



# Buying a Used Car

A used car is a car that is not new. Another person owned the car before you. A used car is often cheaper than a new car. You can save a lot of money by buying a used car instead of a new car.

## What should I do before I start shopping for a car?

Decide what kind of car you need and how you will use it. Ask yourself:

- How many passengers will usually ride in the car?
- Do I need extra space to carry bags, tools and other things?

Decide how much you can pay for a car. Think about:

- the cost to register the car in your state
- sales tax
- car insurance
- gas
- maintenance costs

Decide how you will pay for the car. You might decide to borrow money. Compare offers from several lenders. Ask the lender to pre-approve your loan.



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### How do I avoid a problem with dealer financing?

Ask the dealer if your deal is final. If it is, make sure that is written in the contract.

If the deal is not final, the terms of your financing could change. Get a written promise that:

- the dealer will not sell your trade-in vehicle before the financing is approved
- the dealer will return your down payment if the financing is not approved

If the dealer offers you another deal, you do not have to accept it.

Read the contract before you sign it. Check the financing terms. That means the annual percentage rate, length of the financing, and amount borrowed. Are they what you expected?

### What if I have a problem with dealership financing?

If you have a problem with financing you got from the dealer, report it to the Federal Trade Commission (FTC).

- Call the FTC at 1-877-382-4357. Tell the person on the phone what happened. You can give as much or as little information as you want.
- Go online: [ftc.gov/complaint](https://www.ftc.gov/complaint).