



How to Buy a Used Car from a Dealer

1. Never buy a car without bringing a friend along. They can help you avoid high pressure sales pitches, give a second opinion, and be a witness if you have to go to court. Use the checklist attached to this fact sheet to help you remember the basic things to check.
2. First, call your bank or credit union, or go to the library to check on the “blue book” value of the car model you want to buy. You can also find it online at www.kbb.com. This is a good way to know the market prices for that car in that condition.
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 won’t get the best deal.



This can also happen with financing. Sometimes they even let you take the car and then call you back and try to force you to sign for a higher priced loan.

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 is almost impossible to prove and enforce. If they won’t put things in writing, they will probably not stand by the promise.
6. Always ask the seller specific questions about the car, like:
 - Was the car in an accident?
 - Was the car in a flood?
 - 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? For how much?
7. Insist on specific answers, not general statements. Words like “this is a good little car” are called “puffing”. You can’t count on them. But if the dealer writes down that the brakes were fixed last week and work perfectly, you may be able to force them to fix the brakes if they fail 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.** Make sure the numbers – especially your payments and all of the charges and fees – are written in the contract and match what the salesperson told you. **Watch out for add-ins (see #11).**

If something says that you are taking the car “as is” or “no warranty,” this means they do not have to fix anything. If it dies the next day, you have to pay to fix it. If you borrowed money to buy it, you have to keep making payments.



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 especially if they sell you the loan at a higher interest rate. A local bank or credit union may give you a lower interest 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. Dealers try to make extra money by selling extra products or services. These can be things like credit insurance, service contracts, extended warranties, GAP coverage or maintenance contracts. By law, you don’t have to get any of these to buy the car. They are usually overpriced and often do not help you much when you need it.
12. Get the title (ownership) documents 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.
13. Ask if there is an ignition cut off chip. Some finance companies put in remote controls that keep the car from starting if you are late with payments.

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: Minnesota’s Used Car Warranty, implied warranties, and express warranties.

- **Minnesota’s Used Car Warranty Law (sometimes called the Lemon Law)**

This is a warranty covering a used car sold by a *car dealer* (not a private person) if:

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

The warranty doesn’t cover other cars like diesels, commercial vehicles, etc.

The warranty covers some parts for 30 or 60 days or 1,000 to 2,500 miles, depending on the mileage at the time of sale. If one of the covered parts goes bad in that time the dealer must:

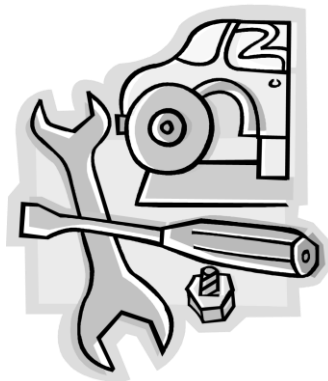
- Fix it, or
- Give you a refund, or
- Give you a different car.



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 bills, repair records and the dates that things happened. Find a lawyer who specializes in Used Car Warranty Law cases. For help finding a lawyer in your area go to www.consumeradvocates.org/find-attorney and click on “Find an Attorney.”

- **Implied Warranties**

Implied means the warranty is there, but not written down. The law “implies” or creates a warranty that the car is reasonably fit for normal use. This applies only when the seller is a *dealer*, not a private person. You lose this protection if you are not careful. Words in the sales contract like “as is” or “with all defects” wipes out the implied warranty. That is why you should cross them out, and you and the dealer should write your initials by the cross-out **before** you sign the contract. If there is no warranty, be sure you are not paying too much for a car that may need repairs soon.



- **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 far easier to prove in court than spoken promises. If they won’t put the promise in writing, they probably won’t 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.

For more help and information, contact:

Minnesota Department of Public Safety

Driver and Vehicle Services Division
651-215-1328 or TTY: 651-282-6555
www.dps.state.mn.us/dvs

Minnesota Department of Commerce

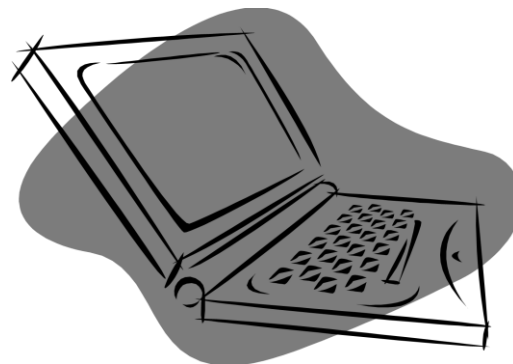
85 East Seventh Place, Suite 500
St. Paul, MN 55101
651-539-1500
www.commerce.state.mn.us

Minnesota Attorney General, Consumer Division

651-296-3353 or 1-800-657-3787
<http://www.ag.state.mn.us/Office/Complaint.asp>

Federal Trade Commission

Consumer Response Center
600 Pennsylvania Avenue NW
Washington, D.C. 20580
1-877-382-4357
www.ftc.gov



The FTC doesn't investigate individual complaints about consumer problems but tracks problems and advises consumers on steps they can take.

National Association of Consumer Advocates

www.consumeradvocates.org/find-attorney

Fact Sheets are legal information NOT legal advice. See a lawyer for advice.

Don't use this fact sheet if it is more than 1 year old. Ask us for updates, a fact sheet list, or alternate formats.

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Check at least these things on a car you are looking at BUT always have a mechanic you know and trust look at the car too.

Outside the car

- Body parts match
- No excessive rust on body of car
- Open all doors, test that key opens locks
- Check tires
 - Are they wearing even?
 - Turn front tires left to right to check wear
 - Tires same size
- Look for leaks under car
- Make sure nothing is hanging loose under car
- Grill not bent or wavy

Inside of Car

- Turn on car and make sure all dash lights come on especially the following:
 - Check engine
 - ABS (the braking system)
 - SRS (airbags)
- All dash lights should turn off within a few seconds
- Check A/C
 - Test all buttons and knobs
 - Test all temperature settings
 - Test fan speeds
 - Test air vents
- Test all door handles and locks
- Roll all windows down and back up
- Make sure VIN number on title and on car is the same

Under the Hood

- Hood has latch
- Look for corrosion on the following:
 - Hoses
 - Belts
 - Battery
- Look for replaced parts- or parts that don't match
- Fluids full
- Oil should be clear and clean

Car Mechanics

- Let car idle- it shouldn't stall or misfire
- No rattling, knocking or weird noises
- No squeaking belts and fans work
- No smoke coming from car
- No clunking in the engine when driving
- Get professional diagnosis of car's computer if they can. Most car parts stores will do this for free.

Road Test the Car

- Drive in the city
- Drive on the highway
- Car accelerates smoothly
- Car brakes well

Miscellaneous

- Check consumer reports about the type of car
- Check Carfax to look up the history of that specific car
- Ask if they have maintenance reports on the car

NOTES: