



HOW TO BUY A USED CAR

1. Never buy a car without bringing a friend along. They can help you avoid high pressure sales pitches, give a second opinion, and serve as a witness if you have to go to court.
2. Call your bank, credit union, or library to check on the “blue book” value of the car model you want to buy. You can find it online too. Then you will know if you are paying a good price.
3. Watch out for tricks. “Bait and Switch” is when you go to a dealer to look for an advertised “deal,” but it is gone. Then they show you a more expensive car. Another trick is when the salesperson says, “My manager may not agree with this price, so buy it now.” **Take your time.** If you let them rush you, you will not get the best deal.
4. Get a mechanic you trust to look at the car before you agree to buy it. If the seller refuses, buy your car somewhere else. There is probably something to hide.
5. Get all promises in writing. A spoken promise will be almost impossible for you to prove. If they will not put things in writing, they do not mean to stand by the promise.
6. Always ask the seller specific questions about the car, like:
 - Have you had the car checked by a mechanic?
 - Did they find anything wrong?
 - Is there anything wrong with the brakes? Engine? Transmission?
 - How long do you think the engine and drive train will last?
 - If it does not last that long, will you fix it?
7. Insist on specific answers, not general statements. Things like “this is a good little car” are called “puffing”. You cannot count on them. But if the dealer says in writing that the brakes were fixed last week and they work perfectly, you can force them to fix the brakes if they go out soon after you buy the car. **Get it in writing!**
8. **Read the contract**, especially the fine print. **Do not sign the contract if it is different from what the salesperson said about the deal.** Do not sign anything that says that you are taking the car “as is” or “no warranty.” This means they do not have to fix anything.
9. Get your auto loan from your bank or credit union. When you finance a car loan with the dealer, the dealer is often making money on the loan. They may make more money if they give you the loan at a higher interest rate. They may tell you it is the best they can do, but they may be able to do better. A local bank or credit union may give you a better rate.
10. If you get your loan from the dealer ask them to put in writing that they are giving you the best rate you qualify for **AND** that they will not get any money from the lender. Ask them to sign and date this paper.



11. Some dealers try to make extra money by selling you additional products or services. These can be things like credit insurance, service contracts, extended warranties, GAP coverage or maintenance contracts. None of these are required to buy the car and are usually overpriced and do not help in many situations.
12. Get the title when you buy, not later. This is the law. **Do not** pay the seller until you see the title. This makes it harder for someone who does not really own the car to sell it.

WHAT IS A WARRANTY?

A “warranty” is a promise about the condition of the car on the day you buy it. It can include a promise about how long the car will operate normally. There are 3 kinds of warranties you need to know about: the “lemon law”, implied warranties, and express warranties.

• The Lemon Law

The state “lemon law” puts a warranty automatically on a used car sold by a *dealer* (not a private person) if:

- The price is \$3,000 or more,
- It is less than 8 years old, and
- It has less than 75,000 miles on the odometer.



The warranty covers some parts for 30 or 60 days, depending on the mileage at the time of sale. If one of the covered parts goes bad in that time the dealer must:

- Fix it, or
- Give you a refund, or
- Give you a different car.

If the dealer breaks this law, you can sue for money damages and attorney fees. You have up to 1 year after the warranty runs out to sue. Keep track of your papers and the dates that things happened.

• Implied Warranties

Implied means the warranty is there, but not spoken or written down. The law “implies” or puts on a warranty that the car is reasonably fit for normal use. This applies only when the seller is a *dealer*, not a private person. There can be questions about what “reasonably fit” means and you can lose this protection if you are not careful. Words in the sales contract like “as is” or “with all defects” wipe out the implied warranty. That is why you must cross them out, and you and the dealer should write your initials by the cross-out **before** you sign it.

• Express Warranties

Express Warranties are **specific** promises, which may be spoken or written, about the condition of the car when you buy it and how long it will stay that way. Always ask the dealer, or seller, to put the warranty in writing. Written promises are easier to prove in court than spoken promises. If they will not put the promise in writing, they probably will not stand by it. Express warranties can be limited as to what parts are covered, how long they last, and what part of the cost of repair you will have to pay.

To find other Legal Aid Society materials, including any fact sheets mentioned in this document, go to www.lawhelpmn.org/LASMfactsheets.