

Vehicle Purchase and Ownership

IDA Education Series
Self-Directed Curriculum

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The goal of the Vehicle Purchase and Ownership curriculum is to provide IDA Savers with information and strategies to support the process of buying and maintaining a vehicle.

Introduction:

Access to a vehicle is essential for the day-to-day needs of many Americans, whether helping people get to work, school, appointments, or recreation. Owning a reliable vehicle can also make a big difference in opening up new opportunities, and buying a vehicle can be one of the biggest financial transactions of someone’s life. But buying a vehicle can be a stressful and overwhelming process, with lots of things to consider along the way.

This curriculum will cover some of the key steps in the vehicle buying process to support you in navigating your upcoming purchase.



This curriculum was developed in part by Metropolitan Family Service (MFS) and has been made available to all Oregon IDA savers to support their financial goals. This material is provided for educational and information purposes only. The packet includes a combination of information obtained from reliable sources and the experience of MFS staff, who have operated a vehicle purchase and education program since 2004. This curriculum reflects what they have learned to be “best practice” with vehicle purchase and maintenance.

Key



Video



Tip



Activity



Web link

Section 1: Consumer Vigilance

There is a great deal of information available to us, from the media, newspapers, magazines, cable, etc. How do we know which information can be trusted and how do we identify unbiased information? As a consumer, when shopping for anything, you must be vigilant and hyper critical of information that is provided by sales people and their hidden biases or motivations.



We live in a consumer society where we are constantly bombarded with ads and cultural messages that in order to be “happy” we constantly need to spend our money. We know that this is not true; however, many of us get caught in this never ending spiral of wanting to have the newest, shiniest and most popular products. This can create problems for us since marketers make you think you are inadequate or worthless unless you buy their products. Don’t fall for these false ideas; companies have to come up with ways for you to spend your money. Of course, there are times when we need to replace a product, a vehicle, or service; however, many times we do not.

In America, 70% of our economy is driven by consumers (consumer spending). America has one of the highest rates of consumer spending in the world. What does this say about our society and the ways that advertisers try and convince you to spend your money?



Car dealers and private party sellers have limited legal obligations to disclose info about their wares, and can rely on sales that are “as is.”

How do you decide which information sources are unbiased?

Who do you trust to give you unbiased information about vehicles?



Where do we get our information from?



Many of the materials in this packet are from Consumer Reports, a non-profit agency that never accepts any advertising and bases its reporting on consumer-supplied data.

What about the Federal Trade Commission's (FTC) role?

The FTC plays several important roles in making sure consumers get a fair deal in the auto marketplace:

- **The agency brings auto-related enforcement actions**, including against companies falsely promising to reduce auto loan payments, car dealers and others making deceptive advertising claims, telemarketers pitching bogus auto “warranties” that are actually extended service contracts, and companies promoting illegal pyramid operations through lease offers.
- **The agency also enforces the Used Car Rule**, which requires the familiar windshield stickers that appear on used cars at dealers throughout the country and give consumers critical information about who will pay for repairs if something goes wrong with the car they buy.
- **In addition, the Dodd - Frank Act passed by Congress in 2010 gives the FTC new and expanded authority regarding motor vehicle dealers.** Since 2011, the FTC has been gathering information on possible consumer protection issues that may arise in the sale, financing or lease of motor vehicles.



The FTC also offers information about buying and owning a car:

<https://consumer.ftc.gov/shopping-and-donating/buying-and-owning-car>

Topics include:

- Auto Loan Refinancing Scams
- Auto Trade-Ins and Negative Equity: When You Owe More than Your Car is Worth
- Buying a New Car
- Buying a Used Car From a Dealer
- Car Dealer Ads and Promotions: Know Before You Go
- Financing or Leasing a Car
- What to look for when Buying a Used Car From a Dealer





Section 2: Pros and Cons of Vehicle Ownership

What are the benefits to you and your household of owning a vehicle?

Have you bought a vehicle before? If yes, was it a good or bad experience? What intimidates you about buying a vehicle?

How will purchasing a vehicle impact your financial situation?

What are other costs you will need to factor into your monthly budget/spending plan associated with the purchase, insurance, and maintenance of a car? If you don't currently own a vehicle, ask this question to someone who does.

What are the 3 most important things that you want to prioritize as you begin to shop for a vehicle?

1. _____
2. _____
3. _____



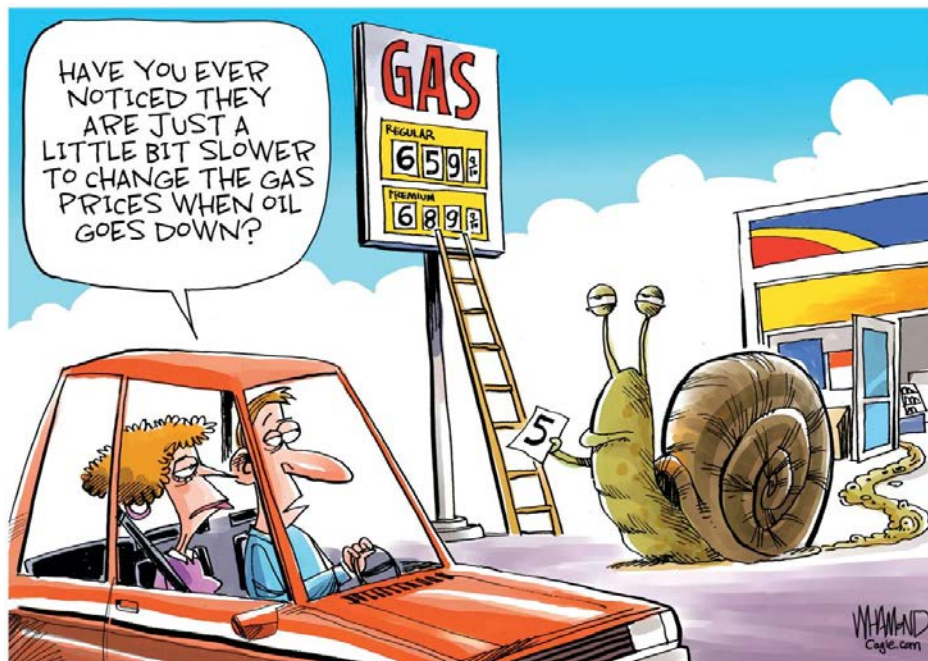
Be real about the costs...

There are many advantages to owning a vehicle; however, there are also many financial decisions to make before purchasing one. Here is a quick review of costs to consider before you make a plan to purchase a vehicle.

- **Financing:** Identify how much you can afford in monthly car payments. The last thing you want to do is get yourself into a payment that you can't afford for the next 4-6 years.
- **Gas:** Budget for gasoline, depending on how much you plan to drive.
- **Insurance:** Research your approximate insurance costs, especially if this is the first time buying car insurance or if you have had your insurance lapse more than six months.
- **Maintenance:** Take into account a maintenance budget for regular upkeep and for items that wear out such as tires, regular oil changes, air filters and more.
- **Emergency savings:** Plan to build up your savings for the chance that something more expensive needs to be repaired.

Expenses	Anticipated Monthly Cost
Monthly Car Loan Payment	\$
Gas	\$
Routine Maintenance	\$
Emergency Savings	\$
Parking	\$
Insurance	\$
Other	\$

If you have not done so recently, trying tracking your spending for a month and incorporate your future auto insurance, gas, maintenance and financing into this budget. How much more money does the vehicle cost you with your overall monthly budget? Does it fit?



Section 3: Financing a Car

Before you start shopping, you need to first consider how you will pay for the vehicle. If you determine that you will be borrowing money (financing) to purchase your vehicle, there are some important steps to consider.



What about Leasing a car?

Leasing is different than buying, because when you lease a car, you're paying for the right to use it for an agreed amount of time and miles. With a lease, you're paying to drive the car, not to buy it. That means you're paying for the car's expected depreciation — or loss of value — during the lease period, plus a rent charge, taxes, and fees. At the end of a lease, you have to return the car unless the lease agreement lets you buy it.

Cash vs Financing	What are the advantages?	What are the disadvantages?
Buying a cheaper vehicle with cash		
Borrowing money to buy a more expensive vehicle		

How do **you** plan to pay for your vehicle purchase? Will you buy one using just your savings and IDA matching funds, or will you also borrow money?

If you are borrowing money to purchase a vehicle, plan to sit down with your household members to discuss how much more per month you can afford in car payments before shopping.



Glossary of Finance Terms

Depreciation	Depreciation is the gradual decrease in the value of an asset. Assets are things that you own that have value. A car is an example of an asset that is likely to depreciate.
Annual Percentage Rate (APR)	Explains the cost of borrowing with a variety of loans, including credit cards and mortgage loans. Costs are quoted as a percentage. For example, if your loan has an APR of 10 percent, you would pay \$10 per \$100 that you borrow each year. All other things being equal, the loan with the lowest APR is typically least expensive.
Interest rate	This is an amount charged in addition to the total principal, or amount borrowed, typically represented as a percentage.
Loan terms	This is the amount of time a lender gives to repay a loan.
Down payment	An initial upfront payment, typically a portion of the total amount due at the time of finalizing the transaction. A down payment reduces the amount you need to finance which will lower the total financing costs.

First, let's talk about Depreciation

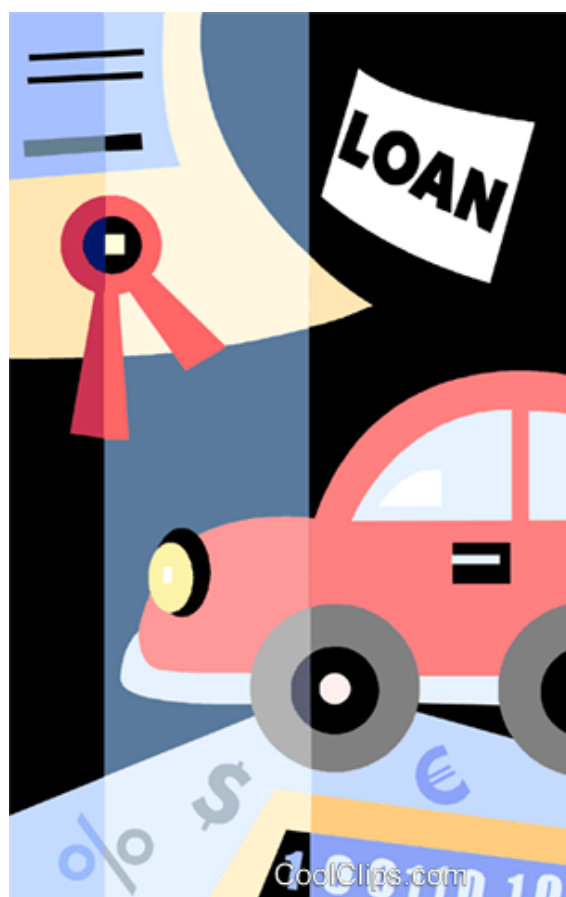
When thinking about buying a vehicle, it's important to know that most vehicles depreciate in value, meaning the value of the vehicle will go down over time. The value of a brand new vehicle drops hundreds or even thousands of dollars the day you drive it off the dealer's lot. For this reason, don't think of a vehicle as an investment that will be worth more down the road.

Car Loans

If you are borrowing money to purchase a vehicle, let's learn about the impact of loan terms and down payments.

When it comes to buying a vehicle, making a down payment or shortening the loan term can significantly reduce the total amount you pay for the vehicle over the life of the loan.

The following page will provide a few examples to consider.



Example: Financing Jane's Ford Explorer

Jane found a Ford Explorer for \$20,000, but she is thinking about waiting a little longer to build up a bigger down payment.



Here is a chart showing the basic terms of a 4-year (48-month) loan at 6% interest rate, comparing down payments of \$12,000 vs \$6,000.

Purchase Price	Loan Term	Interest Rate	Down Payment	Loan Amount	Monthly payment	Interest paid over life of loan	Total amount paid
\$20,000	48 months	6%	\$6,000	\$14,000	\$329	\$1,782	\$21,782
\$20,000	48 months	6%	\$12,000	\$8,000	\$188	\$1,018	\$21,018

Example: Financing Javier's Mazda3

Javier found a Mazda3 for \$20,000. He has saved \$9,000 with his IDA for the down payment, and one of his friends has suggested that he extend the loan term to lower his monthly loan payment.



Here is a chart showing the basic terms of a 6-year (72-month) loan vs a 4-year (48 month) loan both at 8% interest rate.

Purchase Price	Loan Term	Interest Rate	Down Payment	Loan Amount	Monthly payment	Interest paid over life of loan	Total amount paid
\$20,000	48 months	8%	\$9,000	\$11,000	\$268	\$1,890	\$21,890
\$20,000	72 months	8%	\$9,000	\$11,000	\$193	\$2,886	\$22,886

What do you notice about how the loan term and down payments affect the total amount paid on a loan in these examples?



Your future vehicle



What about your future vehicle? What is your price range and how much are you thinking about for a down payment and loan? What loans could you qualify for? If you have not yet done so, first go to a bank or credit union to talk about loan options before shopping for your vehicle.

List 3 lenders you plan to ask about financing a vehicle purchase

1. _____
2. _____
3. _____

Next, go to www.calculator.net/auto-loan-calculator.html

- Use the calculator to fill out the chart below by adjusting the following fields:
 - Car (vehicle) Price
 - Loan Term
 - Interest Rate
 - Down Payment
 - Click "Calculate"

Purchase Price	Loan Term	Interest Rate	Down Payment	Loan Amount	Monthly payment	Interest paid over life of loan	Total amount paid

Based on those scenarios, what will your goals be when financing a vehicle purchase?

Purchase Price	Loan Term	Down Payment	Loan Amount
\$ _____		\$ _____	\$ _____

Let's continue by looking at some frequent myths about financing a vehicle purchase.



“If I buy from a dealership and have to borrow money, I have to get the loan from them.”



FALSE. When you decide to buy a vehicle, it's a great idea to check with several banks, credit unions, or other lenders to get a pre-approved loan **before** shopping for a vehicle. Having a loan offer in-hand when you shop for the vehicle puts you in a strong position and you will most likely end up getting a better loan that you would have at the dealership or lot.

“Shopping around for a loan is not worth it because it will hurt my credit score.”



FALSE. It is true that shopping around for a loan may have an impact on your credit score. But for most people, concentrating your applications in a short period of time can minimize the effect on your credit score and any negative effect will be small (credit wise) while the benefits of shopping around could be big (lower interest rates).

“The loan with the cheapest monthly payment is the best loan”



FALSE. It's good to compare options and make sure you're comparing all the terms. If you get competing offers from different lenders, including a dealer who offers you financing, you should take a close look at each of the loan terms, including the amount financed and the length of the loan. Some lenders may tell you they can tailor the monthly payments to suit your budget, but lower monthly payments could involve extending the lifetime of the loan. That could mean you still owe on this vehicle when you are ready for your next one.

“If I'm rejected from one loan I know I won't get approved anywhere.”



FALSE. Lenders have different thresholds and criteria for the loans they offer. If you do not qualify for a loan with a good rate, be wary of lenders encouraging you to take on a loan with very high interest rates or fees. Some people refer to these as a “sub-prime loan”. Loans with very unfavorable terms for the customer are common with car loans. Here are some statistics to consider:

- 25% of car loans are sub-prime loans. These loans average a 19% - 33% interest rate.
- There is an average default rate of 33% for sub-prime loans (and the default often occurs within 7 months of taking out the loan).
- A sub-prime loan is a terrible deal for the consumer/borrower and is a terrific deal for the car dealer. Dealers can sell a vehicle worth \$3,000 and end up making \$13,000 on the loan (!).



If I take out a loan, do I have to worry about repossession?



Yes. Most auto loans, whether through the dealer, a bank, a credit union, or another lender, give the creditor the right to repossess the vehicle if you default. Technically, even if you are \$1 away from paying off your auto loan, the dealer can repossess your vehicle if you are late on your payments. Many lenders are able to disable your vehicle and then repossess it by using a remote transmitter GPS device. This is one reason to look carefully at the terms of the loan and the financial commitment you are making when signing up for that loan.



Section 4: Car Dealerships and the Sales Process

Visiting a used car lot or dealership can be a challenging experience. Between the vehicle inventory and the sales people it is easy to get overwhelmed. This section will help you navigate the sales process, prepare to respond to salespeople and come ready to the purchase process.

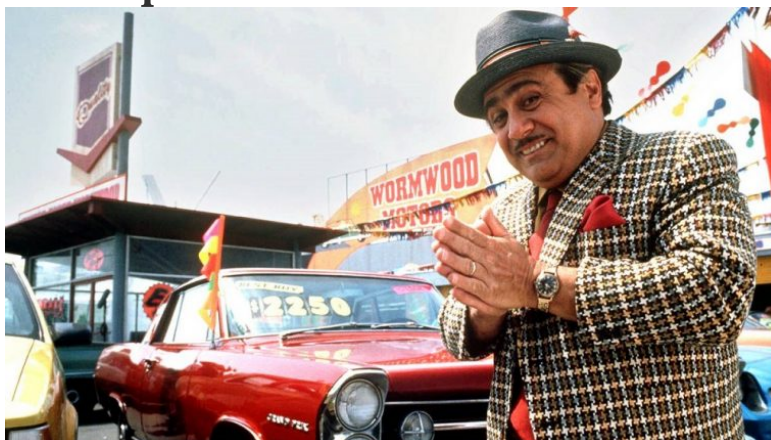


Image: Harry Wormwood from Matilda

There are some honest car salespeople; however, in our experience, many of them will not be. There are many reasons for this, including the compensation structure at most dealerships. Salespeople need to sell as many vehicles as possible to make a living and as a result they will often gloss over the truth in order to close a sale. Most salespeople are very experienced and will know how to get you to provide them with information they need to close the sale: your financial situation, your willingness to buy and how knowledgeable you are about the process.

Have you visited a used car lot before? If yes, was it a good or bad experience?



When you are ready to start shopping for a vehicle, make sure you know where to go to get reliable information about all of the vehicles you are considering.

- The Consumer Report's Car Reliability information can give you general reliability information for a vehicle's make and model- go to www.CR.org/cars
- You can go to www.Edmunds.com for vehicle reviews and values
- You can go to Kelly Bluebook www.kbb.com for vehicle values and information
- You can purchase a Carfax report (or get it from the seller if they have it) from www.carfax.com
- You can look up a vehicle's VIN # at Experian's www.autocheck.com



For more on purchasing a used car, download the comic from Oregon Consumer Justice! This comic is another resource to help you confidently tackle the complicated transaction of buying a used car



10 Ways to Protect Yourself from Used-Car Sales Tactics

Come with your financing secured

- Go to a bank or credit union and be approved for a loan before you go to the dealership. The dealer may even try to beat their rate, which works to your advantage. Know that you do not have to apply for financing at the dealership, even if they tell you that you must (this is a red flag).

Don't be rushed

- Rushing into a purchase will almost always benefit the dealer. If you feel the sales process is moving too fast, tell the salesperson that you'll come back at another time. Remember that there are many other cars out there.

Write down your questions

- Come in or come back with a prepared list of questions about the vehicle and check them off when they are answered to your satisfaction. Make sure all your questions are answered.

Don't flash your cash

- The dealership doesn't need to know anything about your finances during the negotiating process. Do not tell them how much car you can afford, or they'll try to take every penny of it.

Stay on the subject

- Never allow a salesperson to change the direction of the conversation to matters other than car buying. Salespeople often gloss over important questions, such as vehicle history and price, by changing the subject.

Know the value of the vehicle

- Know the true value of the vehicle you are considering for purchase, regardless of the price the seller is asking. Condition, mileage, age, equipment levels, and the geographic region all affect vehicle value. Different pricing guide services can list widely varying "book" values. Before committing to a vehicle, be sure to visit its used-car model page at ConsumerReports.org, where you'll find road tests, reliability, pricing, and more.

Be prepared to walk away

- Once you've come up with a price you feel is fair, state your offer clearly, and say nothing more. If the seller won't budge, walk away. You shouldn't pay more than what your homework has told you is the worth of the vehicle. If you head for the door, you'll often have a deal you can live with before you reach it.

Be wary of costly add-ons

- Service contracts, glass etching, undercoating, and paint sealants are all unnecessary add-ons to help the dealership maximize its profits.

Check the vehicle's history

- Instead of taking the salesperson's word about the history and condition of the vehicle, get a vehicle-history report from CarFax or Experian Automotive. They can alert you to possible odometer fraud; reveal past flood, fire, and accident damage; or tell you if a rebuilt or salvage title was ever issued for the vehicle. You can also get a free VIN check from the National Insurance Crime Bureau

Visit a mechanic

- After you make an offer, but before you sign a contract of sale, take the vehicle to a qualified mechanic that routinely does automotive diagnostic work. Don't let the dealer tell you they've inspected the car for you. Deduct any needed repairs that the mechanic finds from your offer.



Used Car Questionnaire

Selecting a used vehicle requires much attention to detail. These questions are related to the overall condition of the vehicle and are potential questions to ask the seller:

General Questions

1. Does the vehicle have a “clean” title?
2. Has the vehicle been in any accidents?
3. How many people owned the vehicle?
4. Do you have a copy of any major/minor services done? Was the vehicle serviced at an independent shop/dealer/or by someone else?
5. Has it had any major issues, such as engine or transmission repairs?
6. Does the vehicle have any rust? Is this a local vehicle, not from the Midwest/east coast? West coast vehicle do not have rust problems since salt is not allowed on our roads.

Engine Questions

7. Does it have any type of leaks?
8. Does it burn any oil? Any smoke from the exhaust?
9. Do you have to top off the oil regularly?

Overall appearance of the car exterior/interior

10. What is the overall exterior condition of the car?
11. What is the overall interior condition of the car? Any rips, stains?
12. Does it smell like smoke or pets?
13. What about all the auxiliary items- do they work, ac/heater, wipers, stereo, etc?

Transmission Questions

14. How does the vehicle shift? Does the vehicle shift abruptly into any gear?
15. Do you hear any grinding when the gears are shifting or any transmission noise?

Suspension/tire Questions

16. Does the vehicle steer straight and accurately?
17. Does it make any noises/creaks going over bumps?
18. What type of tires does the vehicle have, and what is the overall condition of the tires?
19. Is everything stock on the vehicle or has it been modified in any way?

Final Questions

20. Anything else I should know about the vehicle?
21. What is the lowest price you will take for the vehicle?



What do I need to think about when I'm going for a test drive?



- Take your time with the test drive. Drive over many different types of roads, bumpy, curvy, pitted roads, and at freeway speeds. By doing so you will uncover if this is a vehicle is worthy of your interest.

Why spend money to get an independent inspection?



- It's a really good idea to pay for an independent mechanic to conduct a mechanical inspection of a used vehicle before buying it even if the vehicle has been "certified" and inspected by the dealer, and is being sold with a warranty or service contract. You'll have to pay the inspection fee, but it can help you avoid buying a vehicle with major problems. Ask the mechanic for a written report with a cost estimate for all necessary repairs. See Appendix I for a PRE-PURCHASE MECHANIC INSPECTION CHECKLIST.

What about trade-in's?



- It's best to first agree on the terms of purchasing the new vehicle before discussing a trade-in. If you decide to trade in your vehicle to a dealer be aware that they will attempt to find something wrong with the vehicle, to justify assigning a low trade in value on your vehicle (even if your vehicle is popular and in good condition).

What about negotiating the price?

Some sellers may be more willing to negotiate than others. Here are some tips when negotiating a vehicle purchase:



- Do your research. Know how much a 3rd party says the vehicle is actually worth based on age, model, mileage, etc.
- Don't allow the salesperson pressure you into any purchase.
- Be ready to walk away. Let them sell the product to someone else or wait for you to come back.
- Make sure to get any promise the dealer/salesperson makes in writing and ask about the dealer's return policy in writing.
- You can bring other people with you to get their opinion or help in decision-making.

What might help you feel more confident in negotiating the price of a vehicle?

Consider giving it a try. Look up 3 vehicle at different dealers that interest you online, and call them to find out how low they'll go under the listed price. See what they say.

Dealership Name	Vehicle	List Price	Will they negotiate?
1.			
2.			
3.			



Section 5: Car Insurance

Car insurance is one of the costliest purchases that **you hope to never use**. At a minimum, car insurance protects you as a driver in case of an accident (whether at fault of another driver or yourself). First note the 2 main “levels” of insurance.



- **Full coverage:** This type of coverage typically protects you in case of an accident regardless of whose fault it is. This type of coverage is generally required on financed vehicles, as it protects the lender’s collateral in case of an accident.
- **Liability coverage:** This type of coverage is typically less expensive than full coverage because it only covers you when you are at fault in an accident. Although less expensive, this coverage does not protect your vehicle fully in the case of an accident.

For more information on Insurance, read the “Car Insurance Buying Guide” from Consumer Reports:

www.consumerreports.org/cro/car-insurance/buying-guide.htm



In Oregon, it is illegal to drive without liability coverage.

The minimum insurance a driver **must have** is:

- Bodily injury and property damage liability
 - \$25,000 per person;
 - \$50,000 per crash for bodily injury to others; and
 - \$20,000 per crash for damage to others’ property.
- Personal injury protection
 - \$15,000 per person.
- Uninsured motorist
 - \$25,000 per person; and
 - \$50,000 per crash for bodily injury.



Have you ever been in a car accident, and what was your experience with the insurance claims process?

Do you plan to get **full coverage** or **liability coverage**? _____





10 tips to save on car insurance

Read the full article at: <https://www.consumerreports.org/car-insurance/10-tips-to-save-on-car-insurance/>



1. Do an Annual Rate Check:

It pays to shop around! You can compare multiple insurers online or with an independent broker.

2. Pick a Top-Rated Insurer

Some insurers have lower premiums, but end up costing you more in the end.

3. Set the Right Deductible

A higher deductible reduces your premium because you pay more out of pocket if you have a claim, so make sure you can afford to pay that cost if you get into an accident.

4. Review All of Your Coverage

Your liability coverage pays for bodily injury and property damage that you cause in accidents. Think carefully about different protections and coverages based on your circumstances.

5. Take Advantage of Discounts

Car insurers offer a whole range of modest but worthwhile discounts that are essentially based on a lower risk.

6. Multiple-Policy Holders

Insurers also offer fairly hefty car discounts if you also buy your homeowners, renters, or life-insurance policy from them. But be sure you check out total costs both ways: premiums from different insurers compared with single-insurer packages.

7. Manage Teenage-Driver Risk

Adding a teenager to your policy can hike your costs by 50 to 100 percent. Inform your insurer if the child isn't licensed, or if your child is a college student residing more than 100 miles from your home and doesn't have a car.

8. Keep an eye on your Credit Score

Regularly check and correct credit-reporting errors because credit can affect insurance rates.

9. Report Reduced Mileage

Let your insurer know if you're driving a lot less than the average driver, because reduced driving could cut 5 to 10 percent off your premiums.

10. Choose your car shrewdly

When comparing models, ask your insurer for premium quotes on the different models under consideration.

Name 3 insurance carriers you will look at to compare insurance coverage:

1. _____
2. _____
3. _____

What are the most important things that you want to prioritize for your car insurance? (cost, reputation, coverage, convenience, etc)

Section 6: Vehicle Maintenance

No one can predict every repair that a vehicle will need, but if you perform vehicle maintenance at regular intervals, it can help prevent expensive mechanical repairs down the road. Maybe you or someone you know are good with cars and can perform vehicle maintenance yourself, or maybe you'll need to find a trusted mechanic to help you. Vehicle maintenance does require an investment of time and money, but can often help you avoid major repair costs that follow a roadside breakdown.



1. Routine maintenance check-ups

Regular maintenance checkups should look at a vehicle's fluid levels for brake and power steering systems, radiator coolant, and engine oil. Other items with significant safety purposes, such as brake pads, tires, and windshield wipers should be checked routinely and replaced when necessary to keep them operating effectively.

2. Scheduled mechanical maintenance

Automobile engines are complex machines containing many interconnected parts. Proper mechanical maintenance, including replacing spark plugs, drive belts, timing belts or chains, and changing air and fluid filters, is needed to identify problems and to keep the engine running as well as it should.



For an in depth review of car maintenance recommendations, read "Car Maintenance Guide: Everything You Need to Know" at

<https://www.kbb.com/car-advice/maintenance-guide/#importance-of-car-maintenance>

3. And repairs...because sometimes you just need to fix a problem.



Should I go to the dealership for maintenance and repairs?

Go to a dealership if your vehicle is covered by the original warranty and you want the manufacturer to pay for the fix. Use a dealership, too, if your vehicle has been recalled or is the subject of a "service campaign" in which the automaker offers to correct a defect. You have the right to have repairs performed anywhere you like without voiding the warranty.

What if my vehicle is under warranty?

If you have an extended warranty, you'll need to check the terms to see who must perform covered repairs.



Finding a mechanic

Finding someone you can trust is critical for any vehicle owner. There's no single clue to what makes a good repair shop, but here are some things you should look for:



- Find a shop for your brand of vehicle
- Ask your family and friends
- Check for certifications
- Check the Better Business Bureau for complaints at www.bbb.org
- Give the shop a tryout on something small
- Ask about warranties on their work
- Find one that has a convenient location near you



Read “5 tip-offs to mechanic rip-offs at www.consumerreports.org/car-repair-maintenance/5-tip-offs-to-mechanic-rip-offs/



Read the full “Where to Go for Car Maintenance and Repairs” article here: www.consumerreports.org/car-repair-shops/where-to-go-for-car-maintenance-and-repairs/)

Do you have a mechanic or repair shop that you trust? If not, how will you go about finding one?



How to talk to your mechanic

Getting the right repairs at a fair price depends partly on communicating with your mechanic. Here's what to say and to expect:

- Describe the problem fully. Provide as much information as possible. Write down the symptoms and when they occur. If possible, talk directly to the mechanic who will be working on your vehicle.
- Don't offer a diagnosis. Avoid saying what you think is causing the problem. You may be on the hook for any repairs the shop makes at your suggestion, even if they don't solve the problem.
- Request a test drive. If the problem occurs only when the vehicle is moving, ask the mechanic to accompany you on a test drive.
- Ask for evidence. If you're not comfortable with the diagnosis, ask the shop to show you. For example, worn brake pads or rusted exhaust pipes are easy to see.

If you don't have a mechanic you trust, try calling three mechanics to get a quote for new brakes for a 2010 Toyota Camry. How much difference in price did you find?



1. _____
2. _____
3. _____



Verification of Completion

VEHICLE PURCHASE AND OWNERSHIP

IDA Education Series

Give this page to your IDA Provider after completing this IDA Vehicle Purchase and Ownership curriculum. You keep the rest of this packet.

Name: _____

Date Completed: _____

Sign here to verify that you have completed the IDA Vehicle Purchase and Ownership packet

➤ Signature: _____

Is there anything related to vehicle purchase and ownership that you would like to learn more about or discuss with your IDA Provider?

Do you have any recommendations to make this curriculum better?

THANK YOU!



Appendix I: Pre-Purchase Mechanic Inspection Checklist

We strongly recommend paying for an independent mechanic to conduct a mechanical inspection of a used car before buying it.

When you have chosen a vehicle that you are interested in purchasing, take it to an independent mechanic for a pre-purchase Inspection. Choose a garage that is:

- ASE Certified
- Independent of the vehicle seller (should not be recommended by the dealership)

VEHICLE YEAR: _____

MAKE: _____

MODEL: _____

MILEAGE: _____

Vehicle Identification Number (VIN): _____

Name of mechanic _____

Mechanic Telephone Number _____

Do you have any direct or indirect relationship with the seller of this vehicle?

Yes No If yes, please explain:

(Post inspection) comments about the vehicle:

OVERALL RATING

Please CIRCLE your rating from 1 – 10 of the overall condition of this vehicle based on your experience with vehicles of the same age.

1	2	3	4	5	6	7	8	9	10
POOR	AVERAGE				GOOD				

Please mark appropriate box on next page and provide comments to understand the condition of the car being inspected.



UNDERHOOD OPERATIONS	Pass	Fail	Recommendations or Work Done
Throttle operations & idle return			
Battery & Terminals			
Engine Operation			
Engine Condition : Does it smoke? Y N Does it Leak? Y N General Condition: (please write in recommendations section)			
Transmission Condition: Does it slip? Y N Does it shift properly? Y N General Condition: (please write in recommendations section)			
FLUID LEVELS	Pass	Fail	
Brake master cylinder			
Windshield & rear window reservoirs			
Automatic Transmission			
Engine cooling system			
Power steering			
All fluid leaks			
CHASSIS CHECK	Pass	Fail	
Exhaust system			
Steering gear & flex coupling			
Steering linkage			
Fluid lines/hoses			
BRAKES (remove wheels & inspect)	Pass	Fail	
Front wheels & linings			
Rear wheels & linings			
ROAD TEST	Pass	Fail	
Front end			
Brakes			
Running of vehicle			
Transmission shifting			
TIRES (tread depth minimum 6/32)	Pass	Fail	
LF			
RF			
LR			
RR			
Has a spare? ___ Yes ___ No			
Has a jack? ___ Yes ___ No			

