SEO Template for new content

Target keywords: buying used car tips, tips for buying a used car, used car buying tips

Page title

• Optimal title length: **55 characters**

• Add at least one of your target keywords to your <title> tag, don't use each target keyword more than 1 time: **buying used car tips, tips for buying a used car, used car buying tips**

Meta description

• Optimal meta length: **160 characters**

H1

• Add all your target keywords at least one time: **buying used car tips, tips for buying a used car, used car buying tips**

Text

• Try to acquire backlinks from the following domains: [bochhonda.com](http://bochhonda.com), [fooyoh.com](http://fooyoh.com), [campinghiking.net](http://campinghiking.net), [blowermotorresistor.biz](http://blowermotorresistor.biz), [bravejournal.net](http://bravejournal.net), [50plusfinance.com](http://50plusfinance.com), [werite.net](http://werite.net), [hambrientosvagabundos.org](http://hambrientosvagabundos.org), [jeevesknows.com](http://jeevesknows.com), [couponmarathon.com](http://couponmarathon.com), [index.hr](http://index.hr), [bestappsfinder.com](http://bestappsfinder.com), [pureloan.com](http://pureloan.com), [rsstodaynews.com](http://rsstodaynews.com), [go4viral.com](http://go4viral.com), [standingwater.io](http://standingwater.io), [automobileinfo.net](http://automobileinfo.net), [acurabymcgrath.com](http://acurabymcgrath.com), [bestgiler.com](http://bestgiler.com), [madmadnews.com](http://madmadnews.com)

• Enrich your text with the following semantically related words: **car lots, interest rate, car dealerships, loan terms, car inspection, car purchase, buying a used car, auto loan, test drive the car, good idea, vehicle history report, price of the car, monthly payment, car loan, car online, good deal, extended warranties, certified pre owned vehicle, car payments, insurance company**

• Focus on creating more informative content. Recommended text length: **1138.0**

• Make sure that your text is easy to read with the Flesch-Kincaid readability test. The readability score should be: **66.3924544042245**

• Add at least one of your target keywords: **buying used car tips, tips for buying a used car, used car buying tips**

When your content has been published, [launch a SEO Ideas](https://www.semrush.com/features/seo-ideas/?utm-source=sct&utm-medium=template) campaign to check if your content complies with all on-page SEO factors and discover what else can be done to give your content a SEO boost.

Analyzed top-10-ranking rivals for your target keywords

tips for buying a used car

1. <https://www.bankrate.com/loans/auto-loans/used-auto-loan-tips/>

2. <https://www.nerdwallet.com/article/loans/auto-loans/buy-used-car>

3. <https://cars.usnews.com/cars-trucks/advice/how-to-buy-a-used-car>

4. <https://www.geico.com/living/driving/auto/auto-care/5-tips-for-picking-a-great-used-family-car/>

5. <https://www.consumerreports.org/cars/buying-a-car/how-to-buy-a-used-car-a5221672417/>

6. <https://www.nytimes.com/2021/12/09/business/used-car-buying-tips.html>

7. <https://www.familyhandyman.com/project/tips-for-buying-a-used-car/>

8. <https://www.edmunds.com/car-buying/10-steps-to-buying-a-used-car.html>

9. <https://www.npr.org/2019/10/31/774757867/5-tips-for-buying-a-car-the-smart-way>

10. <https://www.progressive.com/answers/used-car-buying-tips/>

used car buying tips

1. <https://www.bankrate.com/loans/auto-loans/used-auto-loan-tips/>

2. <https://cars.usnews.com/cars-trucks/advice/how-to-buy-a-used-car>

3. <https://www.nerdwallet.com/article/loans/auto-loans/buy-used-car>

4. <https://www.consumerreports.org/cars/buying-a-car/how-to-buy-a-used-car-a5221672417/>

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7. <https://www.npr.org/2019/10/31/774757867/5-tips-for-buying-a-car-the-smart-way>

8. <https://www.geico.com/living/driving/auto/auto-care/5-tips-for-picking-a-great-used-family-car/>

9. <https://www.familyhandyman.com/project/tips-for-buying-a-used-car/>

10. <https://www.investopedia.com/articles/personal-finance/092915/7-mistakes-avoid-when-buying-used-car.asp>

buying used car tips

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8. <https://www.investopedia.com/articles/personal-finance/092915/7-mistakes-avoid-when-buying-used-car.asp>

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See how competitors write about targeted keywords:

**tips for buying a used car**

**1.** <https://www.bankrate.com/loans/auto-loans/used-auto-loan-tips/>

Bankrate logo
The Bankrate promise
Founded in 1976, Bankrate has a long track record of helping people make smart financial choices. We’ve maintained this reputation for over four decades by demystifying the financial decision-making process and giving people confidence in which actions to take next.
Bankrate follows a strict editorial policy , so you can trust that we’re putting your interests first. All of our content is authored by highly qualified professionals and edited by subject matter experts , who ensure everything we publish is objective, accurate and trustworthy.
Our loans reporters and editors focus on the points consumers care about most — the different types of lending options, the best rates, the best lenders, how to pay off debt and more — so you can feel confident when investing your money.
Bankrate logo
Editorial integrity
Bankrate follows a strict editorial policy , so you can trust that we’re putting your interests first. Our award-winning editors and reporters create honest and accurate content to help you make the right financial decisions.
Key Principles
We value your trust. Our mission is to provide readers with accurate and unbiased information, and we have editorial standards in place to ensure that happens. Our editors and reporters thoroughly fact-check editorial content to ensure the information you’re reading is accurate. We maintain a firewall between our advertisers and our editorial team. Our editorial team does not receive direct compensation from our advertisers.
Editorial Independence
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Bankrate logo
How we make money
You have money questions. Bankrate has answers. Our experts have been helping you master your money for over four decades. We continually strive to provide consumers with the expert advice and tools needed to succeed throughout life’s financial journey.
Bankrate follows a strict editorial policy , so you can trust that our content is honest and accurate. Our award-winning editors and reporters create honest and accurate content to help you make the right financial decisions. The content created by our editorial staff is objective, factual, and not influenced by our advertisers.
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Bankrate.com is an independent, advertising-supported publisher and comparison service. We are compensated in exchange for placement of sponsored products and, services, or by you clicking on certain links posted on our site. Therefore, this compensation may impact how, where and in what order products appear within listing categories. Other factors, such as our own proprietary website rules and whether a product is offered in your area or at your self-selected credit score range can also impact how and where products appear on this site. While we strive to provide a wide range offers, Bankrate does not include information about every financial or credit product or service.
Buying used is a great way to get behind the wheel of a vehicle without the steep cost of the current year’s models. And as vehicle prices have reached new heights over the past few months due to the combination of the pandemic and semiconductor shortage , buying used can help you save money.
Buying used has not been immune to the price increase. The monthly payment for a used vehicle in the third quarter of 2022 was $525, according to Experian . But buying used is still less expensive than buying new. So as you explore your car-buying options , keep these tips in mind to get the best deal.
Tip 1: Have a realistic budget
The best way to save money when it comes to a large purchase is to be honest with how much you can afford . When it comes to buying a used car, it is no different.
If you already have an affordable car loan, try to stick within that range. Otherwise, know that experts recommend you spend 25 percent or less of your budget on car-related expenses. Consider both the monthly loan payment and additional vehicle costs that are bound to pop up. This includes fuel costs, insurance and regular maintenance. Take advantage of an auto loan calculator before starting your vehicle search so you have a firm understanding of your budget — and the interest rate and loan terms you can afford
Tip 2: Explore financing options
Choosing the right financing option for your vehicle is not dissimilar to finding your perfect car . Your options include banks, credit unions, online lenders and dealerships.
Almost every lender offers auto loans for used cars within a certain mileage or model year, so you should have no problem finding the right fit.
Shop around to ensure you get the best auto loan rates and terms available. Check out current rates and Bankrate’s winner for best used car lender before accepting a loan. And equally important, see how the loan term and fees change the total cost of financing.
Tip 3: Apply for loan preapproval
Auto loan preapproval is when a lender tentatively approves you for a certain amount while you shop for your car. It isn’t an iron-clad agreement , but it does give you a better idea of what you will pay in interest and what you can afford.
The main benefit of loan preapproval is that it can give you confidence that you are getting the best deal. In most cases, you have 30 days to shop. You’ll know exactly how much you can borrow for the vehicle, and can even use preapproval to negotiate with dealerships.
Tip 4: Trade in your old vehicle
Trading in your vehicle will save you money, and it can ease any stress of figuring out what to do with your previous vehicle. The trade-in process depends on the dealership you use, but the steps are simple. It primarily requires you to understand the worth of your current vehicle in comparison to the new one.
Shop around and get quotes from several dealerships. You can use the estimates as negotiating power with the dealership you end up buying from. And if dealerships aren’t offering a good deal, consider selling your car privately instead to get more for your ride.
Tip 5: Make a large down payment
The larger your down payment, the less you will have to borrow and the lower your monthly payment will be. A down payment of at least 20 percent is the best option. But with the increase in car prices, you should at least try to save 10 percent of the vehicle’s sale price as a down payment.
Saving up and making a large down payment upfront will save you money as you drive. Because you’re borrowing less, you may have a better chance of being approved for a loan and can potentially get a lower rate .
Tip 6: Consider a certified pre-owned vehicle
One way to get around some of the risks of buying used is to shop for a certified pre-owned (CPO) vehicle . Typically found at dealerships and rental companies, these vehicles are specially inspected and approved by the manufacturer.
In general, buying CPO means that your car will have good parts, low mileage and proper maintenance. CPO vehicles are typically properly cared for and accident-free. These vehicles can also come with an additional vehicle warranty for long-term quality assurance.
Tip 7: Shop online
The marketplace for purchasing a vehicle has shifted dramatically over the past few years, and buying used is a great time to take advantage of buying a car online .
Start with trustworthy online sources like Carvana , TrueCar or Vroom . These allow you to browse nationwide for the right fit. They also let you keep the process entirely online from start to finish — with a period after delivery to test drive your used car and get it inspected.
But even if you feel more comfortable taking the traditional route, research online before heading to the lot in person. Dealerships frequently list their inventories on websites, so you have an idea of costs and vehicle availability without the pressure of a salesperson.
Tip 8: Conduct a detailed car inspection
Buying a used car comes with additional risks. You don’t know how the previous owner handled the vehicle and unforeseen issues could be looming.
To be sure you aren’t driving away with a stealth fixer-upper, request a vehicle history report. Along with an initial test drive, it is wise to get an independent mechanic inspection to check for any issues under the hood.
Next steps
With so many Americans looking to buy vehicles right now, preparation is key to saving the most money. Used vehicles are expensive, but you’ll avoid the high prices, limited supply and huge depreciation hit of new vehicles.
To get the best deal on a used car, start by shopping around for auto financing and getting preapproved. Also, consider trading in your current vehicle to lower out-of-pocket costs when purchasing your next ride and making a larger down payment to get a more affordable monthly payment. Most importantly, have the car inspected to ensure it’s both safe and reliable before signing on the dotted line to seal the deal.
SHARE:

**2.** <https://www.nerdwallet.com/article/loans/auto-loans/buy-used-car>

How to Buy a Used Car in 11 Steps
Advertiser disclosure
You’re our first priority.
Every time.
We believe everyone should be able to make financial decisions with confidence. And while our site doesn’t feature every company or financial product available on the market, we’re proud that the guidance we offer, the information we provide and the tools we create are objective, independent, straightforward — and free.
So how do we make money? Our partners compensate us. This may influence which products we review and write about (and where those products appear on the site), but it in no way affects our recommendations or advice, which are grounded in thousands of hours of research. Our partners cannot pay us to guarantee favorable reviews of their products or services. Here is a list of our partners .
How to Buy a Used Car in 11 Steps
Using tools like pricing guides, online listings and vehicle history reports can simplify your used-car shopping experience.
Philip Reed
Auto Loans Specialist | Edmunds.com
Philip is an automotive expert who writes a syndicated column for NerdWallet. He has appeared on national TV and radio and once wore a hidden camera for ABC News to show how to haggle for a used car. His passion is helping people save money in their automotive budgets.
Benjamin Din
Writer | Politico
Benjamin Din is a writer at NerdWallet. He previously was a technology reporter at Politico, where he wrote a daily newsletter covering tech and telecom policy. He has written for The Wall Street Journal, Bloomberg News and The Washington Post, as well as covered two Olympics with NBC Sports. Benjamin has a journalism degree from Northwestern University. In his free time, he enjoys traveling and learning new things. Email: <a href="mailto: [email protected] "> [email protected] </a>.
Julie Myhre-Nunes
Assistant Assigning Editor | Auto loans, consumer credit
Julie Myhre-Nunes is an assistant assigning editor at NerdWallet. She has been working in the personal finance space for more than 10 years. Before joining NerdWallet, Julie oversaw editorial teams at NextAdvisor, Red Ventures and Quote.com. Her personal finance insight has been featured on Forbes, The Boston Globe and CNBC throughout the years. Julie’s writing has been published by USA Today, Business Insider and Wired Insights, among others. Email: <a href="mailto: [email protected] "> [email protected] </a>.
Learn More
Many or all of the products featured here are from our partners who compensate us. This may influence which products we write about and where and how the product appears on a page. However, this does not influence our evaluations. Our opinions are our own. Here is a list of our partners and here's how we make money .
Steps
11. Make the purchase
Shopping for a used car is a lot of work, but when done right, it can be well worth your time. With the help of online car-shopping tools, you’ve got the best chance of making a good deal on a car that meets your needs and fits your budget.
There are plenty of reasons to buy used instead of new: It will save you money on car insurance, registration, taxes and depreciation, which is the loss in a car’s value due to wear and tear over time. It also makes sense because cars have never been more reliable. It’s not unusual for some well-maintained vehicles to be trouble-free for well over 200,000 miles.
But in the current used-car market — where supply is limited and prices are high — you may not be able to find exactly what you’re looking for at the price you want. And in some cases, buying a new car can be cheaper than buying used, especially if you’re looking for a late-model vehicle.
Despite those challenges, here’s an overview of the process, as well as what to look for when buying a used car, whether it’s from a dealer, from a private party or from an online retailer.
1. Determine how much to spend
There are two ways to buy a used car: Pay cash or take out a loan. If you’re paying with cash, budgeting is straightforward. Make sure you don’t spend all your savings and remember to set aside money for registration, insurance and possible future repairs.
Most people take out a car loan so they can protect their savings or buy a more expensive model. It’s smart to get preapproved for a car loan because it simplifies the buying process and puts you in a stronger position at the car dealership. You’ll see later how preapproval fits into the process.
Use an auto loan calculator to run the numbers on payments and term lengths. NerdWallet recommends that you:
Plan to put about 10% down, which helps decrease the amount you’ll need to finance.
Aim to finance the car for no more than three years.
Budget so that, ideally, your monthly auto expenses — such as car payment, gas and insurance — won't be more than 20% of your monthly take-home pay.
Find your preapproval rates
» MORE: Compare auto loans, rates and lenders
2. Choose the features you need
With so many options available, picking the right car can be overwhelming. Take some time to think about how you plan to use this car. For example, if you have a family, you’ll want enough room for everyone plus ample cargo space. If safety is a top priority, check out the Insurance Institute for Highway Safety for crash tests. In recent years, some advanced safety features that were once reserved for luxury vehicles now come standard on many models.
Narrow the field by making a list of must-have features. Then, search for models with those features using car finder tools on automotive websites like Edmunds. As you move forward, build a list of three car models to research in more detail.
$4,000-Max. not disclosed
3. Research reliability and ownership costs
Every used car is different. Some have been driven more miles and have more wear and tear. But, in general, you want to make sure you're choosing models known for their dependability. Consumer Reports (which requires a paid subscription) and J.D. Power collect maintenance reports from owners and rate all used cars.
You’ll also want to consider the total cost of ownership . Some cars may be cheaper upfront, but the costs can add up in the long run because of insurance, maintenance, repairs and depreciation . Automotive websites, such as Kelley Blue Book's Five-Year Cost to Own or Consumer Reports' Cost of Vehicle Ownership , can help you estimate these expenses.
4. Find good used cars
There are a lot of websites that list used cars, and each site seems to have its own character. Many of them also have car-buying apps , if you’re shopping on your phone. Here are some options to check out:
Online marketplaces, such as Autolist , Autotrader and Used Car Search Pro , aggregate listings from online retailers, dealerships and sometimes individuals from across the country. Once you find a listing you like, they’ll give you the seller’s contact information.
Online auto retailers, such as CarMax , Carvana and Vroom , allow you to complete the purchasing process online. These retailers own the inventory and sometimes have return policies if you’re not pleased with your purchase.
Traditional private-party sales platforms, such as Craigslist and Facebook Marketplace , are popular shopping platforms if you’re looking to buy a used vehicle from a private party. Sellers are often looking to make a quick sale, so it’s possible to get a great deal — but be careful about scammers.
Most used car lots have the cars in their inventory posted online. However, if you’re someone who likes to see and touch the cars you’re considering, there are countless used-car lots across the country where you can do just that.
5. Price the cars
Once you find several cars for sale in your area — but before you physically inspect them — look up that car model in a pricing guide such as Kelley Blue Book, Edmunds and the National Automobile Dealers Association. You can use the guide to estimate the market value of the actual car you’re looking at by assessing its condition based on factors such as age, mileage and options. With that in hand, you’ll have the information you need to negotiate effectively.
When you look up a price, include the following information:
Year, make and model. The model is sometimes called the “trim level.” For example, when looking up a 2020 Nissan Sentra, SV is one of several trim levels.
Options. These are special features installed when the car was built, such as a navigation system.
Mileage. If a car has been driven more or less than the typical mileage, the price is adjusted accordingly.
Condition level. Read the descriptions of the condition levels carefully, as each pricing guide has its own rating methodology for determining the difference between “clean” and “outstanding,” for example.
Most pricing guides give you several different prices. If you're buying the car from a dealer, look at the “dealer retail” price. If your next-door neighbor is the seller, you should look at the “private party” price. You might also notice that pricing guides tell you what the car is worth as a trade-in. Make sure to price your current car if you plan to trade it in at the dealership.
If you want to sell your car online , some websites will give you an instant cash offer, valid for a few days. These offers are a great way to gauge trade-in value, even if you don’t sell it.
6. Pull the vehicle history report
Run a vehicle history report on the cars you’ve selected. Using the vehicle identification number, or VIN, you can get a detailed report of the car’s history from Carfax or AutoCheck. It’s a quick way to know if you should seriously consider buying this car.
In some cases, online listings will include access to free vehicle history reports. If not, it’s worth it to buy one.
What you'll learn from the vehicle history report
Does this car have a clean title ? If a car’s been in a serious accident, fire or flood, and was “totaled” by the insurance company (declared a total loss) it still might be driveable. However, the insurance company will issue a “salvage title” to alert future buyers. Steer clear of cars with a salvage title because it kills the resale value, and the car might still have hidden problems.
Serious accidents are reported to the insurance company and will probably be on the vehicle history report.
Shady sellers might spin the odometer back to increase a car’s selling price. The vehicle history report can alert you to this scam.
The report will list each time the car changed hands.
Some reports show if required maintenance was done on time and where the work was performed.
7. Contact the seller
A quick chat will answer lots of questions and save time. First, verify the information you read in the ad.
Questions to ask when buying a used car
Are you the first owner?
Are the service records available?
Do you have the title and is it clear? (A clear title shows there are no liens on the car.)
How did you set the asking price?
Is there any important information that wasn’t in the ad?
Can I have the car inspected by a mechanic?
8. Test drive the car
Up to this point, you haven’t actually driven the car you’ve chosen. Now, you'll not only see if you like this model, but you'll also have to decide if this particular car is worth buying.
Unless you're a mechanic, you can’t be expected to inspect a car thoroughly. However, you can give the car a pretty good initial inspection. If it looks good, then you can get a full used-car inspection .
First, start the car. All the warning lights should turn on for a few seconds, then go out. At the very least, check for the four most important: engine, oil pressure, brakes and airbag. If you don't see these lights go on, then off, dig deeper.
Select a test drive route that has a little bit of everything: hills, rough pavement, curves and even a stretch of highway. Drive the car with the radio off — you can test that later.
What to check when buying a used car
Visibility: Are there any blind spots?
Acceleration and cornering: Does the car have enough power? How does the steering feel?
Brakes: Are they responsive and predictable?
Ergonomics: Can you easily reach all the gauges and controls?
Mechanical condition: Listen for any unusual noises or vibrations that could indicate worn suspension parts or tires.
After the test drive, check the back-seat leg room and cargo capacity. Now it’s time to blast the sound system and see if your phone connects via Bluetooth.
9. Inspect the car
If you liked driving the car and it seems to be in good condition, you should still take it to a mechanic. Private-party sellers are pretty relaxed about this. Some dealers might give you pushback, claiming they’ve already inspected it. Go ahead and insist if you have any doubt about the car's condition. Expect the cost of a car inspection to run about $100 to $300.
On independent used car lots, you often see a sign in the window saying that the vehicle is “certified,” which can mean almost anything — and usually means nothing — about the condition or reliability of the car.
But on new-car lots, “certified” means the vehicle is a certified pre-owned car . CPO programs have become popular and make used car shopping a whole lot easier, because the cars are thoroughly inspected and include an extended factory warranty. Those vehicles are pricier, but you don’t need to take a CPO car to your own mechanic.
10. Negotiate the best price
Here’s the part that everyone dreads: negotiation. But it doesn’t have to be stressful, especially if you’ve done your research and have a good idea what the car is worth. Compare the seller’s asking price to the average market price you determined on the pricing guides. Chances are, the seller is asking more than the market average.
Let’s say the seller is asking $12,000 and your research has told you the car is worth $10,500. Start by pointing out any concerns you have about the car’s condition. For example, you can say, “I like the way the car drives. But it really needs a new set of tires. And besides that, the book value is only $10,500. So I’d be willing to buy it for $10,000.”
Now, it’s up to the seller to either accept your offer or make a counteroffer. If their counteroffer still seems too high, you can either stick to your guns or invoke the time-honored phrase, “I’ll meet you halfway,” and split the difference. You can go back and forth until you agree.
When you bargain with a car salesperson at a car lot or dealership, remember that you're dealing with a pro who knows all the tricks.
6 tips to use on the car lot
Don’t be a monthly payment buyer. If you have a preapproved loan, you're a cash buyer as far as the dealer is concerned and you should negotiate on the price of the car, not the size of the monthly payment.
Start low, but in the ballpark. Lowball the seller and they won’t treat you as a serious buyer. Instead, make an offer that is on the low side, but still enticing. Then, improve your offer slowly, perhaps in increments of $250.
Don’t be trapped in the sales office. Don’t let a salesperson leave you alone while they “go to talk with their boss.” Instead, roam around the showroom or go get a cup of coffee. Uncontrollable buyers keep salespeople off balance, which can help you in negotiations.
Negotiate slowly and repeat the numbers you hear. Take your time to understand all the numbers being thrown at you. Write them down, if that helps you. Confirm if you're talking about the “out-the-door” price , which includes all taxes and fees, or just the sale price of the car.
Ask about fees before saying yes to a deal. Some dealers include bogus fees to take back profit they lose during the negotiation. Get a breakdown of additional fees before you agree to any deal.
Always be ready to walk. If you aren’t making progress toward a deal, or you don’t like the way you’re being treated, just walk out. You don’t need an excuse. “I’m not going to buy” is good enough.
11. Make the purchase
Before taking ownership of the car, you should add it to your insurance policy. Then, you only need to pay for the car — usually with cash or a cashier’s check. Make sure you get a title and have the seller sign it correctly. (If the seller’s name isn't on the title, you could be a victim of title jumping , which is illegal.) When in doubt, check the state’s registry website for more information. Many states allow about 10 days to transfer ownership.

**3.** <https://cars.usnews.com/cars-trucks/advice/how-to-buy-a-used-car>

Complete Guide: How to Buy a Used Car
Dec. 2, 2020, at 12:00 a.m.
Save
More The single easiest way to save money when buying a car is to purchase a used model instead of a new vehicle. When you buy a new car, the second you leave the dealer's lot, it starts to rapidly depreciate, losing a significant amount of its value in the first few years of ownership. When you buy a used car, the original owner absorbs the pain of its steep depreciation during its early years. You pay far less than you would have if you had purchased the car new.
There may be more maintenance required on a used car that's out of warranty, and its financing may be a bit more expensive. But, choosing a vehicle with a good predicted reliability rating and low ownership costs can help you saa tremendous amount of money.
Advertisement
Successfully buying a pre-owned car can be more complicated than buying a new car. It’s more financially risky because you don’t have the safety net of a new car factory warranty. Staying safe while purchasing a used car has always been somewhat of a concern. In the age of the coronavirus pandemic, there are even more steps you have to take to protect yourself and your family.
Halbergman / Getty Images
In this guide, we'll take you through the steps you should follow to find the right used car, secure affordable financing, pay a fair price, and minimize the chances that you'll get a vehicle that's unreliable, overpriced, or unsafe.
Following these steps and car-buying tips should help you buy the best used car for a fair price:
9. Consider Add-Ons, Warranties, and Insurance
1. Set a Car-Buying Budget You Can Afford
Setting a used car buying budget isn’t as simple as looking for a pre-owned car, truck, or SUV that gets a monthly payment you think can manage. While the monthly payment does need to be affordable, you need to look beyond it to get a proper idea of the total cost of owning the car. That includes the cost of interest on your car loan, how much you’ll have to pay to insure your new-to-you ride, parking, and maintenance costs. Our car insurance hub provides tips to help you find the right insurance coverage, while our used car rankings and reviews include information on the cost of ownership for different vehicles.
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You’ll want to find a balance between cost to buy and cost to own. When you buy an older vehicle, you can expect a lower price. However, the older the car, the more likely it will need costly repairs. That awesome deal you got on a cheap car won’t seem that great when you’re waiting for a tow truck instead of heading to work, school, or that weekend getaway.
Fortunately, used car buyers have more resources today than ever to learn about repair costs, frequent problems, and reliability. Information about certified pre-owned warranty coverage, average costs for common repairs, and predicted reliability ratings can be found in our used car reviews . You can see what issues drivers are dealing with by checking out dedicated owners' websites, such as Odyclub.com for the Honda Odyssey minivan. If owners of a particular car are having problems, they're probably talking about them somewhere on the internet. Just search for the car's name and "problems" in any search engine to get an idea of common issues.
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An oft-overlooked factor you should consider when shopping for a used car is the cost of auto insurance. Prices can vary substantially based on the model you choose. Our guide to car insurance is the place to find the cheapest insurance with the right coverage for your new-to-you vehicle.
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2. Find the Right Used Car
Shopping for and finding the right used car is more challenging than finding and buying a new car. When you find a new car that meets your needs and budget, you just have to head to the dealership and buy it. When you buy used, you not only have to find the right model – you have to find one that’s for sale, has low enough mileage to be attractive, is in good shape, hasn’t been crashed, and has been serviced properly. Oh, and it has to be close by. Then, you have to evaluate the seller, ensuring that it’s not someone who’s going to rip you off.
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In short, there’s a lot more research involved in evaluating a three-year-old pre-owned car with 36,000 miles on the odometer than there is for a brand new car sitting on a dealer’s lot.
An excellent place to start your pre-owned vehicle buying journey is with our used car rankings and reviews . We begin by looking at the consensus opinions of the country’s top automotive journalists. Then we blend them with quantifiable information on safety, reliability, and total cost of ownership to create scores for nearly every vehicle in the marketplace dating back over a decade. We use those scores to compare vehicles against competitors in their segments to determine how they rank.
With our used car rankings, shoppers can compare pre-owned vehicles by their overall scores and individual factors car buyers tell us are critical to their buying decisions. These factors include predicted reliability, safety, performance, and interior comfort and features.
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Selecting a used car to focus your efforts on can be challenging. Should you pick an older car that’s loaded with options, or a newer car that has lower mileage but fewer features for a similar price? It’s critical you look at the places you drive, how many people you need to transport, why you’re driving, and how you drive. Then, match those needs with your budget. Don’t buy that pre-owned Mazda Miata , for example, if you need to carry kids to soccer practice every day. If you’re a solo commuter in an urban area, buying a Chevrolet Silverado full-size pickup probably isn’t the best choice, either.
It’s important to consider not only the size and performance of vehicles you’re considering, but also their fuel economy, safety ratings, and cost to insure.
When you buy a pre-owned car, you can get options and features at a fraction of the price they'll cost you on a new car. Option packages and higher trim levels don't command nearly the same premiums on used vehicles as they do on brand-new cars.
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As you begin to narrow your search, you can browse through more than a million vehicles in our used car listings . There’s no need to start driving to car lots all over town.
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3. Consider the Certified Pre-Owned Car Option
Not sure if you want to take the leap into a used car with no warranty coverage? There is a used car option that does have factory warranty coverage. Manufacturer- certified pre-owned cars (CPO cars) offer a blend of used-car affordability with manufacturer-backed warranty coverage. They're usually low-mileage cars that are just a few years old, with service records and no history of accidents. They are often cars returned at the end of leases, dealership service loaner vehicles, or vehicles driven by dealer or automaker staff.
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They’re different from non-certified used cars in several ways. When they arrive at the dealership, they undergo a comprehensive inspection and refurbishment process that meets strict guidelines from their original manufacturer. Most used cars are sold as-is, with no warranty. CPO cars, on the other hand, come with manufacturer’s warranties that generally exceed the length of the car’s original coverage. Many CPO programs also provide buyers with extras, such as trip interruption coverage and roadside assistance.
Each year, we evaluate manufacturer CPO warranty programs to find the best CPO programs . The best programs not only provide great coverage for your car, but also include generous perks.
Another benefit of automaker-sanctioned CPO programs is access to special used car financing deals . Used car loans typically cost more than new car financing, but a CPO financing deal with a low interest rate can dramatically cut the cost you have to pay on your auto loan.
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You’ll only find a brand’s certified used cars at their own franchised dealerships. If you see a Lexus marked as a certified used car on a Dodge dealer’s lot, you’ll know it’s not truly part of Lexus’ L/Certified CPO program. Some dealers will label cars “certified,” but unless a vehicle is inspected and refurbished to the original manufacturer’s standards by one of their own dealers, it is not manufacturer certified. Only manufacturer-certified pre-owned vehicles will come with warranty coverage that allows for repairs to be performed at any of their dealerships. A dealership can offer a warranty on any used car, but it's likely much more limited than a manufacturer's CPO warranty.
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Of course, the warranty coverage and other perks come at a price. CPO cars are typically more expensive than equivalent non-certified used vehicles. However, a CPO car will likely have a lower total cost of ownership – at least during the warranty period. You'll need to balance the higher initial cost with the potential for savings in mechanical repairs. One way to do so is by looking at the predicted reliability marks in our used car reviews . If a car has a stellar score, buying it as a certified used car might not give you the same payoff as a CPO car with a lower predicted reliability score and a future of expensive repairs.
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4. Find Affordable Used Car Financing
If you're sitting on a pile of money and plan to pay cash, you can skip this section. If, however, you're like most used car buyers, you'll need a loan to help pay for your used vehicle. It's true that you can have the dealership's finance office arrange your financing. Still, if you want to save money, you need to get a pre-approved financing offer before you get anywhere near a car dealer. A dealer may be able to beat your pre-approved loan, but if you don't have one, they'll have no incentive to do so.
If you're buying from a private party, you have no choice but to find your own financing. The process can be different for private-party buyers, so be sure to talk to your lender about what they'll need to move your loan application forward.
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Shopping and applying for used car financing is similar to getting a new car loan , but there are some important differences. Because lenders consider used car loans somewhat more risky than new car loans, you should expect to pay a higher interest rate. Lenders typically consider used car loans riskier for several reasons, including the fact that their values are less predictable. It's the car's value that acts as collateral on the loan. Used car buyers also may face higher repair costs, which can compete with making timely car payments.
If the car you choose is relatively new or a certified used car , there’s a good chance you can find a lender who will give you the same loan terms they would a new-car buyer.
Getting a great deal on used car financing can take some preparation and work. Following these steps will help ensure you’re getting the best deal.
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Preparation
Getting all of your financing plans in place well before your car shopping starts is the best way to be prepared when the right car comes along. That means before you think about heading to a dealership or meeting with private-party sellers. Step one in the financing process is looking at your credit score and exploring the credit reports behind your credit rating.
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One of the primary criteria that lenders consider, your credit score will determine whether you get approved for a loan and what interest rate you’re offered. Shoppers with a low credit score can expect to pay a higher interest rate on their auto loan than buyers with higher credit scores. Buyers with bruised credit may also be asked to make a larger down payment or accept a shorter loan term than someone with a great credit score. If you have excellent credit, you can expect a lower-than-average interest rate, access to longer-term auto loans, and lower down-payment requirements. Most used car deals with special financing are reserved for buyers with top-notch credit.
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When you are proactive and look at your credit score early, you’ll have the opportunity to correct any errors. You can also take time to improve on any weak areas in your credit history. Your credit score's most important elements are your history of making on-time payments and the amount of debt you have outstanding.
Where to Shop for a Loan
You might think you have to go to a brick-and-mortar bank branch to get a car loan, but there are many places you can finance a used car. Some work better with different types of borrowers than others, so you should talk to several before you decide which financing deal is best for you. Some lenders have programs that provide lower rates or other benefits to existing customers, while others cater to borrowers with damaged credit. You can save money and hassle by taking advantage of these programs.
Large National Banks
America’s biggest banks have thousands of brick-and-mortar branches, plus sophisticated online portals to serve loan applicants and borrowers. They occasionally offer loan specials, though overall the interest rates they offer tend to be higher than other lenders. Because of their size, they tend to be ruled by strict policies and procedures, which may not serve customers with bruised credit or other borrowing challenges well.
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If you’re looking for convenience and you’re willing to pay a higher price to get it, large banks are a good option.
Credit Unions
Credit unions are member-owned cooperatives rather than shareholder-owned companies like most other lenders. Instead of paying shareholder dividends, they return any profits to their members through higher savings-interest rates and lower loan-interest rates. They tend to be more affordable places to get an auto loan than most other financial institutions.
Before you can get a loan at a credit union , you have to become a member. Because credit unions have fields of membership that are limited to geographic areas, affinity groups, or specific employers, not everyone can join any credit union. Still, most Americans have access to at least one credit union. The industry’s federal regulator, the National Credit Union Administration, can match you up with one you’re eligible to join. Simply use their credit union locator at MyCreditUnion.gov .
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The institutions range in size from tiny, one-person operations to massive operations with dozens of branches and services that rival large national banks. If you need a bit of hand-holding to get through the loan process or have a poor credit score, a smaller credit union is a good option. They’ll likely have a more personal touch than a larger lender.
Community Banks
Burhanuddin Helmi / iStock / Getty Images Plus
Community banks offer many of the same auto-lending services as large banks, but they do so with a smaller geographic footprint, fewer branches, and often a more personal touch. Like credit unions, community banks are great places for borrowers who need a bit more help to finance their used car purchase successfully. With their roots in the communities they serve, many will be able to offer tips about other businesses in the area that can help you through the car-buying process.
Online Banks
In the age of the COVID-19 pandemic, getting a loan from an online lender is an attractive option. While most banks and credit unions have online lending operations, online banks lend exclusively through their websites, with few – if any – branches. If your loan needs are straightforward, and you don't need any extra help, the streamlined processes of online banks can make borrowing easy and remarkably quick.
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Because they don’t have to pay for expensive brick-and-mortar branches, many online banks offer excellent loan rates. Of course, you shouldn’t assume any rate they offer is the best you can get. You should always comparison shop.
Loan Comparison Websites
One of the easiest ways to get a great deal on a car loan with a minimum of effort is to use a car loan comparison website. After you fill out just one application, the site will contact multiple lenders and return various financing offers. The lender might be a credit union or bank across town, or a financing company across the country. It doesn't matter where the lender is, as loan funding and collection of car payments can be done entirely electronically.
Finance Companies
A finance company is similar to a bank, except that their only business is lending. Instead of accepting deposits and then lending that money back out, finance companies borrow from other financial institutions, then make loans to consumers using that borrowed cash. Many finance companies specialize in making loans to certain types of borrowers, such as those with poor credit.
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Most automakers own finance companies, such as Ford Motor Credit or Honda Financial Services, or work with specific lenders, such as Mitsubishi and lending partner Ally Financial. Called captive finance companies, these lenders work through their brand's franchised dealership network. They also provide the lending for automakers’ new car financing deals , lease deals , and certified used car financing offers .
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Car Dealerships
While you can arrange for a car loan through a car dealership , most dealers aren't actually doing the lending. They're acting as a broker, arranging loans with outside lenders, such as their captive financing companies, local banks, or credit unions. In most cases, they make a significant profit by marking up the interest rate they charge or being otherwise compensated by the lender. In most states, there is no requirement to disclose the amount of markup they’re charging on a loan.
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While a loan offer you receive at a car dealership may be the best one you get, it is critical you never visit one without at least one offer already approved by an outside lender. Without another offer, a dealer’s finance officer will have no incentive to offer you a better deal and earn your business.
There’s a class of car dealerships called Buy Here, Pay Here dealerships . We’ll talk about them more later in this guide, but they differ from traditional dealerships in that they do loan their own money and directly collect payments on the loans they make. Consumer advocates advise against getting loans from this type of dealership due to the predatory lending practices of some buy here, pay here dealers.
Applying for Used Car Financing
The next step in getting an auto loan is applying for financing. Auto lenders will ask you to fill out and sign either an online or paper application. You'll need to provide personal information about your income, monthly obligations, housing expenses, work history, credit card debt, and more. You'll also be asked to provide your social security number, so the lender can pull credit reports. You must answer the questions completely and honestly. Failure to do so risks your loan being turned down. If it's discovered after you take out the loan, the lender may declare the loan in default and demand immediate repayment.
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The information on the application is evaluated alongside the data in your credit report. The lender is trying to build a complete picture of your finances, so they can predict whether you'll be able to pay back the loan. The law limits what information they can use to make a loan decision. However, they may ask for some demographic information for government reporting purposes.
Just as smart buyers should talk to multiple car dealerships and other sellers before buying a used car, you should apply at multiple lenders to find the best financing deal. It's critical to do so during a short span of time, so the credit reporting agencies don't think you're taking out multiple loans and ding your credit score over and over. Do your shopping over a week or so, and they'll just see it as one transaction. That's important, because each transaction that pulls a credit report lowers your credit score by a few points.
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When you apply for a car loan before choosing a specific vehicle, the approval will likely be conditional, with a limit on the amount they will loan to you. With multiple offers, you can compare the interest rate they're willing to give you, how long of a loan they're extending, and the size of the down payment they require you to make. You can then choose the best offer once you've negotiated the price of the pre-owned car you want.
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Comparing Loan Offers
It is vital to have a monthly payment that fits into your household budget. Still, you need to look beyond the payment when comparing loan offers. You want to look at the total cost of the car, including its financing. Fortunately, it's easy to do. Just multiply the monthly payment by the number of months in the loan term, then add the amount of any down payment you're making and the value of your trade-in, if you have one.
The monthly payment should be included with the financing offer. If it’s not, head over to the U.S. News car loan calculator . Enter the interest rate, loan amount, and length of the loan into the form, and it will show you the size of each monthly payment.
Here’s an example. We’ll say you’re buying a used midsize SUV and have received a pre-approval for a five-year (60-month) loan with monthly payments of $350. You've saved up $5,000 for your down payment and your trade-in is worth $3,000. To find the SUV's total cost, you multiply $350 by 60 months, then add $5,000 and $3,000 to that amount. The total cost of buying the used SUV would be $29,000.
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It's important to run the numbers yourself and not to rely on the math of a salesperson. They're trained to keep you focused on the payment, because they know that's the easiest way to get you to overpay for your used car.
The Importance of a Down Payment
Yaorusheng / Moment / Getty images
Many lenders will allow you to buy a used car without making a down payment, but that’s seldom a great idea. Making a down payment will help you in several ways, all while helping to protect your finances. The benefits include lowering your monthly payments, allowing you to get a shorter loan, or both. It will also reduce your loan-to-value (LTV) ratio, making your loan more attractive to lenders, who may offer you a lower interest rate.
Making a substantial down payment also makes it less likely that you’ll owe more on the car than its value, which is known as being “underwater” on the loan or having negative equity. Being underwater is hazardous to your financial health. If the vehicle is declared a total loss after a crash, theft, or flood, the amount you get from your auto insurance company won't be enough to cover the loan. You will still owe the difference to your lender. They can demand immediate repayment since the loan's collateral (your car) no longer has any value.
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Short Loans Are Better Than Long Loans
A lender may offer you a six-, seven-, or even eight-year auto loan. It's a horrible idea to take out such an extended loan on a used car – or any car, for that matter. You should consider five years to be the maximum length of any auto loan you take. Consumer advocates recommend that if you can’t afford a car with a five-year or shorter car loan, you can’t afford the car.
Here’s why: longer-term loans are considered riskier to lenders than short loans. Lenders will price that additional risk into the financing with higher interest rates. Not only will you have to pay a higher interest rate, but you'll have to pay it for a longer time. That makes the total cost of the car significantly more expensive. The longer your loan, the higher chance you'll still be making car payments at the same time as your vehicle begins to need more and more costly maintenance and repairs.
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The rate at which your car will depreciate doesn’t change based on the length of your loan. The longer your auto loan, the higher the chance of owing more on the car than it is worth. As we discussed in the previous section, being underwater on your financing puts you in financial peril.
Finally, suppose you still owe money on your car when it needs replacement, or you want a new vehicle. In that case, you'll either have to pay it off with cash out of your own pocket, or roll the remaining balance onto your new car loan. While lenders add the balance of existing car loans to new loans all the time, it’s one of the worst car-buying mistakes you can make. It puts you instantly underwater on your car’s financing.
5. Decide Where to Buy a Used Car
Just as there are many places to get used car financing, there are various places where you can purchase a used car. Each has its strengths and weaknesses in terms of service, ease, and price. Like the car you want to buy, you should strive to learn as much as you can about the dealership or private seller trying to sell it to you. Checking the company out with your local Better Business Bureau or consumer protection agency is an easy way to find out about their track record. You don't just want to look at the number of complaints, but how they responded to correct the problems.
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Franchised New Car Dealers
You’ll generally pay more for a used car at a franchised new car dealer, but it may be worth it for the seamless buying process. While you’ll be contributing to the dealer’s overhead, the salesperson’s commission, and other administrative costs, they'll take care of all of the paperwork for the deal. That's especially helpful if the transaction is complex or you're buying in a different state than the car will be registered.
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Dealers have access to a wide variety of lenders, so there’s a chance they can get you a better loan offer than the one you have pre-approved. They are also the only place where you will find factory-certified pre-owned vehicles.
Most new car franchises have adopted strict COVID-19 protocols, mandated by their manufacturers, to protect both customers and dealership staff. Some have robust online buying processes and home delivery options.
Used Car Superstores
When it comes to used car dealerships, national or regional used car superstores are the new kids on the block. They offer many of the same advantages of franchised new car dealerships, such as expertise in handling paperwork, step-by-step buying processes, and access to an array of lenders. Many sell their own line of add-on products, such as extended warranties valid at any of their locations.
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They also have access to a vast selection of used cars. With most dealerships, you're limited to the pre-owned vehicles they have on their lots. That's not the case with used car superstores such as CarMax, which can draw on inventories from across the country and bring those vehicles to your local outlet.
Some used car superstores have been at the forefront of providing online and socially distanced car buying experiences during the coronavirus pandemic. Carvana’s sales process, for example, brings cars right to your door. You have seven days to decide if you like the car. If not, they’ll take it back.
While you may not get the best price at a used car superstore, you’ll have the sense of security that comes from dealing with a large, established business.
Independent Used Car Dealers
Independent used car dealerships are typically small, locally owned businesses. They buy and sell used vehicles, arrange financing, and take care of the purchase paperwork. Their inventory typically comes from wholesale auto auctions. Most don't have service departments and have less total overhead than a typical new car dealer.
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While we’ve all seen the stereotypes of used car dealers, most have been around for a long time earning good reputations with customers. Still, it’s a good idea to check with your local Better Business Bureau or other consumer advocacy group to learn more about the business. Sites like Yelp.com tend to be where customers just complain, but they can illuminate consistent issues with companies.
‘Buy Here, Pay Here’ Dealers
There’s one type of used car dealers that buyers should approach with caution. “Buy here, pay here” used car dealers act as both the car seller and lender. The name comes from the fact that many require buyers to bring their car payments directly to the dealers – sometimes every week.
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Buy here, pay here used car dealers typically are the lender of last resort for buyers with terrible credit. Unfortunately, they charge extremely high interest rates and can do more damage to your credit than help it. Many make more money off financing the car than selling it. Some have aggressive collection practices and will repossess your vehicle if you're even a day late. It's not uncommon for “buy here, pay here” dealers to install tracking devices and systems that disable the car to make repossession easier.
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Because of their reputation for taking advantage of the most vulnerable buyers, most consumer advocates advise against buying a car or financing at a buy here, pay here dealer. If your credit is so poor that this type of dealer is your only option, you should not be buying a car. Doing so only invites further financial troubles.
Private-Party Sellers
When you buy a car from a person or business that's not in the business of selling cars is known as a private-party purchase. It can be the cheapest way to buy a used car because you don't have to pay for a dealership's overhead or profit. A private-party sale generally provides the seller with the best return, and the buyer with a lower price than they would find at a dealership.
The trade-off is additional work for both the buyer and the seller. Between the two, all of the sales, title, registration, and other DMV paperwork needs to be completed. In nearly every case, a private-party car sale will be an as-is transaction. The buyer has no recourse if something goes wrong with the car, even a moment after they hand over payment.
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Because private-party sales are mostly unregulated, you don't enjoy the same consumer protection laws you have at licensed car dealerships. You'll need to be a skilled negotiator to overcome the emotional attachment a private seller will have for their old car.
Buyers need to be wary of unlicensed car dealers disguised as private-party sellers. They’re called “curbstoners." They may have several vehicles available at once, won't know the real history of the cars they're selling, and may be just a little too familiar with the car sales process. One easy way to identify an illegal car dealer is to search for their phone number or email address using Google or another search engine. If the search results show multiple vehicles for sale, you may have found an illegal dealer. Other tips are to look at the backgrounds of the photos. If they’re all the same, the seller may be a curbstoner. If the seller answers the phone and asks “which car are you calling about?” there’s a good chance you’ve found an illegal dealer.
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6. Finding a Used Car
Searching for a pre-owned vehicle used to mean scouring tiny newspaper classified ads, cruising shopping center parking lots searching for cars with “For Sale” signs in their windows, and visiting car lot after car lot. Fortunately, things have changed.
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Today, you can find nearly every used car that's for sale somewhere on the internet. Our used car listings , for example, show almost a million vehicles available at dealerships across America. You can narrow the search to your area and the specific model of car you’re looking for.
Craigslist is the most common place to find vehicles for sale by private sellers, but it's not the only place. eBay Motors, Facebook Marketplace, and even Nextdoor.com can show you private-party cars for sale in your area. If you’re looking for something a bit more exotic, head over to BringATrailer.com .
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7. Research, Test Drive, and Inspect a Used Car
Jose Luis Pelaez Inc / DigitalVision / Getty Images
OK, now the real fun starts. When you've identified a vehicle you might want to buy and secured a pre-approved financing offer, it's time to delve deeper into the car's history. You want to find out as much as you can about any vehicle you're considering. That means getting a vehicle history report, taking a test drive, and having it inspected by an independent mechanic to ensure that it's mechanically sound.
Get a Vehicle History Report
The first step in evaluating a used car is getting a vehicle history report. You don’t want to travel all over town – especially in this time of the coronavirus pandemic – looking at cars that aren’t worthy of your attention. A vehicle history report from a company such as Carfax or Autocheck can tell you if a car is worth pursuing, or if there are too many red flags to keep it on your list.
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You will need to get the car’s vehicle identification number (VIN) or license plate number from the seller before you can run the report. You can often get the license plate number from ad photos.
Many dealers will provide the reports for free. If you order them yourself, you can expect to pay about $25 for one report, or less if you buy a multi-report package. If you’re looking at multiple cars, the multi-report packages can save you money.
What’s in a vehicle history report? Though they’re not perfect, a vehicle history report can tell you whether a car is worth spending your time looking at, or whether it’s time to move on to your next candidate.
Accidents: While it may not show very recent collisions, a vehicle history will include information about major reported accidents a car has been in. It uses data from state DMVs, insurance companies, police agencies, and other sources. In some cases, information as detailed as airbag deployment and structural damage will be noted.
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Seeing an accident on a vehicle history report should not instantly knock the vehicle off your shopping list. When you do see an accident in a car's history, it's something that you'll want the mechanic who does your pre-purchase inspection to know about. That way, they can evaluate the quality of repairs. Knowing that a car has been in an accident gives you leverage for a significant price concession on the seller's part during price negotiation.
Flood, Fire, or Other Damage: A vehicle history report will also indicate other damage, such as water damage from a flood, fire damage, or damage from a hailstorm. The first two should disqualify a vehicle from your consideration, due to the high potential of hidden damage.
The report should note if a car has been stolen and recovered. If it has, you'll want to see when it was stolen and when it was recovered. If a long time has passed between the two dates, you'll want to take the car off your consideration. It's a red flag that indicates the vehicle was abandoned and later found.
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Title Status: Information about a car’s title can give you more insight into its history than any other single item on a Carfax or Autocheck vehicle history report. If you see a "branded" title or one that has been moved from state to state to state, it's a huge red flag and you should probably wipe the car off your shopping list. Common title brands include salvage, junk, or rebuilt for vehicles declared a total loss by an insurance company. Others include police use, taxi use, hail damage, flood damage, and lemon law buyback. If you decide to purchase a vehicle with a branded title, you should demand a massive price reduction and let your pre-purchase inspection mechanic know about its history.
You should be wary of cars that have been moved around the country, because unscrupulous sellers use that as a method of "washing" negative information off the title. Various states title vehicles differently than others, and some sellers take advantage of the variations.
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Ownership: Sellers love to advertise cars as “one-owner,” because they’re more valuable than those owned by multiple owners. The vehicle history report will show you whether that’s true in its ownership history section.
Also in the ownership section, you’ll be able to see if there are any liens on the vehicle. You don’t want to buy a car until you have documented proof that the liens have been satisfied and removed.
Odometer Readings: When you renew your car’s registration or get a state-mandated inspection, most states require the car's mileage to be recorded. Those numbers are shown in a vehicle history report and should match what you see on the car's odometer. If the car's odometer shows a lower mileage than in the report, you should ask the seller for a documented explanation or walk away from the deal.
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Maintenance and Service History: A car that a seller can show was properly maintained is worth more than one without any service records. You can get a sense of its maintenance history with the information included in a vehicle history report. You'll also want to get copies of the vehicle's service history from the seller, and have the mechanic who does your pre-purchase inspection assess the quality of the work.
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Sales Information: The sales information section of a vehicle history report will show when the vehicle first entered service and how many times its ownership has been transferred. Watch for vehicles that have been moved repeatedly from state to state, or from an area that has recently endured floods, fires, hurricanes, or other natural disasters. Not only is moving a car one way to mask title issues, but it can also be used to hide flood damage.
Registration and Inspection Information: The report should show every time a vehicle is inspected or registered in a new state. Again, be wary of cars that are moved around a lot. Gaps in a car's registration history can indicate vehicles that were stolen and took a long time to recover, took a long time to rebuild following an accident, or were abandoned and later put back into service.
Recalls: While a vehicle history report should show any open government-mandated recalls, there’s a better place to find the information. Just enter the car’s VIN into the National Highway Traffic Safety Administration’s Safety Issues and Recalls page . It’s OK to buy a car with open recalls, as long as either the seller gets them taken care of before you take delivery, or you do as soon as you get the car.
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What Won’t You Find in a Vehicle History Report? While vehicle history reports are valuable, there’s information that they don’t include. Recent crashes and repairs performed at shops that don’t report them may be absent from the report. The reports also don't usually show the names of a vehicle’s previous owners, as state privacy laws typically protect that information. A vehicle history report is not a replacement for a detailed pre-purchase inspection by an independent mechanic.
First Impressions
When the time comes to start looking at used cars in person, your first impression of both the vehicle and the seller should tell you if you should move the process forward or walk away. If you're looking at a car from a private seller, it's a good idea to treat it like a blind date and meet somewhere public away from your home and theirs. You want to look at cars in the daylight, as the dim light of evenings can prevent you from spotting damage.
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Evaluating a used car means using all of your senses (except maybe taste, because that would be gross). It should also include your sense of intuition, which will help you determine if something doesn't seem right.
It’s a good idea to show up a little early, so you can see the car pull up. Do you hear strange noises or smoke behind it? Do a walk-around, looking for damage, worn or non-matching tires, and broken glass or lights. If there’s something that stands out and would make you pass on the car, it’s a good time to tell the seller and leave. This way, you don’t waste any more of your time or your or theirs.
Next, look at the car’s body and paint. Is it in good shape? Does the color and gloss match from panel to panel? Mismatched panels are an obvious sign of repaired collision damage. Ask the owner to turn on all of the lights and look to see if they’re burned out, cracked, or full of water. A light that’s not working can be as simple as a burned-out bulb, or as costly as a bad wiring harness. Keep track of anything that gets your attention, so you can tell your pre-purchase inspection mechanic to check it out.
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Start exploring the car's interior, looking at the upholstery's condition, and noting any bad smells. A moldy smell can indicate flood damage, while the smell of cigarette smoke can be tough to remove. How clean is the car? If it's filthy, how sure will you be that they've adequately maintained the rest of the car?
While it's not a good idea to bring your kids along when looking at cars, it is a great idea to bring along their car seats. Not all child seats fit well in every car, and you'll want to know if yours do. The same goes for dog crates and other items you frequently carry.
Learning From a Test Drive
Taking a test drive is one of the most critical tasks in buying a used car. However, the rules have changed due to the coronavirus pandemic. You need to place your personal safety above all else. You should insist on taking your test drive solo. If the seller refuses, either walk away, or set strict ground rules about mask-wearing, drive with the windows down, and ask them to sit as far away as possible.
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A thorough test drive takes more effort than simply driving around the block. It's more than just a way to check the car's condition; it's also a chance to see how it meets your needs and see whether you fit and can get comfortable.
Before You Move
Suriyo Hmun Kaew / EyeEm / Getty Images
A proper test drive starts well before you start moving. You want to get comfortable in the vehicle by adjusting the seats, steering wheel, and mirrors. Ensure you can reach all of the controls and see what you need to see from the driver's seat. If you can't get comfortable on your test drive, the car isn't going to magically become more accommodating after you buy it.
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Next, start the car and try out every system. Did the car start quickly, or did it crank for a long time? Even if it's freezing outside, try out the air conditioning and check every fan speed. The same goes for the heater, even if it's the hottest day of the year. Switch on the vehicle's interior lights. If they're pulsing, it can indicate an issue with the car's electrical system. Check every door lock and window, listening for odd noises as they raise and lower.
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Turn on the stereo and move the fader and balance so you can hear each speaker, making sure none of them crackle.
If you see anything that leads you to think that the car is unsafe to drive, do not take a test drive. That includes burned-out brake lights, a broken windshield, an airbag warning light, or tires worn to the cords. As the driver of the car, you're ultimately responsible for any damage, injuries, or traffic citations.
Make note of any issues you find. The seller will either need to get them fixed, or offer price concessions so you can make the repairs after you buy the vehicle. Of course, if you’re buying a very old car or one with high mileage, you can’t expect perfection. You should always expect safety, or be prepared to spend the money to make it safe.
The Drive
A test drive is an opportunity to learn about a vehicle you may buy, assess its condition, and get a sense of its performance. It is not a chance to allow your inner Formula One driver to run free. Most car dealers will immediately stop the test drive when this happens and ask you to take your business elsewhere. Do it in a private seller’s car, and you’ll likely be held financially responsible for the damage you cause.
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When you start moving, you’ll want to turn off the car’s radio so you can hear any strange engine, transmission, or suspension sounds. You’ll also want to listen for wind noises around the windows, doors, and sunroof that may indicate leaks.
Is the ride as you expect it to be, without strange jolts or noises? Be sure to adjust your expectations to the type of car you’re driving. An off-road-oriented pickup can’t be expected to provide the composed ride of a midsize sedan, for example. If you’re buying from a dealer, they will likely have preset test drive routes. If possible, however, you’ll want to test drive the car on the types of roads more typical to your commute. That’s another reason to push for a solo test drive.
You should pull into a parking lot, so you can assess the car’s maneuverability and how easy it is to see outside or use the vehicle’s cameras when in tight spaces.
While it’s natural to be nervous when driving someone else’s car, do your best to drive it as you would drive your own. Test the brakes, making sure they don’t pulse or grab. Does the car accelerate smoothly, or does the transmission slip or cause the vehicle to lurch? Does the car drift left or right when you hold the steering wheel straight? A very slight drift to the right is acceptable, but it should never pull to the left, into oncoming traffic. Vibrations you feel in the steering wheel typically come from the front tires, suspension, or brakes. Those you feel in the seat of your pants likely come from the rear of the car.
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Pay attention to the instrument panel. Are warning lights coming on? Or are lights not coming on when they should?
While you should note every flaw during the drive, not all should eliminate the car from consideration. Some issues can be used as bargaining chips when negotiating a price. All issues should be brought to the attention of your pre-purchase inspection mechanic.
We have a whole feature article dedicated to the topic of How to Test Drive a Car .
Get an Independent Mechanical Inspection
A great test drive may have you ready to write a check and drive the car home right away. However, there's another critical step you have to complete before you decide to buy. With just one exception, you should not buy a used car without a comprehensive pre-purchase inspection by an independent mechanic. The only exception would be if you're buying a relatively new certified used car with factory warranty coverage from a franchised new-car dealership.
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When we say independent mechanic, we mean one that works for you, not the seller. Taking it back into a dealership’s shop, putting it up on a lift, and declaring it in good order simply isn’t good enough.
Yes, a pre-purchase mechanical inspection will cost you some money – probably $100-$200. However, if it saves you from a major mechanical repair soon after your purchase, it will have been worth it. Plus, it may highlight issues that give you additional bargaining power in your price negotiations. In some states, AAA-affiliated auto clubs offer comprehensive pre-purchase inspections from AAA-approved auto shops or mobile inspection companies.
Sometimes a seller will resist your need to have the vehicle inspected. Sometimes they don’t think it’s worth the hassle, while other times they’re trying to conceal known problems with the vehicle. No matter what the excuse, you want to be firm: no inspection, no sale.
Good mechanics will not only find issues that aren't apparent to most car shoppers; they'll also be able to estimate how much the repairs would cost. Their experience should tell them what problems are common to specific models and identify when collision repairs and periodic maintenance have been performed correctly. They will have access to databases that identify common issues so that they can focus their attention on those areas.
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If a mechanic finds issues, it doesn’t necessarily kill the deal. Any problems they find just become another point to address in your price negotiations.
8. Make a Deal and Complete the Paperwork
If the test drive and independent mechanical inspection don't raise any concerns, it's time to negotiate a deal, set the purchase price, and finalize the sale and paperwork.
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Negotiating a Fair Price
Chattapong Choosakarchanai / EyeEm / Getty Images
Price negotiation is part art, part science. It is critical to remember that it’s not personal. Buying a car is a business transaction – nothing more, nothing less. The more you show your emotions, the less powerful your bargaining position. Negotiation needs to be based on facts, not your feelings.
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In the past, most price negotiation would have been done face-to-face. Today, it’s just as likely to be done by chat, text, or email. That’s great for buyers, who have a written record of the offers that a seller can't conveniently forget happened. You can take those messages and use them as leverage with another seller.
You’ll want to research what others are paying for similar cars in the marketplace. Our used car reviews show market price information for used vehicles going back more than a decade. Look at what price private sellers are seeking on Craigslist, but remember those are asking prices and not what the vehicles are actually selling for.
What strategies you use depends on where you're buying the car. If you're buying from a dealership, you'll be negotiating with a salesperson who is trained to move you incrementally to the deal they want to give you. Dealer salespeople will generally want your focus to remain on the monthly payment, while you'll want to keep them focused on the total cost of the car. If you have a trade-in or need financing, they’ll want to package everything into one deal, while you want to keep them as separate as possible.
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By merging all of the numbers into one deal, a trained salesperson can manipulate each of the components to make it look like you’re getting a deal when you really aren’t. It also breeds confusion, which is advantageous to the seller. You can take the trade-in completely out of the deal by selling it yourself . Having a pre-approved financing deal in place limits their ability to manipulate a loan’s terms.
Setting a price with a private seller is usually much more casual. In fact, if a seller starts acting too much like a salesperson, it's a red flag that you might be talking to an unlicensed dealer. Private-party car sellers often have an inflated opinion of their car's worth and are emotionally attached. Sometimes they have an unrealistic price they "need" to get out of the vehicle.
Negotiation experts will tell you that the person who talks first about price, or talks the most, will usually not get what they want out of the back and forth. Ask the seller what price they want for the vehicle. Doing so locks them into a price that they can’t ever take higher.
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Be sure you’re talking about the out-the-door price, including all fees. Many dealers are notorious for adding a plethora of fees to the negotiated price. Some are real and non-negotiable, such as registration and title fees. Others are more nefarious, such as documentation, advertising, and vehicle preparation fees. Those last few should be part of the negotiation and considered part of the price of the car.
Some used car sellers, such as Carvana, are simplifying the car-buying experience by eliminating last-minute fees and pivoting to a no-haggle sales process. The car's advertised price is not negotiable, and no dealer or documentation fees are added to the purchase price.
Your counteroffer should be at the low end of what similar vehicles are selling for, and you should be ready to back up your offer with reasons why. Be sure to consider the cost of any repairs the car needs in the amount you offer.
Remember: once you throw out a price, you can never go lower. If your counteroffer is so low that it's insulting, remember it's the seller's right to send you on your way. It's important to consider that a dealer is entitled to a fair price. A private-party seller will expect a price in the range of what other sellers of the same car are getting.
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Bottom line: Don’t be a jerk, and don’t let the seller be a jerk to you. Be firm, yet polite and professional.
Negotiation can take some time. Each time the seller comes back with an offer, make them back it up with reasons why they think it’s worth that price. Counter their offer, and back it up with reasons why you won’t pay their asking price.
If a seller tries to bully or intimidate you into making a deal, you should run – not walk – away. In fact, walking away is the most powerful negotiating tool you have, as long as you use it the right way. If you walk away, be sure to leave your contact information, letting them know to contact you if they can come closer to your price.
Never trust a seller’s math when it comes to evaluating an offer. Have a notepad at the ready, and pull up the calculator app on your phone to run the numbers. Once they realize that you understand how all of the numbers fit together, they’re less likely to play games with the figures.
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Signing the Papers
If you’re buying a car from a dealership, this last step is easy. The salesperson will have the purchase documents prepared. You just have to read and sign them. Be sure to check all of the numbers and make sure no costly extras have worked their way into the deal. Never sign documents that are incomplete or incorrect. It's harder to demand the correction of paperwork that already has your signature on the dotted line.
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It's more complicated when you buy a car in a private-party sale. One of you will have to create a bill of sale. It should note the date, mileage, price, and any special terms. Your lender may have a specific form they need you to use or require additional information to be included. In most cases, car sales between individuals are as-is transactions with no warranty coverage. If you negotiated repairs into the deal, they must be specified on the bill of sale.
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Different states require different documents for a private-party sale. At the very least, you'll have to reassign the title from the seller to you and register the car in your name. In some states, you'll also have to file an odometer disclosure or have the odometer reading verified. If you're moving the car to an area with safety or emissions testing, you'll need to have that done before registering the vehicle. Some states will require you to have proof of auto insurance coverage and require payment of any taxes when applying for registration.
Beware of ‘Yo-Yo’ Financing
Some car dealers will let you drive a pre-owned car home before the financing is complete. You never want to do this. When you accept what is called “spot financing,” you open yourself up to be a victim of the “yo-yo” financing scam.
Here's what happens: it appears the paperwork is all complete, but the financing component isn't quite done. The dealer's finance officer or salesperson will tell you that they just have to file paperwork with the lender in the morning. There may be a line in the fine print that says the financing is pending approval.
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After you’ve been enjoying your new-to-you used car for a week or so, you’ll get a call from the dealership saying that you didn’t qualify for the financing in the original paperwork. They’ll demand you return to sign new paperwork. When you arrive, you're faced with a financing deal that's far more expensive than the one you originally agreed to. They'll often apply significant pressure to get you to sign, implying that you have no other choice. Fortunately, in most cases, you do.
It is sometimes true that the dealer believed you would qualify for the financing. In other cases, unethical dealers know that you never had a chance to get the financing deal. Instead, they want you to take the car home, fall in love with it, and then be coerced into signing for a new, more expensive loan.
If that happens to you, the first call you want to make is to a local bank or credit union to determine what kind of a deal you qualify for and get approved for a new deal. Take that pre-approved loan back to the dealer and use it to buy the car. If you can't qualify for financing from an outside lender, take the vehicle back to the dealer and demand they undo the deal. In some states, the laws regarding spot financing are in the buyer's favor. In some states, however, they favor the dealership and leave you with few options.
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You can avoid falling for this unethical practice by financing your used car purchase outside of the dealership and ensuring all of the documents are finalized before you sign. Watch out for phrases such as "conditional approval" or "conditional delivery." Don't sign any papers with those terms.
9. Consider Add-Ons, Warranties, and Insurance
We’re almost at the finish line, but there are a couple of final tasks that need to be taken care of.
Add-ons
When you are signing the final paperwork, you’ll likely be barraged with offers for add-on products . They’ll range from various vehicle protection products, such as paint and upholstery sealants, to gap insurance and extended warranties (sometimes called service contracts). The offers will generally come with slick sales pitches and pressure to buy right now.
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Before you do, you want to do your research. In many cases, the products can be purchased outside of the dealership at better prices. Products such as extended warranties can be purchased from many lenders and insurance companies. The same goes for gap insurance coverage, which can usually be packaged with the rest of the car insurance coverage you buy from an auto insurance company .
The time pressure will come from the dealer's desire to include the products in your car's financing. "It will only add a few dollars per month to your payment," you'll be told. The truth is, you rarely want to finance these add-ons. They add no little value to your vehicle but raise your financing's loan-to-value (LTV) ratio, potentially putting you underwater. The "just a few dollars per month" argument also hides the real cost of the products.
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Buying a manufacturer-certified used car typically gets you factory warranty coverage, eliminating the need to immediately purchase an extended warranty. Other used vehicles are usually sold as-is, with no warranty past the car's original factory warranty. Once that warranty ends, or if it is already finished, you'll be on your own for repair costs. Consumer advocates almost universally advise against purchasing extended warranties. If you decide to anyway, be sure to compare the products available in the marketplace, their prices, and the companies behind them.
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Purchase the Right Car Insurance
It's often overlooked, but buying car insurance to protect your new car isn't just a good idea; it's the law in nearly every state. Even if it's not, most lenders will require you to have insurance on any car they finance. The coverage that's needed will vary by your state and lender.
The U.S. News guide to car insurance is the place to go when you want to learn how to navigate the world of auto insurance. We’ll help you understand how car insurance works , how much coverage you need , and how to find car insurance discounts .
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Owning a Used Car
It has been a long journey, but now you're a car owner. You'll want to ensure that it is properly maintained, and that you take steps to protect its value . By taking care of your car, you’ll limit its depreciation. When it's time for your next vehicle, you want its trade-in value to be as high as possible.
You worked hard to get your car and its financing. Not making your car payments can see all of that hard work go to waste, taking your credit score along with it. Our guides explaining what to do if you’re underwater on your car loan and what to do if you can’t make your car payment can take you through the process of dealing with financial calamities without needless damage to your credit.
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A guiding principle we follow at U.S. News & World Report is that you can't get a good deal unless you're getting a good car. That's why we've designed our new car reviews to answer the questions shoppers have when they're in the car-buying market. Our new car rankings and reviews are based on the country's top automotive journalists' consensus opinion, blended with quantifiable information about safety, predicted reliability, and other factors. Our used cars rankings add the cost of ownership to the list of factors we include. We don't accept expensive gifts or travel from automakers so that you can be assured of our impartiality.
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We scour the marketplace to bring you information about the best new car financing and cash back deals. You’ll find them on our new car deals page . Our lease deals page shows special offers with low monthly payments and little due at signing. Shoppers in the market for a certified used car should explore our used car deals page to find special financing offers.
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The U.S. News Best Price Program connects new car buyers and lease customers with local dealers offering pre-negotiated pricing, online sales processes, and home delivery options. Shoppers save an average of more than $3,000 when they use the program.
Save on your monthly payments! Find the best local prices on your next car.
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**4.** <https://www.geico.com/living/driving/auto/auto-care/5-tips-for-picking-a-great-used-family-car/>

5 Tips For Buying A Great Used Car
5 Tips For Buying A Great Used Car
14 comments
Buying a used car can be difficult when you don’t know what you should take into consideration. When the family car has finally given up the ghost and you need to find another ride.
You could buy new. But with the average price of a brand new car chiming in at $34,000, according to auto information website TrueCar, a new car might not be in the budget. Thankfully, it probably has never been easier to find a quality pre-owned car.
Follow these expert tips for buying a used car to help ease the process and you should be back to hauling the kids to hockey practice in no time.
1. Weigh Age Against Price
Buying a used car is all about finding a balance between price and reliability, says Eric Lyman, vice president of industry insights at TrueCar. Too new, and a vehicle will be expensive; too old and it could require several repairs. That’s why he recommends buying a used car that is around three years old. Chances are it’ll be in good shape and could cost up to 40 percent less than its newer counterparts.
2. Get An Independent Mechanic To Have A Look
The main tip for buying a used car is: don’t plunk down your money until an independent mechanic inspects it. You have two options when it comes to inspecting the used car you are planning on buying:
If you know a technician, bring them along to the used car lot, says Mike Peth, director of curriculum at Ohio Technical College, which specializes in auto repair.
Ask the dealer if you can drive the car to your mechanic’s garage of choice. Often, a comprehensive checkup will cost as little as $100. If the dealer says no, be suspicious, says Peth.
3. Consider A Certified Used Car
“Does the prospect of expensive repairs make you nervous? Then look for a certified pre-owned vehicle. These used cars are inspected by dealers and must pass inspection requirements such as:
Maximum mileage and age thresholds
Restrictions in the presence of aftermarket add-ons
The condition of the vehicle’s transmission system
These requirements are determined by manufacturers and come with extended warranties. You’ll pay a premium, but you also won’t have to worry about paying for a new transmission a year from now. “Certified pre-owned vehicles hit the sweet spot between value and reliability,” says Lyman.
4. Do Your Homework
Back in the day, figuring out the value of a used car could be difficult. But online services make researching what others paid for your vehicle easier than ever. Also, check out websites like Carfax , which uses the VIN to tell you whether the car you’re looking at has been in an accident. If it has, be wary.
5. Don’t Get Emotional
As with any major purchase, Peth says it’s important to think with your head and not your heart. When you’re buying a used car, try to avoid fixating on a certain model or color. Read reviews online and aim for pre-owned cars that have a history of reliability. Don’t overlook obvious problems just because you like the look of a vehicle. Never say “I gotta have that car,” says Peth. You don’t want to be satisfied with a new-to-you car in the moment only to regret having to drive it for years to come.
By Andrew Raven

**5.** <https://www.consumerreports.org/cars/buying-a-car/how-to-buy-a-used-car-a5221672417/>

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**6.** <https://www.nytimes.com/2021/12/09/business/used-car-buying-tips.html>

Prices for used cars have soared during the pandemic.Credit...Mark Makela for The New York Times
By Paul Stenquist
Dec. 9, 2021
Whether your family celebrates Toyotathon or December to Remember, the winter holidays have been a good time to buy a new car, as dealers would cut prices to tempt bargain-hunting shoppers.
These seemingly generous offerings were meant to clear out the previous model year’s inventory while giving shoppers a look at the new (and more expensive) models.
While many dealers are still trying to push end-of-year showroom traffic in this year of shortages , shoppers will most likely find the pickings slim and prices high. According to Mark Schirmer, spokesman for Cox Automotive, an industry consulting firm, new-car inventory as of mid-November stood at about one million. In a normal year, three million vehicles would be offered for sale.
With a dearth of affordable new cars on showroom floors, buyers are turning to the used car market. That’s good news if you’re selling: The retail prices of previously owned cars on dealer lots have skyrocketed, with the average topping $26,000.
Fortune in November reported that used car prices were up nearly 40 percent since March 1, 2020. In a normal year, Mr. Schirmer said, prices drop in autumn. But this year, wholesale prices of used vehicles increased 4.9 percent in the first 15 days of November, according to the Manheim Used Vehicle Value Index .
Many buyers are hesitant to spend lavishly on a new car, let alone for a used vehicle. But since a car is often a necessity, many can’t wait and will pay the going rate. (According to the American Public Transportation Association, 45 percent of Americans have no access to public transit .)
Does anyone have your back when buying used? Large, franchised car dealers have a reputation to protect and don’t want to deal with regulatory agencies or answer to lawsuits, so that’s a plus for the buyer. Many offer a limited warranty, often 90 days or 6,000 miles. Certified pre-owned vehicles, which are offered by the dealers of most automotive brands, are inspected and come with better warranty protection. The prices reflect those extras, but all things considered, a certified pre-owned car is most likely your safest bet.
One key resource for any shopper is Carfax, which provides vehicle history reports for cars that have been previously registered. The reports are reasonably accurate and will at least let the buyer know if the car was damaged in an accident and its recorded mileage at the last transaction. Most dealers will provide a Carfax report, but consumers can obtain one at carfax.com by entering the vehicle identification number. Beware of printed Carfax reports provided by a seller; they can be fake.
Since the price of a used car from a retail dealer is now closer to what many are accustomed to paying for a new car, are there alternatives? Carvana and Vroom are among the enterprises that sell used cars online and deliver them to buyers who never visit a lot.
But growing demand and high volume have apparently caused problems. In October, a Wall Street Journal article suggested that the Carvana experience wasn’t necessarily a positive one. It said dozens of complaints had been filed with state regulators and even more with the Better Business Bureau , a consumer information service.
The bureau has also issued alerts regarding Vroom, saying consumers complained that the vehicle “they purchased from photos was not the vehicle they received.” The service went on to say: “Since January, the pattern of complaints has not trended down but has actually increased.”
CarMax is another used car seller that promises fast online transactions, but unlike Carvana and Vroom, it operates over 200 locations where a shopper can inspect cars. However, reviews of the service published on the Better Business Bureau site are generally scathing.
And Carvana, Vroom and CarMax are fixed-price sellers. Buyers can’t haggle. That may reduce stress, but it might also result in a higher price than one might negotiate in person.
Image
A Carvana “vending machine” in South Fayette, Pa. The online used-car seller delivers vehicles to buyers, who never have to visit a lot.Credit...Ted Shaffrey/Associated Press
The best opportunity for finding a bargain may lie in searching eBay, Craigslist, Autotrader or newspaper classified ads. But these have few protections for buyers other than Carfax, which in addition to vehicle history reports offers advice for those buying on Craigslist, although its recommendations apply to any private-party used-car purchase.
Carfax’s guide breaks the process down into seven steps. The first step is obvious: Search for a vehicle in the cars and trucks section of Craigslist for sale listings. You can limit the search by price, location, make, model and odometer mileage. You can also choose to view only vehicles listed by owners, and specify condition and transmission type. A search for an excellent-condition Chevrolet Equinox for sale by its owner in the Detroit area, for example, turned up five candidates.
If you find a vehicle that interests you, contact the seller. Request a phone number if none is provided; a conversation is usually more revealing than text messages or emails. If the vehicle is available, you can ask for additional photos.
Run a Carfax vehicle history report — you will need the car’s VIN — which can verify information the seller provided. Carfax notes that if the seller isn’t the original owner, he or she may not even be aware of all the information in the report.
If you decide to buy, meet the seller and inspect the vehicle. Take a friend and meet in a neutral high-traffic area; some jurisdictions allow transactions in the parking lot of the local police department. That’s ideal. If the seller refuses to meet at a safe location, consider it a warning and move on. If possible, have a mechanic inspect a used car before completing the transaction.
Used-car listings can also be found on eBay Motors, which unlike other sources has some built-in protections for buyers and sellers. In a 2019 review, Business Insider pointed out that eBay Motors provided more than listings; it offered secure payment methods, vehicle history reports and seller and buyer ratings of those involved in previous transactions. Up to $100,000 in vehicle purchase protection is also available.
Like Craigslist, eBay Motors lets you narrow your search by equipment, location, transmission type and more. A plus for eBay is its transactions ratings. This can help weed out scammers who may have generated complaints in previous transactions. It also reveals what’s behind the rating. If previous sales were for calendars or concert memorabilia, a high rating may not mean much when it comes to a vehicle sale.
Purchases on eBay Motors are covered by a protection policy, according to Business Insider, meant to ensure delivery and that the vehicle isn’t stolen or has major mechanical issues. Payment goes through eBay via PayPal. Most sales require a deposit after you’ve hit the “buy” button and for the balance to be paid within a set period, which gives you time to inspect the vehicle.
Buying a used car can be challenging. The adage obviously applies: Buyer, beware.
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**7.** <https://www.familyhandyman.com/project/tips-for-buying-a-used-car/>

Tips for Buying a Used Car
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Before buying a used car, follow this 4-step inspection program to determine the vehicle's reliability, condition and value. It'll help you negotiate a fair price and avoid expensive repairs after the purchase.
By the DIY experts of The Family Handyman Magazine
You might also like: TBD
Tips for Buying a Used Car Step 1: Check the vehicle’s reliability on the internet
Photo 1: Compare repair costs
It’s a great vehicle, but only if you can afford the repair parts. Don’t be surprised by sky-high parts costs after you’ve bought the vehicle. Get all that information up front at rockauto.com .
Family and friends used to ask me if a certain vehicle was “a good one” only after they’d bought it. Hello? What am I supposed to say then?
Buying a dependable used car takes a little bit of homework. Here’s a four-step plan that you can follow to have the best shot at getting a car that won’t turn into a money pit. This step-by-step inspection program works whether you’re buying from a car lot or a private party. It’s not rocket science, just simple logic when you need tips for buying a used car.
This story on tips for buying a used car isn’t about cosmetic issues like rust, body dents or dirty carpets. Plus, I’m assuming you’re buying a vehicle that’s out of the factory warranty period.
Once you decide on a few vehicle models you’re interested in, it’s time to begin your research in online forums such as edmunds.com and automotiveforums.com . These are two websites where you can read comments and ask questions of a pool of thousands of people who actually own that vehicle. Review the owners’ comments and ask about their ownership experience. Find out if there are any recurring problems with that year, make and model and how much the owners have shelled out in repairs. Then ask whether they’d buy the same vehicle again. They’ll give you the straight dope. Some forum members respond immediately, but be patient; it might take a few days to get plenty of responses. Someone will always have a good tip on buying a used car.
Meanwhile, check out rockauto.com’s “Repair Index” to compare repair parts costs (Photo 1). You may find, for example, that a certain European sedan’s alternator replacement could cost upward of $800, whereas the same item for a similar domestic model is relatively cheap at $150. When you’re buying a used vehicle, parts cost is a major concern.
Tips for Buying a Used Car Step 2: Inspect before taking a test drive
Photo 1: Check the dash lights
System lights should come on, then turn off, when starting the engine.
Photo 2: Don’t kick the tires—measure them
Measure the remaining tread depth to determine how much tread is left. New tread depth (for cars) is usually 11/32 in., and tires must be replaced when they’re at 2/32 in.
Photo 3: Check the rubber CV boots
Turn the wheels fully left or right and crawl under the fender. Shine your flashlight on the pleats of the rubber CV boots. Look for tears or grease.
Photo 4: Check the oil
Shine your flashlight into the oil filler opening and check the color of the metal engine parts. They should be shiny. Then swipe your finger around the inside of the oil filler opening to check for sludge buildup.
Photo 5: Check the transmission fluid
Yank the transmission dipstick and place a few drops on a white cloth. If it’s dark brown and smells burnt, walk away from the car.
Check the dash lights (Photo 1). Turn the key to the “run” position. The Check Engine (Service Engine Soon), Airbag (SRS), Antilock brakes (ABS), Antitheft (Security), and traction control, lights must come on. After you start the engine, all those lights should go off.
Check the tires. If you see cracks in the tread or sidewall areas, or notice any steel wires sticking out, you’ll need new tires immediately. So deduct at least $450 from the seller’s asking price (more for truck or SUV tires).Next, use a tread depth gauge (less than $5 at any auto parts store) to check the tread at the edges and center of the tire (Photo 2).Tread wear that’s worse on one edge of the tire indicates an alignment problem (minimum $100). Irregular tread depth around the tire (cupping) indicates worn struts or worn suspension components (strut replacement runs about $450 for parts and labor).
Check the constant velocity (CV) boots (Photo 3). If they’re cracked, you’re looking at big money, at least $400 per side (parts and labor) for rebuilt axle assemblies.
Check for engine sludge or severe varnish buildup. Both are signs of neglected maintenance. Remove the oil filler cap and check the engine internals (Photo 4).
A cold engine should start right away, without having to “give it some gas.” Then it should settle down to a smooth idle. If the idle is rough when the engine is warm, it’s a sign of a fuel, ignition or vacuum-related problem. That’s going to cost a minimum of $250 to diagnose and fix.
Check the fluids. Fresh brake fluid is honey-colored. But dark brown brake fluid may still be good. Your best bet is to buy brake fluid test strips at an auto parts store. Count on $65 for a brake fluid flush.Engine coolant comes in many different colors, but one color is the kiss of death—rust. If you see that, run, don’t walk, away from this vehicle. You’ll have nothing but costly repairs (radiator, heater core, water pump, etc.) down the road. Flushing the coolant at this point won’t help because the damage has already been done.Fresh transmission fluid is bright red (Photo 5). If it’s light brown, it’s due for a change (figure about $175 for a complete change-out with the manufacturer’s fluid). If the vehicle doesn’t have a dipstick, have your mechanic check it at final inspection.
If the owner has maintenance records, great. It probably means that they took good care of their car. Then check the maintenance schedule in the glove box to see if any major repairs are looming. A timing belt change-out can easily cost $500, and a tune-up can cost $250 on some engines. If the owner already did those repairs, great. But if they didn’t, you’ll get stuck with a large bill right away.
Video: How to Measure Tire Tread
Rick Muscoplat, an automotive expert at The Family Handyman, will show you how to measure tire tread on your vehicle so you will know when you need to replace your tires.
ⓘ
Tips for Buying a Used Car Step 3: Take a test drive
Photo 1: A bouncy pedal is a bad sign
Make several stops to heat up the brakes. Then accelerate to 30 mph and slow to a stop. You shouldn’t feel any pulsation. If you do, negotiate a lower price.
Photo 2: Should be no shakin’ goin’ on
Accelerate to 50 to 60 mph on a straight, level section of highway and let go of the wheel (keep your hands close). Note any left/right wobble or vibration. The vehicle should drive straight with minimal input from you.
This isn’t a “once around the block,” 10-minute drive. You need to really put the vehicle through its paces on city streets and on the highway. Here’s what to look for.
As you start the test drive, check for brake pedal pulsation (Photo 1). Pulsation is caused by brake rotor runout (warpage), and the fix is usually a brake job ($250 to $500). Pulsation shouldn’t kill the deal, but it should reduce your offering price.
Check for steering wheel wobble and wander (Photo 2). If the wheel vibrates, the cause could be an out-of-balance tire (about $25). But if the vehicle “wanders” and the steering wheel requires constant correction, it’s a sign of serious steering or suspension-related problems (minimum $400 for parts and labor).
Check transmission shift speeds. Every transmission is different, but as a general rule, the first (1–2) shift should occur at 8 to 12 mph. The next shift (2–3) should happen at about 18 to 25 mph. If the vehicle has overdrive, the last shift should occur at about 40 mph. If you have any doubts about the shifting, ask your mechanic to check it out.
Check overall engine performance. Accelerate from a stop without letting up. You shouldn’t feel any hesitation, chugging or hiccups. Then put it under a heavy load by driving it up a steep hill or punching it hard on the highway. You shouldn’t feel any miss or lag. If you do, it’s got “driveability” issues, and that’ll cost you a minimum of $100 just to get a scan tool check.
Tips for Buying a Used Car Step 4: Negotiate the price first, then take it to a mechanic for a final inspection
Photo 1: Negotiate the price
Negotiate a price based on your findings. But make it contingent on a clean bill of health from a professional inspection.
Most mechanics charge about $100 for a used-vehicle inspection, and it’s the best money you’ll ever spend. But before you commit to the inspection, negotiate the best price based on any problems you’ve already discovered (Photo 1). Then make the final purchase contingent on a clean bill of health from your mechanic. Make sure the final inspection includes a scan tool check for “readiness monitors” and “pending codes.” I’m warning you—don’t skip the final inspection step just to save $100.
Required Tools for this Project
Have the necessary tools for this DIY project lined up before you start—you’ll save time and frustration.
Flashlight

**8.** <https://www.edmunds.com/car-buying/10-steps-to-buying-a-used-car.html>

How to Buy a Used Car in 10 Steps
How to Buy a Used Car in 10 Steps
by
May 5th, 2021
Share:
Summer 2021 update: The COVID-19 pandemic has affected vehicle production worldwide and brought factory closures, limited staffing and a global shortage in semiconductor chips that are essential components in a modern vehicle. As a result, fewer new vehicles are available on dealer lots. And the combination of fewer new cars and more people looking for lower-priced vehicles has increased the demand for used cars and subsequently driven up prices.
This means that 2021 will not likely be a normal year in terms of the selection of cars and discounts you may encounter. Edmunds experts advise consumers in the market for a new car to start shopping sooner rather than later since they anticipate that the chipset shortage is likely to affect pricing and inventory through at least the second half of 2021.
If you're shopping for a new or used car in today's difficult marketplace, please also see " Shopping Tips During the Global Microchip Shortage " for our experts' targeted, data-driven advice.
This article was originally written before the pandemic when vehicle inventory and prices were more stable and predictable. That said, many of the major elements still ring true. You'll still need to determine a budget, find the right car, and research prices to be able to spot a good deal.
If you're looking to buy a used car , you're far from alone. Between private-party and dealership sales, nearly 40 million used vehicles change hands each year.
With so many choices, finding that one right car for you can be a challenge. So we've created a list of steps to help make finding and buying your perfect used car a breeze.
You can find good used cars in a variety of places, such as private-party sellers, new-car dealerships and used-car superstores.
1: How much car can you afford?
A rule of thumb: If you're taking out a loan to pay for your car, your car payment shouldn't be more than 10% of your take-home pay. If you're sticking to a tight budget, you might want to spend even less. Used cars will need a little extra attention from time to time, including new tires, maintenance and the like. And then there are the other ownership costs shoppers sometimes forget to account for, such as fuel and insurance.
If the car you're planning to buy is out of warranty, it might be a good idea to set aside a "just-in-case" fund to cover any unexpected repairs.
2: Build a target list of used vehicles
It's no secret that the Honda CR-V and the Toyota RAV-4 make for good used cars. But they might cost a few thousand more than a comparable Ford Escape or Kia Sportage, even though these are solid cars too. So if you're looking to save money, consider more than one brand. We suggest making a list of three cars that meet your needs and fall within your budget. Edmunds reviews have great information to guide your choices.
If you're planning to buy a vehicle that is less than 5 years old, consider one that's certified pre-owned (CPO). CPO vehicles have long-term warranties that are backed by the carmaker, not just the dealership selling it to you. Franchised dealerships that sell that same brand new are the only ones that can sell a CPO car of the same brand. So if you want a CPO Chevy Equinox, for example, you'll need to buy it from a Chevy dealer.
See Edmunds pricing data
Has Your Car's Value Changed?
Used car values are constantly changing. Edmunds lets you track your vehicle's value over time so you can decide when to sell or trade in.
See pricing history
3: Check prices
Prices are driven in part by where you're shopping. You'll find used cars in used car sections of new car dealerships, independent used car lots, used car retailers such as CarMax, and websites where private-party sellers list their cars. Of the four, private-party cars will typically have the lowest selling price. CPO cars will usually cost the most , but for the reasons we've noted. To see what other people are paying for the models you've picked out, take a look at the Edmunds Suggested Price, found on each vehicle's inventory page .
4: Locate used cars for sale in your area
One easy place to start building your target list is the Edmunds used car inventory page. To find exactly the car you want, you can filter your search by many factors, including the miles on the car's odometer, its price and features, and the dealer's distance from you. Most other websites will have similar methods to find the vehicle nearest you.
5: Check the vehicle history report
Unless you're buying the car from a close friend or family member who can vouch for its history, plan to get a vehicle history report . This early step is essential. If the car you're looking at has a bad history report, the sooner you know the better.
AutoCheck and Carfax are the best-known sources for vehicle history reports. These reports can reveal vital information about the car, including whether the odometer has been rolled back or if it has a salvage title, which means it has been declared a total loss by an insurance company. You'll use the car's vehicle identification number (VIN) to get this information, and in some cases, all you need is the license plate number. Most major dealers offer these reports for free if they have the vehicle in their inventory.
6: Contact the seller
Once you find a good prospective car, don't run out to see it. Call the seller first. This step is an excellent way to establish a relationship with the seller and verify the information about the car. You can ask private-party sellers why they're parting with a car or whether it has any mechanical problems. And if you're buying from a dealer, a phone call or text is the best way to ensure the car is still in stock.
Sometimes the seller will mention something that wasn't in the ad that might change your decision to buy the car. If you want to go deeper, our used car questionnaire is a good reminder of what to ask. You will notice that the last question on our list is the asking price of the car. Although many are tempted to negotiate even before laying eyes on the car, it's better to wait. Once you see it, you can tie your offer to its condition.
If things are going well, set up an appointment to test-drive the car. If possible, make it for daylight hours so it's easier to see the car's condition.
7: Test-drive the car
Test-driving a used car is the best way to know if it is the right car make and model for you. It's also a good way to assess a particular car's condition. So tune out distractions and focus on the car. Here are some things to check:
Is it easy to get in and out of the car without stooping or banging your head?
Is there enough headroom, hiproom and legroom? Remember to check the space in the back seat too.
Is the driving position comfortable? Do you sit too low, too high or just right in the car? Can you tilt or telescope the steering wheel for a better fit?
Are the seats comfortable? Are they easily adjustable? Is there a lumbar support adjustment for the driver? How about the front-seat passenger?
Is the check engine light on? If so, get that problem checked out before buying.
How is the visibility? Check the rearview mirror and the side mirrors. Look for potential blind spots.
Use your nose. Do you smell gas, burning oil or anything amiss?
Check out the tires. How old are they? Is there enough tread left?
How are the brakes? Are they doing the job of stopping the car? Do they squeak?
Pop the hood. You don't have to know a lot about cars to see if something looks wrong. If something is leaking, steaming or covered in oil, it's time to ask questions.
Does the air conditioning blow cold? Do headlights, brake lights and turn indicators work? Test them to be sure.
After the test drive, ask the owner or dealer if you can see the service records. These will show you if the car has had the scheduled maintenance performed on time.
8: Have the car inspected
If you like the car, consider having a mechanic inspect it before you buy it. If you don't have a mechanic, Google and Yelp are good places to read local shops' reviews. A prepurchase inspection costs $100-$200 and can alert you to problems you may not find yourself. It's a smart investment.
A private-party seller will probably allow you to do this without much resistance. Most dealerships will let you borrow a car for an outside mechanic to inspect. You'll be paying for the inspection, of course. If it is a CPO car, there's already been an inspection and the car has a warranty, so there is little reason to take it to an independent mechanic.
9: Negotiate a good deal
Does the idea of "talking numbers" fill you with dread? It shouldn't. Negotiating doesn't have to be a drawn-out traumatic experience. If you are reasonable and have a plan, chances are you can make a deal pretty quickly and easily.
Decide ahead of time how much you're willing to spend to get the car. But don't start with this number in your discussion.
Make an opening offer that is lower than your maximum price but in the ballpark based on your average price paid research in Step 3. Explain that you've done your research on Edmunds or wherever else, so you have facts to support your offer.
If you and the seller arrive at a price that sounds good to you and is near the average price paid, you're probably in good shape.
And remember, the people on the other side probably dislike negotiating too — even if it's their job.
10: Get the paperwork done
If you are at a dealership, you'll sign the contract in the finance and insurance office. There, you will likely be offered additional items such as a warranty, anti-theft devices, prepaid service plans or fabric protection.
Some people want the peace of mind that comes with an extended warranty, so this is something you might want to consider unless the car is still under the manufacturer's warranty or is a CPO vehicle. Review the dealership sales contract thoroughly. In most states, it lists the cost of the vehicle, a documentation fee, possibly a small charge for a smog certificate, sales tax and license fees.
If you are buying a car from an individual owner, make sure the seller properly transfers the title and registration to you. It's important to close the deal correctly to avoid after-sale hassles. Before money changes hands, ask for the title (which is sometimes called the pink slip) and have the seller sign it over to you. Rules governing vehicle registration and licensing vary from state to state. If possible, check with your local department of motor vehicles to make sure there are no past-due registration fees you'd be responsible for should you buy the car. Whether you buy from a dealer or a private party, make sure you have insurance for the car before you drive it away.
Once you've done the paperwork, it's time to celebrate your new purchase — maybe with a drive-thru dinner. You deserve it!
See our list of the Best Used Cars and save some serious cash without compromising on features or performance.
FAQs
What used cars not to buy?
You'll want to avoid buying vehicles with salvage titles, mileage over 200,000, inconsistencies on the odometer and no maintenance records. A vehicle history report can help you spot many of these issues. You'll also want to do some research on models with reliability issues. Learn more
How many miles should you buy on a used car?
The fewer the miles, the better for a used car. Twelve thousand miles per year is a good rule of thumb to use in calculating if a vehicle has excessive mileage. That said, a low-mileage vehicle doesn't automatically mean it is a good used car. A vehicle with 70,000 miles and a regular maintenance history can be better than one with 30,000 miles and no maintenance history. Learn more
Is it better to buy a used car from a dealership?
A dealership provides a number of advantages over buying from a private seller. There's often some reconditioning on the vehicle, access to auto loans, and a chain of command if anything goes wrong with the deal. On the other hand, buying from a private seller can give you greater insight on how the vehicle was maintained, and it may be easier to negotiate a lower price. Learn more
Edmunds Recommends

**9.** <https://www.npr.org/2019/10/31/774757867/5-tips-for-buying-a-car-the-smart-way>

5 Tips For Buying A Car The Smart Way
Facebook
Jan Stromme/The Image Bank/Getty Images Plus
Jan Stromme/The Image Bank/Getty Images Plus
New cars these days have better safety features and more tech gizmos than models from a decade ago. And let's face it: Trading in a beat-up clunker with grimy seats is an enticing idea.
But many Americans make big mistakes buying cars. Take new car purchases with a trade-in. A third of buyers roll over an average of $5,000 in debt from their last car into their new loan. They're paying for a car they don't drive anymore. Ouch! That is not a winning personal finance strategy.
But don't worry — NPR's Life Kit is here to help. Here's how to buy a car without getting over your head in debt or paying more than you have to.
1. Get preapproved for a loan before you set foot in a dealer's lot.
"The single best advice I can give to people is to get preapproved for a car loan from your bank, a credit union or an online lender," says Philip Reed. He's the autos editor at the personal finance site NerdWallet. He also worked undercover at an auto dealership to learn the secrets of the business when he worked for the car-buying site Edmunds.com . So Reed is going to pull back the curtain on the car-buying game.
For one thing, he says, getting a loan from a lender outside the car dealership prompts buyers to think about a crucial question. "How much car can I afford? You want to do that before a salesperson has you falling in love with the limited model with the sunroof and leather seats. "
Reed says getting preapproved also reveals any problems with your credit. So before you start car shopping, you might want to build up your credit score or get erroneous information off your credit report.
And shop around for the best rate. "People are being charged more for interest rates than they should be based upon their creditworthiness," says John Van Alst, a lawyer with the National Consumer Law Center.
Van Alst says many people don't realize it, but the dealership is allowed to jack up the rate it offers you above what you actually qualify for. So with your credit score, "you might qualify for an interest rate of 6%," says Van Alst. But, he says, the dealership might not tell you that and offer you a 9% rate. If you take that bad deal, you could pay thousands of dollars more in interest. Van Alst says the dealership and its finance company, "they'll split that extra money."
So Reed says having that preapproval can be a valuable card to have in your hand in the car-buying game. It can help you negotiate a better rate. "The preapproval will act as a bargaining chip," he says. "If you're preapproved at 4.5%, the dealer says, 'Hey, you know, I can get you 3.5. Would you be interested?' And it's a good idea to take it, but make sure all of the terms, meaning the down payment and the length of the loan, remain the same."
One word of caution about lenders: Van Alst says there are plenty of shady lending outfits operating online. Reed says it's a good idea to go with a mainstream bank, credit union or other lender whose name you recognize.
2. Keep it simple at the dealership.
If you're buying a car at a dealership, focus on one thing at a time. And don't tell the salespeople too much. Remember — this is a kind of game. And if you're playing cards, you don't hold them up and say, "Hey, everybody, look — I have a pair of queens," right?
So at the dealership, Reed and Van Alst both say, the first step is to start with the price of the vehicle you are buying. The salesperson at the dealership will often want to know if you're planning to trade in another car and whether you're also looking to get a loan through the dealership. Reed says don't answer those questions! That makes the game too complicated, and you're playing against pros. If you negotiate a really good purchase price on the car, they might jack up the interest rate to make extra money on you that way or lowball you on your trade-in. They can juggle all those factors in their head at once. You don't want to. Keep it simple. One thing at a time.
Once you settle on a price, then you can talk about a trade-in if you have one. But Reed and Van Alst say to do your homework there too. A little research online can tell you what your trade is worth in ballpark terms. Reed suggests looking at the free pricing guides at Edmunds.com , Kelley Blue Book and NADA . On Autotrader, you can also see what people in your area are asking for your car model. And he says, "You can get an actual offer from Carvana.com and also by taking the car to a CarMax, where they will write you a check on the spot."
So he and Van Alst say don't be afraid to walk away or buy the car at a good price without the trade-in if you feel the dealership is lowballing you on your old car. You have plenty of other good options these days.
Will Sanders/Stone/Getty Images Plus
3. Don't buy any add-ons at the dealership.
If you've bought a car, you know how this works. You've been at the dealership for hours, you're tired, you've settled on a price, you've haggled over the trade-in — then you get handed off to the finance manager.
"You're led to this back office. They'll often refer to it as the box," says Van Alst. This is where the dealership will try to sell you extended warranties, tire protection plans, paint protection plans, something called gap insurance. Dealerships make a lot of money on this stuff. And Van Alst says it's often very overpriced and most people have no idea how to figure out a fair price.
"Is this add-on, you know, being marked up 300%? You don't really know any of that," Van Alst says. So he and Reed say a good strategy, especially with a new car, is to just say no — to everything. He says especially with longer-term loans, there's more wiggle room for dealers to try to sell you the extras. The finance person might try to tell you, "It's only a little more money per month." But that money adds up.
"Concerning the extended factory warranty, you can always buy it later," says Reed. "So if you're buying a new car, you can buy it in three years from now, just before it goes out of warranty." At that point, if you want the extended warranty, he says, you should call several dealerships and ask for the best price each can offer. That way, he says, you're not rolling the cost into your car loan and paying interest on a service you wouldn't even use for three years because you're still covered by the new car's warranty.
Gap insurance promises to cover any gap between the purchase price of replacing your almost-new car with a brand-new car if your regular insurance doesn't pay for full replacement if your car gets totaled. Van Alst says gap insurance is often overpriced and is fundamentally problematic. If you still want the product, it's best to obtain it through your regular insurance company, not the dealer.
4. Beware longer-term six- or seven-year car loans.
A third of new car loans are now longer than six years. And that's "a really dangerous trend," says Reed. We have a whole story about why that's the case. But in short, a seven-year loan will mean lower monthly payments than a five-year loan. But it will also mean paying a lot more money in interest.
Reed says seven-year loans often have higher interest rates than five-year loans. And like most loans, the interest is front-loaded — you're paying more interest compared with principal in the first years. "Most people don't even realize this, and they don't know why it's dangerous," says Reed.
Loading...
Don't see the graphic above? Click here.
Reed says that if you want to sell your car — you decide you can't afford it, or maybe you have another kid and need a minivan instead — with a seven-year loan you are much more likely to be stuck still owing more than the car is worth. So he says, "It puts you in a very vulnerable financial situation."
A better way to go, Reed says, is a five-year loan for a new car and "with a used car you should really finance it for only three years, which is 36 months." One reason that makes sense, he says, is that if your used car breaks down and isn't worth fixing — say the transmission totally goes — you're more likely to have paid off the loan by that time.
Reed says a five-year loan make sense for new cars because "that's been the traditional way — it's kind of a sweet spot. The payments aren't too high. You know the car will still be in good condition. There will still be value in the car at the end of the five years."
Also, Van Alst and Reed say to make sure dealers don't slip in extras or change the loan terms without you realizing it. Read carefully what you're signing.
Reed says a colleague at NerdWallet actually bought a minivan recently and "when she got home, she looked at the contract." She had asked for a five-year loan but said the dealership instead stuck her with a seven-year loan. "And they included a factory warranty which she didn't request and she didn't want." Reed says she was able to cancel the entire contract, remove the extended warranty and get a rebate on it.
"But the point of it is," he says, "I mean, here's somebody who is very financially savvy, and yet they were able to do this to her. And it's not an uncommon scenario for people to think that they've got a good deal, but then when they go home and look at the contract, they find out what's been done to them."
5. Don't buy too much car. And consider a used car to save a lot of money!
"The golden rule is that all of your car expenses should really be no more than 20% of your take-home pay," says Reed. And he says that that's total car expenses, including insurance, gas and repairs. "So the car payment itself should be between 10 and 15%."
And if a new car with a five-year loan doesn't fit into your budget, you might decide you don't really need a brand-new car.
"We're actually living in a golden age of used cars," says Reed. "I mean, the reliability of used cars is remarkable these days." Reed says there is an endless river of cars coming off three-year leases that are in very good shape. And even cars that are older than that, he says, are definitely worth considering. "You know, people are buying good used cars at a hundred-thousand miles and driving them for another hundred-thousand miles," says Reed. "So I'm a big fan of buying a used car as a way to save money."
He acknowledges that which car you buy matters and that it's a good idea to read reviews and ratings about which brands and models are more or less likely to run into costly repair problems down the road. He says some European cars are famously expensive to maintain.
NPR has a personal finance Facebook group called Your Money and Your Life. And we asked group members about car buying. Many said they were shocked by how much money some other people in the group said they were spending on cars. Patricia and Dean Raeker from Minneapolis wrote, "40 years of owning vehicles and our total transportation purchases don't even add up to the cost of one of the financed ones these folks are talking about."
Dean is a freelance AV technician, and Patricia is a flight attendant. They say, "our nicest, newest purchase was a 2004 Honda Accord for $2400, bought last year, that with regular maintenance could likely last another 100,000+ miles." And they say they "can't understand those who insist on driving their retirement funds away."
Even if you buy a slightly newer used car than the Raekers', the couple raises a great point. What else could you be spending that car payment money on? And if you can cut in half what you might otherwise spend, that's a lot of extra money for your retirement account, your kids' college fund or whatever else you'd rather be doing with that money.
Correction Oct. 31, 2019

**10.** <https://www.progressive.com/answers/used-car-buying-tips/>

1-855-347-3939
Tips for buying a used car: Getting ready
Buying a used car generally has three main phases: researching, finding a car, and making a purchase. During the research phase, you should figure out your budget, needs, and preferred buying method to help you find a vehicle you like and can afford.
Here are a few used car buying tips to keep in mind while researching:
Know your budget: If you don't plan on paying for the car in cash, determine how much you can spend on a down payment and monthly payments. Consider getting pre-approved for a loan before you go looking at cars. Knowing the terms of the loan can help you search for cars that fit your budget. If you wait to get pre-approved for a loan, you might be disappointed to find you can't get a car you had your heart set on — or worse, you might be tempted to take a loan you can't afford because you really like the car.
Our car affordability calculator can help you set a budget that fits your desired down payment, monthly payment, interest rate, and loan term.
Know what you're looking for: When it comes to cars, buyers have different priorities — some are focused on safety, others on comfort or performance. Make a list of the features you can't live without before you start your search. That helps narrow the field and prevents you from being overwhelmed with options.
Know where you want to buy from: Buying a used car from a dealer or buying a used car online offers a certain peace of mind. Dealers check cars before they sell them, so you know exactly what you're getting. Certified cars provide you with even more peace of mind, and some used cars even carry warranties from the dealership. Buying from a used car from a private party doesn't offer the same certainties, but the trade-off is it can be easier to negotiate a better price or find a deal. Deciding which approach is right for you can help you narrow your search even further.
Finding the right vehicle
Once you know what you're looking for, you can start your search. Follow these used car buying tips to select the right vehicles to test drive:
Search for cars that meet your "must-have" criteria: You can search most used car databases with filters to limit your search to vehicles with only the features and qualities you identified in the research phase.
Look at models that save money: The purchase price is only part of the equation. Cars with a lower cost of ownership might be worth paying a bit more upfront since you'll save money throughout the car's life. Very reliable models, cars with low repair costs, or electric/hybrid cars that save on fuel consumption can all be ways to save money in the long run. Older and less technologically sophisticated car makes and models are generally less expensive, even when they have low mileage.
They can be a great place to start looking if your "must-have" list doesn't include the very latest, high-tech features.
Get informed on the cars you like: Once you've found a few good options, do some market research. Find out the average value for the vehicles you've selected so you know what price is fair. Get a range of prices depending on the condition (for instance, the value of the same car in fair, good, and excellent condition). Consider bringing that information with you to the sale. Having evidence of the car's actual value can help in negotiations.
Know the value of your trade-in if you have one: If you're buying a used car from a dealership and plan to trade in your used car, you should know what your trade-in is worth — but keep that information to yourself. You'll need it when you start negotiations, but it's better not to discuss it before you're ready to buy. Learn more tips for trading in a car .
Schedule daytime test drives: Schedule your test drives during the daytime on days with good weather. When you inspect the car, seeing it in good light will help identify flaws. Streetlamps — or worse, your cell phone flashlight — may not reveal imperfections like a sunny day. Learn more about what to look for when buying a used car .
Making the purchase
Once you've decided on a vehicle, follow the previously noted tips for buying a used car, agree on a price, and make the purchase.
Negotiate one step at a time: Start with the price of the car you want to buy. If you're buying from a private seller, don't tell them your budget, and be prepared to walk away if they won't meet you at a fair price. If you're buying from a dealer, only talk about the value of your trade-in once you've agreed on a price and a financing arrangement (if you decide to finance through the dealer). Talking about things one at a time helps avoid price inflation.
For instance, if the dealer knows the value of your trade-in and knows your budget is $4,000, they may inflate the value of a car to meet that budget after the trade-in.
Get your deal in writing: If you're buying from a dealer, they'll draw up all the terms of the sale — but make sure you read it before you sign. If you're buying from a private party, make sure you get everything in writing and that you each have a copy signed by both parties. It should show all the important details of the sale, including buyer and seller contact information, the vehicle's specs (make, model, mileage, etc.), the price, and any other terms on which you've agreed.
Make sure you meet your state's requirements: Different states handle vehicle sales differently. Some require auto insurance coverage to buy and register the vehicle, while other states only require insurance to operate it. Some states require emissions testing or additional verifications as part of the sale. Find out what's required in your state ahead of time to make sure you can complete the sale and take your new car home. Learn more about car insurance requirements by state .
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**buying used car tips**

**1.** <https://www.bankrate.com/loans/auto-loans/used-auto-loan-tips/>

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Buying used is a great way to get behind the wheel of a vehicle without the steep cost of the current year’s models. And as vehicle prices have reached new heights over the past few months due to the combination of the pandemic and semiconductor shortage , buying used can help you save money.
Buying used has not been immune to the price increase. The monthly payment for a used vehicle in the third quarter of 2022 was $525, according to Experian . But buying used is still less expensive than buying new. So as you explore your car-buying options , keep these tips in mind to get the best deal.
Tip 1: Have a realistic budget
The best way to save money when it comes to a large purchase is to be honest with how much you can afford . When it comes to buying a used car, it is no different.
If you already have an affordable car loan, try to stick within that range. Otherwise, know that experts recommend you spend 25 percent or less of your budget on car-related expenses. Consider both the monthly loan payment and additional vehicle costs that are bound to pop up. This includes fuel costs, insurance and regular maintenance. Take advantage of an auto loan calculator before starting your vehicle search so you have a firm understanding of your budget — and the interest rate and loan terms you can afford
Tip 2: Explore financing options
Choosing the right financing option for your vehicle is not dissimilar to finding your perfect car . Your options include banks, credit unions, online lenders and dealerships.
Almost every lender offers auto loans for used cars within a certain mileage or model year, so you should have no problem finding the right fit.
Shop around to ensure you get the best auto loan rates and terms available. Check out current rates and Bankrate’s winner for best used car lender before accepting a loan. And equally important, see how the loan term and fees change the total cost of financing.
Tip 3: Apply for loan preapproval
Auto loan preapproval is when a lender tentatively approves you for a certain amount while you shop for your car. It isn’t an iron-clad agreement , but it does give you a better idea of what you will pay in interest and what you can afford.
The main benefit of loan preapproval is that it can give you confidence that you are getting the best deal. In most cases, you have 30 days to shop. You’ll know exactly how much you can borrow for the vehicle, and can even use preapproval to negotiate with dealerships.
Tip 4: Trade in your old vehicle
Trading in your vehicle will save you money, and it can ease any stress of figuring out what to do with your previous vehicle. The trade-in process depends on the dealership you use, but the steps are simple. It primarily requires you to understand the worth of your current vehicle in comparison to the new one.
Shop around and get quotes from several dealerships. You can use the estimates as negotiating power with the dealership you end up buying from. And if dealerships aren’t offering a good deal, consider selling your car privately instead to get more for your ride.
Tip 5: Make a large down payment
The larger your down payment, the less you will have to borrow and the lower your monthly payment will be. A down payment of at least 20 percent is the best option. But with the increase in car prices, you should at least try to save 10 percent of the vehicle’s sale price as a down payment.
Saving up and making a large down payment upfront will save you money as you drive. Because you’re borrowing less, you may have a better chance of being approved for a loan and can potentially get a lower rate .
Tip 6: Consider a certified pre-owned vehicle
One way to get around some of the risks of buying used is to shop for a certified pre-owned (CPO) vehicle . Typically found at dealerships and rental companies, these vehicles are specially inspected and approved by the manufacturer.
In general, buying CPO means that your car will have good parts, low mileage and proper maintenance. CPO vehicles are typically properly cared for and accident-free. These vehicles can also come with an additional vehicle warranty for long-term quality assurance.
Tip 7: Shop online
The marketplace for purchasing a vehicle has shifted dramatically over the past few years, and buying used is a great time to take advantage of buying a car online .
Start with trustworthy online sources like Carvana , TrueCar or Vroom . These allow you to browse nationwide for the right fit. They also let you keep the process entirely online from start to finish — with a period after delivery to test drive your used car and get it inspected.
But even if you feel more comfortable taking the traditional route, research online before heading to the lot in person. Dealerships frequently list their inventories on websites, so you have an idea of costs and vehicle availability without the pressure of a salesperson.
Tip 8: Conduct a detailed car inspection
Buying a used car comes with additional risks. You don’t know how the previous owner handled the vehicle and unforeseen issues could be looming.
To be sure you aren’t driving away with a stealth fixer-upper, request a vehicle history report. Along with an initial test drive, it is wise to get an independent mechanic inspection to check for any issues under the hood.
Next steps
With so many Americans looking to buy vehicles right now, preparation is key to saving the most money. Used vehicles are expensive, but you’ll avoid the high prices, limited supply and huge depreciation hit of new vehicles.
To get the best deal on a used car, start by shopping around for auto financing and getting preapproved. Also, consider trading in your current vehicle to lower out-of-pocket costs when purchasing your next ride and making a larger down payment to get a more affordable monthly payment. Most importantly, have the car inspected to ensure it’s both safe and reliable before signing on the dotted line to seal the deal.
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**2.** <https://cars.usnews.com/cars-trucks/advice/how-to-buy-a-used-car>

Complete Guide: How to Buy a Used Car
Dec. 2, 2020, at 12:00 a.m.
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More The single easiest way to save money when buying a car is to purchase a used model instead of a new vehicle. When you buy a new car, the second you leave the dealer's lot, it starts to rapidly depreciate, losing a significant amount of its value in the first few years of ownership. When you buy a used car, the original owner absorbs the pain of its steep depreciation during its early years. You pay far less than you would have if you had purchased the car new.
There may be more maintenance required on a used car that's out of warranty, and its financing may be a bit more expensive. But, choosing a vehicle with a good predicted reliability rating and low ownership costs can help you saa tremendous amount of money.
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Successfully buying a pre-owned car can be more complicated than buying a new car. It’s more financially risky because you don’t have the safety net of a new car factory warranty. Staying safe while purchasing a used car has always been somewhat of a concern. In the age of the coronavirus pandemic, there are even more steps you have to take to protect yourself and your family.
Halbergman / Getty Images
In this guide, we'll take you through the steps you should follow to find the right used car, secure affordable financing, pay a fair price, and minimize the chances that you'll get a vehicle that's unreliable, overpriced, or unsafe.
Following these steps and car-buying tips should help you buy the best used car for a fair price:
9. Consider Add-Ons, Warranties, and Insurance
1. Set a Car-Buying Budget You Can Afford
Setting a used car buying budget isn’t as simple as looking for a pre-owned car, truck, or SUV that gets a monthly payment you think can manage. While the monthly payment does need to be affordable, you need to look beyond it to get a proper idea of the total cost of owning the car. That includes the cost of interest on your car loan, how much you’ll have to pay to insure your new-to-you ride, parking, and maintenance costs. Our car insurance hub provides tips to help you find the right insurance coverage, while our used car rankings and reviews include information on the cost of ownership for different vehicles.
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You’ll want to find a balance between cost to buy and cost to own. When you buy an older vehicle, you can expect a lower price. However, the older the car, the more likely it will need costly repairs. That awesome deal you got on a cheap car won’t seem that great when you’re waiting for a tow truck instead of heading to work, school, or that weekend getaway.
Fortunately, used car buyers have more resources today than ever to learn about repair costs, frequent problems, and reliability. Information about certified pre-owned warranty coverage, average costs for common repairs, and predicted reliability ratings can be found in our used car reviews . You can see what issues drivers are dealing with by checking out dedicated owners' websites, such as Odyclub.com for the Honda Odyssey minivan. If owners of a particular car are having problems, they're probably talking about them somewhere on the internet. Just search for the car's name and "problems" in any search engine to get an idea of common issues.
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An oft-overlooked factor you should consider when shopping for a used car is the cost of auto insurance. Prices can vary substantially based on the model you choose. Our guide to car insurance is the place to find the cheapest insurance with the right coverage for your new-to-you vehicle.
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2. Find the Right Used Car
Shopping for and finding the right used car is more challenging than finding and buying a new car. When you find a new car that meets your needs and budget, you just have to head to the dealership and buy it. When you buy used, you not only have to find the right model – you have to find one that’s for sale, has low enough mileage to be attractive, is in good shape, hasn’t been crashed, and has been serviced properly. Oh, and it has to be close by. Then, you have to evaluate the seller, ensuring that it’s not someone who’s going to rip you off.
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In short, there’s a lot more research involved in evaluating a three-year-old pre-owned car with 36,000 miles on the odometer than there is for a brand new car sitting on a dealer’s lot.
An excellent place to start your pre-owned vehicle buying journey is with our used car rankings and reviews . We begin by looking at the consensus opinions of the country’s top automotive journalists. Then we blend them with quantifiable information on safety, reliability, and total cost of ownership to create scores for nearly every vehicle in the marketplace dating back over a decade. We use those scores to compare vehicles against competitors in their segments to determine how they rank.
With our used car rankings, shoppers can compare pre-owned vehicles by their overall scores and individual factors car buyers tell us are critical to their buying decisions. These factors include predicted reliability, safety, performance, and interior comfort and features.
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Selecting a used car to focus your efforts on can be challenging. Should you pick an older car that’s loaded with options, or a newer car that has lower mileage but fewer features for a similar price? It’s critical you look at the places you drive, how many people you need to transport, why you’re driving, and how you drive. Then, match those needs with your budget. Don’t buy that pre-owned Mazda Miata , for example, if you need to carry kids to soccer practice every day. If you’re a solo commuter in an urban area, buying a Chevrolet Silverado full-size pickup probably isn’t the best choice, either.
It’s important to consider not only the size and performance of vehicles you’re considering, but also their fuel economy, safety ratings, and cost to insure.
When you buy a pre-owned car, you can get options and features at a fraction of the price they'll cost you on a new car. Option packages and higher trim levels don't command nearly the same premiums on used vehicles as they do on brand-new cars.
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As you begin to narrow your search, you can browse through more than a million vehicles in our used car listings . There’s no need to start driving to car lots all over town.
1001nights / Getty Images
3. Consider the Certified Pre-Owned Car Option
Not sure if you want to take the leap into a used car with no warranty coverage? There is a used car option that does have factory warranty coverage. Manufacturer- certified pre-owned cars (CPO cars) offer a blend of used-car affordability with manufacturer-backed warranty coverage. They're usually low-mileage cars that are just a few years old, with service records and no history of accidents. They are often cars returned at the end of leases, dealership service loaner vehicles, or vehicles driven by dealer or automaker staff.
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They’re different from non-certified used cars in several ways. When they arrive at the dealership, they undergo a comprehensive inspection and refurbishment process that meets strict guidelines from their original manufacturer. Most used cars are sold as-is, with no warranty. CPO cars, on the other hand, come with manufacturer’s warranties that generally exceed the length of the car’s original coverage. Many CPO programs also provide buyers with extras, such as trip interruption coverage and roadside assistance.
Each year, we evaluate manufacturer CPO warranty programs to find the best CPO programs . The best programs not only provide great coverage for your car, but also include generous perks.
Another benefit of automaker-sanctioned CPO programs is access to special used car financing deals . Used car loans typically cost more than new car financing, but a CPO financing deal with a low interest rate can dramatically cut the cost you have to pay on your auto loan.
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You’ll only find a brand’s certified used cars at their own franchised dealerships. If you see a Lexus marked as a certified used car on a Dodge dealer’s lot, you’ll know it’s not truly part of Lexus’ L/Certified CPO program. Some dealers will label cars “certified,” but unless a vehicle is inspected and refurbished to the original manufacturer’s standards by one of their own dealers, it is not manufacturer certified. Only manufacturer-certified pre-owned vehicles will come with warranty coverage that allows for repairs to be performed at any of their dealerships. A dealership can offer a warranty on any used car, but it's likely much more limited than a manufacturer's CPO warranty.
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Of course, the warranty coverage and other perks come at a price. CPO cars are typically more expensive than equivalent non-certified used vehicles. However, a CPO car will likely have a lower total cost of ownership – at least during the warranty period. You'll need to balance the higher initial cost with the potential for savings in mechanical repairs. One way to do so is by looking at the predicted reliability marks in our used car reviews . If a car has a stellar score, buying it as a certified used car might not give you the same payoff as a CPO car with a lower predicted reliability score and a future of expensive repairs.
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4. Find Affordable Used Car Financing
If you're sitting on a pile of money and plan to pay cash, you can skip this section. If, however, you're like most used car buyers, you'll need a loan to help pay for your used vehicle. It's true that you can have the dealership's finance office arrange your financing. Still, if you want to save money, you need to get a pre-approved financing offer before you get anywhere near a car dealer. A dealer may be able to beat your pre-approved loan, but if you don't have one, they'll have no incentive to do so.
If you're buying from a private party, you have no choice but to find your own financing. The process can be different for private-party buyers, so be sure to talk to your lender about what they'll need to move your loan application forward.
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Shopping and applying for used car financing is similar to getting a new car loan , but there are some important differences. Because lenders consider used car loans somewhat more risky than new car loans, you should expect to pay a higher interest rate. Lenders typically consider used car loans riskier for several reasons, including the fact that their values are less predictable. It's the car's value that acts as collateral on the loan. Used car buyers also may face higher repair costs, which can compete with making timely car payments.
If the car you choose is relatively new or a certified used car , there’s a good chance you can find a lender who will give you the same loan terms they would a new-car buyer.
Getting a great deal on used car financing can take some preparation and work. Following these steps will help ensure you’re getting the best deal.
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Preparation
Getting all of your financing plans in place well before your car shopping starts is the best way to be prepared when the right car comes along. That means before you think about heading to a dealership or meeting with private-party sellers. Step one in the financing process is looking at your credit score and exploring the credit reports behind your credit rating.
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One of the primary criteria that lenders consider, your credit score will determine whether you get approved for a loan and what interest rate you’re offered. Shoppers with a low credit score can expect to pay a higher interest rate on their auto loan than buyers with higher credit scores. Buyers with bruised credit may also be asked to make a larger down payment or accept a shorter loan term than someone with a great credit score. If you have excellent credit, you can expect a lower-than-average interest rate, access to longer-term auto loans, and lower down-payment requirements. Most used car deals with special financing are reserved for buyers with top-notch credit.
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When you are proactive and look at your credit score early, you’ll have the opportunity to correct any errors. You can also take time to improve on any weak areas in your credit history. Your credit score's most important elements are your history of making on-time payments and the amount of debt you have outstanding.
Where to Shop for a Loan
You might think you have to go to a brick-and-mortar bank branch to get a car loan, but there are many places you can finance a used car. Some work better with different types of borrowers than others, so you should talk to several before you decide which financing deal is best for you. Some lenders have programs that provide lower rates or other benefits to existing customers, while others cater to borrowers with damaged credit. You can save money and hassle by taking advantage of these programs.
Large National Banks
America’s biggest banks have thousands of brick-and-mortar branches, plus sophisticated online portals to serve loan applicants and borrowers. They occasionally offer loan specials, though overall the interest rates they offer tend to be higher than other lenders. Because of their size, they tend to be ruled by strict policies and procedures, which may not serve customers with bruised credit or other borrowing challenges well.
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If you’re looking for convenience and you’re willing to pay a higher price to get it, large banks are a good option.
Credit Unions
Credit unions are member-owned cooperatives rather than shareholder-owned companies like most other lenders. Instead of paying shareholder dividends, they return any profits to their members through higher savings-interest rates and lower loan-interest rates. They tend to be more affordable places to get an auto loan than most other financial institutions.
Before you can get a loan at a credit union , you have to become a member. Because credit unions have fields of membership that are limited to geographic areas, affinity groups, or specific employers, not everyone can join any credit union. Still, most Americans have access to at least one credit union. The industry’s federal regulator, the National Credit Union Administration, can match you up with one you’re eligible to join. Simply use their credit union locator at MyCreditUnion.gov .
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The institutions range in size from tiny, one-person operations to massive operations with dozens of branches and services that rival large national banks. If you need a bit of hand-holding to get through the loan process or have a poor credit score, a smaller credit union is a good option. They’ll likely have a more personal touch than a larger lender.
Community Banks
Burhanuddin Helmi / iStock / Getty Images Plus
Community banks offer many of the same auto-lending services as large banks, but they do so with a smaller geographic footprint, fewer branches, and often a more personal touch. Like credit unions, community banks are great places for borrowers who need a bit more help to finance their used car purchase successfully. With their roots in the communities they serve, many will be able to offer tips about other businesses in the area that can help you through the car-buying process.
Online Banks
In the age of the COVID-19 pandemic, getting a loan from an online lender is an attractive option. While most banks and credit unions have online lending operations, online banks lend exclusively through their websites, with few – if any – branches. If your loan needs are straightforward, and you don't need any extra help, the streamlined processes of online banks can make borrowing easy and remarkably quick.
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Because they don’t have to pay for expensive brick-and-mortar branches, many online banks offer excellent loan rates. Of course, you shouldn’t assume any rate they offer is the best you can get. You should always comparison shop.
Loan Comparison Websites
One of the easiest ways to get a great deal on a car loan with a minimum of effort is to use a car loan comparison website. After you fill out just one application, the site will contact multiple lenders and return various financing offers. The lender might be a credit union or bank across town, or a financing company across the country. It doesn't matter where the lender is, as loan funding and collection of car payments can be done entirely electronically.
Finance Companies
A finance company is similar to a bank, except that their only business is lending. Instead of accepting deposits and then lending that money back out, finance companies borrow from other financial institutions, then make loans to consumers using that borrowed cash. Many finance companies specialize in making loans to certain types of borrowers, such as those with poor credit.
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Most automakers own finance companies, such as Ford Motor Credit or Honda Financial Services, or work with specific lenders, such as Mitsubishi and lending partner Ally Financial. Called captive finance companies, these lenders work through their brand's franchised dealership network. They also provide the lending for automakers’ new car financing deals , lease deals , and certified used car financing offers .
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Car Dealerships
While you can arrange for a car loan through a car dealership , most dealers aren't actually doing the lending. They're acting as a broker, arranging loans with outside lenders, such as their captive financing companies, local banks, or credit unions. In most cases, they make a significant profit by marking up the interest rate they charge or being otherwise compensated by the lender. In most states, there is no requirement to disclose the amount of markup they’re charging on a loan.
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While a loan offer you receive at a car dealership may be the best one you get, it is critical you never visit one without at least one offer already approved by an outside lender. Without another offer, a dealer’s finance officer will have no incentive to offer you a better deal and earn your business.
There’s a class of car dealerships called Buy Here, Pay Here dealerships . We’ll talk about them more later in this guide, but they differ from traditional dealerships in that they do loan their own money and directly collect payments on the loans they make. Consumer advocates advise against getting loans from this type of dealership due to the predatory lending practices of some buy here, pay here dealers.
Applying for Used Car Financing
The next step in getting an auto loan is applying for financing. Auto lenders will ask you to fill out and sign either an online or paper application. You'll need to provide personal information about your income, monthly obligations, housing expenses, work history, credit card debt, and more. You'll also be asked to provide your social security number, so the lender can pull credit reports. You must answer the questions completely and honestly. Failure to do so risks your loan being turned down. If it's discovered after you take out the loan, the lender may declare the loan in default and demand immediate repayment.
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The information on the application is evaluated alongside the data in your credit report. The lender is trying to build a complete picture of your finances, so they can predict whether you'll be able to pay back the loan. The law limits what information they can use to make a loan decision. However, they may ask for some demographic information for government reporting purposes.
Just as smart buyers should talk to multiple car dealerships and other sellers before buying a used car, you should apply at multiple lenders to find the best financing deal. It's critical to do so during a short span of time, so the credit reporting agencies don't think you're taking out multiple loans and ding your credit score over and over. Do your shopping over a week or so, and they'll just see it as one transaction. That's important, because each transaction that pulls a credit report lowers your credit score by a few points.
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When you apply for a car loan before choosing a specific vehicle, the approval will likely be conditional, with a limit on the amount they will loan to you. With multiple offers, you can compare the interest rate they're willing to give you, how long of a loan they're extending, and the size of the down payment they require you to make. You can then choose the best offer once you've negotiated the price of the pre-owned car you want.
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Comparing Loan Offers
It is vital to have a monthly payment that fits into your household budget. Still, you need to look beyond the payment when comparing loan offers. You want to look at the total cost of the car, including its financing. Fortunately, it's easy to do. Just multiply the monthly payment by the number of months in the loan term, then add the amount of any down payment you're making and the value of your trade-in, if you have one.
The monthly payment should be included with the financing offer. If it’s not, head over to the U.S. News car loan calculator . Enter the interest rate, loan amount, and length of the loan into the form, and it will show you the size of each monthly payment.
Here’s an example. We’ll say you’re buying a used midsize SUV and have received a pre-approval for a five-year (60-month) loan with monthly payments of $350. You've saved up $5,000 for your down payment and your trade-in is worth $3,000. To find the SUV's total cost, you multiply $350 by 60 months, then add $5,000 and $3,000 to that amount. The total cost of buying the used SUV would be $29,000.
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It's important to run the numbers yourself and not to rely on the math of a salesperson. They're trained to keep you focused on the payment, because they know that's the easiest way to get you to overpay for your used car.
The Importance of a Down Payment
Yaorusheng / Moment / Getty images
Many lenders will allow you to buy a used car without making a down payment, but that’s seldom a great idea. Making a down payment will help you in several ways, all while helping to protect your finances. The benefits include lowering your monthly payments, allowing you to get a shorter loan, or both. It will also reduce your loan-to-value (LTV) ratio, making your loan more attractive to lenders, who may offer you a lower interest rate.
Making a substantial down payment also makes it less likely that you’ll owe more on the car than its value, which is known as being “underwater” on the loan or having negative equity. Being underwater is hazardous to your financial health. If the vehicle is declared a total loss after a crash, theft, or flood, the amount you get from your auto insurance company won't be enough to cover the loan. You will still owe the difference to your lender. They can demand immediate repayment since the loan's collateral (your car) no longer has any value.
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Short Loans Are Better Than Long Loans
A lender may offer you a six-, seven-, or even eight-year auto loan. It's a horrible idea to take out such an extended loan on a used car – or any car, for that matter. You should consider five years to be the maximum length of any auto loan you take. Consumer advocates recommend that if you can’t afford a car with a five-year or shorter car loan, you can’t afford the car.
Here’s why: longer-term loans are considered riskier to lenders than short loans. Lenders will price that additional risk into the financing with higher interest rates. Not only will you have to pay a higher interest rate, but you'll have to pay it for a longer time. That makes the total cost of the car significantly more expensive. The longer your loan, the higher chance you'll still be making car payments at the same time as your vehicle begins to need more and more costly maintenance and repairs.
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The rate at which your car will depreciate doesn’t change based on the length of your loan. The longer your auto loan, the higher the chance of owing more on the car than it is worth. As we discussed in the previous section, being underwater on your financing puts you in financial peril.
Finally, suppose you still owe money on your car when it needs replacement, or you want a new vehicle. In that case, you'll either have to pay it off with cash out of your own pocket, or roll the remaining balance onto your new car loan. While lenders add the balance of existing car loans to new loans all the time, it’s one of the worst car-buying mistakes you can make. It puts you instantly underwater on your car’s financing.
5. Decide Where to Buy a Used Car
Just as there are many places to get used car financing, there are various places where you can purchase a used car. Each has its strengths and weaknesses in terms of service, ease, and price. Like the car you want to buy, you should strive to learn as much as you can about the dealership or private seller trying to sell it to you. Checking the company out with your local Better Business Bureau or consumer protection agency is an easy way to find out about their track record. You don't just want to look at the number of complaints, but how they responded to correct the problems.
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Franchised New Car Dealers
You’ll generally pay more for a used car at a franchised new car dealer, but it may be worth it for the seamless buying process. While you’ll be contributing to the dealer’s overhead, the salesperson’s commission, and other administrative costs, they'll take care of all of the paperwork for the deal. That's especially helpful if the transaction is complex or you're buying in a different state than the car will be registered.
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Dealers have access to a wide variety of lenders, so there’s a chance they can get you a better loan offer than the one you have pre-approved. They are also the only place where you will find factory-certified pre-owned vehicles.
Most new car franchises have adopted strict COVID-19 protocols, mandated by their manufacturers, to protect both customers and dealership staff. Some have robust online buying processes and home delivery options.
Used Car Superstores
When it comes to used car dealerships, national or regional used car superstores are the new kids on the block. They offer many of the same advantages of franchised new car dealerships, such as expertise in handling paperwork, step-by-step buying processes, and access to an array of lenders. Many sell their own line of add-on products, such as extended warranties valid at any of their locations.
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They also have access to a vast selection of used cars. With most dealerships, you're limited to the pre-owned vehicles they have on their lots. That's not the case with used car superstores such as CarMax, which can draw on inventories from across the country and bring those vehicles to your local outlet.
Some used car superstores have been at the forefront of providing online and socially distanced car buying experiences during the coronavirus pandemic. Carvana’s sales process, for example, brings cars right to your door. You have seven days to decide if you like the car. If not, they’ll take it back.
While you may not get the best price at a used car superstore, you’ll have the sense of security that comes from dealing with a large, established business.
Independent Used Car Dealers
Independent used car dealerships are typically small, locally owned businesses. They buy and sell used vehicles, arrange financing, and take care of the purchase paperwork. Their inventory typically comes from wholesale auto auctions. Most don't have service departments and have less total overhead than a typical new car dealer.
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While we’ve all seen the stereotypes of used car dealers, most have been around for a long time earning good reputations with customers. Still, it’s a good idea to check with your local Better Business Bureau or other consumer advocacy group to learn more about the business. Sites like Yelp.com tend to be where customers just complain, but they can illuminate consistent issues with companies.
‘Buy Here, Pay Here’ Dealers
There’s one type of used car dealers that buyers should approach with caution. “Buy here, pay here” used car dealers act as both the car seller and lender. The name comes from the fact that many require buyers to bring their car payments directly to the dealers – sometimes every week.
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Buy here, pay here used car dealers typically are the lender of last resort for buyers with terrible credit. Unfortunately, they charge extremely high interest rates and can do more damage to your credit than help it. Many make more money off financing the car than selling it. Some have aggressive collection practices and will repossess your vehicle if you're even a day late. It's not uncommon for “buy here, pay here” dealers to install tracking devices and systems that disable the car to make repossession easier.
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Because of their reputation for taking advantage of the most vulnerable buyers, most consumer advocates advise against buying a car or financing at a buy here, pay here dealer. If your credit is so poor that this type of dealer is your only option, you should not be buying a car. Doing so only invites further financial troubles.
Private-Party Sellers
When you buy a car from a person or business that's not in the business of selling cars is known as a private-party purchase. It can be the cheapest way to buy a used car because you don't have to pay for a dealership's overhead or profit. A private-party sale generally provides the seller with the best return, and the buyer with a lower price than they would find at a dealership.
The trade-off is additional work for both the buyer and the seller. Between the two, all of the sales, title, registration, and other DMV paperwork needs to be completed. In nearly every case, a private-party car sale will be an as-is transaction. The buyer has no recourse if something goes wrong with the car, even a moment after they hand over payment.
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Because private-party sales are mostly unregulated, you don't enjoy the same consumer protection laws you have at licensed car dealerships. You'll need to be a skilled negotiator to overcome the emotional attachment a private seller will have for their old car.
Buyers need to be wary of unlicensed car dealers disguised as private-party sellers. They’re called “curbstoners." They may have several vehicles available at once, won't know the real history of the cars they're selling, and may be just a little too familiar with the car sales process. One easy way to identify an illegal car dealer is to search for their phone number or email address using Google or another search engine. If the search results show multiple vehicles for sale, you may have found an illegal dealer. Other tips are to look at the backgrounds of the photos. If they’re all the same, the seller may be a curbstoner. If the seller answers the phone and asks “which car are you calling about?” there’s a good chance you’ve found an illegal dealer.
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6. Finding a Used Car
Searching for a pre-owned vehicle used to mean scouring tiny newspaper classified ads, cruising shopping center parking lots searching for cars with “For Sale” signs in their windows, and visiting car lot after car lot. Fortunately, things have changed.
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Today, you can find nearly every used car that's for sale somewhere on the internet. Our used car listings , for example, show almost a million vehicles available at dealerships across America. You can narrow the search to your area and the specific model of car you’re looking for.
Craigslist is the most common place to find vehicles for sale by private sellers, but it's not the only place. eBay Motors, Facebook Marketplace, and even Nextdoor.com can show you private-party cars for sale in your area. If you’re looking for something a bit more exotic, head over to BringATrailer.com .
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7. Research, Test Drive, and Inspect a Used Car
Jose Luis Pelaez Inc / DigitalVision / Getty Images
OK, now the real fun starts. When you've identified a vehicle you might want to buy and secured a pre-approved financing offer, it's time to delve deeper into the car's history. You want to find out as much as you can about any vehicle you're considering. That means getting a vehicle history report, taking a test drive, and having it inspected by an independent mechanic to ensure that it's mechanically sound.
Get a Vehicle History Report
The first step in evaluating a used car is getting a vehicle history report. You don’t want to travel all over town – especially in this time of the coronavirus pandemic – looking at cars that aren’t worthy of your attention. A vehicle history report from a company such as Carfax or Autocheck can tell you if a car is worth pursuing, or if there are too many red flags to keep it on your list.
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You will need to get the car’s vehicle identification number (VIN) or license plate number from the seller before you can run the report. You can often get the license plate number from ad photos.
Many dealers will provide the reports for free. If you order them yourself, you can expect to pay about $25 for one report, or less if you buy a multi-report package. If you’re looking at multiple cars, the multi-report packages can save you money.
What’s in a vehicle history report? Though they’re not perfect, a vehicle history report can tell you whether a car is worth spending your time looking at, or whether it’s time to move on to your next candidate.
Accidents: While it may not show very recent collisions, a vehicle history will include information about major reported accidents a car has been in. It uses data from state DMVs, insurance companies, police agencies, and other sources. In some cases, information as detailed as airbag deployment and structural damage will be noted.
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Seeing an accident on a vehicle history report should not instantly knock the vehicle off your shopping list. When you do see an accident in a car's history, it's something that you'll want the mechanic who does your pre-purchase inspection to know about. That way, they can evaluate the quality of repairs. Knowing that a car has been in an accident gives you leverage for a significant price concession on the seller's part during price negotiation.
Flood, Fire, or Other Damage: A vehicle history report will also indicate other damage, such as water damage from a flood, fire damage, or damage from a hailstorm. The first two should disqualify a vehicle from your consideration, due to the high potential of hidden damage.
The report should note if a car has been stolen and recovered. If it has, you'll want to see when it was stolen and when it was recovered. If a long time has passed between the two dates, you'll want to take the car off your consideration. It's a red flag that indicates the vehicle was abandoned and later found.
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Title Status: Information about a car’s title can give you more insight into its history than any other single item on a Carfax or Autocheck vehicle history report. If you see a "branded" title or one that has been moved from state to state to state, it's a huge red flag and you should probably wipe the car off your shopping list. Common title brands include salvage, junk, or rebuilt for vehicles declared a total loss by an insurance company. Others include police use, taxi use, hail damage, flood damage, and lemon law buyback. If you decide to purchase a vehicle with a branded title, you should demand a massive price reduction and let your pre-purchase inspection mechanic know about its history.
You should be wary of cars that have been moved around the country, because unscrupulous sellers use that as a method of "washing" negative information off the title. Various states title vehicles differently than others, and some sellers take advantage of the variations.
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Ownership: Sellers love to advertise cars as “one-owner,” because they’re more valuable than those owned by multiple owners. The vehicle history report will show you whether that’s true in its ownership history section.
Also in the ownership section, you’ll be able to see if there are any liens on the vehicle. You don’t want to buy a car until you have documented proof that the liens have been satisfied and removed.
Odometer Readings: When you renew your car’s registration or get a state-mandated inspection, most states require the car's mileage to be recorded. Those numbers are shown in a vehicle history report and should match what you see on the car's odometer. If the car's odometer shows a lower mileage than in the report, you should ask the seller for a documented explanation or walk away from the deal.
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Maintenance and Service History: A car that a seller can show was properly maintained is worth more than one without any service records. You can get a sense of its maintenance history with the information included in a vehicle history report. You'll also want to get copies of the vehicle's service history from the seller, and have the mechanic who does your pre-purchase inspection assess the quality of the work.
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Sales Information: The sales information section of a vehicle history report will show when the vehicle first entered service and how many times its ownership has been transferred. Watch for vehicles that have been moved repeatedly from state to state, or from an area that has recently endured floods, fires, hurricanes, or other natural disasters. Not only is moving a car one way to mask title issues, but it can also be used to hide flood damage.
Registration and Inspection Information: The report should show every time a vehicle is inspected or registered in a new state. Again, be wary of cars that are moved around a lot. Gaps in a car's registration history can indicate vehicles that were stolen and took a long time to recover, took a long time to rebuild following an accident, or were abandoned and later put back into service.
Recalls: While a vehicle history report should show any open government-mandated recalls, there’s a better place to find the information. Just enter the car’s VIN into the National Highway Traffic Safety Administration’s Safety Issues and Recalls page . It’s OK to buy a car with open recalls, as long as either the seller gets them taken care of before you take delivery, or you do as soon as you get the car.
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What Won’t You Find in a Vehicle History Report? While vehicle history reports are valuable, there’s information that they don’t include. Recent crashes and repairs performed at shops that don’t report them may be absent from the report. The reports also don't usually show the names of a vehicle’s previous owners, as state privacy laws typically protect that information. A vehicle history report is not a replacement for a detailed pre-purchase inspection by an independent mechanic.
First Impressions
When the time comes to start looking at used cars in person, your first impression of both the vehicle and the seller should tell you if you should move the process forward or walk away. If you're looking at a car from a private seller, it's a good idea to treat it like a blind date and meet somewhere public away from your home and theirs. You want to look at cars in the daylight, as the dim light of evenings can prevent you from spotting damage.
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Evaluating a used car means using all of your senses (except maybe taste, because that would be gross). It should also include your sense of intuition, which will help you determine if something doesn't seem right.
It’s a good idea to show up a little early, so you can see the car pull up. Do you hear strange noises or smoke behind it? Do a walk-around, looking for damage, worn or non-matching tires, and broken glass or lights. If there’s something that stands out and would make you pass on the car, it’s a good time to tell the seller and leave. This way, you don’t waste any more of your time or your or theirs.
Next, look at the car’s body and paint. Is it in good shape? Does the color and gloss match from panel to panel? Mismatched panels are an obvious sign of repaired collision damage. Ask the owner to turn on all of the lights and look to see if they’re burned out, cracked, or full of water. A light that’s not working can be as simple as a burned-out bulb, or as costly as a bad wiring harness. Keep track of anything that gets your attention, so you can tell your pre-purchase inspection mechanic to check it out.
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Start exploring the car's interior, looking at the upholstery's condition, and noting any bad smells. A moldy smell can indicate flood damage, while the smell of cigarette smoke can be tough to remove. How clean is the car? If it's filthy, how sure will you be that they've adequately maintained the rest of the car?
While it's not a good idea to bring your kids along when looking at cars, it is a great idea to bring along their car seats. Not all child seats fit well in every car, and you'll want to know if yours do. The same goes for dog crates and other items you frequently carry.
Learning From a Test Drive
Taking a test drive is one of the most critical tasks in buying a used car. However, the rules have changed due to the coronavirus pandemic. You need to place your personal safety above all else. You should insist on taking your test drive solo. If the seller refuses, either walk away, or set strict ground rules about mask-wearing, drive with the windows down, and ask them to sit as far away as possible.
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A thorough test drive takes more effort than simply driving around the block. It's more than just a way to check the car's condition; it's also a chance to see how it meets your needs and see whether you fit and can get comfortable.
Before You Move
Suriyo Hmun Kaew / EyeEm / Getty Images
A proper test drive starts well before you start moving. You want to get comfortable in the vehicle by adjusting the seats, steering wheel, and mirrors. Ensure you can reach all of the controls and see what you need to see from the driver's seat. If you can't get comfortable on your test drive, the car isn't going to magically become more accommodating after you buy it.
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Next, start the car and try out every system. Did the car start quickly, or did it crank for a long time? Even if it's freezing outside, try out the air conditioning and check every fan speed. The same goes for the heater, even if it's the hottest day of the year. Switch on the vehicle's interior lights. If they're pulsing, it can indicate an issue with the car's electrical system. Check every door lock and window, listening for odd noises as they raise and lower.
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Turn on the stereo and move the fader and balance so you can hear each speaker, making sure none of them crackle.
If you see anything that leads you to think that the car is unsafe to drive, do not take a test drive. That includes burned-out brake lights, a broken windshield, an airbag warning light, or tires worn to the cords. As the driver of the car, you're ultimately responsible for any damage, injuries, or traffic citations.
Make note of any issues you find. The seller will either need to get them fixed, or offer price concessions so you can make the repairs after you buy the vehicle. Of course, if you’re buying a very old car or one with high mileage, you can’t expect perfection. You should always expect safety, or be prepared to spend the money to make it safe.
The Drive
A test drive is an opportunity to learn about a vehicle you may buy, assess its condition, and get a sense of its performance. It is not a chance to allow your inner Formula One driver to run free. Most car dealers will immediately stop the test drive when this happens and ask you to take your business elsewhere. Do it in a private seller’s car, and you’ll likely be held financially responsible for the damage you cause.
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When you start moving, you’ll want to turn off the car’s radio so you can hear any strange engine, transmission, or suspension sounds. You’ll also want to listen for wind noises around the windows, doors, and sunroof that may indicate leaks.
Is the ride as you expect it to be, without strange jolts or noises? Be sure to adjust your expectations to the type of car you’re driving. An off-road-oriented pickup can’t be expected to provide the composed ride of a midsize sedan, for example. If you’re buying from a dealer, they will likely have preset test drive routes. If possible, however, you’ll want to test drive the car on the types of roads more typical to your commute. That’s another reason to push for a solo test drive.
You should pull into a parking lot, so you can assess the car’s maneuverability and how easy it is to see outside or use the vehicle’s cameras when in tight spaces.
While it’s natural to be nervous when driving someone else’s car, do your best to drive it as you would drive your own. Test the brakes, making sure they don’t pulse or grab. Does the car accelerate smoothly, or does the transmission slip or cause the vehicle to lurch? Does the car drift left or right when you hold the steering wheel straight? A very slight drift to the right is acceptable, but it should never pull to the left, into oncoming traffic. Vibrations you feel in the steering wheel typically come from the front tires, suspension, or brakes. Those you feel in the seat of your pants likely come from the rear of the car.
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Pay attention to the instrument panel. Are warning lights coming on? Or are lights not coming on when they should?
While you should note every flaw during the drive, not all should eliminate the car from consideration. Some issues can be used as bargaining chips when negotiating a price. All issues should be brought to the attention of your pre-purchase inspection mechanic.
We have a whole feature article dedicated to the topic of How to Test Drive a Car .
Get an Independent Mechanical Inspection
A great test drive may have you ready to write a check and drive the car home right away. However, there's another critical step you have to complete before you decide to buy. With just one exception, you should not buy a used car without a comprehensive pre-purchase inspection by an independent mechanic. The only exception would be if you're buying a relatively new certified used car with factory warranty coverage from a franchised new-car dealership.
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When we say independent mechanic, we mean one that works for you, not the seller. Taking it back into a dealership’s shop, putting it up on a lift, and declaring it in good order simply isn’t good enough.
Yes, a pre-purchase mechanical inspection will cost you some money – probably $100-$200. However, if it saves you from a major mechanical repair soon after your purchase, it will have been worth it. Plus, it may highlight issues that give you additional bargaining power in your price negotiations. In some states, AAA-affiliated auto clubs offer comprehensive pre-purchase inspections from AAA-approved auto shops or mobile inspection companies.
Sometimes a seller will resist your need to have the vehicle inspected. Sometimes they don’t think it’s worth the hassle, while other times they’re trying to conceal known problems with the vehicle. No matter what the excuse, you want to be firm: no inspection, no sale.
Good mechanics will not only find issues that aren't apparent to most car shoppers; they'll also be able to estimate how much the repairs would cost. Their experience should tell them what problems are common to specific models and identify when collision repairs and periodic maintenance have been performed correctly. They will have access to databases that identify common issues so that they can focus their attention on those areas.
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If a mechanic finds issues, it doesn’t necessarily kill the deal. Any problems they find just become another point to address in your price negotiations.
8. Make a Deal and Complete the Paperwork
If the test drive and independent mechanical inspection don't raise any concerns, it's time to negotiate a deal, set the purchase price, and finalize the sale and paperwork.
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Negotiating a Fair Price
Chattapong Choosakarchanai / EyeEm / Getty Images
Price negotiation is part art, part science. It is critical to remember that it’s not personal. Buying a car is a business transaction – nothing more, nothing less. The more you show your emotions, the less powerful your bargaining position. Negotiation needs to be based on facts, not your feelings.
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In the past, most price negotiation would have been done face-to-face. Today, it’s just as likely to be done by chat, text, or email. That’s great for buyers, who have a written record of the offers that a seller can't conveniently forget happened. You can take those messages and use them as leverage with another seller.
You’ll want to research what others are paying for similar cars in the marketplace. Our used car reviews show market price information for used vehicles going back more than a decade. Look at what price private sellers are seeking on Craigslist, but remember those are asking prices and not what the vehicles are actually selling for.
What strategies you use depends on where you're buying the car. If you're buying from a dealership, you'll be negotiating with a salesperson who is trained to move you incrementally to the deal they want to give you. Dealer salespeople will generally want your focus to remain on the monthly payment, while you'll want to keep them focused on the total cost of the car. If you have a trade-in or need financing, they’ll want to package everything into one deal, while you want to keep them as separate as possible.
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By merging all of the numbers into one deal, a trained salesperson can manipulate each of the components to make it look like you’re getting a deal when you really aren’t. It also breeds confusion, which is advantageous to the seller. You can take the trade-in completely out of the deal by selling it yourself . Having a pre-approved financing deal in place limits their ability to manipulate a loan’s terms.
Setting a price with a private seller is usually much more casual. In fact, if a seller starts acting too much like a salesperson, it's a red flag that you might be talking to an unlicensed dealer. Private-party car sellers often have an inflated opinion of their car's worth and are emotionally attached. Sometimes they have an unrealistic price they "need" to get out of the vehicle.
Negotiation experts will tell you that the person who talks first about price, or talks the most, will usually not get what they want out of the back and forth. Ask the seller what price they want for the vehicle. Doing so locks them into a price that they can’t ever take higher.
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Be sure you’re talking about the out-the-door price, including all fees. Many dealers are notorious for adding a plethora of fees to the negotiated price. Some are real and non-negotiable, such as registration and title fees. Others are more nefarious, such as documentation, advertising, and vehicle preparation fees. Those last few should be part of the negotiation and considered part of the price of the car.
Some used car sellers, such as Carvana, are simplifying the car-buying experience by eliminating last-minute fees and pivoting to a no-haggle sales process. The car's advertised price is not negotiable, and no dealer or documentation fees are added to the purchase price.
Your counteroffer should be at the low end of what similar vehicles are selling for, and you should be ready to back up your offer with reasons why. Be sure to consider the cost of any repairs the car needs in the amount you offer.
Remember: once you throw out a price, you can never go lower. If your counteroffer is so low that it's insulting, remember it's the seller's right to send you on your way. It's important to consider that a dealer is entitled to a fair price. A private-party seller will expect a price in the range of what other sellers of the same car are getting.
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Bottom line: Don’t be a jerk, and don’t let the seller be a jerk to you. Be firm, yet polite and professional.
Negotiation can take some time. Each time the seller comes back with an offer, make them back it up with reasons why they think it’s worth that price. Counter their offer, and back it up with reasons why you won’t pay their asking price.
If a seller tries to bully or intimidate you into making a deal, you should run – not walk – away. In fact, walking away is the most powerful negotiating tool you have, as long as you use it the right way. If you walk away, be sure to leave your contact information, letting them know to contact you if they can come closer to your price.
Never trust a seller’s math when it comes to evaluating an offer. Have a notepad at the ready, and pull up the calculator app on your phone to run the numbers. Once they realize that you understand how all of the numbers fit together, they’re less likely to play games with the figures.
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Signing the Papers
If you’re buying a car from a dealership, this last step is easy. The salesperson will have the purchase documents prepared. You just have to read and sign them. Be sure to check all of the numbers and make sure no costly extras have worked their way into the deal. Never sign documents that are incomplete or incorrect. It's harder to demand the correction of paperwork that already has your signature on the dotted line.
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It's more complicated when you buy a car in a private-party sale. One of you will have to create a bill of sale. It should note the date, mileage, price, and any special terms. Your lender may have a specific form they need you to use or require additional information to be included. In most cases, car sales between individuals are as-is transactions with no warranty coverage. If you negotiated repairs into the deal, they must be specified on the bill of sale.
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Different states require different documents for a private-party sale. At the very least, you'll have to reassign the title from the seller to you and register the car in your name. In some states, you'll also have to file an odometer disclosure or have the odometer reading verified. If you're moving the car to an area with safety or emissions testing, you'll need to have that done before registering the vehicle. Some states will require you to have proof of auto insurance coverage and require payment of any taxes when applying for registration.
Beware of ‘Yo-Yo’ Financing
Some car dealers will let you drive a pre-owned car home before the financing is complete. You never want to do this. When you accept what is called “spot financing,” you open yourself up to be a victim of the “yo-yo” financing scam.
Here's what happens: it appears the paperwork is all complete, but the financing component isn't quite done. The dealer's finance officer or salesperson will tell you that they just have to file paperwork with the lender in the morning. There may be a line in the fine print that says the financing is pending approval.
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After you’ve been enjoying your new-to-you used car for a week or so, you’ll get a call from the dealership saying that you didn’t qualify for the financing in the original paperwork. They’ll demand you return to sign new paperwork. When you arrive, you're faced with a financing deal that's far more expensive than the one you originally agreed to. They'll often apply significant pressure to get you to sign, implying that you have no other choice. Fortunately, in most cases, you do.
It is sometimes true that the dealer believed you would qualify for the financing. In other cases, unethical dealers know that you never had a chance to get the financing deal. Instead, they want you to take the car home, fall in love with it, and then be coerced into signing for a new, more expensive loan.
If that happens to you, the first call you want to make is to a local bank or credit union to determine what kind of a deal you qualify for and get approved for a new deal. Take that pre-approved loan back to the dealer and use it to buy the car. If you can't qualify for financing from an outside lender, take the vehicle back to the dealer and demand they undo the deal. In some states, the laws regarding spot financing are in the buyer's favor. In some states, however, they favor the dealership and leave you with few options.
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You can avoid falling for this unethical practice by financing your used car purchase outside of the dealership and ensuring all of the documents are finalized before you sign. Watch out for phrases such as "conditional approval" or "conditional delivery." Don't sign any papers with those terms.
9. Consider Add-Ons, Warranties, and Insurance
We’re almost at the finish line, but there are a couple of final tasks that need to be taken care of.
Add-ons
When you are signing the final paperwork, you’ll likely be barraged with offers for add-on products . They’ll range from various vehicle protection products, such as paint and upholstery sealants, to gap insurance and extended warranties (sometimes called service contracts). The offers will generally come with slick sales pitches and pressure to buy right now.
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Before you do, you want to do your research. In many cases, the products can be purchased outside of the dealership at better prices. Products such as extended warranties can be purchased from many lenders and insurance companies. The same goes for gap insurance coverage, which can usually be packaged with the rest of the car insurance coverage you buy from an auto insurance company .
The time pressure will come from the dealer's desire to include the products in your car's financing. "It will only add a few dollars per month to your payment," you'll be told. The truth is, you rarely want to finance these add-ons. They add no little value to your vehicle but raise your financing's loan-to-value (LTV) ratio, potentially putting you underwater. The "just a few dollars per month" argument also hides the real cost of the products.
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Buying a manufacturer-certified used car typically gets you factory warranty coverage, eliminating the need to immediately purchase an extended warranty. Other used vehicles are usually sold as-is, with no warranty past the car's original factory warranty. Once that warranty ends, or if it is already finished, you'll be on your own for repair costs. Consumer advocates almost universally advise against purchasing extended warranties. If you decide to anyway, be sure to compare the products available in the marketplace, their prices, and the companies behind them.
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Purchase the Right Car Insurance
It's often overlooked, but buying car insurance to protect your new car isn't just a good idea; it's the law in nearly every state. Even if it's not, most lenders will require you to have insurance on any car they finance. The coverage that's needed will vary by your state and lender.
The U.S. News guide to car insurance is the place to go when you want to learn how to navigate the world of auto insurance. We’ll help you understand how car insurance works , how much coverage you need , and how to find car insurance discounts .
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Owning a Used Car
It has been a long journey, but now you're a car owner. You'll want to ensure that it is properly maintained, and that you take steps to protect its value . By taking care of your car, you’ll limit its depreciation. When it's time for your next vehicle, you want its trade-in value to be as high as possible.
You worked hard to get your car and its financing. Not making your car payments can see all of that hard work go to waste, taking your credit score along with it. Our guides explaining what to do if you’re underwater on your car loan and what to do if you can’t make your car payment can take you through the process of dealing with financial calamities without needless damage to your credit.
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**3.** <https://www.nerdwallet.com/article/loans/auto-loans/buy-used-car>

How to Buy a Used Car in 11 Steps
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How to Buy a Used Car in 11 Steps
Using tools like pricing guides, online listings and vehicle history reports can simplify your used-car shopping experience.
Philip Reed
Auto Loans Specialist | Edmunds.com
Philip is an automotive expert who writes a syndicated column for NerdWallet. He has appeared on national TV and radio and once wore a hidden camera for ABC News to show how to haggle for a used car. His passion is helping people save money in their automotive budgets.
Benjamin Din
Writer | Politico
Benjamin Din is a writer at NerdWallet. He previously was a technology reporter at Politico, where he wrote a daily newsletter covering tech and telecom policy. He has written for The Wall Street Journal, Bloomberg News and The Washington Post, as well as covered two Olympics with NBC Sports. Benjamin has a journalism degree from Northwestern University. In his free time, he enjoys traveling and learning new things. Email: <a href="mailto: [email protected] "> [email protected] </a>.
Julie Myhre-Nunes
Assistant Assigning Editor | Auto loans, consumer credit
Julie Myhre-Nunes is an assistant assigning editor at NerdWallet. She has been working in the personal finance space for more than 10 years. Before joining NerdWallet, Julie oversaw editorial teams at NextAdvisor, Red Ventures and Quote.com. Her personal finance insight has been featured on Forbes, The Boston Globe and CNBC throughout the years. Julie’s writing has been published by USA Today, Business Insider and Wired Insights, among others. Email: <a href="mailto: [email protected] "> [email protected] </a>.
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Steps
11. Make the purchase
Shopping for a used car is a lot of work, but when done right, it can be well worth your time. With the help of online car-shopping tools, you’ve got the best chance of making a good deal on a car that meets your needs and fits your budget.
There are plenty of reasons to buy used instead of new: It will save you money on car insurance, registration, taxes and depreciation, which is the loss in a car’s value due to wear and tear over time. It also makes sense because cars have never been more reliable. It’s not unusual for some well-maintained vehicles to be trouble-free for well over 200,000 miles.
But in the current used-car market — where supply is limited and prices are high — you may not be able to find exactly what you’re looking for at the price you want. And in some cases, buying a new car can be cheaper than buying used, especially if you’re looking for a late-model vehicle.
Despite those challenges, here’s an overview of the process, as well as what to look for when buying a used car, whether it’s from a dealer, from a private party or from an online retailer.
1. Determine how much to spend
There are two ways to buy a used car: Pay cash or take out a loan. If you’re paying with cash, budgeting is straightforward. Make sure you don’t spend all your savings and remember to set aside money for registration, insurance and possible future repairs.
Most people take out a car loan so they can protect their savings or buy a more expensive model. It’s smart to get preapproved for a car loan because it simplifies the buying process and puts you in a stronger position at the car dealership. You’ll see later how preapproval fits into the process.
Use an auto loan calculator to run the numbers on payments and term lengths. NerdWallet recommends that you:
Plan to put about 10% down, which helps decrease the amount you’ll need to finance.
Aim to finance the car for no more than three years.
Budget so that, ideally, your monthly auto expenses — such as car payment, gas and insurance — won't be more than 20% of your monthly take-home pay.
Find your preapproval rates
» MORE: Compare auto loans, rates and lenders
2. Choose the features you need
With so many options available, picking the right car can be overwhelming. Take some time to think about how you plan to use this car. For example, if you have a family, you’ll want enough room for everyone plus ample cargo space. If safety is a top priority, check out the Insurance Institute for Highway Safety for crash tests. In recent years, some advanced safety features that were once reserved for luxury vehicles now come standard on many models.
Narrow the field by making a list of must-have features. Then, search for models with those features using car finder tools on automotive websites like Edmunds. As you move forward, build a list of three car models to research in more detail.
$4,000-Max. not disclosed
3. Research reliability and ownership costs
Every used car is different. Some have been driven more miles and have more wear and tear. But, in general, you want to make sure you're choosing models known for their dependability. Consumer Reports (which requires a paid subscription) and J.D. Power collect maintenance reports from owners and rate all used cars.
You’ll also want to consider the total cost of ownership . Some cars may be cheaper upfront, but the costs can add up in the long run because of insurance, maintenance, repairs and depreciation . Automotive websites, such as Kelley Blue Book's Five-Year Cost to Own or Consumer Reports' Cost of Vehicle Ownership , can help you estimate these expenses.
4. Find good used cars
There are a lot of websites that list used cars, and each site seems to have its own character. Many of them also have car-buying apps , if you’re shopping on your phone. Here are some options to check out:
Online marketplaces, such as Autolist , Autotrader and Used Car Search Pro , aggregate listings from online retailers, dealerships and sometimes individuals from across the country. Once you find a listing you like, they’ll give you the seller’s contact information.
Online auto retailers, such as CarMax , Carvana and Vroom , allow you to complete the purchasing process online. These retailers own the inventory and sometimes have return policies if you’re not pleased with your purchase.
Traditional private-party sales platforms, such as Craigslist and Facebook Marketplace , are popular shopping platforms if you’re looking to buy a used vehicle from a private party. Sellers are often looking to make a quick sale, so it’s possible to get a great deal — but be careful about scammers.
Most used car lots have the cars in their inventory posted online. However, if you’re someone who likes to see and touch the cars you’re considering, there are countless used-car lots across the country where you can do just that.
5. Price the cars
Once you find several cars for sale in your area — but before you physically inspect them — look up that car model in a pricing guide such as Kelley Blue Book, Edmunds and the National Automobile Dealers Association. You can use the guide to estimate the market value of the actual car you’re looking at by assessing its condition based on factors such as age, mileage and options. With that in hand, you’ll have the information you need to negotiate effectively.
When you look up a price, include the following information:
Year, make and model. The model is sometimes called the “trim level.” For example, when looking up a 2020 Nissan Sentra, SV is one of several trim levels.
Options. These are special features installed when the car was built, such as a navigation system.
Mileage. If a car has been driven more or less than the typical mileage, the price is adjusted accordingly.
Condition level. Read the descriptions of the condition levels carefully, as each pricing guide has its own rating methodology for determining the difference between “clean” and “outstanding,” for example.
Most pricing guides give you several different prices. If you're buying the car from a dealer, look at the “dealer retail” price. If your next-door neighbor is the seller, you should look at the “private party” price. You might also notice that pricing guides tell you what the car is worth as a trade-in. Make sure to price your current car if you plan to trade it in at the dealership.
If you want to sell your car online , some websites will give you an instant cash offer, valid for a few days. These offers are a great way to gauge trade-in value, even if you don’t sell it.
6. Pull the vehicle history report
Run a vehicle history report on the cars you’ve selected. Using the vehicle identification number, or VIN, you can get a detailed report of the car’s history from Carfax or AutoCheck. It’s a quick way to know if you should seriously consider buying this car.
In some cases, online listings will include access to free vehicle history reports. If not, it’s worth it to buy one.
What you'll learn from the vehicle history report
Does this car have a clean title ? If a car’s been in a serious accident, fire or flood, and was “totaled” by the insurance company (declared a total loss) it still might be driveable. However, the insurance company will issue a “salvage title” to alert future buyers. Steer clear of cars with a salvage title because it kills the resale value, and the car might still have hidden problems.
Serious accidents are reported to the insurance company and will probably be on the vehicle history report.
Shady sellers might spin the odometer back to increase a car’s selling price. The vehicle history report can alert you to this scam.
The report will list each time the car changed hands.
Some reports show if required maintenance was done on time and where the work was performed.
7. Contact the seller
A quick chat will answer lots of questions and save time. First, verify the information you read in the ad.
Questions to ask when buying a used car
Are you the first owner?
Are the service records available?
Do you have the title and is it clear? (A clear title shows there are no liens on the car.)
How did you set the asking price?
Is there any important information that wasn’t in the ad?
Can I have the car inspected by a mechanic?
8. Test drive the car
Up to this point, you haven’t actually driven the car you’ve chosen. Now, you'll not only see if you like this model, but you'll also have to decide if this particular car is worth buying.
Unless you're a mechanic, you can’t be expected to inspect a car thoroughly. However, you can give the car a pretty good initial inspection. If it looks good, then you can get a full used-car inspection .
First, start the car. All the warning lights should turn on for a few seconds, then go out. At the very least, check for the four most important: engine, oil pressure, brakes and airbag. If you don't see these lights go on, then off, dig deeper.
Select a test drive route that has a little bit of everything: hills, rough pavement, curves and even a stretch of highway. Drive the car with the radio off — you can test that later.
What to check when buying a used car
Visibility: Are there any blind spots?
Acceleration and cornering: Does the car have enough power? How does the steering feel?
Brakes: Are they responsive and predictable?
Ergonomics: Can you easily reach all the gauges and controls?
Mechanical condition: Listen for any unusual noises or vibrations that could indicate worn suspension parts or tires.
After the test drive, check the back-seat leg room and cargo capacity. Now it’s time to blast the sound system and see if your phone connects via Bluetooth.
9. Inspect the car
If you liked driving the car and it seems to be in good condition, you should still take it to a mechanic. Private-party sellers are pretty relaxed about this. Some dealers might give you pushback, claiming they’ve already inspected it. Go ahead and insist if you have any doubt about the car's condition. Expect the cost of a car inspection to run about $100 to $300.
On independent used car lots, you often see a sign in the window saying that the vehicle is “certified,” which can mean almost anything — and usually means nothing — about the condition or reliability of the car.
But on new-car lots, “certified” means the vehicle is a certified pre-owned car . CPO programs have become popular and make used car shopping a whole lot easier, because the cars are thoroughly inspected and include an extended factory warranty. Those vehicles are pricier, but you don’t need to take a CPO car to your own mechanic.
10. Negotiate the best price
Here’s the part that everyone dreads: negotiation. But it doesn’t have to be stressful, especially if you’ve done your research and have a good idea what the car is worth. Compare the seller’s asking price to the average market price you determined on the pricing guides. Chances are, the seller is asking more than the market average.
Let’s say the seller is asking $12,000 and your research has told you the car is worth $10,500. Start by pointing out any concerns you have about the car’s condition. For example, you can say, “I like the way the car drives. But it really needs a new set of tires. And besides that, the book value is only $10,500. So I’d be willing to buy it for $10,000.”
Now, it’s up to the seller to either accept your offer or make a counteroffer. If their counteroffer still seems too high, you can either stick to your guns or invoke the time-honored phrase, “I’ll meet you halfway,” and split the difference. You can go back and forth until you agree.
When you bargain with a car salesperson at a car lot or dealership, remember that you're dealing with a pro who knows all the tricks.
6 tips to use on the car lot
Don’t be a monthly payment buyer. If you have a preapproved loan, you're a cash buyer as far as the dealer is concerned and you should negotiate on the price of the car, not the size of the monthly payment.
Start low, but in the ballpark. Lowball the seller and they won’t treat you as a serious buyer. Instead, make an offer that is on the low side, but still enticing. Then, improve your offer slowly, perhaps in increments of $250.
Don’t be trapped in the sales office. Don’t let a salesperson leave you alone while they “go to talk with their boss.” Instead, roam around the showroom or go get a cup of coffee. Uncontrollable buyers keep salespeople off balance, which can help you in negotiations.
Negotiate slowly and repeat the numbers you hear. Take your time to understand all the numbers being thrown at you. Write them down, if that helps you. Confirm if you're talking about the “out-the-door” price , which includes all taxes and fees, or just the sale price of the car.
Ask about fees before saying yes to a deal. Some dealers include bogus fees to take back profit they lose during the negotiation. Get a breakdown of additional fees before you agree to any deal.
Always be ready to walk. If you aren’t making progress toward a deal, or you don’t like the way you’re being treated, just walk out. You don’t need an excuse. “I’m not going to buy” is good enough.
11. Make the purchase
Before taking ownership of the car, you should add it to your insurance policy. Then, you only need to pay for the car — usually with cash or a cashier’s check. Make sure you get a title and have the seller sign it correctly. (If the seller’s name isn't on the title, you could be a victim of title jumping , which is illegal.) When in doubt, check the state’s registry website for more information. Many states allow about 10 days to transfer ownership.

**4.** <https://www.consumerreports.org/cars/buying-a-car/how-to-buy-a-used-car-a5221672417/>

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**5.** <https://www.familyhandyman.com/project/tips-for-buying-a-used-car/>

Tips for Buying a Used Car
Updated: May 11, 2022
Next Project›
Family Handyman
Before buying a used car, follow this 4-step inspection program to determine the vehicle's reliability, condition and value. It'll help you negotiate a fair price and avoid expensive repairs after the purchase.
By the DIY experts of The Family Handyman Magazine
You might also like: TBD
Tips for Buying a Used Car Step 1: Check the vehicle’s reliability on the internet
Photo 1: Compare repair costs
It’s a great vehicle, but only if you can afford the repair parts. Don’t be surprised by sky-high parts costs after you’ve bought the vehicle. Get all that information up front at rockauto.com .
Family and friends used to ask me if a certain vehicle was “a good one” only after they’d bought it. Hello? What am I supposed to say then?
Buying a dependable used car takes a little bit of homework. Here’s a four-step plan that you can follow to have the best shot at getting a car that won’t turn into a money pit. This step-by-step inspection program works whether you’re buying from a car lot or a private party. It’s not rocket science, just simple logic when you need tips for buying a used car.
This story on tips for buying a used car isn’t about cosmetic issues like rust, body dents or dirty carpets. Plus, I’m assuming you’re buying a vehicle that’s out of the factory warranty period.
Once you decide on a few vehicle models you’re interested in, it’s time to begin your research in online forums such as edmunds.com and automotiveforums.com . These are two websites where you can read comments and ask questions of a pool of thousands of people who actually own that vehicle. Review the owners’ comments and ask about their ownership experience. Find out if there are any recurring problems with that year, make and model and how much the owners have shelled out in repairs. Then ask whether they’d buy the same vehicle again. They’ll give you the straight dope. Some forum members respond immediately, but be patient; it might take a few days to get plenty of responses. Someone will always have a good tip on buying a used car.
Meanwhile, check out rockauto.com’s “Repair Index” to compare repair parts costs (Photo 1). You may find, for example, that a certain European sedan’s alternator replacement could cost upward of $800, whereas the same item for a similar domestic model is relatively cheap at $150. When you’re buying a used vehicle, parts cost is a major concern.
Tips for Buying a Used Car Step 2: Inspect before taking a test drive
Photo 1: Check the dash lights
System lights should come on, then turn off, when starting the engine.
Photo 2: Don’t kick the tires—measure them
Measure the remaining tread depth to determine how much tread is left. New tread depth (for cars) is usually 11/32 in., and tires must be replaced when they’re at 2/32 in.
Photo 3: Check the rubber CV boots
Turn the wheels fully left or right and crawl under the fender. Shine your flashlight on the pleats of the rubber CV boots. Look for tears or grease.
Photo 4: Check the oil
Shine your flashlight into the oil filler opening and check the color of the metal engine parts. They should be shiny. Then swipe your finger around the inside of the oil filler opening to check for sludge buildup.
Photo 5: Check the transmission fluid
Yank the transmission dipstick and place a few drops on a white cloth. If it’s dark brown and smells burnt, walk away from the car.
Check the dash lights (Photo 1). Turn the key to the “run” position. The Check Engine (Service Engine Soon), Airbag (SRS), Antilock brakes (ABS), Antitheft (Security), and traction control, lights must come on. After you start the engine, all those lights should go off.
Check the tires. If you see cracks in the tread or sidewall areas, or notice any steel wires sticking out, you’ll need new tires immediately. So deduct at least $450 from the seller’s asking price (more for truck or SUV tires).Next, use a tread depth gauge (less than $5 at any auto parts store) to check the tread at the edges and center of the tire (Photo 2).Tread wear that’s worse on one edge of the tire indicates an alignment problem (minimum $100). Irregular tread depth around the tire (cupping) indicates worn struts or worn suspension components (strut replacement runs about $450 for parts and labor).
Check the constant velocity (CV) boots (Photo 3). If they’re cracked, you’re looking at big money, at least $400 per side (parts and labor) for rebuilt axle assemblies.
Check for engine sludge or severe varnish buildup. Both are signs of neglected maintenance. Remove the oil filler cap and check the engine internals (Photo 4).
A cold engine should start right away, without having to “give it some gas.” Then it should settle down to a smooth idle. If the idle is rough when the engine is warm, it’s a sign of a fuel, ignition or vacuum-related problem. That’s going to cost a minimum of $250 to diagnose and fix.
Check the fluids. Fresh brake fluid is honey-colored. But dark brown brake fluid may still be good. Your best bet is to buy brake fluid test strips at an auto parts store. Count on $65 for a brake fluid flush.Engine coolant comes in many different colors, but one color is the kiss of death—rust. If you see that, run, don’t walk, away from this vehicle. You’ll have nothing but costly repairs (radiator, heater core, water pump, etc.) down the road. Flushing the coolant at this point won’t help because the damage has already been done.Fresh transmission fluid is bright red (Photo 5). If it’s light brown, it’s due for a change (figure about $175 for a complete change-out with the manufacturer’s fluid). If the vehicle doesn’t have a dipstick, have your mechanic check it at final inspection.
If the owner has maintenance records, great. It probably means that they took good care of their car. Then check the maintenance schedule in the glove box to see if any major repairs are looming. A timing belt change-out can easily cost $500, and a tune-up can cost $250 on some engines. If the owner already did those repairs, great. But if they didn’t, you’ll get stuck with a large bill right away.
Video: How to Measure Tire Tread
Rick Muscoplat, an automotive expert at The Family Handyman, will show you how to measure tire tread on your vehicle so you will know when you need to replace your tires.
ⓘ
Tips for Buying a Used Car Step 3: Take a test drive
Photo 1: A bouncy pedal is a bad sign
Make several stops to heat up the brakes. Then accelerate to 30 mph and slow to a stop. You shouldn’t feel any pulsation. If you do, negotiate a lower price.
Photo 2: Should be no shakin’ goin’ on
Accelerate to 50 to 60 mph on a straight, level section of highway and let go of the wheel (keep your hands close). Note any left/right wobble or vibration. The vehicle should drive straight with minimal input from you.
This isn’t a “once around the block,” 10-minute drive. You need to really put the vehicle through its paces on city streets and on the highway. Here’s what to look for.
As you start the test drive, check for brake pedal pulsation (Photo 1). Pulsation is caused by brake rotor runout (warpage), and the fix is usually a brake job ($250 to $500). Pulsation shouldn’t kill the deal, but it should reduce your offering price.
Check for steering wheel wobble and wander (Photo 2). If the wheel vibrates, the cause could be an out-of-balance tire (about $25). But if the vehicle “wanders” and the steering wheel requires constant correction, it’s a sign of serious steering or suspension-related problems (minimum $400 for parts and labor).
Check transmission shift speeds. Every transmission is different, but as a general rule, the first (1–2) shift should occur at 8 to 12 mph. The next shift (2–3) should happen at about 18 to 25 mph. If the vehicle has overdrive, the last shift should occur at about 40 mph. If you have any doubts about the shifting, ask your mechanic to check it out.
Check overall engine performance. Accelerate from a stop without letting up. You shouldn’t feel any hesitation, chugging or hiccups. Then put it under a heavy load by driving it up a steep hill or punching it hard on the highway. You shouldn’t feel any miss or lag. If you do, it’s got “driveability” issues, and that’ll cost you a minimum of $100 just to get a scan tool check.
Tips for Buying a Used Car Step 4: Negotiate the price first, then take it to a mechanic for a final inspection
Photo 1: Negotiate the price
Negotiate a price based on your findings. But make it contingent on a clean bill of health from a professional inspection.
Most mechanics charge about $100 for a used-vehicle inspection, and it’s the best money you’ll ever spend. But before you commit to the inspection, negotiate the best price based on any problems you’ve already discovered (Photo 1). Then make the final purchase contingent on a clean bill of health from your mechanic. Make sure the final inspection includes a scan tool check for “readiness monitors” and “pending codes.” I’m warning you—don’t skip the final inspection step just to save $100.
Required Tools for this Project
Have the necessary tools for this DIY project lined up before you start—you’ll save time and frustration.
Flashlight

**6.** <https://www.nytimes.com/2021/12/09/business/used-car-buying-tips.html>

Prices for used cars have soared during the pandemic.Credit...Mark Makela for The New York Times
By Paul Stenquist
Dec. 9, 2021
Whether your family celebrates Toyotathon or December to Remember, the winter holidays have been a good time to buy a new car, as dealers would cut prices to tempt bargain-hunting shoppers.
These seemingly generous offerings were meant to clear out the previous model year’s inventory while giving shoppers a look at the new (and more expensive) models.
While many dealers are still trying to push end-of-year showroom traffic in this year of shortages , shoppers will most likely find the pickings slim and prices high. According to Mark Schirmer, spokesman for Cox Automotive, an industry consulting firm, new-car inventory as of mid-November stood at about one million. In a normal year, three million vehicles would be offered for sale.
With a dearth of affordable new cars on showroom floors, buyers are turning to the used car market. That’s good news if you’re selling: The retail prices of previously owned cars on dealer lots have skyrocketed, with the average topping $26,000.
Fortune in November reported that used car prices were up nearly 40 percent since March 1, 2020. In a normal year, Mr. Schirmer said, prices drop in autumn. But this year, wholesale prices of used vehicles increased 4.9 percent in the first 15 days of November, according to the Manheim Used Vehicle Value Index .
Many buyers are hesitant to spend lavishly on a new car, let alone for a used vehicle. But since a car is often a necessity, many can’t wait and will pay the going rate. (According to the American Public Transportation Association, 45 percent of Americans have no access to public transit .)
Does anyone have your back when buying used? Large, franchised car dealers have a reputation to protect and don’t want to deal with regulatory agencies or answer to lawsuits, so that’s a plus for the buyer. Many offer a limited warranty, often 90 days or 6,000 miles. Certified pre-owned vehicles, which are offered by the dealers of most automotive brands, are inspected and come with better warranty protection. The prices reflect those extras, but all things considered, a certified pre-owned car is most likely your safest bet.
One key resource for any shopper is Carfax, which provides vehicle history reports for cars that have been previously registered. The reports are reasonably accurate and will at least let the buyer know if the car was damaged in an accident and its recorded mileage at the last transaction. Most dealers will provide a Carfax report, but consumers can obtain one at carfax.com by entering the vehicle identification number. Beware of printed Carfax reports provided by a seller; they can be fake.
Since the price of a used car from a retail dealer is now closer to what many are accustomed to paying for a new car, are there alternatives? Carvana and Vroom are among the enterprises that sell used cars online and deliver them to buyers who never visit a lot.
But growing demand and high volume have apparently caused problems. In October, a Wall Street Journal article suggested that the Carvana experience wasn’t necessarily a positive one. It said dozens of complaints had been filed with state regulators and even more with the Better Business Bureau , a consumer information service.
The bureau has also issued alerts regarding Vroom, saying consumers complained that the vehicle “they purchased from photos was not the vehicle they received.” The service went on to say: “Since January, the pattern of complaints has not trended down but has actually increased.”
CarMax is another used car seller that promises fast online transactions, but unlike Carvana and Vroom, it operates over 200 locations where a shopper can inspect cars. However, reviews of the service published on the Better Business Bureau site are generally scathing.
And Carvana, Vroom and CarMax are fixed-price sellers. Buyers can’t haggle. That may reduce stress, but it might also result in a higher price than one might negotiate in person.
Image
A Carvana “vending machine” in South Fayette, Pa. The online used-car seller delivers vehicles to buyers, who never have to visit a lot.Credit...Ted Shaffrey/Associated Press
The best opportunity for finding a bargain may lie in searching eBay, Craigslist, Autotrader or newspaper classified ads. But these have few protections for buyers other than Carfax, which in addition to vehicle history reports offers advice for those buying on Craigslist, although its recommendations apply to any private-party used-car purchase.
Carfax’s guide breaks the process down into seven steps. The first step is obvious: Search for a vehicle in the cars and trucks section of Craigslist for sale listings. You can limit the search by price, location, make, model and odometer mileage. You can also choose to view only vehicles listed by owners, and specify condition and transmission type. A search for an excellent-condition Chevrolet Equinox for sale by its owner in the Detroit area, for example, turned up five candidates.
If you find a vehicle that interests you, contact the seller. Request a phone number if none is provided; a conversation is usually more revealing than text messages or emails. If the vehicle is available, you can ask for additional photos.
Run a Carfax vehicle history report — you will need the car’s VIN — which can verify information the seller provided. Carfax notes that if the seller isn’t the original owner, he or she may not even be aware of all the information in the report.
If you decide to buy, meet the seller and inspect the vehicle. Take a friend and meet in a neutral high-traffic area; some jurisdictions allow transactions in the parking lot of the local police department. That’s ideal. If the seller refuses to meet at a safe location, consider it a warning and move on. If possible, have a mechanic inspect a used car before completing the transaction.
Used-car listings can also be found on eBay Motors, which unlike other sources has some built-in protections for buyers and sellers. In a 2019 review, Business Insider pointed out that eBay Motors provided more than listings; it offered secure payment methods, vehicle history reports and seller and buyer ratings of those involved in previous transactions. Up to $100,000 in vehicle purchase protection is also available.
Like Craigslist, eBay Motors lets you narrow your search by equipment, location, transmission type and more. A plus for eBay is its transactions ratings. This can help weed out scammers who may have generated complaints in previous transactions. It also reveals what’s behind the rating. If previous sales were for calendars or concert memorabilia, a high rating may not mean much when it comes to a vehicle sale.
Purchases on eBay Motors are covered by a protection policy, according to Business Insider, meant to ensure delivery and that the vehicle isn’t stolen or has major mechanical issues. Payment goes through eBay via PayPal. Most sales require a deposit after you’ve hit the “buy” button and for the balance to be paid within a set period, which gives you time to inspect the vehicle.
Buying a used car can be challenging. The adage obviously applies: Buyer, beware.
Advertisement

**7.** <https://www.geico.com/living/driving/auto/auto-care/5-tips-for-picking-a-great-used-family-car/>

5 Tips For Buying A Great Used Car
5 Tips For Buying A Great Used Car
14 comments
Buying a used car can be difficult when you don’t know what you should take into consideration. When the family car has finally given up the ghost and you need to find another ride.
You could buy new. But with the average price of a brand new car chiming in at $34,000, according to auto information website TrueCar, a new car might not be in the budget. Thankfully, it probably has never been easier to find a quality pre-owned car.
Follow these expert tips for buying a used car to help ease the process and you should be back to hauling the kids to hockey practice in no time.
1. Weigh Age Against Price
Buying a used car is all about finding a balance between price and reliability, says Eric Lyman, vice president of industry insights at TrueCar. Too new, and a vehicle will be expensive; too old and it could require several repairs. That’s why he recommends buying a used car that is around three years old. Chances are it’ll be in good shape and could cost up to 40 percent less than its newer counterparts.
2. Get An Independent Mechanic To Have A Look
The main tip for buying a used car is: don’t plunk down your money until an independent mechanic inspects it. You have two options when it comes to inspecting the used car you are planning on buying:
If you know a technician, bring them along to the used car lot, says Mike Peth, director of curriculum at Ohio Technical College, which specializes in auto repair.
Ask the dealer if you can drive the car to your mechanic’s garage of choice. Often, a comprehensive checkup will cost as little as $100. If the dealer says no, be suspicious, says Peth.
3. Consider A Certified Used Car
“Does the prospect of expensive repairs make you nervous? Then look for a certified pre-owned vehicle. These used cars are inspected by dealers and must pass inspection requirements such as:
Maximum mileage and age thresholds
Restrictions in the presence of aftermarket add-ons
The condition of the vehicle’s transmission system
These requirements are determined by manufacturers and come with extended warranties. You’ll pay a premium, but you also won’t have to worry about paying for a new transmission a year from now. “Certified pre-owned vehicles hit the sweet spot between value and reliability,” says Lyman.
4. Do Your Homework
Back in the day, figuring out the value of a used car could be difficult. But online services make researching what others paid for your vehicle easier than ever. Also, check out websites like Carfax , which uses the VIN to tell you whether the car you’re looking at has been in an accident. If it has, be wary.
5. Don’t Get Emotional
As with any major purchase, Peth says it’s important to think with your head and not your heart. When you’re buying a used car, try to avoid fixating on a certain model or color. Read reviews online and aim for pre-owned cars that have a history of reliability. Don’t overlook obvious problems just because you like the look of a vehicle. Never say “I gotta have that car,” says Peth. You don’t want to be satisfied with a new-to-you car in the moment only to regret having to drive it for years to come.
By Andrew Raven

**8.** <https://www.investopedia.com/articles/personal-finance/092915/7-mistakes-avoid-when-buying-used-car.asp>

7 Things to Avoid When Buying a Used Car
By
Learn about our editorial policies
Updated June 07, 2022
Full Bio
Thomas J. Brock is a CFA and CPA with more than 20 years of experience in various areas including investing, insurance portfolio management, finance and accounting, personal investment and financial planning advice, and development of educational materials about life insurance and annuities.
Learn about our Financial Review Board
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Full Bio
Regine Parrish is a finance professional whose career spans over a decade. Her expertise includes areas of tech, finance, and telecom. She is a former financial analyst for a major telecommunications company and currently fact-checks reviews of financial products and services.
Learn about our editorial policies
Buying a used car can be a smart investment when you need a replacement vehicle. While new car purchases tend to increase with a rising economy, used cars can provide a great alternative as long as you know how to shop for one.
You can get the most bang for your buck with a used car. While this provides an opportunity to live more economically, a used car, by definition, has issues from regular wear and tear. Therefore, it's important to avoid making these costly mistakes when you're in the market for a second-hand car.
Key Takeaways
Buying a used car can often be one of the smartest buying decisions.
Line up financing before you shop for your car.
Remember to test drive the car before you take it home.
Having the car checked by a certified mechanic is a step that should never be skipped.
If you don't like the deal, there is nothing wrong with walking away.
Failing to Line up Financing Before Shopping
Before you purchase your used car, whether that's through a dealer or from a private owner on a website such as Craigslist, you'll have to figure out how you're going to pay for it. Not everyone is able to lay down the cash for a car in full—even for a used one. Those who can't have to consider financing .
Financing allows you to understand the upper limit of your price range. Knowing your budget makes negotiating prices easier. If you're buying a car from a dealership, you can certainly take their offer. But remember, dealer financing is built like a wholesale insurance offer, often adding in additional interest rates.
Can you avoid this? Sure you can. The way you can do this is to shop around because different lenders offer different rates. Make sure you have your approval in hand even before you shop for your car—it'll help keep you in line and within your budget. An auto loan calculator can also help you determine what kind of loan term and interest rate will fit your budget.
One thing to remember is that used car financing rates are generally higher than those for new cars. That's because lenders want borrowers to buy new vehicles. The reason? It's simple. If you default on your loan and the lender has to repossess the car, it can get a better resale value on a new car than it ever could on a used one.
Shopping Based on Monthly Payments Alone
You can save a lot over the long term if you have enough money to buy your used car outright. If you don't fall into this category, you'll have to make up a budget and determine how much you can afford.
When people look for a new car, they often think about the monthly payments they'll have to make. While a lower monthly payment is good for your monthly budget, a longer payment period means you end up paying back more money in the long run. Due to compounding interest , it could make more sense for you to take on a higher monthly payment since it's possible to pay back the principle in a shorter period.
A cheaper way to get yourself into a used car is to lease one. And yes, you can lease a used car. But not all dealerships offer used car leases and there are certain conditions. According to Edmunds, it must be certified pre-owned, the mileage must be under 48,000 miles and the vehicle must be less than four years old.
But remember, while your monthly lease payments can be lower than your monthly loan payments, you may have to return a leased car at the end of your lease. If you bought your used car, you can sell it or trade it in at your discretion. One bonus is that the residual value at the end of the lease for your used car will be much more affordable than a new car, making it more attractive to purchase at the end.
Foregoing the Test Drive
As many as 18% of buyers of used cars don't test drive the car before making the purchase. On the other hand, first-time buyers of new cars test drive as many as seven new cars, on average, before making a purchase.
This disparity in statistics might be why there are many third- and fourth-owner used cars on the streets. When you don't test the asset you're purchasing, you run the risk of experiencing a bout of buyer's remorse . In the case of used cars, it's imperative to test drive a few before making a purchase decision. This protects against buyer's remorse and also ensures that the car is running properly.
Not Having the Car Checked by a Mechanic
While many people test drive cars before purchasing, few have used cars checked out by mechanics before finalizing the deal. Even if you have to pay for the inspection yourself, it could save you a lot of money in the long run. However, it's possible to have the seller pay for the inspection. If the seller is a car dealer, chances are it's already an offer, but make sure it is. If it's a private seller, they probably won't offer, so it's important to ask.
Making Initial Negotiations in Person
If you are purchasing a used car from a dealership, it's going to be the salesman's main goal to get you down to the dealership. Once you're on the dealership property, you are much more likely to leave with the car you're interested in—it's an easier sell for the salesman.
To combat this, ensure you've done all of your research and comparisons at home, and try to negotiate over the phone or by email. It's much easier to walk away when the car isn't there, which gives you the upper hand in negotiations.
If you're purchasing a used car from a private seller, chances are the seller isn't a professional salesman. By mentioning a few used car statistics over the phone, it's possible to gain the upper hand before seeing the car in person.
Buying Based on Looks
Before you even begin looking for a car, whether online or face-to-face, it's important to assess exactly what you need from your car. If you're looking for a commuter car, don't waste your time looking at trucks. If you're looking for a vehicle that can tow a trailer, don't bother to look at sports cars.
By understanding what your needs are first, you mitigate the risk of making an impulse purchase based on what you want instead of what you need.
Not Running a Vehicle History Report
In addition to performing a test drive and having the car inspected by a mechanic, it's important to run a vehicle history report. With a vehicle history report, it's possible to check for any prior accidents, problems with the car, and the number of previous owners.
Dealers usually pay for this third-party service. But if the sale is through a private seller, the purchaser will most likely have to foot the bill. Whether you use CARFAX, AutoCheck, or another service, it's always important to check the history of the car and the stories of its owners.
Article Sources
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**9.** <https://www.edmunds.com/car-buying/10-steps-to-buying-a-used-car.html>

How to Buy a Used Car in 10 Steps
How to Buy a Used Car in 10 Steps
by
May 5th, 2021
Share:
Summer 2021 update: The COVID-19 pandemic has affected vehicle production worldwide and brought factory closures, limited staffing and a global shortage in semiconductor chips that are essential components in a modern vehicle. As a result, fewer new vehicles are available on dealer lots. And the combination of fewer new cars and more people looking for lower-priced vehicles has increased the demand for used cars and subsequently driven up prices.
This means that 2021 will not likely be a normal year in terms of the selection of cars and discounts you may encounter. Edmunds experts advise consumers in the market for a new car to start shopping sooner rather than later since they anticipate that the chipset shortage is likely to affect pricing and inventory through at least the second half of 2021.
If you're shopping for a new or used car in today's difficult marketplace, please also see " Shopping Tips During the Global Microchip Shortage " for our experts' targeted, data-driven advice.
This article was originally written before the pandemic when vehicle inventory and prices were more stable and predictable. That said, many of the major elements still ring true. You'll still need to determine a budget, find the right car, and research prices to be able to spot a good deal.
If you're looking to buy a used car , you're far from alone. Between private-party and dealership sales, nearly 40 million used vehicles change hands each year.
With so many choices, finding that one right car for you can be a challenge. So we've created a list of steps to help make finding and buying your perfect used car a breeze.
You can find good used cars in a variety of places, such as private-party sellers, new-car dealerships and used-car superstores.
1: How much car can you afford?
A rule of thumb: If you're taking out a loan to pay for your car, your car payment shouldn't be more than 10% of your take-home pay. If you're sticking to a tight budget, you might want to spend even less. Used cars will need a little extra attention from time to time, including new tires, maintenance and the like. And then there are the other ownership costs shoppers sometimes forget to account for, such as fuel and insurance.
If the car you're planning to buy is out of warranty, it might be a good idea to set aside a "just-in-case" fund to cover any unexpected repairs.
2: Build a target list of used vehicles
It's no secret that the Honda CR-V and the Toyota RAV-4 make for good used cars. But they might cost a few thousand more than a comparable Ford Escape or Kia Sportage, even though these are solid cars too. So if you're looking to save money, consider more than one brand. We suggest making a list of three cars that meet your needs and fall within your budget. Edmunds reviews have great information to guide your choices.
If you're planning to buy a vehicle that is less than 5 years old, consider one that's certified pre-owned (CPO). CPO vehicles have long-term warranties that are backed by the carmaker, not just the dealership selling it to you. Franchised dealerships that sell that same brand new are the only ones that can sell a CPO car of the same brand. So if you want a CPO Chevy Equinox, for example, you'll need to buy it from a Chevy dealer.
See Edmunds pricing data
Has Your Car's Value Changed?
Used car values are constantly changing. Edmunds lets you track your vehicle's value over time so you can decide when to sell or trade in.
See pricing history
3: Check prices
Prices are driven in part by where you're shopping. You'll find used cars in used car sections of new car dealerships, independent used car lots, used car retailers such as CarMax, and websites where private-party sellers list their cars. Of the four, private-party cars will typically have the lowest selling price. CPO cars will usually cost the most , but for the reasons we've noted. To see what other people are paying for the models you've picked out, take a look at the Edmunds Suggested Price, found on each vehicle's inventory page .
4: Locate used cars for sale in your area
One easy place to start building your target list is the Edmunds used car inventory page. To find exactly the car you want, you can filter your search by many factors, including the miles on the car's odometer, its price and features, and the dealer's distance from you. Most other websites will have similar methods to find the vehicle nearest you.
5: Check the vehicle history report
Unless you're buying the car from a close friend or family member who can vouch for its history, plan to get a vehicle history report . This early step is essential. If the car you're looking at has a bad history report, the sooner you know the better.
AutoCheck and Carfax are the best-known sources for vehicle history reports. These reports can reveal vital information about the car, including whether the odometer has been rolled back or if it has a salvage title, which means it has been declared a total loss by an insurance company. You'll use the car's vehicle identification number (VIN) to get this information, and in some cases, all you need is the license plate number. Most major dealers offer these reports for free if they have the vehicle in their inventory.
6: Contact the seller
Once you find a good prospective car, don't run out to see it. Call the seller first. This step is an excellent way to establish a relationship with the seller and verify the information about the car. You can ask private-party sellers why they're parting with a car or whether it has any mechanical problems. And if you're buying from a dealer, a phone call or text is the best way to ensure the car is still in stock.
Sometimes the seller will mention something that wasn't in the ad that might change your decision to buy the car. If you want to go deeper, our used car questionnaire is a good reminder of what to ask. You will notice that the last question on our list is the asking price of the car. Although many are tempted to negotiate even before laying eyes on the car, it's better to wait. Once you see it, you can tie your offer to its condition.
If things are going well, set up an appointment to test-drive the car. If possible, make it for daylight hours so it's easier to see the car's condition.
7: Test-drive the car
Test-driving a used car is the best way to know if it is the right car make and model for you. It's also a good way to assess a particular car's condition. So tune out distractions and focus on the car. Here are some things to check:
Is it easy to get in and out of the car without stooping or banging your head?
Is there enough headroom, hiproom and legroom? Remember to check the space in the back seat too.
Is the driving position comfortable? Do you sit too low, too high or just right in the car? Can you tilt or telescope the steering wheel for a better fit?
Are the seats comfortable? Are they easily adjustable? Is there a lumbar support adjustment for the driver? How about the front-seat passenger?
Is the check engine light on? If so, get that problem checked out before buying.
How is the visibility? Check the rearview mirror and the side mirrors. Look for potential blind spots.
Use your nose. Do you smell gas, burning oil or anything amiss?
Check out the tires. How old are they? Is there enough tread left?
How are the brakes? Are they doing the job of stopping the car? Do they squeak?
Pop the hood. You don't have to know a lot about cars to see if something looks wrong. If something is leaking, steaming or covered in oil, it's time to ask questions.
Does the air conditioning blow cold? Do headlights, brake lights and turn indicators work? Test them to be sure.
After the test drive, ask the owner or dealer if you can see the service records. These will show you if the car has had the scheduled maintenance performed on time.
8: Have the car inspected
If you like the car, consider having a mechanic inspect it before you buy it. If you don't have a mechanic, Google and Yelp are good places to read local shops' reviews. A prepurchase inspection costs $100-$200 and can alert you to problems you may not find yourself. It's a smart investment.
A private-party seller will probably allow you to do this without much resistance. Most dealerships will let you borrow a car for an outside mechanic to inspect. You'll be paying for the inspection, of course. If it is a CPO car, there's already been an inspection and the car has a warranty, so there is little reason to take it to an independent mechanic.
9: Negotiate a good deal
Does the idea of "talking numbers" fill you with dread? It shouldn't. Negotiating doesn't have to be a drawn-out traumatic experience. If you are reasonable and have a plan, chances are you can make a deal pretty quickly and easily.
Decide ahead of time how much you're willing to spend to get the car. But don't start with this number in your discussion.
Make an opening offer that is lower than your maximum price but in the ballpark based on your average price paid research in Step 3. Explain that you've done your research on Edmunds or wherever else, so you have facts to support your offer.
If you and the seller arrive at a price that sounds good to you and is near the average price paid, you're probably in good shape.
And remember, the people on the other side probably dislike negotiating too — even if it's their job.
10: Get the paperwork done
If you are at a dealership, you'll sign the contract in the finance and insurance office. There, you will likely be offered additional items such as a warranty, anti-theft devices, prepaid service plans or fabric protection.
Some people want the peace of mind that comes with an extended warranty, so this is something you might want to consider unless the car is still under the manufacturer's warranty or is a CPO vehicle. Review the dealership sales contract thoroughly. In most states, it lists the cost of the vehicle, a documentation fee, possibly a small charge for a smog certificate, sales tax and license fees.
If you are buying a car from an individual owner, make sure the seller properly transfers the title and registration to you. It's important to close the deal correctly to avoid after-sale hassles. Before money changes hands, ask for the title (which is sometimes called the pink slip) and have the seller sign it over to you. Rules governing vehicle registration and licensing vary from state to state. If possible, check with your local department of motor vehicles to make sure there are no past-due registration fees you'd be responsible for should you buy the car. Whether you buy from a dealer or a private party, make sure you have insurance for the car before you drive it away.
Once you've done the paperwork, it's time to celebrate your new purchase — maybe with a drive-thru dinner. You deserve it!
See our list of the Best Used Cars and save some serious cash without compromising on features or performance.
FAQs
What used cars not to buy?
You'll want to avoid buying vehicles with salvage titles, mileage over 200,000, inconsistencies on the odometer and no maintenance records. A vehicle history report can help you spot many of these issues. You'll also want to do some research on models with reliability issues. Learn more
How many miles should you buy on a used car?
The fewer the miles, the better for a used car. Twelve thousand miles per year is a good rule of thumb to use in calculating if a vehicle has excessive mileage. That said, a low-mileage vehicle doesn't automatically mean it is a good used car. A vehicle with 70,000 miles and a regular maintenance history can be better than one with 30,000 miles and no maintenance history. Learn more
Is it better to buy a used car from a dealership?
A dealership provides a number of advantages over buying from a private seller. There's often some reconditioning on the vehicle, access to auto loans, and a chain of command if anything goes wrong with the deal. On the other hand, buying from a private seller can give you greater insight on how the vehicle was maintained, and it may be easier to negotiate a lower price. Learn more
Edmunds Recommends

**10.** <https://www.npr.org/2019/10/31/774757867/5-tips-for-buying-a-car-the-smart-way>

5 Tips For Buying A Car The Smart Way
Facebook
Jan Stromme/The Image Bank/Getty Images Plus
Jan Stromme/The Image Bank/Getty Images Plus
New cars these days have better safety features and more tech gizmos than models from a decade ago. And let's face it: Trading in a beat-up clunker with grimy seats is an enticing idea.
But many Americans make big mistakes buying cars. Take new car purchases with a trade-in. A third of buyers roll over an average of $5,000 in debt from their last car into their new loan. They're paying for a car they don't drive anymore. Ouch! That is not a winning personal finance strategy.
But don't worry — NPR's Life Kit is here to help. Here's how to buy a car without getting over your head in debt or paying more than you have to.
1. Get preapproved for a loan before you set foot in a dealer's lot.
"The single best advice I can give to people is to get preapproved for a car loan from your bank, a credit union or an online lender," says Philip Reed. He's the autos editor at the personal finance site NerdWallet. He also worked undercover at an auto dealership to learn the secrets of the business when he worked for the car-buying site Edmunds.com . So Reed is going to pull back the curtain on the car-buying game.
For one thing, he says, getting a loan from a lender outside the car dealership prompts buyers to think about a crucial question. "How much car can I afford? You want to do that before a salesperson has you falling in love with the limited model with the sunroof and leather seats. "
Reed says getting preapproved also reveals any problems with your credit. So before you start car shopping, you might want to build up your credit score or get erroneous information off your credit report.
And shop around for the best rate. "People are being charged more for interest rates than they should be based upon their creditworthiness," says John Van Alst, a lawyer with the National Consumer Law Center.
Van Alst says many people don't realize it, but the dealership is allowed to jack up the rate it offers you above what you actually qualify for. So with your credit score, "you might qualify for an interest rate of 6%," says Van Alst. But, he says, the dealership might not tell you that and offer you a 9% rate. If you take that bad deal, you could pay thousands of dollars more in interest. Van Alst says the dealership and its finance company, "they'll split that extra money."
So Reed says having that preapproval can be a valuable card to have in your hand in the car-buying game. It can help you negotiate a better rate. "The preapproval will act as a bargaining chip," he says. "If you're preapproved at 4.5%, the dealer says, 'Hey, you know, I can get you 3.5. Would you be interested?' And it's a good idea to take it, but make sure all of the terms, meaning the down payment and the length of the loan, remain the same."
One word of caution about lenders: Van Alst says there are plenty of shady lending outfits operating online. Reed says it's a good idea to go with a mainstream bank, credit union or other lender whose name you recognize.
2. Keep it simple at the dealership.
If you're buying a car at a dealership, focus on one thing at a time. And don't tell the salespeople too much. Remember — this is a kind of game. And if you're playing cards, you don't hold them up and say, "Hey, everybody, look — I have a pair of queens," right?
So at the dealership, Reed and Van Alst both say, the first step is to start with the price of the vehicle you are buying. The salesperson at the dealership will often want to know if you're planning to trade in another car and whether you're also looking to get a loan through the dealership. Reed says don't answer those questions! That makes the game too complicated, and you're playing against pros. If you negotiate a really good purchase price on the car, they might jack up the interest rate to make extra money on you that way or lowball you on your trade-in. They can juggle all those factors in their head at once. You don't want to. Keep it simple. One thing at a time.
Once you settle on a price, then you can talk about a trade-in if you have one. But Reed and Van Alst say to do your homework there too. A little research online can tell you what your trade is worth in ballpark terms. Reed suggests looking at the free pricing guides at Edmunds.com , Kelley Blue Book and NADA . On Autotrader, you can also see what people in your area are asking for your car model. And he says, "You can get an actual offer from Carvana.com and also by taking the car to a CarMax, where they will write you a check on the spot."
So he and Van Alst say don't be afraid to walk away or buy the car at a good price without the trade-in if you feel the dealership is lowballing you on your old car. You have plenty of other good options these days.
Will Sanders/Stone/Getty Images Plus
3. Don't buy any add-ons at the dealership.
If you've bought a car, you know how this works. You've been at the dealership for hours, you're tired, you've settled on a price, you've haggled over the trade-in — then you get handed off to the finance manager.
"You're led to this back office. They'll often refer to it as the box," says Van Alst. This is where the dealership will try to sell you extended warranties, tire protection plans, paint protection plans, something called gap insurance. Dealerships make a lot of money on this stuff. And Van Alst says it's often very overpriced and most people have no idea how to figure out a fair price.
"Is this add-on, you know, being marked up 300%? You don't really know any of that," Van Alst says. So he and Reed say a good strategy, especially with a new car, is to just say no — to everything. He says especially with longer-term loans, there's more wiggle room for dealers to try to sell you the extras. The finance person might try to tell you, "It's only a little more money per month." But that money adds up.
"Concerning the extended factory warranty, you can always buy it later," says Reed. "So if you're buying a new car, you can buy it in three years from now, just before it goes out of warranty." At that point, if you want the extended warranty, he says, you should call several dealerships and ask for the best price each can offer. That way, he says, you're not rolling the cost into your car loan and paying interest on a service you wouldn't even use for three years because you're still covered by the new car's warranty.
Gap insurance promises to cover any gap between the purchase price of replacing your almost-new car with a brand-new car if your regular insurance doesn't pay for full replacement if your car gets totaled. Van Alst says gap insurance is often overpriced and is fundamentally problematic. If you still want the product, it's best to obtain it through your regular insurance company, not the dealer.
4. Beware longer-term six- or seven-year car loans.
A third of new car loans are now longer than six years. And that's "a really dangerous trend," says Reed. We have a whole story about why that's the case. But in short, a seven-year loan will mean lower monthly payments than a five-year loan. But it will also mean paying a lot more money in interest.
Reed says seven-year loans often have higher interest rates than five-year loans. And like most loans, the interest is front-loaded — you're paying more interest compared with principal in the first years. "Most people don't even realize this, and they don't know why it's dangerous," says Reed.
Loading...
Don't see the graphic above? Click here.
Reed says that if you want to sell your car — you decide you can't afford it, or maybe you have another kid and need a minivan instead — with a seven-year loan you are much more likely to be stuck still owing more than the car is worth. So he says, "It puts you in a very vulnerable financial situation."
A better way to go, Reed says, is a five-year loan for a new car and "with a used car you should really finance it for only three years, which is 36 months." One reason that makes sense, he says, is that if your used car breaks down and isn't worth fixing — say the transmission totally goes — you're more likely to have paid off the loan by that time.
Reed says a five-year loan make sense for new cars because "that's been the traditional way — it's kind of a sweet spot. The payments aren't too high. You know the car will still be in good condition. There will still be value in the car at the end of the five years."
Also, Van Alst and Reed say to make sure dealers don't slip in extras or change the loan terms without you realizing it. Read carefully what you're signing.
Reed says a colleague at NerdWallet actually bought a minivan recently and "when she got home, she looked at the contract." She had asked for a five-year loan but said the dealership instead stuck her with a seven-year loan. "And they included a factory warranty which she didn't request and she didn't want." Reed says she was able to cancel the entire contract, remove the extended warranty and get a rebate on it.
"But the point of it is," he says, "I mean, here's somebody who is very financially savvy, and yet they were able to do this to her. And it's not an uncommon scenario for people to think that they've got a good deal, but then when they go home and look at the contract, they find out what's been done to them."
5. Don't buy too much car. And consider a used car to save a lot of money!
"The golden rule is that all of your car expenses should really be no more than 20% of your take-home pay," says Reed. And he says that that's total car expenses, including insurance, gas and repairs. "So the car payment itself should be between 10 and 15%."
And if a new car with a five-year loan doesn't fit into your budget, you might decide you don't really need a brand-new car.
"We're actually living in a golden age of used cars," says Reed. "I mean, the reliability of used cars is remarkable these days." Reed says there is an endless river of cars coming off three-year leases that are in very good shape. And even cars that are older than that, he says, are definitely worth considering. "You know, people are buying good used cars at a hundred-thousand miles and driving them for another hundred-thousand miles," says Reed. "So I'm a big fan of buying a used car as a way to save money."
He acknowledges that which car you buy matters and that it's a good idea to read reviews and ratings about which brands and models are more or less likely to run into costly repair problems down the road. He says some European cars are famously expensive to maintain.
NPR has a personal finance Facebook group called Your Money and Your Life. And we asked group members about car buying. Many said they were shocked by how much money some other people in the group said they were spending on cars. Patricia and Dean Raeker from Minneapolis wrote, "40 years of owning vehicles and our total transportation purchases don't even add up to the cost of one of the financed ones these folks are talking about."
Dean is a freelance AV technician, and Patricia is a flight attendant. They say, "our nicest, newest purchase was a 2004 Honda Accord for $2400, bought last year, that with regular maintenance could likely last another 100,000+ miles." And they say they "can't understand those who insist on driving their retirement funds away."
Even if you buy a slightly newer used car than the Raekers', the couple raises a great point. What else could you be spending that car payment money on? And if you can cut in half what you might otherwise spend, that's a lot of extra money for your retirement account, your kids' college fund or whatever else you'd rather be doing with that money.
Correction Oct. 31, 2019

**used car buying tips**

**1.** <https://www.bankrate.com/loans/auto-loans/used-auto-loan-tips/>

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Buying used is a great way to get behind the wheel of a vehicle without the steep cost of the current year’s models. And as vehicle prices have reached new heights over the past few months due to the combination of the pandemic and semiconductor shortage , buying used can help you save money.
Buying used has not been immune to the price increase. The monthly payment for a used vehicle in the third quarter of 2022 was $525, according to Experian . But buying used is still less expensive than buying new. So as you explore your car-buying options , keep these tips in mind to get the best deal.
Tip 1: Have a realistic budget
The best way to save money when it comes to a large purchase is to be honest with how much you can afford . When it comes to buying a used car, it is no different.
If you already have an affordable car loan, try to stick within that range. Otherwise, know that experts recommend you spend 25 percent or less of your budget on car-related expenses. Consider both the monthly loan payment and additional vehicle costs that are bound to pop up. This includes fuel costs, insurance and regular maintenance. Take advantage of an auto loan calculator before starting your vehicle search so you have a firm understanding of your budget — and the interest rate and loan terms you can afford
Tip 2: Explore financing options
Choosing the right financing option for your vehicle is not dissimilar to finding your perfect car . Your options include banks, credit unions, online lenders and dealerships.
Almost every lender offers auto loans for used cars within a certain mileage or model year, so you should have no problem finding the right fit.
Shop around to ensure you get the best auto loan rates and terms available. Check out current rates and Bankrate’s winner for best used car lender before accepting a loan. And equally important, see how the loan term and fees change the total cost of financing.
Tip 3: Apply for loan preapproval
Auto loan preapproval is when a lender tentatively approves you for a certain amount while you shop for your car. It isn’t an iron-clad agreement , but it does give you a better idea of what you will pay in interest and what you can afford.
The main benefit of loan preapproval is that it can give you confidence that you are getting the best deal. In most cases, you have 30 days to shop. You’ll know exactly how much you can borrow for the vehicle, and can even use preapproval to negotiate with dealerships.
Tip 4: Trade in your old vehicle
Trading in your vehicle will save you money, and it can ease any stress of figuring out what to do with your previous vehicle. The trade-in process depends on the dealership you use, but the steps are simple. It primarily requires you to understand the worth of your current vehicle in comparison to the new one.
Shop around and get quotes from several dealerships. You can use the estimates as negotiating power with the dealership you end up buying from. And if dealerships aren’t offering a good deal, consider selling your car privately instead to get more for your ride.
Tip 5: Make a large down payment
The larger your down payment, the less you will have to borrow and the lower your monthly payment will be. A down payment of at least 20 percent is the best option. But with the increase in car prices, you should at least try to save 10 percent of the vehicle’s sale price as a down payment.
Saving up and making a large down payment upfront will save you money as you drive. Because you’re borrowing less, you may have a better chance of being approved for a loan and can potentially get a lower rate .
Tip 6: Consider a certified pre-owned vehicle
One way to get around some of the risks of buying used is to shop for a certified pre-owned (CPO) vehicle . Typically found at dealerships and rental companies, these vehicles are specially inspected and approved by the manufacturer.
In general, buying CPO means that your car will have good parts, low mileage and proper maintenance. CPO vehicles are typically properly cared for and accident-free. These vehicles can also come with an additional vehicle warranty for long-term quality assurance.
Tip 7: Shop online
The marketplace for purchasing a vehicle has shifted dramatically over the past few years, and buying used is a great time to take advantage of buying a car online .
Start with trustworthy online sources like Carvana , TrueCar or Vroom . These allow you to browse nationwide for the right fit. They also let you keep the process entirely online from start to finish — with a period after delivery to test drive your used car and get it inspected.
But even if you feel more comfortable taking the traditional route, research online before heading to the lot in person. Dealerships frequently list their inventories on websites, so you have an idea of costs and vehicle availability without the pressure of a salesperson.
Tip 8: Conduct a detailed car inspection
Buying a used car comes with additional risks. You don’t know how the previous owner handled the vehicle and unforeseen issues could be looming.
To be sure you aren’t driving away with a stealth fixer-upper, request a vehicle history report. Along with an initial test drive, it is wise to get an independent mechanic inspection to check for any issues under the hood.
Next steps
With so many Americans looking to buy vehicles right now, preparation is key to saving the most money. Used vehicles are expensive, but you’ll avoid the high prices, limited supply and huge depreciation hit of new vehicles.
To get the best deal on a used car, start by shopping around for auto financing and getting preapproved. Also, consider trading in your current vehicle to lower out-of-pocket costs when purchasing your next ride and making a larger down payment to get a more affordable monthly payment. Most importantly, have the car inspected to ensure it’s both safe and reliable before signing on the dotted line to seal the deal.
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**2.** <https://cars.usnews.com/cars-trucks/advice/how-to-buy-a-used-car>

Complete Guide: How to Buy a Used Car
Dec. 2, 2020, at 12:00 a.m.
Save
More The single easiest way to save money when buying a car is to purchase a used model instead of a new vehicle. When you buy a new car, the second you leave the dealer's lot, it starts to rapidly depreciate, losing a significant amount of its value in the first few years of ownership. When you buy a used car, the original owner absorbs the pain of its steep depreciation during its early years. You pay far less than you would have if you had purchased the car new.
There may be more maintenance required on a used car that's out of warranty, and its financing may be a bit more expensive. But, choosing a vehicle with a good predicted reliability rating and low ownership costs can help you saa tremendous amount of money.
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Successfully buying a pre-owned car can be more complicated than buying a new car. It’s more financially risky because you don’t have the safety net of a new car factory warranty. Staying safe while purchasing a used car has always been somewhat of a concern. In the age of the coronavirus pandemic, there are even more steps you have to take to protect yourself and your family.
Halbergman / Getty Images
In this guide, we'll take you through the steps you should follow to find the right used car, secure affordable financing, pay a fair price, and minimize the chances that you'll get a vehicle that's unreliable, overpriced, or unsafe.
Following these steps and car-buying tips should help you buy the best used car for a fair price:
9. Consider Add-Ons, Warranties, and Insurance
1. Set a Car-Buying Budget You Can Afford
Setting a used car buying budget isn’t as simple as looking for a pre-owned car, truck, or SUV that gets a monthly payment you think can manage. While the monthly payment does need to be affordable, you need to look beyond it to get a proper idea of the total cost of owning the car. That includes the cost of interest on your car loan, how much you’ll have to pay to insure your new-to-you ride, parking, and maintenance costs. Our car insurance hub provides tips to help you find the right insurance coverage, while our used car rankings and reviews include information on the cost of ownership for different vehicles.
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You’ll want to find a balance between cost to buy and cost to own. When you buy an older vehicle, you can expect a lower price. However, the older the car, the more likely it will need costly repairs. That awesome deal you got on a cheap car won’t seem that great when you’re waiting for a tow truck instead of heading to work, school, or that weekend getaway.
Fortunately, used car buyers have more resources today than ever to learn about repair costs, frequent problems, and reliability. Information about certified pre-owned warranty coverage, average costs for common repairs, and predicted reliability ratings can be found in our used car reviews . You can see what issues drivers are dealing with by checking out dedicated owners' websites, such as Odyclub.com for the Honda Odyssey minivan. If owners of a particular car are having problems, they're probably talking about them somewhere on the internet. Just search for the car's name and "problems" in any search engine to get an idea of common issues.
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An oft-overlooked factor you should consider when shopping for a used car is the cost of auto insurance. Prices can vary substantially based on the model you choose. Our guide to car insurance is the place to find the cheapest insurance with the right coverage for your new-to-you vehicle.
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2. Find the Right Used Car
Shopping for and finding the right used car is more challenging than finding and buying a new car. When you find a new car that meets your needs and budget, you just have to head to the dealership and buy it. When you buy used, you not only have to find the right model – you have to find one that’s for sale, has low enough mileage to be attractive, is in good shape, hasn’t been crashed, and has been serviced properly. Oh, and it has to be close by. Then, you have to evaluate the seller, ensuring that it’s not someone who’s going to rip you off.
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In short, there’s a lot more research involved in evaluating a three-year-old pre-owned car with 36,000 miles on the odometer than there is for a brand new car sitting on a dealer’s lot.
An excellent place to start your pre-owned vehicle buying journey is with our used car rankings and reviews . We begin by looking at the consensus opinions of the country’s top automotive journalists. Then we blend them with quantifiable information on safety, reliability, and total cost of ownership to create scores for nearly every vehicle in the marketplace dating back over a decade. We use those scores to compare vehicles against competitors in their segments to determine how they rank.
With our used car rankings, shoppers can compare pre-owned vehicles by their overall scores and individual factors car buyers tell us are critical to their buying decisions. These factors include predicted reliability, safety, performance, and interior comfort and features.
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Selecting a used car to focus your efforts on can be challenging. Should you pick an older car that’s loaded with options, or a newer car that has lower mileage but fewer features for a similar price? It’s critical you look at the places you drive, how many people you need to transport, why you’re driving, and how you drive. Then, match those needs with your budget. Don’t buy that pre-owned Mazda Miata , for example, if you need to carry kids to soccer practice every day. If you’re a solo commuter in an urban area, buying a Chevrolet Silverado full-size pickup probably isn’t the best choice, either.
It’s important to consider not only the size and performance of vehicles you’re considering, but also their fuel economy, safety ratings, and cost to insure.
When you buy a pre-owned car, you can get options and features at a fraction of the price they'll cost you on a new car. Option packages and higher trim levels don't command nearly the same premiums on used vehicles as they do on brand-new cars.
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As you begin to narrow your search, you can browse through more than a million vehicles in our used car listings . There’s no need to start driving to car lots all over town.
1001nights / Getty Images
3. Consider the Certified Pre-Owned Car Option
Not sure if you want to take the leap into a used car with no warranty coverage? There is a used car option that does have factory warranty coverage. Manufacturer- certified pre-owned cars (CPO cars) offer a blend of used-car affordability with manufacturer-backed warranty coverage. They're usually low-mileage cars that are just a few years old, with service records and no history of accidents. They are often cars returned at the end of leases, dealership service loaner vehicles, or vehicles driven by dealer or automaker staff.
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They’re different from non-certified used cars in several ways. When they arrive at the dealership, they undergo a comprehensive inspection and refurbishment process that meets strict guidelines from their original manufacturer. Most used cars are sold as-is, with no warranty. CPO cars, on the other hand, come with manufacturer’s warranties that generally exceed the length of the car’s original coverage. Many CPO programs also provide buyers with extras, such as trip interruption coverage and roadside assistance.
Each year, we evaluate manufacturer CPO warranty programs to find the best CPO programs . The best programs not only provide great coverage for your car, but also include generous perks.
Another benefit of automaker-sanctioned CPO programs is access to special used car financing deals . Used car loans typically cost more than new car financing, but a CPO financing deal with a low interest rate can dramatically cut the cost you have to pay on your auto loan.
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You’ll only find a brand’s certified used cars at their own franchised dealerships. If you see a Lexus marked as a certified used car on a Dodge dealer’s lot, you’ll know it’s not truly part of Lexus’ L/Certified CPO program. Some dealers will label cars “certified,” but unless a vehicle is inspected and refurbished to the original manufacturer’s standards by one of their own dealers, it is not manufacturer certified. Only manufacturer-certified pre-owned vehicles will come with warranty coverage that allows for repairs to be performed at any of their dealerships. A dealership can offer a warranty on any used car, but it's likely much more limited than a manufacturer's CPO warranty.
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Of course, the warranty coverage and other perks come at a price. CPO cars are typically more expensive than equivalent non-certified used vehicles. However, a CPO car will likely have a lower total cost of ownership – at least during the warranty period. You'll need to balance the higher initial cost with the potential for savings in mechanical repairs. One way to do so is by looking at the predicted reliability marks in our used car reviews . If a car has a stellar score, buying it as a certified used car might not give you the same payoff as a CPO car with a lower predicted reliability score and a future of expensive repairs.
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4. Find Affordable Used Car Financing
If you're sitting on a pile of money and plan to pay cash, you can skip this section. If, however, you're like most used car buyers, you'll need a loan to help pay for your used vehicle. It's true that you can have the dealership's finance office arrange your financing. Still, if you want to save money, you need to get a pre-approved financing offer before you get anywhere near a car dealer. A dealer may be able to beat your pre-approved loan, but if you don't have one, they'll have no incentive to do so.
If you're buying from a private party, you have no choice but to find your own financing. The process can be different for private-party buyers, so be sure to talk to your lender about what they'll need to move your loan application forward.
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Shopping and applying for used car financing is similar to getting a new car loan , but there are some important differences. Because lenders consider used car loans somewhat more risky than new car loans, you should expect to pay a higher interest rate. Lenders typically consider used car loans riskier for several reasons, including the fact that their values are less predictable. It's the car's value that acts as collateral on the loan. Used car buyers also may face higher repair costs, which can compete with making timely car payments.
If the car you choose is relatively new or a certified used car , there’s a good chance you can find a lender who will give you the same loan terms they would a new-car buyer.
Getting a great deal on used car financing can take some preparation and work. Following these steps will help ensure you’re getting the best deal.
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Preparation
Getting all of your financing plans in place well before your car shopping starts is the best way to be prepared when the right car comes along. That means before you think about heading to a dealership or meeting with private-party sellers. Step one in the financing process is looking at your credit score and exploring the credit reports behind your credit rating.
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One of the primary criteria that lenders consider, your credit score will determine whether you get approved for a loan and what interest rate you’re offered. Shoppers with a low credit score can expect to pay a higher interest rate on their auto loan than buyers with higher credit scores. Buyers with bruised credit may also be asked to make a larger down payment or accept a shorter loan term than someone with a great credit score. If you have excellent credit, you can expect a lower-than-average interest rate, access to longer-term auto loans, and lower down-payment requirements. Most used car deals with special financing are reserved for buyers with top-notch credit.
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When you are proactive and look at your credit score early, you’ll have the opportunity to correct any errors. You can also take time to improve on any weak areas in your credit history. Your credit score's most important elements are your history of making on-time payments and the amount of debt you have outstanding.
Where to Shop for a Loan
You might think you have to go to a brick-and-mortar bank branch to get a car loan, but there are many places you can finance a used car. Some work better with different types of borrowers than others, so you should talk to several before you decide which financing deal is best for you. Some lenders have programs that provide lower rates or other benefits to existing customers, while others cater to borrowers with damaged credit. You can save money and hassle by taking advantage of these programs.
Large National Banks
America’s biggest banks have thousands of brick-and-mortar branches, plus sophisticated online portals to serve loan applicants and borrowers. They occasionally offer loan specials, though overall the interest rates they offer tend to be higher than other lenders. Because of their size, they tend to be ruled by strict policies and procedures, which may not serve customers with bruised credit or other borrowing challenges well.
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If you’re looking for convenience and you’re willing to pay a higher price to get it, large banks are a good option.
Credit Unions
Credit unions are member-owned cooperatives rather than shareholder-owned companies like most other lenders. Instead of paying shareholder dividends, they return any profits to their members through higher savings-interest rates and lower loan-interest rates. They tend to be more affordable places to get an auto loan than most other financial institutions.
Before you can get a loan at a credit union , you have to become a member. Because credit unions have fields of membership that are limited to geographic areas, affinity groups, or specific employers, not everyone can join any credit union. Still, most Americans have access to at least one credit union. The industry’s federal regulator, the National Credit Union Administration, can match you up with one you’re eligible to join. Simply use their credit union locator at MyCreditUnion.gov .
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The institutions range in size from tiny, one-person operations to massive operations with dozens of branches and services that rival large national banks. If you need a bit of hand-holding to get through the loan process or have a poor credit score, a smaller credit union is a good option. They’ll likely have a more personal touch than a larger lender.
Community Banks
Burhanuddin Helmi / iStock / Getty Images Plus
Community banks offer many of the same auto-lending services as large banks, but they do so with a smaller geographic footprint, fewer branches, and often a more personal touch. Like credit unions, community banks are great places for borrowers who need a bit more help to finance their used car purchase successfully. With their roots in the communities they serve, many will be able to offer tips about other businesses in the area that can help you through the car-buying process.
Online Banks
In the age of the COVID-19 pandemic, getting a loan from an online lender is an attractive option. While most banks and credit unions have online lending operations, online banks lend exclusively through their websites, with few – if any – branches. If your loan needs are straightforward, and you don't need any extra help, the streamlined processes of online banks can make borrowing easy and remarkably quick.
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Because they don’t have to pay for expensive brick-and-mortar branches, many online banks offer excellent loan rates. Of course, you shouldn’t assume any rate they offer is the best you can get. You should always comparison shop.
Loan Comparison Websites
One of the easiest ways to get a great deal on a car loan with a minimum of effort is to use a car loan comparison website. After you fill out just one application, the site will contact multiple lenders and return various financing offers. The lender might be a credit union or bank across town, or a financing company across the country. It doesn't matter where the lender is, as loan funding and collection of car payments can be done entirely electronically.
Finance Companies
A finance company is similar to a bank, except that their only business is lending. Instead of accepting deposits and then lending that money back out, finance companies borrow from other financial institutions, then make loans to consumers using that borrowed cash. Many finance companies specialize in making loans to certain types of borrowers, such as those with poor credit.
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Most automakers own finance companies, such as Ford Motor Credit or Honda Financial Services, or work with specific lenders, such as Mitsubishi and lending partner Ally Financial. Called captive finance companies, these lenders work through their brand's franchised dealership network. They also provide the lending for automakers’ new car financing deals , lease deals , and certified used car financing offers .
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Car Dealerships
While you can arrange for a car loan through a car dealership , most dealers aren't actually doing the lending. They're acting as a broker, arranging loans with outside lenders, such as their captive financing companies, local banks, or credit unions. In most cases, they make a significant profit by marking up the interest rate they charge or being otherwise compensated by the lender. In most states, there is no requirement to disclose the amount of markup they’re charging on a loan.
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While a loan offer you receive at a car dealership may be the best one you get, it is critical you never visit one without at least one offer already approved by an outside lender. Without another offer, a dealer’s finance officer will have no incentive to offer you a better deal and earn your business.
There’s a class of car dealerships called Buy Here, Pay Here dealerships . We’ll talk about them more later in this guide, but they differ from traditional dealerships in that they do loan their own money and directly collect payments on the loans they make. Consumer advocates advise against getting loans from this type of dealership due to the predatory lending practices of some buy here, pay here dealers.
Applying for Used Car Financing
The next step in getting an auto loan is applying for financing. Auto lenders will ask you to fill out and sign either an online or paper application. You'll need to provide personal information about your income, monthly obligations, housing expenses, work history, credit card debt, and more. You'll also be asked to provide your social security number, so the lender can pull credit reports. You must answer the questions completely and honestly. Failure to do so risks your loan being turned down. If it's discovered after you take out the loan, the lender may declare the loan in default and demand immediate repayment.
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The information on the application is evaluated alongside the data in your credit report. The lender is trying to build a complete picture of your finances, so they can predict whether you'll be able to pay back the loan. The law limits what information they can use to make a loan decision. However, they may ask for some demographic information for government reporting purposes.
Just as smart buyers should talk to multiple car dealerships and other sellers before buying a used car, you should apply at multiple lenders to find the best financing deal. It's critical to do so during a short span of time, so the credit reporting agencies don't think you're taking out multiple loans and ding your credit score over and over. Do your shopping over a week or so, and they'll just see it as one transaction. That's important, because each transaction that pulls a credit report lowers your credit score by a few points.
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When you apply for a car loan before choosing a specific vehicle, the approval will likely be conditional, with a limit on the amount they will loan to you. With multiple offers, you can compare the interest rate they're willing to give you, how long of a loan they're extending, and the size of the down payment they require you to make. You can then choose the best offer once you've negotiated the price of the pre-owned car you want.
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Comparing Loan Offers
It is vital to have a monthly payment that fits into your household budget. Still, you need to look beyond the payment when comparing loan offers. You want to look at the total cost of the car, including its financing. Fortunately, it's easy to do. Just multiply the monthly payment by the number of months in the loan term, then add the amount of any down payment you're making and the value of your trade-in, if you have one.
The monthly payment should be included with the financing offer. If it’s not, head over to the U.S. News car loan calculator . Enter the interest rate, loan amount, and length of the loan into the form, and it will show you the size of each monthly payment.
Here’s an example. We’ll say you’re buying a used midsize SUV and have received a pre-approval for a five-year (60-month) loan with monthly payments of $350. You've saved up $5,000 for your down payment and your trade-in is worth $3,000. To find the SUV's total cost, you multiply $350 by 60 months, then add $5,000 and $3,000 to that amount. The total cost of buying the used SUV would be $29,000.
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It's important to run the numbers yourself and not to rely on the math of a salesperson. They're trained to keep you focused on the payment, because they know that's the easiest way to get you to overpay for your used car.
The Importance of a Down Payment
Yaorusheng / Moment / Getty images
Many lenders will allow you to buy a used car without making a down payment, but that’s seldom a great idea. Making a down payment will help you in several ways, all while helping to protect your finances. The benefits include lowering your monthly payments, allowing you to get a shorter loan, or both. It will also reduce your loan-to-value (LTV) ratio, making your loan more attractive to lenders, who may offer you a lower interest rate.
Making a substantial down payment also makes it less likely that you’ll owe more on the car than its value, which is known as being “underwater” on the loan or having negative equity. Being underwater is hazardous to your financial health. If the vehicle is declared a total loss after a crash, theft, or flood, the amount you get from your auto insurance company won't be enough to cover the loan. You will still owe the difference to your lender. They can demand immediate repayment since the loan's collateral (your car) no longer has any value.
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Short Loans Are Better Than Long Loans
A lender may offer you a six-, seven-, or even eight-year auto loan. It's a horrible idea to take out such an extended loan on a used car – or any car, for that matter. You should consider five years to be the maximum length of any auto loan you take. Consumer advocates recommend that if you can’t afford a car with a five-year or shorter car loan, you can’t afford the car.
Here’s why: longer-term loans are considered riskier to lenders than short loans. Lenders will price that additional risk into the financing with higher interest rates. Not only will you have to pay a higher interest rate, but you'll have to pay it for a longer time. That makes the total cost of the car significantly more expensive. The longer your loan, the higher chance you'll still be making car payments at the same time as your vehicle begins to need more and more costly maintenance and repairs.
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The rate at which your car will depreciate doesn’t change based on the length of your loan. The longer your auto loan, the higher the chance of owing more on the car than it is worth. As we discussed in the previous section, being underwater on your financing puts you in financial peril.
Finally, suppose you still owe money on your car when it needs replacement, or you want a new vehicle. In that case, you'll either have to pay it off with cash out of your own pocket, or roll the remaining balance onto your new car loan. While lenders add the balance of existing car loans to new loans all the time, it’s one of the worst car-buying mistakes you can make. It puts you instantly underwater on your car’s financing.
5. Decide Where to Buy a Used Car
Just as there are many places to get used car financing, there are various places where you can purchase a used car. Each has its strengths and weaknesses in terms of service, ease, and price. Like the car you want to buy, you should strive to learn as much as you can about the dealership or private seller trying to sell it to you. Checking the company out with your local Better Business Bureau or consumer protection agency is an easy way to find out about their track record. You don't just want to look at the number of complaints, but how they responded to correct the problems.
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Franchised New Car Dealers
You’ll generally pay more for a used car at a franchised new car dealer, but it may be worth it for the seamless buying process. While you’ll be contributing to the dealer’s overhead, the salesperson’s commission, and other administrative costs, they'll take care of all of the paperwork for the deal. That's especially helpful if the transaction is complex or you're buying in a different state than the car will be registered.
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Dealers have access to a wide variety of lenders, so there’s a chance they can get you a better loan offer than the one you have pre-approved. They are also the only place where you will find factory-certified pre-owned vehicles.
Most new car franchises have adopted strict COVID-19 protocols, mandated by their manufacturers, to protect both customers and dealership staff. Some have robust online buying processes and home delivery options.
Used Car Superstores
When it comes to used car dealerships, national or regional used car superstores are the new kids on the block. They offer many of the same advantages of franchised new car dealerships, such as expertise in handling paperwork, step-by-step buying processes, and access to an array of lenders. Many sell their own line of add-on products, such as extended warranties valid at any of their locations.
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They also have access to a vast selection of used cars. With most dealerships, you're limited to the pre-owned vehicles they have on their lots. That's not the case with used car superstores such as CarMax, which can draw on inventories from across the country and bring those vehicles to your local outlet.
Some used car superstores have been at the forefront of providing online and socially distanced car buying experiences during the coronavirus pandemic. Carvana’s sales process, for example, brings cars right to your door. You have seven days to decide if you like the car. If not, they’ll take it back.
While you may not get the best price at a used car superstore, you’ll have the sense of security that comes from dealing with a large, established business.
Independent Used Car Dealers
Independent used car dealerships are typically small, locally owned businesses. They buy and sell used vehicles, arrange financing, and take care of the purchase paperwork. Their inventory typically comes from wholesale auto auctions. Most don't have service departments and have less total overhead than a typical new car dealer.
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While we’ve all seen the stereotypes of used car dealers, most have been around for a long time earning good reputations with customers. Still, it’s a good idea to check with your local Better Business Bureau or other consumer advocacy group to learn more about the business. Sites like Yelp.com tend to be where customers just complain, but they can illuminate consistent issues with companies.
‘Buy Here, Pay Here’ Dealers
There’s one type of used car dealers that buyers should approach with caution. “Buy here, pay here” used car dealers act as both the car seller and lender. The name comes from the fact that many require buyers to bring their car payments directly to the dealers – sometimes every week.
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Buy here, pay here used car dealers typically are the lender of last resort for buyers with terrible credit. Unfortunately, they charge extremely high interest rates and can do more damage to your credit than help it. Many make more money off financing the car than selling it. Some have aggressive collection practices and will repossess your vehicle if you're even a day late. It's not uncommon for “buy here, pay here” dealers to install tracking devices and systems that disable the car to make repossession easier.
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Because of their reputation for taking advantage of the most vulnerable buyers, most consumer advocates advise against buying a car or financing at a buy here, pay here dealer. If your credit is so poor that this type of dealer is your only option, you should not be buying a car. Doing so only invites further financial troubles.
Private-Party Sellers
When you buy a car from a person or business that's not in the business of selling cars is known as a private-party purchase. It can be the cheapest way to buy a used car because you don't have to pay for a dealership's overhead or profit. A private-party sale generally provides the seller with the best return, and the buyer with a lower price than they would find at a dealership.
The trade-off is additional work for both the buyer and the seller. Between the two, all of the sales, title, registration, and other DMV paperwork needs to be completed. In nearly every case, a private-party car sale will be an as-is transaction. The buyer has no recourse if something goes wrong with the car, even a moment after they hand over payment.
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Because private-party sales are mostly unregulated, you don't enjoy the same consumer protection laws you have at licensed car dealerships. You'll need to be a skilled negotiator to overcome the emotional attachment a private seller will have for their old car.
Buyers need to be wary of unlicensed car dealers disguised as private-party sellers. They’re called “curbstoners." They may have several vehicles available at once, won't know the real history of the cars they're selling, and may be just a little too familiar with the car sales process. One easy way to identify an illegal car dealer is to search for their phone number or email address using Google or another search engine. If the search results show multiple vehicles for sale, you may have found an illegal dealer. Other tips are to look at the backgrounds of the photos. If they’re all the same, the seller may be a curbstoner. If the seller answers the phone and asks “which car are you calling about?” there’s a good chance you’ve found an illegal dealer.
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6. Finding a Used Car
Searching for a pre-owned vehicle used to mean scouring tiny newspaper classified ads, cruising shopping center parking lots searching for cars with “For Sale” signs in their windows, and visiting car lot after car lot. Fortunately, things have changed.
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Today, you can find nearly every used car that's for sale somewhere on the internet. Our used car listings , for example, show almost a million vehicles available at dealerships across America. You can narrow the search to your area and the specific model of car you’re looking for.
Craigslist is the most common place to find vehicles for sale by private sellers, but it's not the only place. eBay Motors, Facebook Marketplace, and even Nextdoor.com can show you private-party cars for sale in your area. If you’re looking for something a bit more exotic, head over to BringATrailer.com .
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7. Research, Test Drive, and Inspect a Used Car
Jose Luis Pelaez Inc / DigitalVision / Getty Images
OK, now the real fun starts. When you've identified a vehicle you might want to buy and secured a pre-approved financing offer, it's time to delve deeper into the car's history. You want to find out as much as you can about any vehicle you're considering. That means getting a vehicle history report, taking a test drive, and having it inspected by an independent mechanic to ensure that it's mechanically sound.
Get a Vehicle History Report
The first step in evaluating a used car is getting a vehicle history report. You don’t want to travel all over town – especially in this time of the coronavirus pandemic – looking at cars that aren’t worthy of your attention. A vehicle history report from a company such as Carfax or Autocheck can tell you if a car is worth pursuing, or if there are too many red flags to keep it on your list.
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You will need to get the car’s vehicle identification number (VIN) or license plate number from the seller before you can run the report. You can often get the license plate number from ad photos.
Many dealers will provide the reports for free. If you order them yourself, you can expect to pay about $25 for one report, or less if you buy a multi-report package. If you’re looking at multiple cars, the multi-report packages can save you money.
What’s in a vehicle history report? Though they’re not perfect, a vehicle history report can tell you whether a car is worth spending your time looking at, or whether it’s time to move on to your next candidate.
Accidents: While it may not show very recent collisions, a vehicle history will include information about major reported accidents a car has been in. It uses data from state DMVs, insurance companies, police agencies, and other sources. In some cases, information as detailed as airbag deployment and structural damage will be noted.
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Seeing an accident on a vehicle history report should not instantly knock the vehicle off your shopping list. When you do see an accident in a car's history, it's something that you'll want the mechanic who does your pre-purchase inspection to know about. That way, they can evaluate the quality of repairs. Knowing that a car has been in an accident gives you leverage for a significant price concession on the seller's part during price negotiation.
Flood, Fire, or Other Damage: A vehicle history report will also indicate other damage, such as water damage from a flood, fire damage, or damage from a hailstorm. The first two should disqualify a vehicle from your consideration, due to the high potential of hidden damage.
The report should note if a car has been stolen and recovered. If it has, you'll want to see when it was stolen and when it was recovered. If a long time has passed between the two dates, you'll want to take the car off your consideration. It's a red flag that indicates the vehicle was abandoned and later found.
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Title Status: Information about a car’s title can give you more insight into its history than any other single item on a Carfax or Autocheck vehicle history report. If you see a "branded" title or one that has been moved from state to state to state, it's a huge red flag and you should probably wipe the car off your shopping list. Common title brands include salvage, junk, or rebuilt for vehicles declared a total loss by an insurance company. Others include police use, taxi use, hail damage, flood damage, and lemon law buyback. If you decide to purchase a vehicle with a branded title, you should demand a massive price reduction and let your pre-purchase inspection mechanic know about its history.
You should be wary of cars that have been moved around the country, because unscrupulous sellers use that as a method of "washing" negative information off the title. Various states title vehicles differently than others, and some sellers take advantage of the variations.
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Ownership: Sellers love to advertise cars as “one-owner,” because they’re more valuable than those owned by multiple owners. The vehicle history report will show you whether that’s true in its ownership history section.
Also in the ownership section, you’ll be able to see if there are any liens on the vehicle. You don’t want to buy a car until you have documented proof that the liens have been satisfied and removed.
Odometer Readings: When you renew your car’s registration or get a state-mandated inspection, most states require the car's mileage to be recorded. Those numbers are shown in a vehicle history report and should match what you see on the car's odometer. If the car's odometer shows a lower mileage than in the report, you should ask the seller for a documented explanation or walk away from the deal.
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Maintenance and Service History: A car that a seller can show was properly maintained is worth more than one without any service records. You can get a sense of its maintenance history with the information included in a vehicle history report. You'll also want to get copies of the vehicle's service history from the seller, and have the mechanic who does your pre-purchase inspection assess the quality of the work.
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Sales Information: The sales information section of a vehicle history report will show when the vehicle first entered service and how many times its ownership has been transferred. Watch for vehicles that have been moved repeatedly from state to state, or from an area that has recently endured floods, fires, hurricanes, or other natural disasters. Not only is moving a car one way to mask title issues, but it can also be used to hide flood damage.
Registration and Inspection Information: The report should show every time a vehicle is inspected or registered in a new state. Again, be wary of cars that are moved around a lot. Gaps in a car's registration history can indicate vehicles that were stolen and took a long time to recover, took a long time to rebuild following an accident, or were abandoned and later put back into service.
Recalls: While a vehicle history report should show any open government-mandated recalls, there’s a better place to find the information. Just enter the car’s VIN into the National Highway Traffic Safety Administration’s Safety Issues and Recalls page . It’s OK to buy a car with open recalls, as long as either the seller gets them taken care of before you take delivery, or you do as soon as you get the car.
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What Won’t You Find in a Vehicle History Report? While vehicle history reports are valuable, there’s information that they don’t include. Recent crashes and repairs performed at shops that don’t report them may be absent from the report. The reports also don't usually show the names of a vehicle’s previous owners, as state privacy laws typically protect that information. A vehicle history report is not a replacement for a detailed pre-purchase inspection by an independent mechanic.
First Impressions
When the time comes to start looking at used cars in person, your first impression of both the vehicle and the seller should tell you if you should move the process forward or walk away. If you're looking at a car from a private seller, it's a good idea to treat it like a blind date and meet somewhere public away from your home and theirs. You want to look at cars in the daylight, as the dim light of evenings can prevent you from spotting damage.
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Evaluating a used car means using all of your senses (except maybe taste, because that would be gross). It should also include your sense of intuition, which will help you determine if something doesn't seem right.
It’s a good idea to show up a little early, so you can see the car pull up. Do you hear strange noises or smoke behind it? Do a walk-around, looking for damage, worn or non-matching tires, and broken glass or lights. If there’s something that stands out and would make you pass on the car, it’s a good time to tell the seller and leave. This way, you don’t waste any more of your time or your or theirs.
Next, look at the car’s body and paint. Is it in good shape? Does the color and gloss match from panel to panel? Mismatched panels are an obvious sign of repaired collision damage. Ask the owner to turn on all of the lights and look to see if they’re burned out, cracked, or full of water. A light that’s not working can be as simple as a burned-out bulb, or as costly as a bad wiring harness. Keep track of anything that gets your attention, so you can tell your pre-purchase inspection mechanic to check it out.
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Start exploring the car's interior, looking at the upholstery's condition, and noting any bad smells. A moldy smell can indicate flood damage, while the smell of cigarette smoke can be tough to remove. How clean is the car? If it's filthy, how sure will you be that they've adequately maintained the rest of the car?
While it's not a good idea to bring your kids along when looking at cars, it is a great idea to bring along their car seats. Not all child seats fit well in every car, and you'll want to know if yours do. The same goes for dog crates and other items you frequently carry.
Learning From a Test Drive
Taking a test drive is one of the most critical tasks in buying a used car. However, the rules have changed due to the coronavirus pandemic. You need to place your personal safety above all else. You should insist on taking your test drive solo. If the seller refuses, either walk away, or set strict ground rules about mask-wearing, drive with the windows down, and ask them to sit as far away as possible.
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A thorough test drive takes more effort than simply driving around the block. It's more than just a way to check the car's condition; it's also a chance to see how it meets your needs and see whether you fit and can get comfortable.
Before You Move
Suriyo Hmun Kaew / EyeEm / Getty Images
A proper test drive starts well before you start moving. You want to get comfortable in the vehicle by adjusting the seats, steering wheel, and mirrors. Ensure you can reach all of the controls and see what you need to see from the driver's seat. If you can't get comfortable on your test drive, the car isn't going to magically become more accommodating after you buy it.
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Next, start the car and try out every system. Did the car start quickly, or did it crank for a long time? Even if it's freezing outside, try out the air conditioning and check every fan speed. The same goes for the heater, even if it's the hottest day of the year. Switch on the vehicle's interior lights. If they're pulsing, it can indicate an issue with the car's electrical system. Check every door lock and window, listening for odd noises as they raise and lower.
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Turn on the stereo and move the fader and balance so you can hear each speaker, making sure none of them crackle.
If you see anything that leads you to think that the car is unsafe to drive, do not take a test drive. That includes burned-out brake lights, a broken windshield, an airbag warning light, or tires worn to the cords. As the driver of the car, you're ultimately responsible for any damage, injuries, or traffic citations.
Make note of any issues you find. The seller will either need to get them fixed, or offer price concessions so you can make the repairs after you buy the vehicle. Of course, if you’re buying a very old car or one with high mileage, you can’t expect perfection. You should always expect safety, or be prepared to spend the money to make it safe.
The Drive
A test drive is an opportunity to learn about a vehicle you may buy, assess its condition, and get a sense of its performance. It is not a chance to allow your inner Formula One driver to run free. Most car dealers will immediately stop the test drive when this happens and ask you to take your business elsewhere. Do it in a private seller’s car, and you’ll likely be held financially responsible for the damage you cause.
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When you start moving, you’ll want to turn off the car’s radio so you can hear any strange engine, transmission, or suspension sounds. You’ll also want to listen for wind noises around the windows, doors, and sunroof that may indicate leaks.
Is the ride as you expect it to be, without strange jolts or noises? Be sure to adjust your expectations to the type of car you’re driving. An off-road-oriented pickup can’t be expected to provide the composed ride of a midsize sedan, for example. If you’re buying from a dealer, they will likely have preset test drive routes. If possible, however, you’ll want to test drive the car on the types of roads more typical to your commute. That’s another reason to push for a solo test drive.
You should pull into a parking lot, so you can assess the car’s maneuverability and how easy it is to see outside or use the vehicle’s cameras when in tight spaces.
While it’s natural to be nervous when driving someone else’s car, do your best to drive it as you would drive your own. Test the brakes, making sure they don’t pulse or grab. Does the car accelerate smoothly, or does the transmission slip or cause the vehicle to lurch? Does the car drift left or right when you hold the steering wheel straight? A very slight drift to the right is acceptable, but it should never pull to the left, into oncoming traffic. Vibrations you feel in the steering wheel typically come from the front tires, suspension, or brakes. Those you feel in the seat of your pants likely come from the rear of the car.
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Pay attention to the instrument panel. Are warning lights coming on? Or are lights not coming on when they should?
While you should note every flaw during the drive, not all should eliminate the car from consideration. Some issues can be used as bargaining chips when negotiating a price. All issues should be brought to the attention of your pre-purchase inspection mechanic.
We have a whole feature article dedicated to the topic of How to Test Drive a Car .
Get an Independent Mechanical Inspection
A great test drive may have you ready to write a check and drive the car home right away. However, there's another critical step you have to complete before you decide to buy. With just one exception, you should not buy a used car without a comprehensive pre-purchase inspection by an independent mechanic. The only exception would be if you're buying a relatively new certified used car with factory warranty coverage from a franchised new-car dealership.
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When we say independent mechanic, we mean one that works for you, not the seller. Taking it back into a dealership’s shop, putting it up on a lift, and declaring it in good order simply isn’t good enough.
Yes, a pre-purchase mechanical inspection will cost you some money – probably $100-$200. However, if it saves you from a major mechanical repair soon after your purchase, it will have been worth it. Plus, it may highlight issues that give you additional bargaining power in your price negotiations. In some states, AAA-affiliated auto clubs offer comprehensive pre-purchase inspections from AAA-approved auto shops or mobile inspection companies.
Sometimes a seller will resist your need to have the vehicle inspected. Sometimes they don’t think it’s worth the hassle, while other times they’re trying to conceal known problems with the vehicle. No matter what the excuse, you want to be firm: no inspection, no sale.
Good mechanics will not only find issues that aren't apparent to most car shoppers; they'll also be able to estimate how much the repairs would cost. Their experience should tell them what problems are common to specific models and identify when collision repairs and periodic maintenance have been performed correctly. They will have access to databases that identify common issues so that they can focus their attention on those areas.
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If a mechanic finds issues, it doesn’t necessarily kill the deal. Any problems they find just become another point to address in your price negotiations.
8. Make a Deal and Complete the Paperwork
If the test drive and independent mechanical inspection don't raise any concerns, it's time to negotiate a deal, set the purchase price, and finalize the sale and paperwork.
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Negotiating a Fair Price
Chattapong Choosakarchanai / EyeEm / Getty Images
Price negotiation is part art, part science. It is critical to remember that it’s not personal. Buying a car is a business transaction – nothing more, nothing less. The more you show your emotions, the less powerful your bargaining position. Negotiation needs to be based on facts, not your feelings.
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In the past, most price negotiation would have been done face-to-face. Today, it’s just as likely to be done by chat, text, or email. That’s great for buyers, who have a written record of the offers that a seller can't conveniently forget happened. You can take those messages and use them as leverage with another seller.
You’ll want to research what others are paying for similar cars in the marketplace. Our used car reviews show market price information for used vehicles going back more than a decade. Look at what price private sellers are seeking on Craigslist, but remember those are asking prices and not what the vehicles are actually selling for.
What strategies you use depends on where you're buying the car. If you're buying from a dealership, you'll be negotiating with a salesperson who is trained to move you incrementally to the deal they want to give you. Dealer salespeople will generally want your focus to remain on the monthly payment, while you'll want to keep them focused on the total cost of the car. If you have a trade-in or need financing, they’ll want to package everything into one deal, while you want to keep them as separate as possible.
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By merging all of the numbers into one deal, a trained salesperson can manipulate each of the components to make it look like you’re getting a deal when you really aren’t. It also breeds confusion, which is advantageous to the seller. You can take the trade-in completely out of the deal by selling it yourself . Having a pre-approved financing deal in place limits their ability to manipulate a loan’s terms.
Setting a price with a private seller is usually much more casual. In fact, if a seller starts acting too much like a salesperson, it's a red flag that you might be talking to an unlicensed dealer. Private-party car sellers often have an inflated opinion of their car's worth and are emotionally attached. Sometimes they have an unrealistic price they "need" to get out of the vehicle.
Negotiation experts will tell you that the person who talks first about price, or talks the most, will usually not get what they want out of the back and forth. Ask the seller what price they want for the vehicle. Doing so locks them into a price that they can’t ever take higher.
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Be sure you’re talking about the out-the-door price, including all fees. Many dealers are notorious for adding a plethora of fees to the negotiated price. Some are real and non-negotiable, such as registration and title fees. Others are more nefarious, such as documentation, advertising, and vehicle preparation fees. Those last few should be part of the negotiation and considered part of the price of the car.
Some used car sellers, such as Carvana, are simplifying the car-buying experience by eliminating last-minute fees and pivoting to a no-haggle sales process. The car's advertised price is not negotiable, and no dealer or documentation fees are added to the purchase price.
Your counteroffer should be at the low end of what similar vehicles are selling for, and you should be ready to back up your offer with reasons why. Be sure to consider the cost of any repairs the car needs in the amount you offer.
Remember: once you throw out a price, you can never go lower. If your counteroffer is so low that it's insulting, remember it's the seller's right to send you on your way. It's important to consider that a dealer is entitled to a fair price. A private-party seller will expect a price in the range of what other sellers of the same car are getting.
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Bottom line: Don’t be a jerk, and don’t let the seller be a jerk to you. Be firm, yet polite and professional.
Negotiation can take some time. Each time the seller comes back with an offer, make them back it up with reasons why they think it’s worth that price. Counter their offer, and back it up with reasons why you won’t pay their asking price.
If a seller tries to bully or intimidate you into making a deal, you should run – not walk – away. In fact, walking away is the most powerful negotiating tool you have, as long as you use it the right way. If you walk away, be sure to leave your contact information, letting them know to contact you if they can come closer to your price.
Never trust a seller’s math when it comes to evaluating an offer. Have a notepad at the ready, and pull up the calculator app on your phone to run the numbers. Once they realize that you understand how all of the numbers fit together, they’re less likely to play games with the figures.
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Signing the Papers
If you’re buying a car from a dealership, this last step is easy. The salesperson will have the purchase documents prepared. You just have to read and sign them. Be sure to check all of the numbers and make sure no costly extras have worked their way into the deal. Never sign documents that are incomplete or incorrect. It's harder to demand the correction of paperwork that already has your signature on the dotted line.
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It's more complicated when you buy a car in a private-party sale. One of you will have to create a bill of sale. It should note the date, mileage, price, and any special terms. Your lender may have a specific form they need you to use or require additional information to be included. In most cases, car sales between individuals are as-is transactions with no warranty coverage. If you negotiated repairs into the deal, they must be specified on the bill of sale.
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Different states require different documents for a private-party sale. At the very least, you'll have to reassign the title from the seller to you and register the car in your name. In some states, you'll also have to file an odometer disclosure or have the odometer reading verified. If you're moving the car to an area with safety or emissions testing, you'll need to have that done before registering the vehicle. Some states will require you to have proof of auto insurance coverage and require payment of any taxes when applying for registration.
Beware of ‘Yo-Yo’ Financing
Some car dealers will let you drive a pre-owned car home before the financing is complete. You never want to do this. When you accept what is called “spot financing,” you open yourself up to be a victim of the “yo-yo” financing scam.
Here's what happens: it appears the paperwork is all complete, but the financing component isn't quite done. The dealer's finance officer or salesperson will tell you that they just have to file paperwork with the lender in the morning. There may be a line in the fine print that says the financing is pending approval.
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After you’ve been enjoying your new-to-you used car for a week or so, you’ll get a call from the dealership saying that you didn’t qualify for the financing in the original paperwork. They’ll demand you return to sign new paperwork. When you arrive, you're faced with a financing deal that's far more expensive than the one you originally agreed to. They'll often apply significant pressure to get you to sign, implying that you have no other choice. Fortunately, in most cases, you do.
It is sometimes true that the dealer believed you would qualify for the financing. In other cases, unethical dealers know that you never had a chance to get the financing deal. Instead, they want you to take the car home, fall in love with it, and then be coerced into signing for a new, more expensive loan.
If that happens to you, the first call you want to make is to a local bank or credit union to determine what kind of a deal you qualify for and get approved for a new deal. Take that pre-approved loan back to the dealer and use it to buy the car. If you can't qualify for financing from an outside lender, take the vehicle back to the dealer and demand they undo the deal. In some states, the laws regarding spot financing are in the buyer's favor. In some states, however, they favor the dealership and leave you with few options.
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You can avoid falling for this unethical practice by financing your used car purchase outside of the dealership and ensuring all of the documents are finalized before you sign. Watch out for phrases such as "conditional approval" or "conditional delivery." Don't sign any papers with those terms.
9. Consider Add-Ons, Warranties, and Insurance
We’re almost at the finish line, but there are a couple of final tasks that need to be taken care of.
Add-ons
When you are signing the final paperwork, you’ll likely be barraged with offers for add-on products . They’ll range from various vehicle protection products, such as paint and upholstery sealants, to gap insurance and extended warranties (sometimes called service contracts). The offers will generally come with slick sales pitches and pressure to buy right now.
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Before you do, you want to do your research. In many cases, the products can be purchased outside of the dealership at better prices. Products such as extended warranties can be purchased from many lenders and insurance companies. The same goes for gap insurance coverage, which can usually be packaged with the rest of the car insurance coverage you buy from an auto insurance company .
The time pressure will come from the dealer's desire to include the products in your car's financing. "It will only add a few dollars per month to your payment," you'll be told. The truth is, you rarely want to finance these add-ons. They add no little value to your vehicle but raise your financing's loan-to-value (LTV) ratio, potentially putting you underwater. The "just a few dollars per month" argument also hides the real cost of the products.
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Buying a manufacturer-certified used car typically gets you factory warranty coverage, eliminating the need to immediately purchase an extended warranty. Other used vehicles are usually sold as-is, with no warranty past the car's original factory warranty. Once that warranty ends, or if it is already finished, you'll be on your own for repair costs. Consumer advocates almost universally advise against purchasing extended warranties. If you decide to anyway, be sure to compare the products available in the marketplace, their prices, and the companies behind them.
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Purchase the Right Car Insurance
It's often overlooked, but buying car insurance to protect your new car isn't just a good idea; it's the law in nearly every state. Even if it's not, most lenders will require you to have insurance on any car they finance. The coverage that's needed will vary by your state and lender.
The U.S. News guide to car insurance is the place to go when you want to learn how to navigate the world of auto insurance. We’ll help you understand how car insurance works , how much coverage you need , and how to find car insurance discounts .
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Owning a Used Car
It has been a long journey, but now you're a car owner. You'll want to ensure that it is properly maintained, and that you take steps to protect its value . By taking care of your car, you’ll limit its depreciation. When it's time for your next vehicle, you want its trade-in value to be as high as possible.
You worked hard to get your car and its financing. Not making your car payments can see all of that hard work go to waste, taking your credit score along with it. Our guides explaining what to do if you’re underwater on your car loan and what to do if you can’t make your car payment can take you through the process of dealing with financial calamities without needless damage to your credit.
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More Shopping Tools From U.S. News & World Report
A guiding principle we follow at U.S. News & World Report is that you can't get a good deal unless you're getting a good car. That's why we've designed our new car reviews to answer the questions shoppers have when they're in the car-buying market. Our new car rankings and reviews are based on the country's top automotive journalists' consensus opinion, blended with quantifiable information about safety, predicted reliability, and other factors. Our used cars rankings add the cost of ownership to the list of factors we include. We don't accept expensive gifts or travel from automakers so that you can be assured of our impartiality.
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We scour the marketplace to bring you information about the best new car financing and cash back deals. You’ll find them on our new car deals page . Our lease deals page shows special offers with low monthly payments and little due at signing. Shoppers in the market for a certified used car should explore our used car deals page to find special financing offers.
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The U.S. News Best Price Program connects new car buyers and lease customers with local dealers offering pre-negotiated pricing, online sales processes, and home delivery options. Shoppers save an average of more than $3,000 when they use the program.
Save on your monthly payments! Find the best local prices on your next car.
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**3.** <https://www.nerdwallet.com/article/loans/auto-loans/buy-used-car>

How to Buy a Used Car in 11 Steps
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How to Buy a Used Car in 11 Steps
Using tools like pricing guides, online listings and vehicle history reports can simplify your used-car shopping experience.
Philip Reed
Auto Loans Specialist | Edmunds.com
Philip is an automotive expert who writes a syndicated column for NerdWallet. He has appeared on national TV and radio and once wore a hidden camera for ABC News to show how to haggle for a used car. His passion is helping people save money in their automotive budgets.
Benjamin Din
Writer | Politico
Benjamin Din is a writer at NerdWallet. He previously was a technology reporter at Politico, where he wrote a daily newsletter covering tech and telecom policy. He has written for The Wall Street Journal, Bloomberg News and The Washington Post, as well as covered two Olympics with NBC Sports. Benjamin has a journalism degree from Northwestern University. In his free time, he enjoys traveling and learning new things. Email: <a href="mailto: [email protected] "> [email protected] </a>.
Julie Myhre-Nunes
Assistant Assigning Editor | Auto loans, consumer credit
Julie Myhre-Nunes is an assistant assigning editor at NerdWallet. She has been working in the personal finance space for more than 10 years. Before joining NerdWallet, Julie oversaw editorial teams at NextAdvisor, Red Ventures and Quote.com. Her personal finance insight has been featured on Forbes, The Boston Globe and CNBC throughout the years. Julie’s writing has been published by USA Today, Business Insider and Wired Insights, among others. Email: <a href="mailto: [email protected] "> [email protected] </a>.
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Steps
11. Make the purchase
Shopping for a used car is a lot of work, but when done right, it can be well worth your time. With the help of online car-shopping tools, you’ve got the best chance of making a good deal on a car that meets your needs and fits your budget.
There are plenty of reasons to buy used instead of new: It will save you money on car insurance, registration, taxes and depreciation, which is the loss in a car’s value due to wear and tear over time. It also makes sense because cars have never been more reliable. It’s not unusual for some well-maintained vehicles to be trouble-free for well over 200,000 miles.
But in the current used-car market — where supply is limited and prices are high — you may not be able to find exactly what you’re looking for at the price you want. And in some cases, buying a new car can be cheaper than buying used, especially if you’re looking for a late-model vehicle.
Despite those challenges, here’s an overview of the process, as well as what to look for when buying a used car, whether it’s from a dealer, from a private party or from an online retailer.
1. Determine how much to spend
There are two ways to buy a used car: Pay cash or take out a loan. If you’re paying with cash, budgeting is straightforward. Make sure you don’t spend all your savings and remember to set aside money for registration, insurance and possible future repairs.
Most people take out a car loan so they can protect their savings or buy a more expensive model. It’s smart to get preapproved for a car loan because it simplifies the buying process and puts you in a stronger position at the car dealership. You’ll see later how preapproval fits into the process.
Use an auto loan calculator to run the numbers on payments and term lengths. NerdWallet recommends that you:
Plan to put about 10% down, which helps decrease the amount you’ll need to finance.
Aim to finance the car for no more than three years.
Budget so that, ideally, your monthly auto expenses — such as car payment, gas and insurance — won't be more than 20% of your monthly take-home pay.
Find your preapproval rates
» MORE: Compare auto loans, rates and lenders
2. Choose the features you need
With so many options available, picking the right car can be overwhelming. Take some time to think about how you plan to use this car. For example, if you have a family, you’ll want enough room for everyone plus ample cargo space. If safety is a top priority, check out the Insurance Institute for Highway Safety for crash tests. In recent years, some advanced safety features that were once reserved for luxury vehicles now come standard on many models.
Narrow the field by making a list of must-have features. Then, search for models with those features using car finder tools on automotive websites like Edmunds. As you move forward, build a list of three car models to research in more detail.
$4,000-Max. not disclosed
3. Research reliability and ownership costs
Every used car is different. Some have been driven more miles and have more wear and tear. But, in general, you want to make sure you're choosing models known for their dependability. Consumer Reports (which requires a paid subscription) and J.D. Power collect maintenance reports from owners and rate all used cars.
You’ll also want to consider the total cost of ownership . Some cars may be cheaper upfront, but the costs can add up in the long run because of insurance, maintenance, repairs and depreciation . Automotive websites, such as Kelley Blue Book's Five-Year Cost to Own or Consumer Reports' Cost of Vehicle Ownership , can help you estimate these expenses.
4. Find good used cars
There are a lot of websites that list used cars, and each site seems to have its own character. Many of them also have car-buying apps , if you’re shopping on your phone. Here are some options to check out:
Online marketplaces, such as Autolist , Autotrader and Used Car Search Pro , aggregate listings from online retailers, dealerships and sometimes individuals from across the country. Once you find a listing you like, they’ll give you the seller’s contact information.
Online auto retailers, such as CarMax , Carvana and Vroom , allow you to complete the purchasing process online. These retailers own the inventory and sometimes have return policies if you’re not pleased with your purchase.
Traditional private-party sales platforms, such as Craigslist and Facebook Marketplace , are popular shopping platforms if you’re looking to buy a used vehicle from a private party. Sellers are often looking to make a quick sale, so it’s possible to get a great deal — but be careful about scammers.
Most used car lots have the cars in their inventory posted online. However, if you’re someone who likes to see and touch the cars you’re considering, there are countless used-car lots across the country where you can do just that.
5. Price the cars
Once you find several cars for sale in your area — but before you physically inspect them — look up that car model in a pricing guide such as Kelley Blue Book, Edmunds and the National Automobile Dealers Association. You can use the guide to estimate the market value of the actual car you’re looking at by assessing its condition based on factors such as age, mileage and options. With that in hand, you’ll have the information you need to negotiate effectively.
When you look up a price, include the following information:
Year, make and model. The model is sometimes called the “trim level.” For example, when looking up a 2020 Nissan Sentra, SV is one of several trim levels.
Options. These are special features installed when the car was built, such as a navigation system.
Mileage. If a car has been driven more or less than the typical mileage, the price is adjusted accordingly.
Condition level. Read the descriptions of the condition levels carefully, as each pricing guide has its own rating methodology for determining the difference between “clean” and “outstanding,” for example.
Most pricing guides give you several different prices. If you're buying the car from a dealer, look at the “dealer retail” price. If your next-door neighbor is the seller, you should look at the “private party” price. You might also notice that pricing guides tell you what the car is worth as a trade-in. Make sure to price your current car if you plan to trade it in at the dealership.
If you want to sell your car online , some websites will give you an instant cash offer, valid for a few days. These offers are a great way to gauge trade-in value, even if you don’t sell it.
6. Pull the vehicle history report
Run a vehicle history report on the cars you’ve selected. Using the vehicle identification number, or VIN, you can get a detailed report of the car’s history from Carfax or AutoCheck. It’s a quick way to know if you should seriously consider buying this car.
In some cases, online listings will include access to free vehicle history reports. If not, it’s worth it to buy one.
What you'll learn from the vehicle history report
Does this car have a clean title ? If a car’s been in a serious accident, fire or flood, and was “totaled” by the insurance company (declared a total loss) it still might be driveable. However, the insurance company will issue a “salvage title” to alert future buyers. Steer clear of cars with a salvage title because it kills the resale value, and the car might still have hidden problems.
Serious accidents are reported to the insurance company and will probably be on the vehicle history report.
Shady sellers might spin the odometer back to increase a car’s selling price. The vehicle history report can alert you to this scam.
The report will list each time the car changed hands.
Some reports show if required maintenance was done on time and where the work was performed.
7. Contact the seller
A quick chat will answer lots of questions and save time. First, verify the information you read in the ad.
Questions to ask when buying a used car
Are you the first owner?
Are the service records available?
Do you have the title and is it clear? (A clear title shows there are no liens on the car.)
How did you set the asking price?
Is there any important information that wasn’t in the ad?
Can I have the car inspected by a mechanic?
8. Test drive the car
Up to this point, you haven’t actually driven the car you’ve chosen. Now, you'll not only see if you like this model, but you'll also have to decide if this particular car is worth buying.
Unless you're a mechanic, you can’t be expected to inspect a car thoroughly. However, you can give the car a pretty good initial inspection. If it looks good, then you can get a full used-car inspection .
First, start the car. All the warning lights should turn on for a few seconds, then go out. At the very least, check for the four most important: engine, oil pressure, brakes and airbag. If you don't see these lights go on, then off, dig deeper.
Select a test drive route that has a little bit of everything: hills, rough pavement, curves and even a stretch of highway. Drive the car with the radio off — you can test that later.
What to check when buying a used car
Visibility: Are there any blind spots?
Acceleration and cornering: Does the car have enough power? How does the steering feel?
Brakes: Are they responsive and predictable?
Ergonomics: Can you easily reach all the gauges and controls?
Mechanical condition: Listen for any unusual noises or vibrations that could indicate worn suspension parts or tires.
After the test drive, check the back-seat leg room and cargo capacity. Now it’s time to blast the sound system and see if your phone connects via Bluetooth.
9. Inspect the car
If you liked driving the car and it seems to be in good condition, you should still take it to a mechanic. Private-party sellers are pretty relaxed about this. Some dealers might give you pushback, claiming they’ve already inspected it. Go ahead and insist if you have any doubt about the car's condition. Expect the cost of a car inspection to run about $100 to $300.
On independent used car lots, you often see a sign in the window saying that the vehicle is “certified,” which can mean almost anything — and usually means nothing — about the condition or reliability of the car.
But on new-car lots, “certified” means the vehicle is a certified pre-owned car . CPO programs have become popular and make used car shopping a whole lot easier, because the cars are thoroughly inspected and include an extended factory warranty. Those vehicles are pricier, but you don’t need to take a CPO car to your own mechanic.
10. Negotiate the best price
Here’s the part that everyone dreads: negotiation. But it doesn’t have to be stressful, especially if you’ve done your research and have a good idea what the car is worth. Compare the seller’s asking price to the average market price you determined on the pricing guides. Chances are, the seller is asking more than the market average.
Let’s say the seller is asking $12,000 and your research has told you the car is worth $10,500. Start by pointing out any concerns you have about the car’s condition. For example, you can say, “I like the way the car drives. But it really needs a new set of tires. And besides that, the book value is only $10,500. So I’d be willing to buy it for $10,000.”
Now, it’s up to the seller to either accept your offer or make a counteroffer. If their counteroffer still seems too high, you can either stick to your guns or invoke the time-honored phrase, “I’ll meet you halfway,” and split the difference. You can go back and forth until you agree.
When you bargain with a car salesperson at a car lot or dealership, remember that you're dealing with a pro who knows all the tricks.
6 tips to use on the car lot
Don’t be a monthly payment buyer. If you have a preapproved loan, you're a cash buyer as far as the dealer is concerned and you should negotiate on the price of the car, not the size of the monthly payment.
Start low, but in the ballpark. Lowball the seller and they won’t treat you as a serious buyer. Instead, make an offer that is on the low side, but still enticing. Then, improve your offer slowly, perhaps in increments of $250.
Don’t be trapped in the sales office. Don’t let a salesperson leave you alone while they “go to talk with their boss.” Instead, roam around the showroom or go get a cup of coffee. Uncontrollable buyers keep salespeople off balance, which can help you in negotiations.
Negotiate slowly and repeat the numbers you hear. Take your time to understand all the numbers being thrown at you. Write them down, if that helps you. Confirm if you're talking about the “out-the-door” price , which includes all taxes and fees, or just the sale price of the car.
Ask about fees before saying yes to a deal. Some dealers include bogus fees to take back profit they lose during the negotiation. Get a breakdown of additional fees before you agree to any deal.
Always be ready to walk. If you aren’t making progress toward a deal, or you don’t like the way you’re being treated, just walk out. You don’t need an excuse. “I’m not going to buy” is good enough.
11. Make the purchase
Before taking ownership of the car, you should add it to your insurance policy. Then, you only need to pay for the car — usually with cash or a cashier’s check. Make sure you get a title and have the seller sign it correctly. (If the seller’s name isn't on the title, you could be a victim of title jumping , which is illegal.) When in doubt, check the state’s registry website for more information. Many states allow about 10 days to transfer ownership.

**4.** <https://www.consumerreports.org/cars/buying-a-car/how-to-buy-a-used-car-a5221672417/>

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**5.** <https://www.nytimes.com/2021/12/09/business/used-car-buying-tips.html>

Prices for used cars have soared during the pandemic.Credit...Mark Makela for The New York Times
By Paul Stenquist
Dec. 9, 2021
Whether your family celebrates Toyotathon or December to Remember, the winter holidays have been a good time to buy a new car, as dealers would cut prices to tempt bargain-hunting shoppers.
These seemingly generous offerings were meant to clear out the previous model year’s inventory while giving shoppers a look at the new (and more expensive) models.
While many dealers are still trying to push end-of-year showroom traffic in this year of shortages , shoppers will most likely find the pickings slim and prices high. According to Mark Schirmer, spokesman for Cox Automotive, an industry consulting firm, new-car inventory as of mid-November stood at about one million. In a normal year, three million vehicles would be offered for sale.
With a dearth of affordable new cars on showroom floors, buyers are turning to the used car market. That’s good news if you’re selling: The retail prices of previously owned cars on dealer lots have skyrocketed, with the average topping $26,000.
Fortune in November reported that used car prices were up nearly 40 percent since March 1, 2020. In a normal year, Mr. Schirmer said, prices drop in autumn. But this year, wholesale prices of used vehicles increased 4.9 percent in the first 15 days of November, according to the Manheim Used Vehicle Value Index .
Many buyers are hesitant to spend lavishly on a new car, let alone for a used vehicle. But since a car is often a necessity, many can’t wait and will pay the going rate. (According to the American Public Transportation Association, 45 percent of Americans have no access to public transit .)
Does anyone have your back when buying used? Large, franchised car dealers have a reputation to protect and don’t want to deal with regulatory agencies or answer to lawsuits, so that’s a plus for the buyer. Many offer a limited warranty, often 90 days or 6,000 miles. Certified pre-owned vehicles, which are offered by the dealers of most automotive brands, are inspected and come with better warranty protection. The prices reflect those extras, but all things considered, a certified pre-owned car is most likely your safest bet.
One key resource for any shopper is Carfax, which provides vehicle history reports for cars that have been previously registered. The reports are reasonably accurate and will at least let the buyer know if the car was damaged in an accident and its recorded mileage at the last transaction. Most dealers will provide a Carfax report, but consumers can obtain one at carfax.com by entering the vehicle identification number. Beware of printed Carfax reports provided by a seller; they can be fake.
Since the price of a used car from a retail dealer is now closer to what many are accustomed to paying for a new car, are there alternatives? Carvana and Vroom are among the enterprises that sell used cars online and deliver them to buyers who never visit a lot.
But growing demand and high volume have apparently caused problems. In October, a Wall Street Journal article suggested that the Carvana experience wasn’t necessarily a positive one. It said dozens of complaints had been filed with state regulators and even more with the Better Business Bureau , a consumer information service.
The bureau has also issued alerts regarding Vroom, saying consumers complained that the vehicle “they purchased from photos was not the vehicle they received.” The service went on to say: “Since January, the pattern of complaints has not trended down but has actually increased.”
CarMax is another used car seller that promises fast online transactions, but unlike Carvana and Vroom, it operates over 200 locations where a shopper can inspect cars. However, reviews of the service published on the Better Business Bureau site are generally scathing.
And Carvana, Vroom and CarMax are fixed-price sellers. Buyers can’t haggle. That may reduce stress, but it might also result in a higher price than one might negotiate in person.
Image
A Carvana “vending machine” in South Fayette, Pa. The online used-car seller delivers vehicles to buyers, who never have to visit a lot.Credit...Ted Shaffrey/Associated Press
The best opportunity for finding a bargain may lie in searching eBay, Craigslist, Autotrader or newspaper classified ads. But these have few protections for buyers other than Carfax, which in addition to vehicle history reports offers advice for those buying on Craigslist, although its recommendations apply to any private-party used-car purchase.
Carfax’s guide breaks the process down into seven steps. The first step is obvious: Search for a vehicle in the cars and trucks section of Craigslist for sale listings. You can limit the search by price, location, make, model and odometer mileage. You can also choose to view only vehicles listed by owners, and specify condition and transmission type. A search for an excellent-condition Chevrolet Equinox for sale by its owner in the Detroit area, for example, turned up five candidates.
If you find a vehicle that interests you, contact the seller. Request a phone number if none is provided; a conversation is usually more revealing than text messages or emails. If the vehicle is available, you can ask for additional photos.
Run a Carfax vehicle history report — you will need the car’s VIN — which can verify information the seller provided. Carfax notes that if the seller isn’t the original owner, he or she may not even be aware of all the information in the report.
If you decide to buy, meet the seller and inspect the vehicle. Take a friend and meet in a neutral high-traffic area; some jurisdictions allow transactions in the parking lot of the local police department. That’s ideal. If the seller refuses to meet at a safe location, consider it a warning and move on. If possible, have a mechanic inspect a used car before completing the transaction.
Used-car listings can also be found on eBay Motors, which unlike other sources has some built-in protections for buyers and sellers. In a 2019 review, Business Insider pointed out that eBay Motors provided more than listings; it offered secure payment methods, vehicle history reports and seller and buyer ratings of those involved in previous transactions. Up to $100,000 in vehicle purchase protection is also available.
Like Craigslist, eBay Motors lets you narrow your search by equipment, location, transmission type and more. A plus for eBay is its transactions ratings. This can help weed out scammers who may have generated complaints in previous transactions. It also reveals what’s behind the rating. If previous sales were for calendars or concert memorabilia, a high rating may not mean much when it comes to a vehicle sale.
Purchases on eBay Motors are covered by a protection policy, according to Business Insider, meant to ensure delivery and that the vehicle isn’t stolen or has major mechanical issues. Payment goes through eBay via PayPal. Most sales require a deposit after you’ve hit the “buy” button and for the balance to be paid within a set period, which gives you time to inspect the vehicle.
Buying a used car can be challenging. The adage obviously applies: Buyer, beware.
Advertisement

**6.** <https://www.edmunds.com/car-buying/10-steps-to-buying-a-used-car.html>

How to Buy a Used Car in 10 Steps
How to Buy a Used Car in 10 Steps
by
May 5th, 2021
Share:
Summer 2021 update: The COVID-19 pandemic has affected vehicle production worldwide and brought factory closures, limited staffing and a global shortage in semiconductor chips that are essential components in a modern vehicle. As a result, fewer new vehicles are available on dealer lots. And the combination of fewer new cars and more people looking for lower-priced vehicles has increased the demand for used cars and subsequently driven up prices.
This means that 2021 will not likely be a normal year in terms of the selection of cars and discounts you may encounter. Edmunds experts advise consumers in the market for a new car to start shopping sooner rather than later since they anticipate that the chipset shortage is likely to affect pricing and inventory through at least the second half of 2021.
If you're shopping for a new or used car in today's difficult marketplace, please also see " Shopping Tips During the Global Microchip Shortage " for our experts' targeted, data-driven advice.
This article was originally written before the pandemic when vehicle inventory and prices were more stable and predictable. That said, many of the major elements still ring true. You'll still need to determine a budget, find the right car, and research prices to be able to spot a good deal.
If you're looking to buy a used car , you're far from alone. Between private-party and dealership sales, nearly 40 million used vehicles change hands each year.
With so many choices, finding that one right car for you can be a challenge. So we've created a list of steps to help make finding and buying your perfect used car a breeze.
You can find good used cars in a variety of places, such as private-party sellers, new-car dealerships and used-car superstores.
1: How much car can you afford?
A rule of thumb: If you're taking out a loan to pay for your car, your car payment shouldn't be more than 10% of your take-home pay. If you're sticking to a tight budget, you might want to spend even less. Used cars will need a little extra attention from time to time, including new tires, maintenance and the like. And then there are the other ownership costs shoppers sometimes forget to account for, such as fuel and insurance.
If the car you're planning to buy is out of warranty, it might be a good idea to set aside a "just-in-case" fund to cover any unexpected repairs.
2: Build a target list of used vehicles
It's no secret that the Honda CR-V and the Toyota RAV-4 make for good used cars. But they might cost a few thousand more than a comparable Ford Escape or Kia Sportage, even though these are solid cars too. So if you're looking to save money, consider more than one brand. We suggest making a list of three cars that meet your needs and fall within your budget. Edmunds reviews have great information to guide your choices.
If you're planning to buy a vehicle that is less than 5 years old, consider one that's certified pre-owned (CPO). CPO vehicles have long-term warranties that are backed by the carmaker, not just the dealership selling it to you. Franchised dealerships that sell that same brand new are the only ones that can sell a CPO car of the same brand. So if you want a CPO Chevy Equinox, for example, you'll need to buy it from a Chevy dealer.
See Edmunds pricing data
Has Your Car's Value Changed?
Used car values are constantly changing. Edmunds lets you track your vehicle's value over time so you can decide when to sell or trade in.
See pricing history
3: Check prices
Prices are driven in part by where you're shopping. You'll find used cars in used car sections of new car dealerships, independent used car lots, used car retailers such as CarMax, and websites where private-party sellers list their cars. Of the four, private-party cars will typically have the lowest selling price. CPO cars will usually cost the most , but for the reasons we've noted. To see what other people are paying for the models you've picked out, take a look at the Edmunds Suggested Price, found on each vehicle's inventory page .
4: Locate used cars for sale in your area
One easy place to start building your target list is the Edmunds used car inventory page. To find exactly the car you want, you can filter your search by many factors, including the miles on the car's odometer, its price and features, and the dealer's distance from you. Most other websites will have similar methods to find the vehicle nearest you.
5: Check the vehicle history report
Unless you're buying the car from a close friend or family member who can vouch for its history, plan to get a vehicle history report . This early step is essential. If the car you're looking at has a bad history report, the sooner you know the better.
AutoCheck and Carfax are the best-known sources for vehicle history reports. These reports can reveal vital information about the car, including whether the odometer has been rolled back or if it has a salvage title, which means it has been declared a total loss by an insurance company. You'll use the car's vehicle identification number (VIN) to get this information, and in some cases, all you need is the license plate number. Most major dealers offer these reports for free if they have the vehicle in their inventory.
6: Contact the seller
Once you find a good prospective car, don't run out to see it. Call the seller first. This step is an excellent way to establish a relationship with the seller and verify the information about the car. You can ask private-party sellers why they're parting with a car or whether it has any mechanical problems. And if you're buying from a dealer, a phone call or text is the best way to ensure the car is still in stock.
Sometimes the seller will mention something that wasn't in the ad that might change your decision to buy the car. If you want to go deeper, our used car questionnaire is a good reminder of what to ask. You will notice that the last question on our list is the asking price of the car. Although many are tempted to negotiate even before laying eyes on the car, it's better to wait. Once you see it, you can tie your offer to its condition.
If things are going well, set up an appointment to test-drive the car. If possible, make it for daylight hours so it's easier to see the car's condition.
7: Test-drive the car
Test-driving a used car is the best way to know if it is the right car make and model for you. It's also a good way to assess a particular car's condition. So tune out distractions and focus on the car. Here are some things to check:
Is it easy to get in and out of the car without stooping or banging your head?
Is there enough headroom, hiproom and legroom? Remember to check the space in the back seat too.
Is the driving position comfortable? Do you sit too low, too high or just right in the car? Can you tilt or telescope the steering wheel for a better fit?
Are the seats comfortable? Are they easily adjustable? Is there a lumbar support adjustment for the driver? How about the front-seat passenger?
Is the check engine light on? If so, get that problem checked out before buying.
How is the visibility? Check the rearview mirror and the side mirrors. Look for potential blind spots.
Use your nose. Do you smell gas, burning oil or anything amiss?
Check out the tires. How old are they? Is there enough tread left?
How are the brakes? Are they doing the job of stopping the car? Do they squeak?
Pop the hood. You don't have to know a lot about cars to see if something looks wrong. If something is leaking, steaming or covered in oil, it's time to ask questions.
Does the air conditioning blow cold? Do headlights, brake lights and turn indicators work? Test them to be sure.
After the test drive, ask the owner or dealer if you can see the service records. These will show you if the car has had the scheduled maintenance performed on time.
8: Have the car inspected
If you like the car, consider having a mechanic inspect it before you buy it. If you don't have a mechanic, Google and Yelp are good places to read local shops' reviews. A prepurchase inspection costs $100-$200 and can alert you to problems you may not find yourself. It's a smart investment.
A private-party seller will probably allow you to do this without much resistance. Most dealerships will let you borrow a car for an outside mechanic to inspect. You'll be paying for the inspection, of course. If it is a CPO car, there's already been an inspection and the car has a warranty, so there is little reason to take it to an independent mechanic.
9: Negotiate a good deal
Does the idea of "talking numbers" fill you with dread? It shouldn't. Negotiating doesn't have to be a drawn-out traumatic experience. If you are reasonable and have a plan, chances are you can make a deal pretty quickly and easily.
Decide ahead of time how much you're willing to spend to get the car. But don't start with this number in your discussion.
Make an opening offer that is lower than your maximum price but in the ballpark based on your average price paid research in Step 3. Explain that you've done your research on Edmunds or wherever else, so you have facts to support your offer.
If you and the seller arrive at a price that sounds good to you and is near the average price paid, you're probably in good shape.
And remember, the people on the other side probably dislike negotiating too — even if it's their job.
10: Get the paperwork done
If you are at a dealership, you'll sign the contract in the finance and insurance office. There, you will likely be offered additional items such as a warranty, anti-theft devices, prepaid service plans or fabric protection.
Some people want the peace of mind that comes with an extended warranty, so this is something you might want to consider unless the car is still under the manufacturer's warranty or is a CPO vehicle. Review the dealership sales contract thoroughly. In most states, it lists the cost of the vehicle, a documentation fee, possibly a small charge for a smog certificate, sales tax and license fees.
If you are buying a car from an individual owner, make sure the seller properly transfers the title and registration to you. It's important to close the deal correctly to avoid after-sale hassles. Before money changes hands, ask for the title (which is sometimes called the pink slip) and have the seller sign it over to you. Rules governing vehicle registration and licensing vary from state to state. If possible, check with your local department of motor vehicles to make sure there are no past-due registration fees you'd be responsible for should you buy the car. Whether you buy from a dealer or a private party, make sure you have insurance for the car before you drive it away.
Once you've done the paperwork, it's time to celebrate your new purchase — maybe with a drive-thru dinner. You deserve it!
See our list of the Best Used Cars and save some serious cash without compromising on features or performance.
FAQs
What used cars not to buy?
You'll want to avoid buying vehicles with salvage titles, mileage over 200,000, inconsistencies on the odometer and no maintenance records. A vehicle history report can help you spot many of these issues. You'll also want to do some research on models with reliability issues. Learn more
How many miles should you buy on a used car?
The fewer the miles, the better for a used car. Twelve thousand miles per year is a good rule of thumb to use in calculating if a vehicle has excessive mileage. That said, a low-mileage vehicle doesn't automatically mean it is a good used car. A vehicle with 70,000 miles and a regular maintenance history can be better than one with 30,000 miles and no maintenance history. Learn more
Is it better to buy a used car from a dealership?
A dealership provides a number of advantages over buying from a private seller. There's often some reconditioning on the vehicle, access to auto loans, and a chain of command if anything goes wrong with the deal. On the other hand, buying from a private seller can give you greater insight on how the vehicle was maintained, and it may be easier to negotiate a lower price. Learn more
Edmunds Recommends

**7.** <https://www.npr.org/2019/10/31/774757867/5-tips-for-buying-a-car-the-smart-way>

5 Tips For Buying A Car The Smart Way
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Jan Stromme/The Image Bank/Getty Images Plus
Jan Stromme/The Image Bank/Getty Images Plus
New cars these days have better safety features and more tech gizmos than models from a decade ago. And let's face it: Trading in a beat-up clunker with grimy seats is an enticing idea.
But many Americans make big mistakes buying cars. Take new car purchases with a trade-in. A third of buyers roll over an average of $5,000 in debt from their last car into their new loan. They're paying for a car they don't drive anymore. Ouch! That is not a winning personal finance strategy.
But don't worry — NPR's Life Kit is here to help. Here's how to buy a car without getting over your head in debt or paying more than you have to.
1. Get preapproved for a loan before you set foot in a dealer's lot.
"The single best advice I can give to people is to get preapproved for a car loan from your bank, a credit union or an online lender," says Philip Reed. He's the autos editor at the personal finance site NerdWallet. He also worked undercover at an auto dealership to learn the secrets of the business when he worked for the car-buying site Edmunds.com . So Reed is going to pull back the curtain on the car-buying game.
For one thing, he says, getting a loan from a lender outside the car dealership prompts buyers to think about a crucial question. "How much car can I afford? You want to do that before a salesperson has you falling in love with the limited model with the sunroof and leather seats. "
Reed says getting preapproved also reveals any problems with your credit. So before you start car shopping, you might want to build up your credit score or get erroneous information off your credit report.
And shop around for the best rate. "People are being charged more for interest rates than they should be based upon their creditworthiness," says John Van Alst, a lawyer with the National Consumer Law Center.
Van Alst says many people don't realize it, but the dealership is allowed to jack up the rate it offers you above what you actually qualify for. So with your credit score, "you might qualify for an interest rate of 6%," says Van Alst. But, he says, the dealership might not tell you that and offer you a 9% rate. If you take that bad deal, you could pay thousands of dollars more in interest. Van Alst says the dealership and its finance company, "they'll split that extra money."
So Reed says having that preapproval can be a valuable card to have in your hand in the car-buying game. It can help you negotiate a better rate. "The preapproval will act as a bargaining chip," he says. "If you're preapproved at 4.5%, the dealer says, 'Hey, you know, I can get you 3.5. Would you be interested?' And it's a good idea to take it, but make sure all of the terms, meaning the down payment and the length of the loan, remain the same."
One word of caution about lenders: Van Alst says there are plenty of shady lending outfits operating online. Reed says it's a good idea to go with a mainstream bank, credit union or other lender whose name you recognize.
2. Keep it simple at the dealership.
If you're buying a car at a dealership, focus on one thing at a time. And don't tell the salespeople too much. Remember — this is a kind of game. And if you're playing cards, you don't hold them up and say, "Hey, everybody, look — I have a pair of queens," right?
So at the dealership, Reed and Van Alst both say, the first step is to start with the price of the vehicle you are buying. The salesperson at the dealership will often want to know if you're planning to trade in another car and whether you're also looking to get a loan through the dealership. Reed says don't answer those questions! That makes the game too complicated, and you're playing against pros. If you negotiate a really good purchase price on the car, they might jack up the interest rate to make extra money on you that way or lowball you on your trade-in. They can juggle all those factors in their head at once. You don't want to. Keep it simple. One thing at a time.
Once you settle on a price, then you can talk about a trade-in if you have one. But Reed and Van Alst say to do your homework there too. A little research online can tell you what your trade is worth in ballpark terms. Reed suggests looking at the free pricing guides at Edmunds.com , Kelley Blue Book and NADA . On Autotrader, you can also see what people in your area are asking for your car model. And he says, "You can get an actual offer from Carvana.com and also by taking the car to a CarMax, where they will write you a check on the spot."
So he and Van Alst say don't be afraid to walk away or buy the car at a good price without the trade-in if you feel the dealership is lowballing you on your old car. You have plenty of other good options these days.
Will Sanders/Stone/Getty Images Plus
3. Don't buy any add-ons at the dealership.
If you've bought a car, you know how this works. You've been at the dealership for hours, you're tired, you've settled on a price, you've haggled over the trade-in — then you get handed off to the finance manager.
"You're led to this back office. They'll often refer to it as the box," says Van Alst. This is where the dealership will try to sell you extended warranties, tire protection plans, paint protection plans, something called gap insurance. Dealerships make a lot of money on this stuff. And Van Alst says it's often very overpriced and most people have no idea how to figure out a fair price.
"Is this add-on, you know, being marked up 300%? You don't really know any of that," Van Alst says. So he and Reed say a good strategy, especially with a new car, is to just say no — to everything. He says especially with longer-term loans, there's more wiggle room for dealers to try to sell you the extras. The finance person might try to tell you, "It's only a little more money per month." But that money adds up.
"Concerning the extended factory warranty, you can always buy it later," says Reed. "So if you're buying a new car, you can buy it in three years from now, just before it goes out of warranty." At that point, if you want the extended warranty, he says, you should call several dealerships and ask for the best price each can offer. That way, he says, you're not rolling the cost into your car loan and paying interest on a service you wouldn't even use for three years because you're still covered by the new car's warranty.
Gap insurance promises to cover any gap between the purchase price of replacing your almost-new car with a brand-new car if your regular insurance doesn't pay for full replacement if your car gets totaled. Van Alst says gap insurance is often overpriced and is fundamentally problematic. If you still want the product, it's best to obtain it through your regular insurance company, not the dealer.
4. Beware longer-term six- or seven-year car loans.
A third of new car loans are now longer than six years. And that's "a really dangerous trend," says Reed. We have a whole story about why that's the case. But in short, a seven-year loan will mean lower monthly payments than a five-year loan. But it will also mean paying a lot more money in interest.
Reed says seven-year loans often have higher interest rates than five-year loans. And like most loans, the interest is front-loaded — you're paying more interest compared with principal in the first years. "Most people don't even realize this, and they don't know why it's dangerous," says Reed.
Loading...
Don't see the graphic above? Click here.
Reed says that if you want to sell your car — you decide you can't afford it, or maybe you have another kid and need a minivan instead — with a seven-year loan you are much more likely to be stuck still owing more than the car is worth. So he says, "It puts you in a very vulnerable financial situation."
A better way to go, Reed says, is a five-year loan for a new car and "with a used car you should really finance it for only three years, which is 36 months." One reason that makes sense, he says, is that if your used car breaks down and isn't worth fixing — say the transmission totally goes — you're more likely to have paid off the loan by that time.
Reed says a five-year loan make sense for new cars because "that's been the traditional way — it's kind of a sweet spot. The payments aren't too high. You know the car will still be in good condition. There will still be value in the car at the end of the five years."
Also, Van Alst and Reed say to make sure dealers don't slip in extras or change the loan terms without you realizing it. Read carefully what you're signing.
Reed says a colleague at NerdWallet actually bought a minivan recently and "when she got home, she looked at the contract." She had asked for a five-year loan but said the dealership instead stuck her with a seven-year loan. "And they included a factory warranty which she didn't request and she didn't want." Reed says she was able to cancel the entire contract, remove the extended warranty and get a rebate on it.
"But the point of it is," he says, "I mean, here's somebody who is very financially savvy, and yet they were able to do this to her. And it's not an uncommon scenario for people to think that they've got a good deal, but then when they go home and look at the contract, they find out what's been done to them."
5. Don't buy too much car. And consider a used car to save a lot of money!
"The golden rule is that all of your car expenses should really be no more than 20% of your take-home pay," says Reed. And he says that that's total car expenses, including insurance, gas and repairs. "So the car payment itself should be between 10 and 15%."
And if a new car with a five-year loan doesn't fit into your budget, you might decide you don't really need a brand-new car.
"We're actually living in a golden age of used cars," says Reed. "I mean, the reliability of used cars is remarkable these days." Reed says there is an endless river of cars coming off three-year leases that are in very good shape. And even cars that are older than that, he says, are definitely worth considering. "You know, people are buying good used cars at a hundred-thousand miles and driving them for another hundred-thousand miles," says Reed. "So I'm a big fan of buying a used car as a way to save money."
He acknowledges that which car you buy matters and that it's a good idea to read reviews and ratings about which brands and models are more or less likely to run into costly repair problems down the road. He says some European cars are famously expensive to maintain.
NPR has a personal finance Facebook group called Your Money and Your Life. And we asked group members about car buying. Many said they were shocked by how much money some other people in the group said they were spending on cars. Patricia and Dean Raeker from Minneapolis wrote, "40 years of owning vehicles and our total transportation purchases don't even add up to the cost of one of the financed ones these folks are talking about."
Dean is a freelance AV technician, and Patricia is a flight attendant. They say, "our nicest, newest purchase was a 2004 Honda Accord for $2400, bought last year, that with regular maintenance could likely last another 100,000+ miles." And they say they "can't understand those who insist on driving their retirement funds away."
Even if you buy a slightly newer used car than the Raekers', the couple raises a great point. What else could you be spending that car payment money on? And if you can cut in half what you might otherwise spend, that's a lot of extra money for your retirement account, your kids' college fund or whatever else you'd rather be doing with that money.
Correction Oct. 31, 2019

**8.** <https://www.geico.com/living/driving/auto/auto-care/5-tips-for-picking-a-great-used-family-car/>

5 Tips For Buying A Great Used Car
5 Tips For Buying A Great Used Car
14 comments
Buying a used car can be difficult when you don’t know what you should take into consideration. When the family car has finally given up the ghost and you need to find another ride.
You could buy new. But with the average price of a brand new car chiming in at $34,000, according to auto information website TrueCar, a new car might not be in the budget. Thankfully, it probably has never been easier to find a quality pre-owned car.
Follow these expert tips for buying a used car to help ease the process and you should be back to hauling the kids to hockey practice in no time.
1. Weigh Age Against Price
Buying a used car is all about finding a balance between price and reliability, says Eric Lyman, vice president of industry insights at TrueCar. Too new, and a vehicle will be expensive; too old and it could require several repairs. That’s why he recommends buying a used car that is around three years old. Chances are it’ll be in good shape and could cost up to 40 percent less than its newer counterparts.
2. Get An Independent Mechanic To Have A Look
The main tip for buying a used car is: don’t plunk down your money until an independent mechanic inspects it. You have two options when it comes to inspecting the used car you are planning on buying:
If you know a technician, bring them along to the used car lot, says Mike Peth, director of curriculum at Ohio Technical College, which specializes in auto repair.
Ask the dealer if you can drive the car to your mechanic’s garage of choice. Often, a comprehensive checkup will cost as little as $100. If the dealer says no, be suspicious, says Peth.
3. Consider A Certified Used Car
“Does the prospect of expensive repairs make you nervous? Then look for a certified pre-owned vehicle. These used cars are inspected by dealers and must pass inspection requirements such as:
Maximum mileage and age thresholds
Restrictions in the presence of aftermarket add-ons
The condition of the vehicle’s transmission system
These requirements are determined by manufacturers and come with extended warranties. You’ll pay a premium, but you also won’t have to worry about paying for a new transmission a year from now. “Certified pre-owned vehicles hit the sweet spot between value and reliability,” says Lyman.
4. Do Your Homework
Back in the day, figuring out the value of a used car could be difficult. But online services make researching what others paid for your vehicle easier than ever. Also, check out websites like Carfax , which uses the VIN to tell you whether the car you’re looking at has been in an accident. If it has, be wary.
5. Don’t Get Emotional
As with any major purchase, Peth says it’s important to think with your head and not your heart. When you’re buying a used car, try to avoid fixating on a certain model or color. Read reviews online and aim for pre-owned cars that have a history of reliability. Don’t overlook obvious problems just because you like the look of a vehicle. Never say “I gotta have that car,” says Peth. You don’t want to be satisfied with a new-to-you car in the moment only to regret having to drive it for years to come.
By Andrew Raven

**9.** <https://www.familyhandyman.com/project/tips-for-buying-a-used-car/>

Tips for Buying a Used Car
Updated: May 11, 2022
Next Project›
Family Handyman
Before buying a used car, follow this 4-step inspection program to determine the vehicle's reliability, condition and value. It'll help you negotiate a fair price and avoid expensive repairs after the purchase.
By the DIY experts of The Family Handyman Magazine
You might also like: TBD
Tips for Buying a Used Car Step 1: Check the vehicle’s reliability on the internet
Photo 1: Compare repair costs
It’s a great vehicle, but only if you can afford the repair parts. Don’t be surprised by sky-high parts costs after you’ve bought the vehicle. Get all that information up front at rockauto.com .
Family and friends used to ask me if a certain vehicle was “a good one” only after they’d bought it. Hello? What am I supposed to say then?
Buying a dependable used car takes a little bit of homework. Here’s a four-step plan that you can follow to have the best shot at getting a car that won’t turn into a money pit. This step-by-step inspection program works whether you’re buying from a car lot or a private party. It’s not rocket science, just simple logic when you need tips for buying a used car.
This story on tips for buying a used car isn’t about cosmetic issues like rust, body dents or dirty carpets. Plus, I’m assuming you’re buying a vehicle that’s out of the factory warranty period.
Once you decide on a few vehicle models you’re interested in, it’s time to begin your research in online forums such as edmunds.com and automotiveforums.com . These are two websites where you can read comments and ask questions of a pool of thousands of people who actually own that vehicle. Review the owners’ comments and ask about their ownership experience. Find out if there are any recurring problems with that year, make and model and how much the owners have shelled out in repairs. Then ask whether they’d buy the same vehicle again. They’ll give you the straight dope. Some forum members respond immediately, but be patient; it might take a few days to get plenty of responses. Someone will always have a good tip on buying a used car.
Meanwhile, check out rockauto.com’s “Repair Index” to compare repair parts costs (Photo 1). You may find, for example, that a certain European sedan’s alternator replacement could cost upward of $800, whereas the same item for a similar domestic model is relatively cheap at $150. When you’re buying a used vehicle, parts cost is a major concern.
Tips for Buying a Used Car Step 2: Inspect before taking a test drive
Photo 1: Check the dash lights
System lights should come on, then turn off, when starting the engine.
Photo 2: Don’t kick the tires—measure them
Measure the remaining tread depth to determine how much tread is left. New tread depth (for cars) is usually 11/32 in., and tires must be replaced when they’re at 2/32 in.
Photo 3: Check the rubber CV boots
Turn the wheels fully left or right and crawl under the fender. Shine your flashlight on the pleats of the rubber CV boots. Look for tears or grease.
Photo 4: Check the oil
Shine your flashlight into the oil filler opening and check the color of the metal engine parts. They should be shiny. Then swipe your finger around the inside of the oil filler opening to check for sludge buildup.
Photo 5: Check the transmission fluid
Yank the transmission dipstick and place a few drops on a white cloth. If it’s dark brown and smells burnt, walk away from the car.
Check the dash lights (Photo 1). Turn the key to the “run” position. The Check Engine (Service Engine Soon), Airbag (SRS), Antilock brakes (ABS), Antitheft (Security), and traction control, lights must come on. After you start the engine, all those lights should go off.
Check the tires. If you see cracks in the tread or sidewall areas, or notice any steel wires sticking out, you’ll need new tires immediately. So deduct at least $450 from the seller’s asking price (more for truck or SUV tires).Next, use a tread depth gauge (less than $5 at any auto parts store) to check the tread at the edges and center of the tire (Photo 2).Tread wear that’s worse on one edge of the tire indicates an alignment problem (minimum $100). Irregular tread depth around the tire (cupping) indicates worn struts or worn suspension components (strut replacement runs about $450 for parts and labor).
Check the constant velocity (CV) boots (Photo 3). If they’re cracked, you’re looking at big money, at least $400 per side (parts and labor) for rebuilt axle assemblies.
Check for engine sludge or severe varnish buildup. Both are signs of neglected maintenance. Remove the oil filler cap and check the engine internals (Photo 4).
A cold engine should start right away, without having to “give it some gas.” Then it should settle down to a smooth idle. If the idle is rough when the engine is warm, it’s a sign of a fuel, ignition or vacuum-related problem. That’s going to cost a minimum of $250 to diagnose and fix.
Check the fluids. Fresh brake fluid is honey-colored. But dark brown brake fluid may still be good. Your best bet is to buy brake fluid test strips at an auto parts store. Count on $65 for a brake fluid flush.Engine coolant comes in many different colors, but one color is the kiss of death—rust. If you see that, run, don’t walk, away from this vehicle. You’ll have nothing but costly repairs (radiator, heater core, water pump, etc.) down the road. Flushing the coolant at this point won’t help because the damage has already been done.Fresh transmission fluid is bright red (Photo 5). If it’s light brown, it’s due for a change (figure about $175 for a complete change-out with the manufacturer’s fluid). If the vehicle doesn’t have a dipstick, have your mechanic check it at final inspection.
If the owner has maintenance records, great. It probably means that they took good care of their car. Then check the maintenance schedule in the glove box to see if any major repairs are looming. A timing belt change-out can easily cost $500, and a tune-up can cost $250 on some engines. If the owner already did those repairs, great. But if they didn’t, you’ll get stuck with a large bill right away.
Video: How to Measure Tire Tread
Rick Muscoplat, an automotive expert at The Family Handyman, will show you how to measure tire tread on your vehicle so you will know when you need to replace your tires.
ⓘ
Tips for Buying a Used Car Step 3: Take a test drive
Photo 1: A bouncy pedal is a bad sign
Make several stops to heat up the brakes. Then accelerate to 30 mph and slow to a stop. You shouldn’t feel any pulsation. If you do, negotiate a lower price.
Photo 2: Should be no shakin’ goin’ on
Accelerate to 50 to 60 mph on a straight, level section of highway and let go of the wheel (keep your hands close). Note any left/right wobble or vibration. The vehicle should drive straight with minimal input from you.
This isn’t a “once around the block,” 10-minute drive. You need to really put the vehicle through its paces on city streets and on the highway. Here’s what to look for.
As you start the test drive, check for brake pedal pulsation (Photo 1). Pulsation is caused by brake rotor runout (warpage), and the fix is usually a brake job ($250 to $500). Pulsation shouldn’t kill the deal, but it should reduce your offering price.
Check for steering wheel wobble and wander (Photo 2). If the wheel vibrates, the cause could be an out-of-balance tire (about $25). But if the vehicle “wanders” and the steering wheel requires constant correction, it’s a sign of serious steering or suspension-related problems (minimum $400 for parts and labor).
Check transmission shift speeds. Every transmission is different, but as a general rule, the first (1–2) shift should occur at 8 to 12 mph. The next shift (2–3) should happen at about 18 to 25 mph. If the vehicle has overdrive, the last shift should occur at about 40 mph. If you have any doubts about the shifting, ask your mechanic to check it out.
Check overall engine performance. Accelerate from a stop without letting up. You shouldn’t feel any hesitation, chugging or hiccups. Then put it under a heavy load by driving it up a steep hill or punching it hard on the highway. You shouldn’t feel any miss or lag. If you do, it’s got “driveability” issues, and that’ll cost you a minimum of $100 just to get a scan tool check.
Tips for Buying a Used Car Step 4: Negotiate the price first, then take it to a mechanic for a final inspection
Photo 1: Negotiate the price
Negotiate a price based on your findings. But make it contingent on a clean bill of health from a professional inspection.
Most mechanics charge about $100 for a used-vehicle inspection, and it’s the best money you’ll ever spend. But before you commit to the inspection, negotiate the best price based on any problems you’ve already discovered (Photo 1). Then make the final purchase contingent on a clean bill of health from your mechanic. Make sure the final inspection includes a scan tool check for “readiness monitors” and “pending codes.” I’m warning you—don’t skip the final inspection step just to save $100.
Required Tools for this Project
Have the necessary tools for this DIY project lined up before you start—you’ll save time and frustration.
Flashlight

**10.** <https://www.investopedia.com/articles/personal-finance/092915/7-mistakes-avoid-when-buying-used-car.asp>

7 Things to Avoid When Buying a Used Car
By
Learn about our editorial policies
Updated June 07, 2022
Full Bio
Thomas J. Brock is a CFA and CPA with more than 20 years of experience in various areas including investing, insurance portfolio management, finance and accounting, personal investment and financial planning advice, and development of educational materials about life insurance and annuities.
Learn about our Financial Review Board
Fact checked by
Full Bio
Regine Parrish is a finance professional whose career spans over a decade. Her expertise includes areas of tech, finance, and telecom. She is a former financial analyst for a major telecommunications company and currently fact-checks reviews of financial products and services.
Learn about our editorial policies
Buying a used car can be a smart investment when you need a replacement vehicle. While new car purchases tend to increase with a rising economy, used cars can provide a great alternative as long as you know how to shop for one.
You can get the most bang for your buck with a used car. While this provides an opportunity to live more economically, a used car, by definition, has issues from regular wear and tear. Therefore, it's important to avoid making these costly mistakes when you're in the market for a second-hand car.
Key Takeaways
Buying a used car can often be one of the smartest buying decisions.
Line up financing before you shop for your car.
Remember to test drive the car before you take it home.
Having the car checked by a certified mechanic is a step that should never be skipped.
If you don't like the deal, there is nothing wrong with walking away.
Failing to Line up Financing Before Shopping
Before you purchase your used car, whether that's through a dealer or from a private owner on a website such as Craigslist, you'll have to figure out how you're going to pay for it. Not everyone is able to lay down the cash for a car in full—even for a used one. Those who can't have to consider financing .
Financing allows you to understand the upper limit of your price range. Knowing your budget makes negotiating prices easier. If you're buying a car from a dealership, you can certainly take their offer. But remember, dealer financing is built like a wholesale insurance offer, often adding in additional interest rates.
Can you avoid this? Sure you can. The way you can do this is to shop around because different lenders offer different rates. Make sure you have your approval in hand even before you shop for your car—it'll help keep you in line and within your budget. An auto loan calculator can also help you determine what kind of loan term and interest rate will fit your budget.
One thing to remember is that used car financing rates are generally higher than those for new cars. That's because lenders want borrowers to buy new vehicles. The reason? It's simple. If you default on your loan and the lender has to repossess the car, it can get a better resale value on a new car than it ever could on a used one.
Shopping Based on Monthly Payments Alone
You can save a lot over the long term if you have enough money to buy your used car outright. If you don't fall into this category, you'll have to make up a budget and determine how much you can afford.
When people look for a new car, they often think about the monthly payments they'll have to make. While a lower monthly payment is good for your monthly budget, a longer payment period means you end up paying back more money in the long run. Due to compounding interest , it could make more sense for you to take on a higher monthly payment since it's possible to pay back the principle in a shorter period.
A cheaper way to get yourself into a used car is to lease one. And yes, you can lease a used car. But not all dealerships offer used car leases and there are certain conditions. According to Edmunds, it must be certified pre-owned, the mileage must be under 48,000 miles and the vehicle must be less than four years old.
But remember, while your monthly lease payments can be lower than your monthly loan payments, you may have to return a leased car at the end of your lease. If you bought your used car, you can sell it or trade it in at your discretion. One bonus is that the residual value at the end of the lease for your used car will be much more affordable than a new car, making it more attractive to purchase at the end.
Foregoing the Test Drive
As many as 18% of buyers of used cars don't test drive the car before making the purchase. On the other hand, first-time buyers of new cars test drive as many as seven new cars, on average, before making a purchase.
This disparity in statistics might be why there are many third- and fourth-owner used cars on the streets. When you don't test the asset you're purchasing, you run the risk of experiencing a bout of buyer's remorse . In the case of used cars, it's imperative to test drive a few before making a purchase decision. This protects against buyer's remorse and also ensures that the car is running properly.
Not Having the Car Checked by a Mechanic
While many people test drive cars before purchasing, few have used cars checked out by mechanics before finalizing the deal. Even if you have to pay for the inspection yourself, it could save you a lot of money in the long run. However, it's possible to have the seller pay for the inspection. If the seller is a car dealer, chances are it's already an offer, but make sure it is. If it's a private seller, they probably won't offer, so it's important to ask.
Making Initial Negotiations in Person
If you are purchasing a used car from a dealership, it's going to be the salesman's main goal to get you down to the dealership. Once you're on the dealership property, you are much more likely to leave with the car you're interested in—it's an easier sell for the salesman.
To combat this, ensure you've done all of your research and comparisons at home, and try to negotiate over the phone or by email. It's much easier to walk away when the car isn't there, which gives you the upper hand in negotiations.
If you're purchasing a used car from a private seller, chances are the seller isn't a professional salesman. By mentioning a few used car statistics over the phone, it's possible to gain the upper hand before seeing the car in person.
Buying Based on Looks
Before you even begin looking for a car, whether online or face-to-face, it's important to assess exactly what you need from your car. If you're looking for a commuter car, don't waste your time looking at trucks. If you're looking for a vehicle that can tow a trailer, don't bother to look at sports cars.
By understanding what your needs are first, you mitigate the risk of making an impulse purchase based on what you want instead of what you need.
Not Running a Vehicle History Report
In addition to performing a test drive and having the car inspected by a mechanic, it's important to run a vehicle history report. With a vehicle history report, it's possible to check for any prior accidents, problems with the car, and the number of previous owners.
Dealers usually pay for this third-party service. But if the sale is through a private seller, the purchaser will most likely have to foot the bill. Whether you use CARFAX, AutoCheck, or another service, it's always important to check the history of the car and the stories of its owners.
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