

BUYING A NEW CAR - SMART SHOPPING TIPS

There is no automatic 3-day right of cancellation given in new car sales contracts.
Do your homework before you buy, not after.

BEFORE YOU VISIT DEALERSHIPS

- Determine how much you can afford before visiting the dealer. Remember to take into account the cost of insurance, maintenance and repairs.
- Find out the dealer's invoice price from reputable services such as:
 - Consumers Reports - www.consumerreports.org
 - Edmund's Automotive Evaluations - www.edmunds.com
 - Cars.com - www.cars.com,
- Know your credit score and review your credit report. Your credit score determines the interest rate for which you qualify and is based on information in your credit report. Correct any inaccurate information before you apply for credit.
- Shop for financing at credit unions or banks before shopping for your car. Don't assume that dealers offer the best financing rates.
- Research the value of your trade-in. Check newspaper and on-line classified ads or have the car evaluated by an independent source. You may get more money for your old car by selling it yourself. Even if you want to trade in your old car, you should know its value before negotiating with the new car dealer.

SHOPPING AND NEGOTIATING

- When shopping for the car you want:
 - Test drive the car on various types of roads (e.g. highways, retail areas with lots of stop lights, quiet residential streets)
 - Don't shop after dark. Small flaws can be overlooked in poor light.
 - Don't shop when you're tired and hungry.
- Bargain up from the invoice price, not down from the sticker price.
- Carefully consider whether you really want or need option packages. Such packages can add thousands of dollars to the price of the car.

- Do not discuss the value of your trade-in or how you will finance the purchase until you have negotiated a firm price for the new car.
- Be prepared to leave the dealership if the price offered doesn't fit your budget.
- Do not pay a deposit to lock in a price without a written promise that the deposit is refundable.

IF YOU WANT TO CONSIDER DEALER FINANCING

- While the amount of the monthly payment is important, also consider the interest rate (APR) and length of the loan (number of monthly payments). Compare the dealer's offer to financing that's available at banks and credit unions.
- DO NOT sign a dealer's finance application unless you have decided to take the dealer's financing offer.
- If you apply for dealer-arranged financing, the dealer must tell you in writing that the deal is not final until it is approved by the lender and must disclose your right to cancel if the lender rejects your application. For more information about these rights, review OCP's factsheet "Protect Yourself From Motor Vehicle Yo-Yo Sales."

SIGNING THE SALES CONTRACT

- Read all documents prior to signing and insist on getting a copy of everything you sign.
- Do not sign blank documents.
- Make sure that all verbal promises made by the salesperson are included in the written contract. In most cases, once you sign the contract, you are bound by its terms.

**For more information on this and other consumer topics,
or to obtain this factsheet in an alternative format, please contact:**

**Howard County Office of Consumer Protection
410-313-6420(voice/relay)
consumer@howardcountymd.gov.**