

# 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 Union
- Bank
- Dealership
- Finance Company

### 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.

