Tips for buying a used car

Source: Nichole Huff, assistant extension professor for family finance and resource management

Buying a reliable, used car may seem like a daunting task, but if you do your research, you can make the process less complicated and save some money. Here are some tips to get you started.

First, have an ideal car in mind based on your preferences and needs. Consider your driving habits, the car’s primary use and your budget to determine a vehicle that works best for you.

Test drive any vehicle before purchasing. You can also ask for the car’s maintenance history and VIN number. Use the VIN number to make sure the car has not been stolen or reported salvaged. You can find this information on the National Insurance Crime Bureau’s website <https://www.nicb.org/vincheck>. This check is especially important if there’s a chance the car could have been flooded. Use the VIN to research any recalls on a car at <https://vinrcl.safercar.gov/vin/>.

Know the differences between purchasing from a dealer and a private party seller. Dealers are required by the Federal Trade Commission to display whether the car has any warranty left or if it is being sold “as is” on the Buyer’s Guide, which is usually located on the car’s window and sometimes referred to as the car’s “sticker”. If the dealer is selling the vehicle “as is,” the box will be checked next to those words. If the car has a warranty, make sure you understand what is covered and its expiration. You can also ask the dealer for the name and contact information of the previous owner. Dealers are required by Kentucky law to provide that information to you if asked. Talking to the past owner can provide insight into why the car was traded in, if it was ever wrecked, how many other previous owners exist, if it was regularly serviced, its gas mileage and the vehicle’s mileage when sold.

Vehicles purchased from a private seller are understood to be sold “as is,” and private sellers do not have to provide buyers with a Buyer’s Guide. Also, if there is any warranty remaining on a private purchase, the warranty may not be transferable between buyers.

Before making an offer, research the fair price of the vehicle and make sure it is within your budget. There are several free website options, such as the Consumer Reports website at <https://www.consumerreports.org/cars/car-value-estimator>. If you need to finance the purchase, talk to a lender to understand what you can afford, current interest rates and estimated monthly payment. Lenders often finance used car purchases at higher interest rates over shorter time periods than new vehicle purchases.

You may also want to have a trusted mechanic inspect the vehicle before you purchase it. This is completely legal regardless of whether you are purchasing from a private seller or dealer and is a called a pre-purchase incident inspection.

Kentucky does not have a “lemon law” on used car sales. Once a sale is agreed upon, the buyer does not have any statutory right to cancel the sale, even immediately after it begins. If a private seller or dealer promises you anything, such as making upfront repairs, as part of the car purchase, have them put it in writing. Verbal promises will not hold up in court if they are broken.

If a used vehicle appears to have super low mileage, have the seller sign a statement saying the mileage is correct. A typical car is driven on average around 14,000 miles each year. It is against the law in Kentucky for a seller to roll an odometer back to a lower mileage. If you believe the mileage has been altered, do not buy the car.

Report any type of consumer fraud to the Kentucky Attorney General’s Consumer Protection Hotline 888-432-9257.

More information on family financial education topics is available by contacting the (COUNTY NAME) office of the University of Kentucky Cooperative Extension Service.

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