

New Car Buying Guide



Key Questions When Buying

For all the undeniable excitement that surrounds buying a new vehicle, it's still a time for serious financial consideration.

This can be one of the biggest purchases people make.

Whether you're shopping at a dealership or buying online, don't hesitate to ask questions before making a commitment. Most online retailers and dealerships offer phone, email, chat or video consultations to answer questions about pricing, financing, vehicle features and warranties. Taking the time to get clear answers can help you make a confident decision before signing any paperwork. Nobody wants to drive away with buyer's remorse.

DETERMINING THE PRICE

Research the vehicle before you begin shopping so you understand its manufacturer's suggested retail price (MSRP), available trim levels, features and current market pricing. Doing your homework can help you recognize a competitive offer and ask informed questions throughout the buying process. Before agreeing to a final price, ask about current rebates, financing offers and other incentives you may qualify for. Review all fees carefully, including documentation and dealer preparation charges, and ask for an explanation of any costs you don't understand.

BEFORE YOU DRIVE OFF

Most new vehicles include a manufacturer's warranty, although coverage varies by automaker and model. Some offer warranty upgrades that extend the life of the coverage or cover more elements of the vehicle. Ask questions



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about what's covered — and what isn't — before you decide.

Don't rush into a decision with these last-minute add-ons. They can have a big effect on your loan amount and on your peace of mind if the vehicle breaks down.

DOWN THE ROAD

Research routine maintenance costs

and recommended service intervals before you buy. Some vehicles cost more than others to maintain because of specialized parts, premium fuel requirements or more expensive scheduled service. Keep records of maintenance performed according to the manufacturer's recommendations to help protect your warranty.

HOW YOU'LL PAY

Most dealerships can help arrange financing through banks, credit unions or the vehicle manufacturer's finance company.

Before you shop, compare loan options with your own bank or credit union so you understand the rates and terms available to you.

Buying New or Used?

Purchasing your next vehicle often begins by deciding whether you're looking for a new or used model.

Each has its own pros and cons. For instance, used vehicles may cost less upfront but you can run into additional maintenance costs and repairs. Here are a few things to consider:

LET'S MAKE A DEAL

In both cases, potential buyers have an opportunity to strike a great deal for a car or truck. You may be able to haggle with the owner of a used vehicle or negotiate on some extras at the dealership. Some dealerships mark down previous models when a new version is set to arrive on their lot.

PEACE OF MIND

New cars and trucks come with a standard manufacturer's warranty, though there may be additional charges for upgrades. Used vehicles, on the other hand, aren't guaranteed when purchased from an individual owner. Some previously owned cars and trucks are backed by a limited dealership-backed warranty, but not all of them. You may have to pay extra for it.

HOW YOU'LL PAY

Most buyers — of used or new vehicles — have several financing options. You can



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arrange a loan through your bank or credit union before visiting a dealership, or you can compare financing offers available through the dealership itself. The best choice depends on factors such as interest rates, loan terms and any promotional financing offered by the manufacturer. Shopping around for a loan

can save money over the life of the vehicle.

TODAY'S TECHNOLOGY

Where new vehicles have a distinct advantage is in today's technology. Older models may not offer the same smartphone integration, advanced driver-assistance features, larger infotainment displays or over-

the-air software updates found in newer vehicles. Many recent models also include improved navigation, voice controls and enhanced safety technologies.

DO YOUR RESEARCH

Take the time to study your options before buying either new or used. Review sites offer the latest information on

current and upcoming models. At the same time, online registries can help potential buyers learn more about the history of any used car or truck. Get a vehicle history report and VIN check before you make any purchase. Then you won't have to worry about an undisclosed accident or some lingering issue under the hood.

Smart Safety Features

Today's vehicles offer far more than Bluetooth connectivity and hands-free calling.

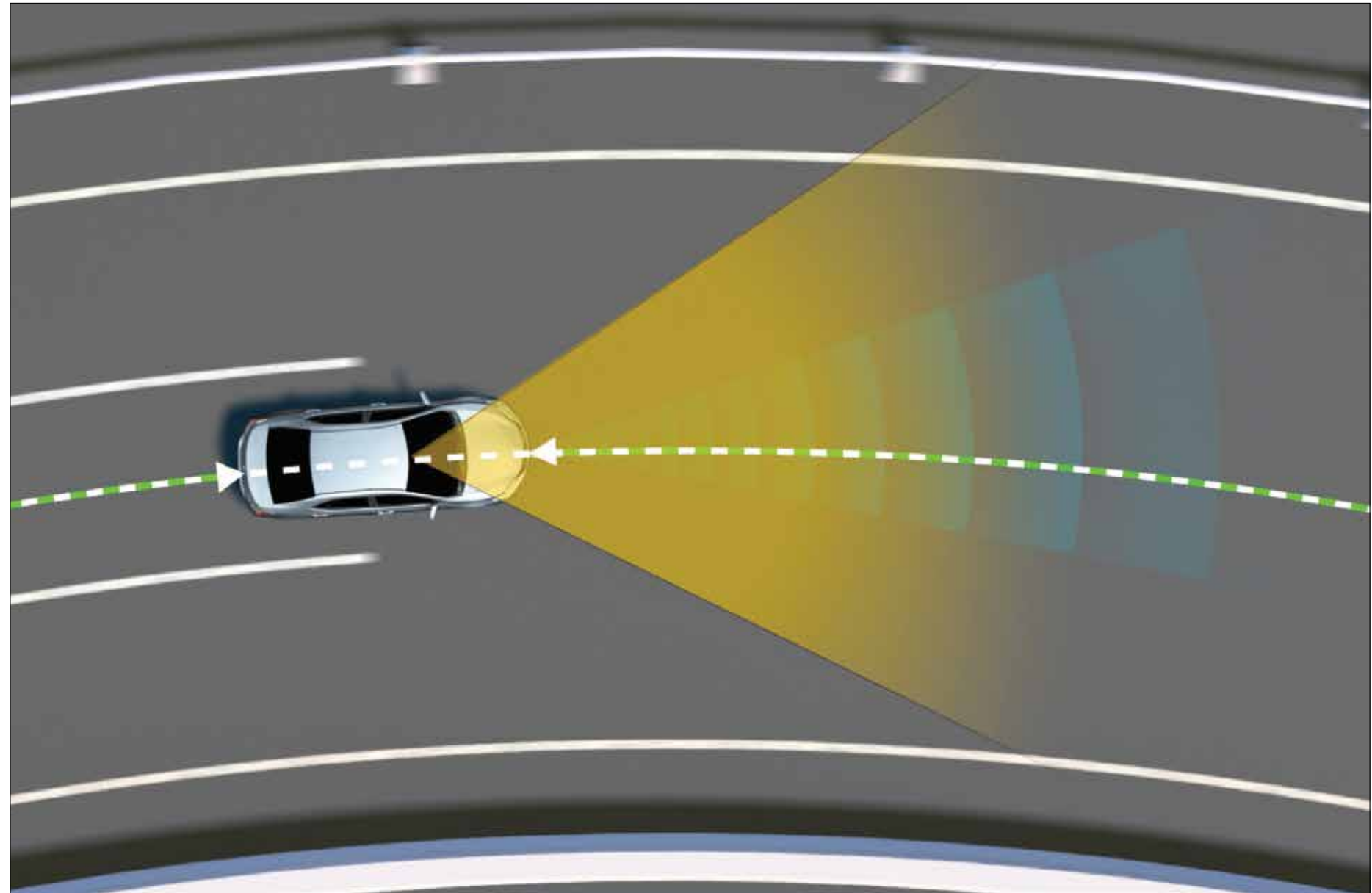
Many models now use cameras, radar, sensors and software to help drivers avoid collisions and better protect occupants when crashes occur. Features such as blind-spot monitoring, automatic emergency braking and forward collision warnings are available on many new vehicles, and airbag technology continues to evolve. Understanding these systems can help you compare models and choose the features that best fit your needs.

CRASH PROTECTION

The federal government has long set certain minimum safety standards. Today, many manufacturers are going well beyond these general rules, beginning with airbags, structural features and restraints. Some new vehicles include as many as 10 airbags, including side-curtain and other airbags designed to reduce the risk of head and torso injuries.

COLLISION WARNING

Collision warning systems are a wonder of modern tech. They use a combination of cameras, radars and other sensors to detect objects all around the vehicle. Once the system confirms a potential hazard, it sends visual, audi-



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ble or other warnings to alert the driver ahead of a possible collision. Some newer warning systems are even directly connected to the automatic emergency braking system. They can pre-charge the vehicle's brakes to maximize stopping power.

AUTOMATIC BRAKING

Some new models go even further, using radar sensors on the front of the vehicle that can detect a potential collision and

automatically apply the brakes. Studies have shown that the number of rear-end collisions has fallen sharply since vehicle warnings arrived, but some automatic-braking systems don't work at high speeds. Some don't function as well at night.

VEHICLE MONITORING

Blind spot monitoring warns drivers about approaching traffic that may not be visible in the mirrors to avoid collisions. Warning lights are generally

within the mirrors themselves or on the dashboard. Others have a warning sound or vibrations through a haptic steering wheel. Newer models may have a rear cross-traffic alert, which warns a driver of dangers when the vehicle is in reverse.

LANE ASSISTANCE

Lane-departure warning and lane-centering systems monitor the vehicle's position within lane markers. When

a vehicle drifts outside lane markings, the lane-departure system emits a warning. Some systems can provide gentle steering assistance to help guide the vehicle back toward the center of the lane. Lane-centering technology provides continuous steering assistance to help keep the vehicle centered within its lane while the driver remains engaged. In some cases, it's only available while using cruise control.

Lowering Monthly Payments

Some buyers may qualify for little or no money down when financing a new vehicle. But that doesn't mean down payments aren't important.

This often-overlooked element of the purchasing experience can have a big effect once you've driven off the lot.

THE BENEFIT TO YOU

Depending on how much money you put in as a down payment, your monthly loan payment could be much lower over the life of your loan. A larger down payment may also improve your financing options by reducing the amount you need to borrow. A larger down payment may give you greater flexibility when choosing a vehicle while helping keep your monthly payment within your budget.

You'll also start building equity faster. A larger down payment can reduce the risk of owing more than your vehicle is worth. If your vehicle is totaled in an accident, insurance typically pays its actual cash value. If your loan balance exceeds that amount, you may still be responsible for the remaining balance unless you have GAP coverage.

WHAT YOU SHOULD PAY

Financial experts often rec-

ommend making as large a down payment as your budget allows. While 20% is a commonly cited goal, many buyers put down less. The lender has say in what's required. Required down payments vary depending on factors such as credit history, income, the lender's policies and the vehicle

being financed. Those with a consistent history of on-time payments present a lower risk to anyone considering a new loan. As vehicle prices increase, a larger down payment can help keep monthly payments more manageable. Remember, however, that your previous vehicle has its own value. If

you have a vehicle to trade in, its value can be applied toward your down payment.

IF YOU'RE STRUGGLING

Having trouble coming up with a down payment? You may be able to use the value of your current vehicle without any extra cash, if its trade-in value

is high enough. Another option is asking a qualified co-signer to apply for the loan with you. A co-signer with a strong credit history may improve your chances of approval or help you qualify for better financing terms, but they also become legally responsible for the loan if payments aren't made.



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Learn About Your Warranty

Plenty of research should go into deciding on a new vehicle.

But there's more to this than the old stand-bys of reliability and durability. Warranties can play a major role in any purchasing decision. Warranty coverage is sometimes overlooked or only discussed late in the buying process. Coverage varies among manufacturers, and optional extended protection plans can add to the overall cost. Most new vehicles include a manufacturer's warranty at no additional cost. Dealers may also offer optional extended service contracts for an additional fee.

READ UP FIRST

Review the manufacturer's warranty before you buy, including who provides the coverage and what repairs are included. Some manufacturers include benefits such as scheduled maintenance, roadside assistance or rental vehicle reimbursement. Check out online reviews, focusing specifically on the dealership's service department record. If you plan to use a particular dealership for service, reviews may provide insight into customers' experiences with warranty repairs and service quality. Ask friends, co-workers and family about their experiences, too.

KNOW THE TERMS

Warranties often make use of basic terms to describe how they work. Understanding the definitions let you make smart comparisons.

"Bumper-to-bumper" is a common term, but also one of the most misunderstood. This level of coverage does not mean that everything between the two bumpers is covered. Items such as tires, brake pads, windshield wipers and routine maintenance are typ-

ically excluded, so check the fine print.

Warranty terms are typically expressed as a combination of years and mileage, such as three years or 36,000 miles, although coverage varies by manufacturer. The warranty may be extended beyond these terms, but for an additional price. Consider how long you'll own the car before agreeing to pay for an extended warranty.

As the name implies, pow-

ertrain warranties cover only power-producing parts of the car like the transmission and engine. Powertrain warranties often last longer than bumper-to-bumper warranties, although coverage varies by manufacturer.

"Transferable" warranties allow the policy to move forward with a new owner. Ask whether the manufacturer's warranty or extended coverage is transferrable since it could become a significant

selling point if you sell before the vehicle's original warranty expires.

"Wear-and-tear" warranties are the shortest of them all. They focus only on parts that should have lasted longer but for some reason did not. There are also warranties specifically covering corrosion for areas where roads are salted during wintry conditions, since that commonly causes damage to the vehicle's body or underbody.



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Buy Your Next Vehicle Your Way

Most vehicle buyers begin their search online, comparing prices, features, reviews and financing options before visiting a dealership or contacting a seller.

Many buyers request quotes, compare offers and complete much of the purchase process online. That's changed the face of negotiating for a new vehicle. The internet allows us to shift the process entirely online depending on the dealership and state requirements.

HOW IT WORKS

An online vehicle purchase often begins by browsing dealership or manufacturer websites or online marketplaces.

Many dealerships let shoppers request price quotes, ask questions through chat, email or phone, explore financing options and even complete much of the paperwork electronically. Some offer home delivery. Even so, many buyers still prefer to visit the dealership to see the vehicle in person, take a test drive and ask questions before making a final decision.

Whether you complete the purchase online, in person or through a combination of both, take time to review the paperwork carefully before signing.



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GROWING TREND

Online shopping has become an important part of the vehicle-buying process, but most buyers still combine digital tools with an in-person visit. According to the 2025 Cox Automotive Car Buyer Journey Study, 28% of shoppers say they want to complete the entire purchase online, but only 7% actually do. Nearly two-thirds

(63%) say the ideal experience blends online and in-person shopping. Buyers can use online tools to compare prices, explore financing options and narrow their choices before visiting a dealership to inspect the vehicle, take a test drive or finalize the purchase.

PROS AND CONS

Shopping online makes it

easy to compare prices, features, financing options and available inventory without visiting multiple dealerships. Many buyers appreciate being able to request quotes, complete paperwork electronically and save time at the dealership. Even so, seeing a vehicle in person and taking a test drive remain important steps for many shoppers.

Visiting the dealership gives you the opportunity to inspect the vehicle, ask questions and review documents before signing.

For many people, the best approach combines the convenience of online research with the confidence that comes from seeing and driving the vehicle before completing the purchase.

Improving Your Credit Score

According to Automotive News, about 80-85% of new vehicle purchases are financed.

If you're like most buyers, you'll likely finance all or part of your purchase through a bank, credit union, vehicle manufacturer or lender working with the dealership. Once you drive away, you'll repay that loan over time, with interest. Your credit score plays an important role in determining your financing options. Lower credit scores often result in higher interest rates or less favorable loan terms, increasing the total cost of your vehicle over the life of the loan.

HOW THEY WORK

A credit score is a numerical summary of your credit history that lenders use to help assess the likelihood you'll repay a loan. The lower the score, the more perceived risk is involved with making a new loan. You might have to pay higher interest rates to offset this risk. Buyers with lower credit scores may have fewer financing options, be asked to make a larger down payment or need a co-signer to qualify.

MAKING REPAIRS

Improving your credit score may take time, but there are steps you can take before applying for a vehicle loan. Start by reviewing your credit reports for errors, such as in-

accurate account information or payment histories, and dispute any inaccuracies with the credit reporting agency.

Then focus on habits that can strengthen your credit over time, including making payments on time, paying down existing balances and avoiding unnecessary new

credit accounts before applying for a loan.

MOVING FORWARD

Payment history is one of the most important factors affecting your credit score, so making payments on time can help strengthen your credit over time. Calendar remind-

ers or automatic payments through your lender or bank may reduce the risk of missing a due date.

If you're working to improve your credit, reducing outstanding debt before applying for a vehicle loan may improve your financing options. Before closing older credit accounts,

consider how doing so could affect your credit history and available credit. The length of time with individual accounts works in your favor.

Improving your credit score rarely happens overnight, but consistent, responsible credit management can make a difference over time.



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