

Used Car Notes

You can find the best value in a used car.

You can get a lot more for your money

Why? A car depreciates more rapidly in its first couple of years, even though it can be expected to last a long time. So if you buy a one or two year old car you'll have a vehicle with most of its useful life ahead. And you'll pay far less!

The average car loses 1/3 of its value in two years. Some, like sports cars and minivans, depreciate much more than average. The danger with used cars is that you might get a lemon and you're stuck with it.

Where to look for Used Cars

1. New car dealers—usually the most trustworthy but high prices
2. Independent used car dealers—be careful with these: the car may have a poor history or come from a dealer who rejected it, or from a wholesale auction.
3. Banks and other lenders—they sell repossessed cars, you might find a good deal.
4. Private owners—they tend to charge the lowest prices, but you might get a lemon.

What to look for

1. Do they have the service records
2. Be careful if they say the price of the car is “as is”; that means you're on your own!
3. Check fluid levels and leaks
 - A. Automatic transmission fluid should be pink and should not smell burnt.
 - B. Coolant shouldn't look rusty, and no green stains on the radiator
 - C. No oil spots around the engine or under the car.
4. Body Integrity
 - A. Look for rust
 - B. Look for signs of an accident—new welds, discolored surfaces, ripply body work, panels whose color doesn't quite match, doors that don't fit properly—fresh paint or undercoating should make us suspicious.
5. Tires—uneven tire wear could signal accident damage or poor wheel alignment—make sure the car has a spare tire, a jack and lug wrench.
6. Suspension—Pull and push on the top of each front tire—any play or clunks could mean bad bearings or suspension joints. Push down and quickly release each corner of the car. More than one or two bounces could mean worn shocks or struts. Look at the car from the rear and side to check for sagging springs.
7. Interior—seats shouldn't sag, shouldn't smell musty or have ripped upholstery. See that safety belts and controls work. Check the trunk for mildew or moisture

Closing the deal

1. Have a mechanic assess the car, which should cost around \$100. Ask the mechanic to give you a written estimate of repairs, so you can use this in negotiations. Check the price you are quoted against the Kelly Blue Book (www.kbb.com).

Take a checklist with you when you go to look at a used car.