

Purchasing a car:

How to ensure you get a good deal

Whether it's new or used, buying a car is one of the most complex and expensive purchases you can make. It's great to get a good deal, but doing a little homework can help you avoid some big problems. Read the helpful tips below to learn about important issues that may affect your car purchase.

Used car purchase check list

- Ask friends and relatives for recommendations of car dealers.
- Pre-determine exactly how much you can afford to spend, and do not allow the dealership to talk you into a higher-priced vehicle.
- Is the car still under a manufacturer's warranty? If not, factor repair costs into your budget.
- Have the car inspected by an independent mechanic before buying.
- Take your time to read and understand the entire written agreement before signing. Be sure that all blank spaces are filled in and that all of the salesperson's verbal promises are included. Be sure that the terms of any warranty that comes with the car are spelled out.
- Research and compare the price of the car to other similar cars you may be interested in.
- Discuss trade-ins only after you've negotiated the best possible price of the new car and after you've researched the value of your old car.
- Test-drive the car on the highway, city streets, and in stop-and-go traffic.
- Ask to inspect the car's title. Pay attention to the mileage.
- Before purchasing, obtain the vehicle identification number (VIN) and research the vehicle's history with one of the various title data/history services available (e.g. Carfax, AutoCheck, etc.). Such services may reveal prior odometer or salvage/rebuild issues that can affect the vehicle's value, safety and reliability.
- Always have your own mechanic and/or body shop inspect a used car before you purchase it, and attempt to contact the previous owner if possible.
- If you make a deposit on a vehicle, ask whether the money is refundable and under what circumstances. Make sure that this information is in writing and on your contract.

What to know about financing

You have the choice of financing your car over time or paying in full. If you decide to finance the car, make sure you understand the terms of the loan.

- Know the exact price of the car, the amount being financed, and the total finance charge.
- Research low interest rate loans from your own bank or credit union, and compare your findings with the dealer's offer.
- Make sure there are no unusual terms in the loan agreement, such as large balloon payments, a larger than usual down payment or requirements that you give back any rebates or incentives to the dealer, any of which will effectively increase the total purchase price of the vehicle.
- Research your options on prices and financing to help you make an informed and educated decision. Doing so will help you avoid the aggravation of having to resolve problems with the dealer.

When you should expect to receive the title

A title is an important part of your car purchase. At the time of purchase, you should confirm the location and possession of the title. If you have made all agreed upon initial payments including delivery of a trade-in vehicle (if applicable), car dealers and individuals from whom you have purchased a vehicle are required to deliver the title to you at the time of sale or delivery OR within 21 days of the date of the sale.

- If the party from whom you have purchased your vehicle is a licensed car dealer and cannot deliver the title at the time of sale, the dealer is required to provide you with a 21-day affidavit.
- The affidavit shall state that the dealer will deliver the title for the vehicle within 21 days of the date of sale.

If you don't receive the title within 21 days of the date of sale

You must write the dealer and demand delivery of the title. After receipt of your written demand, the dealer has an additional 10 days to provide the title.

- Return the vehicle
 - The vehicle must be in the same or similar condition as when it was purchased.
 - Upon return, the dealer is required to provide you with a refund of:
- The purchase price, plus tax
- Finance expenses
- Insurance expenses
- Any other amount you paid to the dealer
- You may be able to obtain your title from the Bureau of Motor Vehicles (BMV) Legal Help Desk if you paid \$2,500 or less for the car. If you paid more than \$2,500, you will need a court order to obtain the title from the BMV.
- If you purchased your vehicle from a car dealership, file a complaint with the BMV's Dealer Division and the Indiana Attorney General's Consumer Complaint Division.
- Seek the advice of a private attorney.

Beware of odometer and salvage fraud

If you are buying a used car, be sure to read the information below so you can avoid becoming a victim. If you feel that you are a victim, consult with a private attorney AND file a complaint with the appropriate state agencies.

Odometer fraud prevention checklist

As with any car purchase, have the vehicle inspected by a mechanic before you buy it. If you cannot, pay attention to the following:

- Is the wear on the upholstery, carpet and foot pedals consistent with the miles?
- Are the tires and break shoes original? Most vehicles with 30,000 miles and under should have original equipment.
- Look for oil change stickers or maintenance records that identify dates of service and corresponding mileage. Look for a federal odometer replacement sticker on the driver's side doorframe.
- Are there missing screws, scratches or indications of dashboard repair or replacement?
- Check the vehicle's odometer reading – average mileage should be 12,000 – 15,000 per year.
- Ask to inspect the title before you purchase the vehicle. Pay particular attention to the dates and mileage reading for each title transfer listed on the title.

Federal law allows you to file a lawsuit to recover \$1,500 OR three times your actual damages (whichever is greater) AND your attorney fees and court costs.

Salvage Fraud Checklist

If you cannot have a professional mechanic look at the car before you buy it, inspect the vehicle for signs of repair damage such as:

- Look under weather stripping, fenders and doors for different colors of paint.
- Inspect the vehicle thoroughly for any ripples, dents, and blemishes in the body. Check these areas with a magnet to see if body filler has been used. NOTE: This will not work with a plastic body.
- Look at doors and hinges to determine if they have been replaced.
- Check to see if the interior components match in color.
- Ask to inspect the title before you purchase the vehicle. Pay particular attention to any brands, such as “salvage,” “rebuild,” or “reconstructed.”

Dealers have a duty to disclose vehicles with a salvage or rebuilt history. Indiana's salvage law applies to vehicles, motorcycles, semis and recreational vehicles that are no older than 7 model years from the current model year.

If you are buying from a car dealer or a person who sells at least five vehicles a year, the seller has a legal duty to inform you of the previous salvage or rebuilt condition in writing before you purchase the vehicle. If you are not informed in writing about a purchased vehicle's salvage or rebuilt condition, OR if you purchase a vehicle that should have “salvage” or “rebuild” on its title, you may file a lawsuit to recover:

- Your actual damages. If successful, the court can increase your damages award up to 3 times your actual damages, or \$2,500, whichever is greater.
- Your attorney fees and costs.

Resources

These organizations are equipped to deal with questions and complaints regarding odometer and salvage fraud:

Bureau of Motor Vehicles

Dealer and Special Sales Division: 317-591-5304

Download a complaint form at <http://www.in.gov/bmv/forms/>

Indiana State Police Vehicle Crimes Unit: 317-232-8374

The Consumer Protection Division of the Indiana Attorney General's Office works to safeguard the rights of Indiana citizens every day. If you have questions or complaints regarding purchasing a car, or other appropriate consumer issues, contact the Attorney General's Consumer Protection Division using the address and phone number listed at the bottom of the front page, or visit www.IndianaConsumer.com for more information.



**Office of the Indiana Attorney General
Consumer Protection Division**

*To file a complaint call 1.800.382.5516
or visit www.IndianaConsumer.com*