

■ 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
- Don't leave any blanks
- Don't 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 what the best deal is
- Don't 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.