



Used Car

BUYING GUIDE

Making the Right Choice

Buyers who make smart decisions weigh the financial implications along with the car or truck's aesthetic appeal.

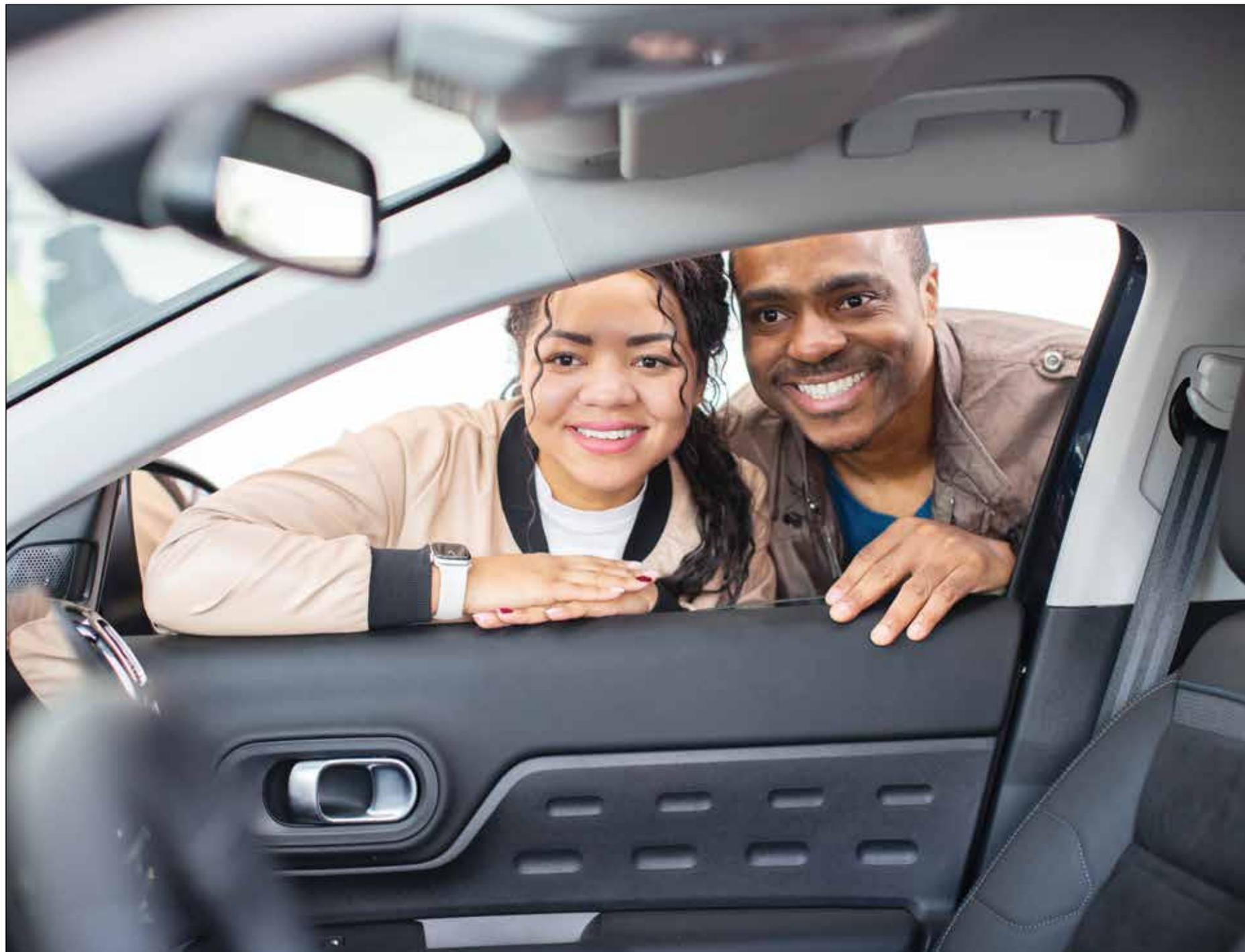
That starts with budgeting for the initial purchase price and accounting for ongoing expenses like fuel and insurance. For older models, it might mean budgeting for increased maintenance.

YOUR NEEDS

Next, remember that any vehicle you select needs to be a good fit for your lifestyle. So, if you have a lengthy daily commute, look for a comfortable ride with the kind of driver-focused features that make driving a pleasure. If you have a family with small children, that sporty two-seater simply wouldn't be practical. Choose newer vehicles or very well-cared-for older models if you're not the handy type. Reliability is another important aspect to keep in mind: How long do you intend to own the vehicle?

FUEL EFFICIENCY

If you're only an occasional driver, efficiency may not play a big factor in your decision. But most of us buy a vehicle because we'll need it on an everyday basis. In that case, poor gas mileage might end up putting a huge dent in your monthly budget. Begin your preowned search with a visit



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to FuelEconomy.gov, where you can research vehicles by make, model, and year and view their government ratings. Look for the most fuel-efficient vehicles that fall within your budget, then narrow your search to a dealer or local seller who offers those models.

RELIABILITY RATINGS

If you keep up with regular maintenance, most vehicles will last for many years. But even the best-kept cars can break down, leaving you with unexpected repair bills. Check the reliability ratings for your possible car or truck

through Consumer Reports, either online or in print. A quick search will give you more information on vehicles that typically run the longest.

RESALE VALUE

Are you looking for a long-term commitment or do you typically get a different

vehicle every few years? Either way, the age and mileage of the car will help you make the right decision. Lower-mileage vehicles with great reliability ratings ultimately hold their value better over the long term, while others have been shown to depreciate quite quickly.

What's It Worth? Do Your Research

Don't ever agree to a price if you don't know what others are paying for cars of similar age and mileage.

The market value is usually expressed within a range of dollars by well-regarded valuation resources like the Kelley Blue Book, NADA Guides and Edmunds, all of which are reputable authorities on auto pricing. You'll make a more well-informed choice, and you'll have better negotiating power, if you arrive equipped with this piece of critical information. (They also offer fair market valuations for new vehicles.)

DETERMINING THE PRICE

Market value is based on a range of evaluations, including the year, make and model, the vehicle's mileage, its condition, and any special features that might come with the purchase. Sometimes, these features add great value in the long run, including high-tech safety options, leather upholstery and advanced entertainment systems. Online services now enable potential buyers to enter a car or truck's information and instantly get an estimated value. Be as complete and accurate as possible to receive a more exact evaluation. Kelley Blue Book includes several sub-categories, including its trade-in value, with categories aimed at specific



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audiences like buyers, dealers and private sellers.

Not all values are the same when buying a pre-owned vehicle. A car or truck's trade-in value, for instance, represents the sum a dealership may offer when a used vehicle is exchanged for a new one. The private party value is

the anticipated price when a vehicle is sold to an individual buyer. On the other hand, the suggested retail value indicates what a buyer could expect to pay when purchasing from a dealership.

DOING YOUR RESEARCH

Try more than one market

value tool, since their slightly different research methods might lead to a more thorough understanding of a vehicle's worth. Keep in mind, too, that other aspects could affect a car's value, including local market trends, specific conditions not outlined in their search functions and

even seasonal changes. Complete your research by cross-checking with Carfax or AutoCheck. These services provide additional information on title records, actual mileage and the vehicle's accident history, since that can have a huge effect on its overall value.

Dealers vs. Private Sellers

If you want a new car, you're limited to buying from authorized dealers. But purchasing a pre-owned vehicle allows you to expand your search off the car lots and into the world of private sellers.

That opens up a far greater selection — and the price might be much lower. But there are advantages and potential disadvantages to both approaches.

DEALERSHIPS

Dealerships might offer used cars and trucks at a higher cost, but they often also provide expert certification. That can provide great peace of mind, since each vehicle has undergone a multi-point inspection by qualified technicians before being offered for sale. Some dealers even offer limited warranties covering maintenance and breakdowns, just as you would get with a new vehicle purchase.

Dealers might boast more variety, with a range of makes, models and colors, all in one place. Dealers have a broader reputation to maintain in the community, so they're typically sticklers about the condition of the used cars and trucks they sell.

A budget-breaking price tag might not be the only disadvantage. Some salespeople employ



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tactics that feel overwhelming in an effort to tack on extended warranty packages or other dealer services. They earn commission on every one of these transactions, so it's part of the everyday sales pitch. If you're not interested, simply decline when asked about related promotions or

upgrades. Check the company's ratings with the Better Business Bureau, and consult with family and friends to get their recommendations.

PRIVATE SELLERS

You could find a cheaper alternative by purchasing a pre-owned car or truck from

one of your neighbors. They might be more willing to deal since they're not relying on the sale as their source of income.

There may be extenuating circumstances that lead to faster, better deals — like a pending move out of a state. The major risk, however, is

not truly knowing about the condition of a privately owned vehicle. You won't have the assurance of a dealer certification or warranty. Always test drive the vehicle; if possible, have a mechanic inspect it. Do your homework and there's a great opportunity to strike a deal that works for everyone.

Powering Up: Fuel Options

Fueling a used car or truck used to be quite straightforward.

They ran on traditional gasoline or diesel fuel.

Today, there's a lot more to consider before you buy a pre-owned vehicle, since so many are now powered by hybrid and electric options. Here's how to determine which one is right for you:

TRADITIONAL GASOLINE

There's a reason gas-powered cars and trucks remain so popular: They're less efficient and have high levels of emissions, but they also have lower initial costs and we're surrounded by easy-to-find refueling stations. So, most pre-owned vehicles are going to be powered the old-fashioned way. Look for cars and trucks with the best efficiency ratings to save on everyday costs. You'll be helping the environment, too.

DIESEL POWER

If you need more power, a diesel-powered used vehicle may be right for you. Beyond the stronger torque, they're more fuel efficient. Diesel engines already emit less carbon dioxide compared to their traditional gas counterparts. The industry has been working to improve emissions in more recent models, with a focus on nitrogen oxides. They're more earth-friendly



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than options from long ago.

HYBRID CARS

Hybrid vehicles are becoming much more common in the second-hand market since tens of millions of them have been sold over the past two decades. They're popular because these vehicles combine the traditional gas engine with an electric-powered

option. The internal combustion engine kicks in at higher speeds or when more power is needed, resulting in lower overall emissions and better gas mileage. They're particularly popular with city drivers who typically remain at hybrid speeds. The downside is the possibility of an expensive battery replacement with the earliest pre-owned models.

ELECTRIC OPTIONS

Operating without any internal combustion, electric vehicles don't need gas and generate zero emissions. After years on the market, they're becoming easier to find in the used-car sector. Used electric cars and trucks are typically more expensive because the upfront cost is high when purchased new,

but where you live might be the most critical factor to consider. They have a limited battery life and require adequate recharging infrastructure. Those with homes in remote areas may have difficulty finding convenient charging stations or experience anxiety about regularly driving very long distances.

Negotiate Like a Pro

You've done your homework.

You know the typical price attached to the make, model, year and mileage of the used vehicle you want to purchase. You've factored in additional value that might be attached because of extras like upholstery or high-tech gadgets. Now, it's time to strike a deal.

BEFORE YOU GO

First, thoroughly research the specific make and model before you arrive. You're trying to determine the typical prices for this specific vehicle over various models surrounding its year of production. Familiarize yourself with its reliability ratings, since the car's longevity is a key negotiating consideration. If the car is on its last legs, the offer goes lower. Buyers with a more comprehensive understanding of these specifics have more negotiating power.

WHO'S SELLING?

Negotiating with a dealer is different than with a private seller. The neighbor selling you his used car or truck won't be able to offer valuable add-ons like extended warranty coverage or long-term maintenance options. They might agree to make certain repairs to earn a higher asking price. You might be able to negotiate skipping your first payment. Understanding the fundamental parameters of the negotiation comes first. With a private seller, it's all dollars and cents.



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At a dealership, there might be more on the table.

NEXT STEPS

The art of negotiation involves trust. Have you dealt with this dealership or salesperson before? Is the private seller a complete stranger or

an old acquaintance? Your level of trust has everything to do with this relationship. Note all the figures, details and terms as you agree on them. Stay within your budgeted range, particularly if you're not prepared to pay the full asking price.

FINALIZING THE DEAL

Don't hesitate to walk away; there are lots of pre-owned options out there. What happens if the deal goes through depends on whether this is a private seller or at a dealership. When dealing with individuals, get the title in

hand before any money is exchanged.

Sellers might prefer payment in cash or a cashier's check for security. In contrast, dealerships will typically have a finance manager available to assist with signing all required documents.

Considering a Certified Used Car?

Dealers can help ease your worries about purchasing a lemon.

One of the big concerns with purchasing a used car or truck has always been the possibility of ending up with an unreliable vehicle. Maybe the previous owner simply deferred maintenance or perhaps they're not being completely truthful about its past? You might end up with a big hassle. Dealerships have tried to address this worry by certifying their pre-owned vehicles. Here's what that means:

HOW DOES IT WORK?

Different companies have different certification programs. In general, these vehicles have been evaluated by seasoned pros to ensure that the car or truck is in good working condition. Critical repairs are also made.

Some dealerships handle these inspections themselves, while others hire independent contractors. Find out who did the inspection before buying, and research any third-party companies to make sure they're reputable. Get a detailed report on what was examined, what was fixed and what was not. It's always smart to get a second opinion from a mechanic of your own.

WHAT IT MEANS

In general, these inspections are meant to provide peace of mind for buyers.



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Some are paired with limited or even extended warranties meant to encourage sales. They may be coupled with higher prices, since the dealership had to provide expensive repairs. Non-certified vehicles of the same make, model and year can have very different costs. But certified cars often include

better finance terms to go with warranty options. You could pay less in the long run with a more dependable vehicle and a more favorable payment plan. Dealers may extend the warranty, with or without an additional charge.

OTHER CONSIDERATIONS

Certified used vehicle

agreements may include limitations and exclusions. Carefully read the contract to understand how payment and coverage will work. As an example, there may be a mileage restriction rather than a time limit on your warranty. You may not be able to transfer certified benefits if you decide to sell the vehicle

before the warranty has expired. If it is transferrable, that could help you get a better resale price. Confirm that your warranty is honored nationally at other related dealerships. Access to their service departments will simplify things if you have an issue while traveling or decide to relocate.

When It's Time to Pay

If you have the money, you can buy a pre-owned vehicle outright from a private seller or dealership. If you're financing, however, the terms will depend on several things, including how much you're willing to pay upfront.

Whatever you choose, there are several established ways to complete the purchase and drive away with a used car or truck.

YOUR OWN MONEY

While it may not always be feasible, using your own cash will always be the easiest way to purchase a pre-owned vehicle. This approach simplifies things since you won't have to add in interest calculations or manage any future payments. The used car or truck is yours, free and clear.

In some instances, a cash transaction is best when purchasing lower-cost vehicles for younger drivers. They're also perfect for buying a temporary vehicle while saving up for something nicer and newer that would require a bigger investment. Just keep in mind that private sellers likely won't accept a personal check. You might need either cold, hard cash or a certified check to complete the transaction.



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THE DEALERSHIP

Most dealerships now offer in-house financing. It doesn't get simpler than selecting your vehicle and signing up for payments all in one location. Larger dealerships can even leverage their high sales volume to offer credit to those whose scores are not ideal. The salesperson will typically

connect you with a finance officer who will guide buyers through the paperwork.

YOUR BANK

You can use bank financing when purchasing a vehicle from a dealer or a private seller. Banks have vast experience with these kinds of transactions, so the process itself

should be hassle-free. You'll just have to make more than one stop. The upside is that you might set better terms with a more competitive rate, particularly if you have an established financial history with the institution.

CREDIT UNIONS

Credit unions can potentially

offer lower interest rates and more favorable terms. Since they operate as non-profit organizations and are owned by their members, they typically feature more personalized banking services. Membership is usually required, however, so you'll need to join before you can apply for a car loan.