

# READY SET GO GUIDES

Buying a brand new car is an exciting experience; however it can also be stressful. Community Spirit Credit Union is here to help you through the new car buying process and provide some helpful steps to make the experience as simple and easy as possible.

## How to Buy a New Car

### 1. Shop at the Right Time

First, try to anticipate the need for a car and begin looking before anything happens to your current vehicle. Being rushed or desperate to buy a new car could lead to poor decisions and not obtaining the best deal. A great time to purchase a new vehicle is later in the year because dealers are anxious to sell any of that year's remaining vehicles still on the lot. There are usually annual clearance sales in the fall and early winter when the older models are sold off at discounted prices. Mondays, Tuesdays and Wednesdays are typically less busy at dealerships so they may offer a better deal on one of those days to get a vehicle sold. Also, watch for incentives. Many automakers provide incentives to dealerships and consumers on new vehicles. Some incentives can be worth thousands of dollars off the price tag. If you're considering the purchase of one of two similar vehicles, you can use the incentives of one automaker in your sales negotiation with another.

### 2. Get Pre-Approved

It is extremely important to place a budget on your purchase price. An important step is finding out how much you can pay for a new vehicle and getting pre-approved. A Community Spirit Credit Union loan officer can walk you through the application process and discuss your loan and payment options. Knowing you have pre-approved financing in place with your credit union before going to a dealership will give you peace of mind and help make the process less stressful.

### 3. Know What You Want to Buy

Think about the car model and options you want and how much you're willing to spend. Vehicles come with a list of features to choose from- some are standard and some are optional. Shop around to get the best possible deal by comparing models and prices. Consider ordering your new car if you don't see what you want at the dealership. This might involve a wait, but cars on the lot may have options you don't want which can raise the price. Take your time to research what you believe is most important to you and you'll be less likely to feel pressured into making a hasty or expensive decision. You should also consider how much it will cost to insure the vehicle you're purchasing and what affect it will have on your monthly budget.

### 4. Dealership Experience

Don't be intimidated by the dealership experience. Salespeople are human just like anyone else and they're trying to make a living. You can put yourself in the best purchasing position by doing the following:

- Be informed about what you want to buy.
- Know how much you're willing to pay for the car.
- If you are financing, have your credit union pre-approval in hand when you walk in the door. This will make the negotiation and final paperwork process much easier.

### 5. Trading in Your Old Car

Know exactly what your trade-in is worth prior to visiting a dealership. You can find information on trade-in values using sites like the National Automobile Dealers Association ([www.nadaguides.com](http://www.nadaguides.com)) or Kelley Blue Book ([www.kbb.com](http://www.kbb.com)). Discuss the possibility of a trade-in only after you have negotiated the best possible price for your new car. You may want to consider taking your vehicle to other dealerships to obtain the highest trade-in value.

### 6. Service Contracts/Extended Warranties

Don't just purchase an extended warranty because the finance person at the dealership says you need it. Take your time to understand what is covered and consider these questions:

- a. What's the difference between the coverage under the manufacturer's warranty (included in price of the car) and the extended warranty (additional cost)?
- b. What repairs are covered? Who can perform the repairs?
- c. Is there a deductible you must meet?
- d. How long does the extended warranty last?
- e. What are the cancellation and refund policies?
- f. If you're financing the loan through your credit union, do they offer a similar product at a lower cost?



## Are You Ready?

You are now armed with the tools you need to make a smart purchase and Community Spirit Credit Union is here for you every step of the way.

