sell you something



Buy from a reputable dealer



Research. Research. Research!!!

- Look into the dealer you plan to purchase from
 - Check online reviews
 - Call the salesperson and qualify them. Ask qualifying questions.
 - “Do you offer maintenance records or a CarFax report?”
 - “Where did the vehicle come from?”
 - “How long has the vehicle been on your lot and what types of service has been performed since you purchased it?”
 - See what purchasing options they provide for financing (in-house, credit union, etc)

Still looking for a vehicle? Try these avenues

- **New Car Dealerships**
 - They bring in plenty of trades and typically do the repairs necessary to bring a vehicle to proper selling shape.
 - Many offer thoroughly inspected Certified Pre-Owned (CPO) vehicles
- **Aftermarket dealers**
 - Be extra cautious
- **Estate Sales**
 - Good finds, but time consuming
- **Craigslist**
 - Lots of scams, so be extremely careful
- **Your mechanic or shop**
 - Some sell vehicles, and they often have the heads up on private sales and will typically have the vehicle records on hand
- **Friends and relatives**

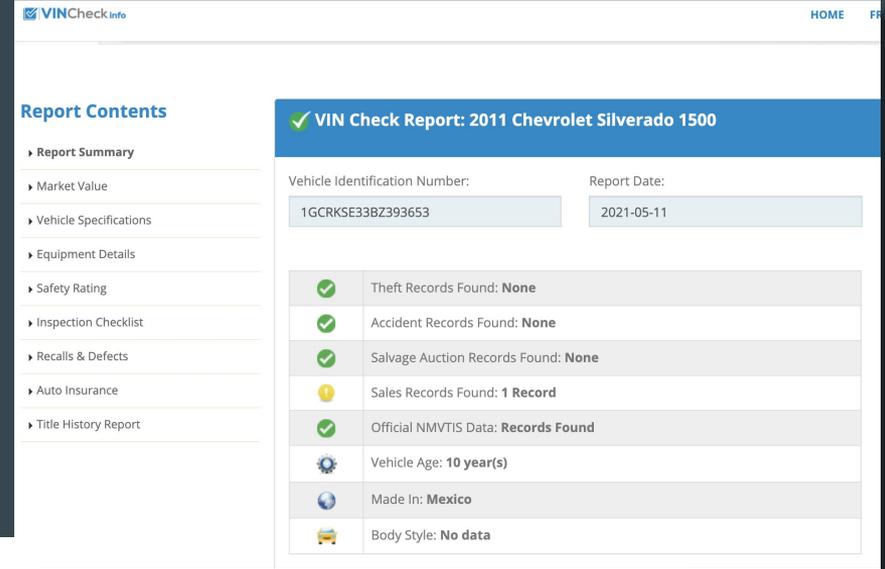
Research. Research. Research!!!

- Kelley Blue Book vs. Cars.com Blackbook vs. Edmunds vs. NADA
 - Multiple selling prices vs. Wholesale/Auction
 - Trade-in value, private vs. dealer, CPO, etc.
- Look up similar vehicle prices at multiple dealerships
 - Be sure to look at trim level, accessories, etc.
 - Use this as leverage in negotiations
 - Check other close markets, too.
- The more pricing that you can get on a specific vehicle the better
 - Helps for negotiating if multiple prices can be referenced.



Research. Research. Research!!!

- Check the vehicle with a Free Vincheck at Vincheck.info
- Look at things like how many owners, recalls, accidents. Flood or salvage titles can be a major red flag.
- Includes info on the projected cost of ownership.



VIN Check Report: 2011 Chevrolet Silverado 1500

Vehicle Identification Number: 1GCRKSE3BZ393653
Report Date: 2021-05-11

✓	Theft Records Found: None
✓	Accident Records Found: None
✓	Salvage Auction Records Found: None
!	Sales Records Found: 1 Record
✓	Official NMVTIS Data: Records Found
⚙️	Vehicle Age: 10 year(s)
🌐	Made In: Mexico
🚗	Body Style: No data



Research. Research. Research!!!

- Take notes on pricing and overall questions to ask the dealer
 - Bring these notes with you!
- Get pre-approved for a loan from a bank or other financial institution
 - Sometimes you can save on terms with a third party lender
 - Gives you an idea of what you can afford



Research. Research. Research!!!

- Check your credit. If you are planning on financing, it can save you thousands if you boost your score first.

According to statistics compiled by [Experian Automotive](#) for the first quarter of 2020, average auto loan rates for various credit score ranges looked like this:

Score Range	Category	Avg. Rate (New)	Avg. Rate (Used)
720+	Super Prime	3.65%	4.29%
660 - 719	Prime	4.68%	6.04%
620 - 659	Non-prime	7.65%	11.26%
580 - 619	Subprime	11.92%	17.74%
579 or below	Deep Subprime	14.39%	20.45%

Making an appointment to see the car

- Scheduling an appointment saves you some time at the dealership
- If you can speak with the salesperson before coming in, you can ask some qualifying questions on both the dealership and vehicle.
- No dealer will hold the vehicle for you, however, you might be able to gauge the interest in the vehicle from others
- Wear comfortable clothes that you don't mind getting dirty



Don't show your hand! Play it cool...

- Don't let the seller know how you are planning to pay yet
 - Tell them you plan to pay with cash or that you have a pre-approval on a loan
- Don't let the seller run your credit
 - Let them know where you stand in terms of ok, above average, or excellent credit
- Don't name a monthly payment that you are looking to achieve
 - Always talk about pricing in terms of the overall price of the vehicle, not the rate or payments



Don't discuss your trade-in...yet

- Save this until you've negotiated the price of the vehicle
- You're better off selling privately, but that can be time consuming
- Places like webuyanycar.com or Carvana.com will usually offer more because they will instantly sell to auction and don't carry the overhead of a dealership
- Know the value of your vehicle! Make sure you know the difference between the private seller price (if you sold the car to someone else) vs. a dealer trade-in value
- Know the market...right now, used vehicles are at a premium. Helpful on your trade, detrimental on your purchase.



WE NEED YOUR TRADE!

WE NEED USED CAR INVENTORY
AND WILL PAY **TOP DOLLAR!**

WE WILL WORK HARD TO GET
YOU INTO A NEW VEHICLE
FOR A LOWER PAYMENT!

The advertisement features a black background with yellow and white text. At the top, the headline "WE NEED YOUR TRADE!" is written in large, bold, yellow letters. Below this, two lines of white text state: "WE NEED USED CAR INVENTORY AND WILL PAY TOP DOLLAR!" and "WE WILL WORK HARD TO GET YOU INTO A NEW VEHICLE FOR A LOWER PAYMENT!". To the right of the text, there are two cars: a red Chevrolet Camaro and a silver Chevrolet Malibu. A yellow arrow points from the red car towards the silver car.

Kicking the tires

- Do a visual inspection of the vehicle before test driving
 - **Body**
 - Check for rust
 - Panels are aligned properly
 - Paint
 - **Suspension**
 - Make sure the vehicle is level
 - Push down on the hood and trunk; should bounce back 1-2x
 - **Glass**
 - Make sure there are no chips or cracks
 - **Tires**
 - Check the tread with a tread gauge or a quarter
 - Look for tire wear that shows hard driving (front shoulder)



Beyond the tire kick

- Thoroughly check the interior
 - Notice any odors, such as mildew or smoke
 - Remove the floor mats to see if there are any wet/soft spots
 - Check the roof for any signs of water damage or leaks
 - Examine sunroof seals and make sure it operates properly
 - Check the pedals for signs of wear contingent with the mileage
 - Check every seat, even if you won't be a backseat driver, including the seat belts
 - Check the trunk, including the spare tire well
 - Any dents could signal possible frame damage
 - Check the instrument panel and all switches/buttons
 - Make sure all warning lights are functioning and they turn off when started
 - Check the windows



You're going to spend the most time in the interior, so let's keep checking it...

- Make sure that the AC and heat work properly
 - Start the car up to check, and note how long it takes to get full heat
- Check the wipers, lights, and washer fluid
- Check the parking brake while the car is in neutral
- Check the sound system
 - Fade, balance, etc.

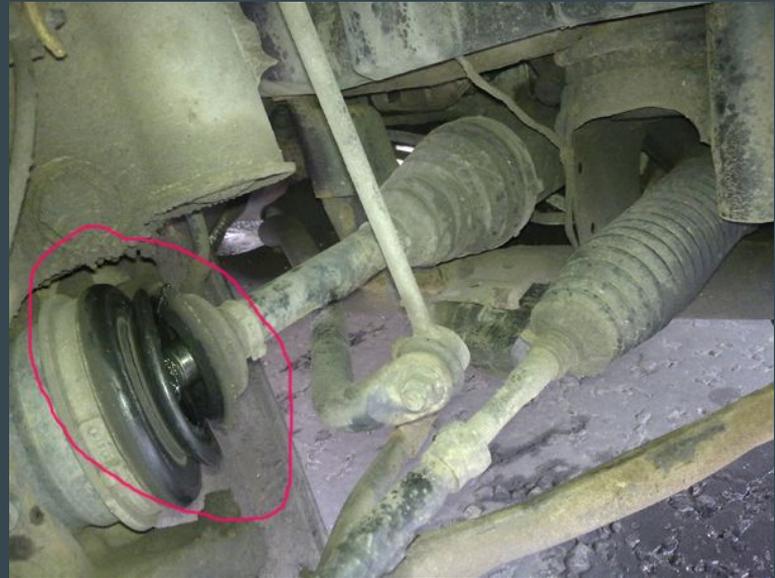


Take a look under the vehicle

- Remember when we said to wear comfortable clothing that you don't mind getting dirty? We're getting to that part....
- Look under the vehicle and see if any fluids have been leaking onto the ground, such as oil (black), gasoline (evaporated, iridescent spot), coolant (green), or transmission fluid (red). If you can fit under the vehicle, look at the engine to see if there are fluids on the outside of it.
- Water may be dripping from the A/C, and that's ok.
- Check the tailpipe for residue. If it's black and greasy, it means burnt oil. Tailpipe smudge should be dry and dark gray. While some rust is normal, heavy rust might be OK but could mean a new exhaust system might be needed.

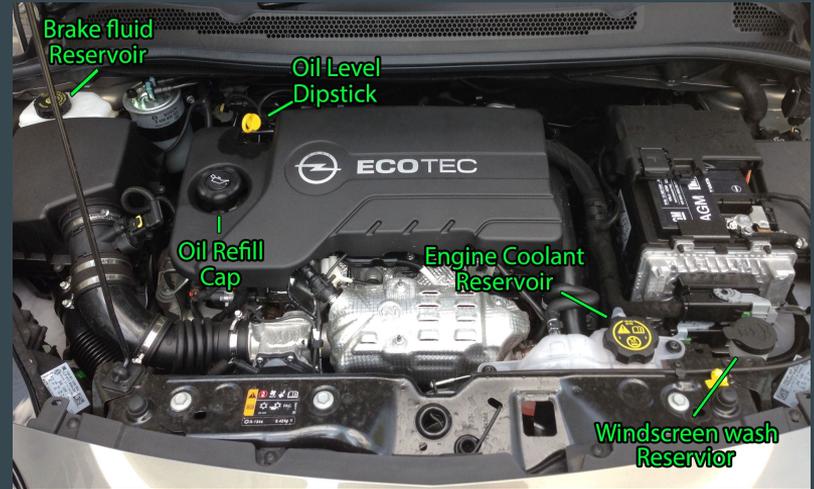
Don't get up yet...

- If it's a front wheel drive vehicle, take a look at the CV joints. These are the round, black bellows at the end of the axle shaft. If they are split and/or leaking grease, this could be a costly repair
- Look for major dents in the floor pan or fuel tank. These can be signs of a previous accident.
- Look for any signs of welding in the frame, as this could be a sign of previous damage.
- Sand or silt can be a sign of flood



Take a quick look under the hood

- Make sure belts and hoses are not fractured, cracking or frayed. They should not feel rock hard, cracked, or mushy. They should be firm, yet supple.
- Battery corrosion could be a negative sign.
- Check the fluids. If the oil is honey colored, it was recently changed. Oil should be dark brown or black, with no grit.
- If the dipstick has water droplets or gray or foamy oil, that could mean a couple of major problems, such as a blown head gasket or cracked engine block



Finally, take her for a spin!

- **TURN OFF THE RADIO!!!** The sound system should have been checked when you were looking over the interior. Now is the time to listen to any keys the car is laying down while in motion.
- Try to take a cruise on a route that will test multiple situations:
 - Tight corners
 - Hills
 - Hard acceleration, such as an interstate on ramp
 - Hard braking
- Listen for noises on bumps
- Be respectful of the seller. Let them know that you are testing certain situations (like braking and acceleration) but always follow the laws of the road. Remember, if you don't respect their vehicle, why should they respect your negotiations?
- If you're at a dealership and don't like your salesperson, ask to work with the sales manager. At no point should you feel pressured and should be able to walk away at any moment. Don't let anyone fool you...there are other vehicles out there!



Request a Pre-Purchase Inspection from a third party

- Most mechanics offer this service for a fee
 - Will save you a lot of money if major defects are discovered, which happens a lot with aftermarket dealers
- Some will do onsite, but a thorough inspection will require putting the vehicle on a lift. Reputable dealers will have no problem letting you take a vehicle off the lot to your mechanic to have it inspected.
 - Call you mechanic to have them schedule this for you with the dealer if necessary
- [A PPI example from Evan's Auto Care](#)



Like what you've seen? Let's make a deal!

- Make sure you're comfortable with your salesperson. You can always request to work with someone else. A good salesperson will listen to your needs and adjust to them, not the other way around.
- Always negotiate on the PRICE of the vehicle. Let them make the first offer, and never take that. From your research, you should have an idea of the market price. Counter offer below that by at least \$1000.
- If they have to go back and forth with their manager, tell them that your time is money and that you are looking at other vehicles as well.



The Four Square Selling Method

This is a great tool to understand the breakdown of a deal, however, it is also a shady dealer's best con.



Don't get distracted by the "Four-Square"

- Dealerships use this method to distract you from the price you are actually paying for the vehicle.
- Be prepared on the value of your trade-in. It is difficult to negotiate that by much unless you've got something pretty new/or in high demand.
- Always discuss PRICE and not your payments.
- Make realistic offers, and if they don't want to negotiate, then don't be afraid to walk from the deal.
- Remember, nothing on this sheet is binding, yet. TAKE A PICTURE for the next step.
- Don't hesitate to ask for additional upgrades to be included after you agree upon a price, such as floor mats, a truck bed liner, etc. It never hurts to ask for something reasonable.

CRAZY LARRY'S USED CARS
1234 Anywhere St.
Screwdriver, MA 03311

MAKE/MODEL: _____ I WILL BUY TODAY IF NUMBERS ARE
VIN: _____ AGREEABLE TO THE PARTIES: _____

WORKSHEET

YOUR TRADE VALUE	PRICE
DOWN PAYMENT	MONTHLY PAYMENT



DATE 3/24/00
SOURCE location

NAME: _____ SALESPERSON: _____ MGR: _____
ADDRESS: _____ PHONE: W () _____

BIKEAGE 36 YEAR _____ LIC. NO. _____
STOCK NO. 2231 NEW # 2000 MAKE NISSAN BODY STYLE QUEST TAB NO. _____
DEMO # 2000 TRADE-IN INFORMATION YEAR MAKE CIL. BODY STYLE SALE PRICE 28318.00 TR. EXP. _____
89 Acura 6 Legend 89 Legend 89 Legend 89 Legend
MILEAGE 1691K LIC. NO. _____ ADDITIONAL APPL. FEES: _____

NUMBER PAYMENTS OF \$ _____
2000 TRADE IN 2600 11450
RUNNING BORDERS
TWO COINERS
Fog lights
Wheel locks
Alarm
Rear Bumper Guard

1/3 CASH DOWN \$ 27000 + Fees
4000 for trade
+5000 cash
2000
7700
6300

MONTHLY PAYMENTS \$ 2600
1089
2600 + 900
1300
2600
2600

Salesmen cannot accept this offer or obligate sales in any manner whatsoever. OFFER IS NOT BINDING UNTIL ACCEPTED IN WRITING BY OFFICER OR SALES MANAGER OF SELLER.
X

Please enter my offer, subject to your acceptance
BUYER'S SIGNATURE X

Now you are ready to ink that deal in the Finance Manager's office

- Make sure that you have your photo of the terms you agreed upon with the salesperson to reference. Make sure the agreed price of the vehicle is the same.
- Say no to extras, such as fabric and paint protection. Most are unnecessary and you might be able to purchase them later if you choose.
- If anything is missing from the car or there are repairs included in the sale, get that in writing
- Ask about services such as oil changes to be included in writing. Most places will include at least one oil change.
- Ask for clarification on anything that you are unsure about



Don't buy the extended warranty!

- Like many warranties, they will most likely expire before you actually need them
- Warranty companies will fight tooth and nail to deny the claim
- You'll spend more out of pocket than anticipated, as many will only partially cover the repair costs
- Better off taking that money and putting into a savings fund for repairs

