



The Best Way to Buy a Car

Vehicles serve a lot of purposes in our lives. They give us freedom. Convenience. Opportunity. They also can be expensive – and the process of buying one can be downright intimidating. That’s why Elko Federal Credit Union is here to arm you with all the information you need to make your very best vehicle purchase.

Let’s get started!

The best place to begin buying a vehicle is not the dealership. It’s at home, considering your entire financial picture, your real transportation needs, and your goals. Are you already sinking in debt? How is your credit? Do you pay your bills on time? All of these are things to consider before taking a pricey luxury car for a test drive.

Really look at your monthly income and expenses to help determine what kind of price point might be right for you in a vehicle. Ideally, your budget gives you room to save money for other goals each month and you’ve also set aside something for a down payment... but if not, now is the time to identify a target price range that will allow you to live within your means and still reach other financial goals that are important to your life.



STEP 1

Get Pre-Approved

Getting preapproved for a loan at Elko Federal Credit Union before you visit your dealership gives you the most freedom and negotiating power at the dealership. You walk in ready to buy, knowing exactly how much you can spend. You can also work with the dealership salesperson on getting to the best bottom-line price, without complicating negotiations with financing offers that may actually increase the overall amount you pay. In other words, getting pre-approved independently gives you greater control over your financial future.

STEP 2

Consider Your Needs

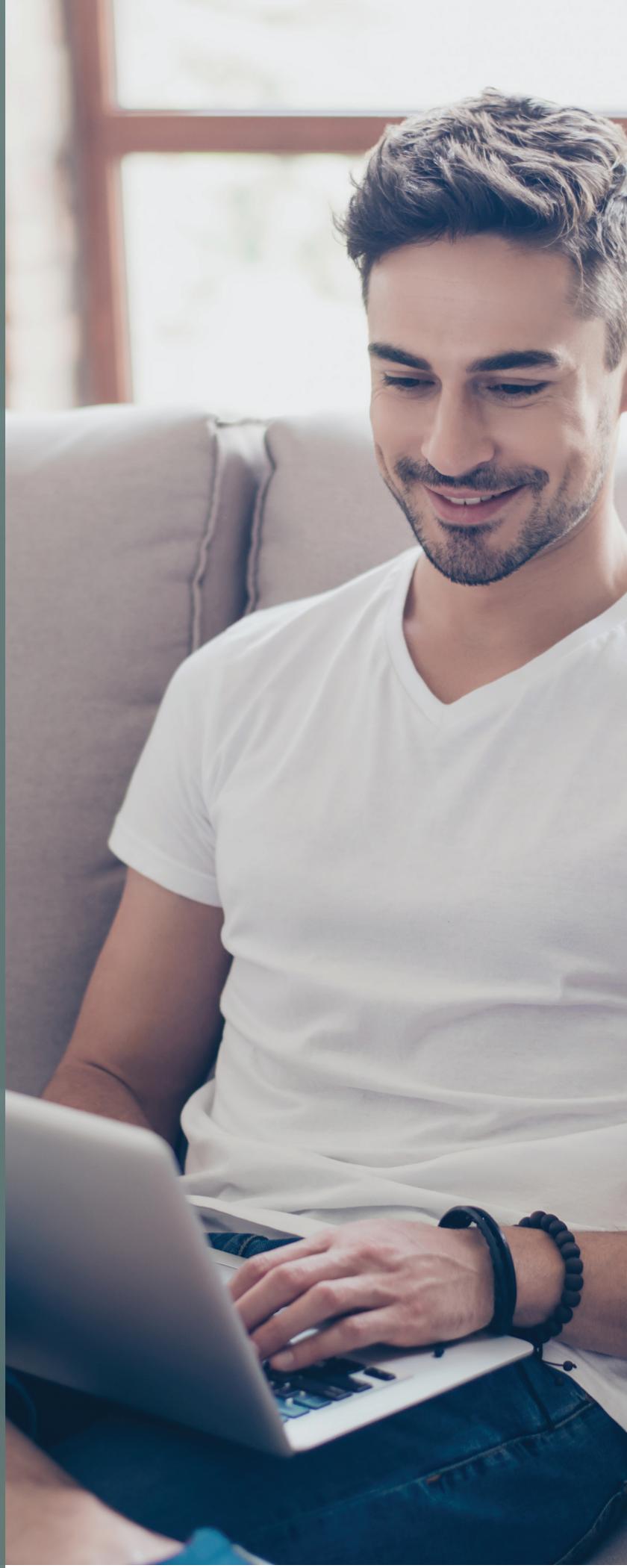
Vehicles come in all types, sizes, and price points. What works for someone else won't necessarily work for you. Consider what your budget will really allow in terms of a down payment and a monthly payment. How many people or how much cargo do you typically need to carry? How is your overall financial picture? Do you do more city or highway driving? Thinking through these things will help you determine the type of vehicle that you really need, even if it's different from what you really want.

STEP 3

Do Your Research

There are a lot of factors to consider when looking at vehicles, including:

- **Quality and Reliability**
Check consumer reports
- **Affordability and Depreciation**
New, used, certified pre-owned
- **Fuel Economy**
Highway vs. city driving
- **Size and Safety Requirements**
Whether you carry kids
- **Lease or Buy**
How long you plan to keep the vehicle
- **Your Budget**
Gas, maintenance, and repairs



STEP 4

Shop

Shopping at a dealership - their wide selection of vehicles makes car dealerships a great option for buying your vehicle, especially if you like the idea of buying from a company rather than an individual. Here are some other things to consider about dealerships:

- Is it located conveniently?
- Do they have a good service department?
- Is their sales team helpful or pushy?
- Do you have a car to trade in?
- Did the dealership bundle unnecessary services into the cost of the vehicle?

Shop the websites of several dealerships in your area to narrow down your list of favorite vehicles and try to visit at least three dealerships. As you shop, bring a friend who you think will be supportive and add a good perspective. Also be sure to keep good notes as you shop, and test drive every vehicle you consider.

If you're buying a used vehicle from a dealership, the dealer must post a Buyer's Guide in the vehicle to tell you whether it is being sold "as is" or with a warranty. Make sure you get all promises regarding the vehicle's condition in writing.

Buying used

if you're considering purchasing a used vehicle, be sure to do the following:



Buying from an individual - In exchange for the higher level of risk you take in purchasing a vehicle from an individual, you stand to save a lot of money on the purchase price. Whether that risk is worth taking is up to you, based on your unique circumstances.

Sales by individuals are almost always "as is," but you can still ask that the seller write up a sales contract.

When buying from an individual, you should still test drive the vehicle, meeting the seller on neutral territory, such as a well-lit parking lot in a busy area, rather than going to private property. Conduct your purchase transaction in the same way, too. If you already have a vehicle, consider the fact that you'll need to sell it, too - which actually could bring you a better deal than trading it in at a dealership.



STEP 5

Negotiate

When you've decided to make an offer on a vehicle that seems right for you, it's time to negotiate your best deal. Here are some do's and don'ts:

- To start, never begin discussions by telling the seller the most you can spend.
- Don't agree to pay for extras you don't need. These may be things like a service contract, fabric protection, paint protectant, etching your VIN on windows, and rustproofing.
- Read the contract before signing.
- Ask for the best price, shop around, and then take the best deal.
- Don't wait around for manager approval.
- Talk about invoice price, not MSRP or list price.
- Negotiate price first - then payments and, if applicable, your trade-in.

STEP 6

Decide How to Pay

With the right price decided, now it's time to weigh your financing options, which could include a rebate OR a low-interest rate loan. Since you already have a preapproval on an affordable EFCU loan from STEP 1 above, you have more options to get the best deal for you. This means you can take a rebate and other incentives while still enjoying a low loan rate. In the instance the dealership offers a 0% financing deal, be aware that some dealers push extras to make up for lost profits, so read the financing agreement very carefully.

As you finance, even with a low-rate loan, your best strategy is to make the largest down payment you can afford. This will save you on finance charges and help you avoid having an "upside-down loan." When your loan is upside down, this means that, due to depreciation, your vehicle is worth less than your loan.

STEP 7

Insure the Vehicle

No purchase is complete without getting the proper coverage for your vehicle. If possible, contact your insurance agent before the purchase to discuss coverage on the vehicle you're considering. As soon as you've finalized your purchase, contact your insurance agent to set up coverage, which can include:

- Liability
- Collision and comprehensive coverage
- Uninsured and underinsured motorist coverage
- Medical coverage

Buying a car is an exciting milestone – but it's one that requires a lot of preparation and planning. The friendly financial experts at Elko Federal Credit Union are here to help you navigate your way through the process and answer any questions you have.

Powered by **you**...soar above

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