

# THREE DEALS OF CAR BUYING

## DEAL #1: THE PURCHASE

### HOW MUCH CAN YOU AFFORD?

- Total amount
- Down payment
- Monthly amount
- Prepare a spending plan
- Calculate debt-to-income ratio
- Check your credit report

### WHAT TYPE OF CAR SHOULD YOU BUY?

- New or used
- Size and style
- Safety and performance
- Cost to insure

### WHERE SHOULD YOU BUY?

- Dealership
- Private seller
- Internet
- Car buying service

### WHAT IS A FAIR PRICE?

- Invoice vs. MSRP
- Library and Internet
- New and used car cost guides

### EXERCISE YOUR LEGAL RIGHTS

- Read all the contract details
- Do not leave any blanks
- Do not buy unnecessary and unwanted items
- Use the power of the pen
- Have NLSO check out contract before signing
- Take action if you have a complaint

## DEAL #2: THE FINANCING

### WHERE WILL YOU FINANCE?

- Credit unions
- Bank
- Dealership
- Finance companies

### HOW MUCH WILL THE MONEY COST?

- Simple interest
- Add-on interest

### AVOID COMMON PITFALLS

- Know your credit rating
- Know what current interest rates are
- Get pre-approved
- Know the best deal available
- Do not be rushed or pressured

### NEGOTIATE A GREAT DEAL

- Do your homework
- Take your time
- Limit the information you give out
- Shop twins
- Ask for discounts
- Take a road test
- Avoid unnecessary add-ons
- 180-Degree Turn

### KNOW THE 'TRICKS OF THE TRADE'

- Put to Ride
- Low- and High-Balling
- Bait and Switch
- Padding
- Mutt and Jeff Routine
- "Your Car"

## DEAL #3: THE TRADE-IN

### TRADING VS. SELLING

### WHAT IF YOU OWE MORE THAN THE CAR IS WORTH?

### WHAT IS A FAIR PRICE?

- What is the dealer willing to pay?
- Only negotiate after you are done with your purchase and financing on your new vehicle.