

BUYING A USED CAR

Before buying a used vehicle, do your homework – it will save you time and money down the road. Consider your budget, financing, desired features and options, vehicle uses, and the distances you regularly drive. When you find a vehicle that fits your wish list -

- 1. Check the “blue book” value of the vehicle.** This is particularly important if you intend to take out a loan to pay for the vehicle. You can use the National Automobile Dealers Association (NADA) Used Car Price Guide (www.nadaguides.com), Kelly Blue Book (www.kbb.com) or Edmunds (www.edmunds.com) to determine the vehicle’s approximate value.
- 2. Check the vehicle’s history.** Obtain a report from a reputable authority providing Vehicle Identification Number (VIN)-based reports. You can find links to companies offering these reports on the National Motor Vehicle Title Information System (www.vehiclehistory.gov) or by searching online for other companies offering this service. Expect to pay a nominal fee for a VIN-based report. Many dealers provide a free VIN-based report. You also can search the National Insurance Crime Bureau’s (NICB) free database of flood damaged cars.
- 3. Take the vehicle for a test drive.** Be sure to have the salesperson or current owner demonstrate the vehicle’s various features and options, and ask to see the vehicle’s maintenance record.
- 4. Have the vehicle inspected by a reputable independent mechanic of your choice.** There will be a fee for the inspection. Ask what the inspection includes, how long it takes, and how much it costs. After the inspection, ask the mechanic for a written cost estimate for all necessary repairs, making sure the report identifies the vehicle by VIN number. You can use this information to negotiate the final purchase price. If a dealer won’t allow an independent inspection, consider doing business elsewhere.

In North Dakota, a used vehicle is sold “as is” unless it specifically includes a transferrable manufacturer’s warranty or you purchase separate service contract (often called an extended warranty). **“As is” means you are responsible for any repair costs after you purchase the vehicle.** If the vehicle is covered by a transferrable manufacturer’s warranty, make sure you get written documentation that the warranty has been transferred to you. Before purchasing an extended warranty, you should be aware that these warranties are sold by third-party companies and your contract is with that company not the dealership or manufacturer. If the vehicle requires repair, you may have to pay the repair costs up-front and then seek reimbursement. If the extended warranty company is sold or goes out of business, or the dealership changes hands, the warranty coverage may be worthless.

Once you have chosen the vehicle and negotiated a price, it’s time to tackle the maze of paperwork. Take your time and read everything carefully. Always be sure you know what you are signing. Double check the amounts to make sure they are what you agreed to pay and question anything you do not understand. Before signing any loan documents, make sure you know the exact purchase price, the total amount being financed, the annual percentage rate (APR), finance charge, number of monthly payments, and the total sales price (monthly payments plus down payment). Complete or cross out any blank spaces in the documents.

- North Dakota’s “lemon law” does **not** apply to used vehicles and there is **no** three-day right to cancel a vehicle purchase. Some dealers voluntarily offer a limited-time customer satisfaction guarantee, but the terms are up to the dealer. Before you buy, ask about the return policy - and get it in writing. ♦