



HOW TO SAVE MONEY

& Time

WHEN BUYING A CAR

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How to Save Money (and Time) When You're Buying a Car

Have you ever heard someone say with a smile in their voice, "I'm going to buy a car today"? Someone who isn't a teen in the market for their first car, that is. Once we get past that first exciting purchase, most of us begin to think buying a car is a real drag.

If you're buying a used car, you have to scour the ads, drive to people's houses or dealerships all over town, get an independent opinion from a friendly auto technician, and go on test drive after test drive.

Buying a new car? You're prepping to spend an entire day doing test drives, going over option packages, and then getting pushed off to the finance manager to look at different financing options until your eyes cross and you'll sign just about anything to get out of there.

At SoundView we want to save you from all that hassle. Here are some of our best tips to save money and time when you're buying a vehicle.

Consider Used

You've heard it before – a new car loses thousands of its value when it's driven off the lot. And although this is a slight exaggeration, cars do lose 10% of their value within the first month and about 20% of their value in the first year of its life. This drop continues at about 10% per year for the first five years.¹

What does this mean for car buyers? Well, you can save a lot of money by buying a late model trade-in or lease return. If a car is two years old, you could save 30% off the new-car value and still be within the bumper-to-bumper warranty period that is usually the biggest draw of a brand-new car. Wait a few more years, and you save even more, and depending on the manufacturer, you could still have a power-train warranty to protect the engine, transmission, and drive train.

If you wait five years, when a new car may only be worth 40% of the original purchase price, you're saving thousands of dollars – and getting a car that still runs well and has many years left on it. In addition, because luxury add-ons may not hold their value, you could get a higher trim level than you might have chosen if you'd bought new and were looking at the cost of these added features.

Buying a used car also means you are less likely to owe more than the car is worth in the event of a serious accident.

**NEW CARS DROP IN VALUE
20% IN THE FIRST YEAR
AND 50% OR MORE IN THE
FIRST FIVE YEARS.**

Up Your Knowledge Quotient

A little prep work will help you get your car purchased faster and with a lot less stressing over the amount of money you're paying.

Rather than jumping on Craigslist, try a car buying app, such as AutoTrader, TrueCar, or Kelley Blue Book. These apps will help you find local cars for sale and compare them without leaving your house. You can also get pricing info so you know exactly what is a fair price for the vehicle you're looking at.

When you've picked out a model, check the manufacturer's website for information about recalls. This is especially critical when you're buying a used car, as the manufacturer won't be able to contact you when a recall comes out. When looking at your chosen vehicles, ask the seller whether the recalls have been serviced (the seller gets bonus points if they've kept the records of these and other repairs over the life of the vehicle). You may

be able to use the VIN (the vehicle identification number, a unique code that identifies each car or truck) to search to see if the car has had its recalls serviced.

**APPS LET YOU
COMPARE CARS
FOR SALE AT
DEALERSHIPS
AND PRIVATE
SELLERS — WITH
PRICING INFO
INCLUDED.**

JD Power is also a free resource for user-based ratings and information for many makes and models. They give awards each year to the cars buyers love.

Depend on Your Friends

You may be surprised at how many of your friends have specialized knowledge that can help you buy a car.

If you know an auto technician, you can ask them for specific questions to ask or areas of the car to give an extra look when you're assessing it. For example, if a specific model year has a common issue, you can ask whether the seller has experienced that issue and what they did to address it. Your technician friend may also be able to look up the service history on the car and find out whether it has been totaled or received water, fire, or other serious damage. These cars may have little worth, affecting your ability to finance the purchase.²

Don't know a mechanic? The internet can be your stand-in. If you do a search for "MODEL MAKE rip-off" or something like that, you can often find some of the common problems. But do take these results with a grain of salt, as you can often find that people who experience a very rare issue gain a very loud voice online. Add in a search for "MAKE MODEL common problems" and "love my MAKE MODEL" to get a more balanced perspective on the car you're considering.

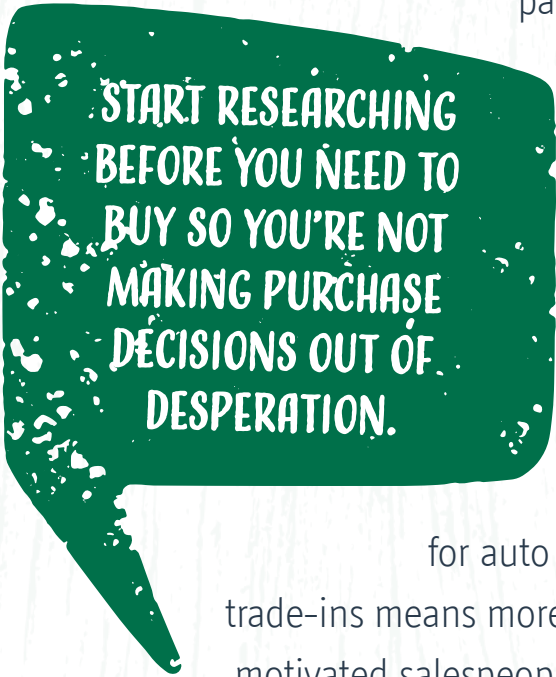


**HAVE A USED CAR
INSPECTED BY A
CERTIFIED TECHNICIAN
TO MAKE SURE YOU'RE
AWARE OF ANY BIG
ISSUES.**

Start Early

You may have heard the saying, “Desperation is the world’s worst cologne.” A savvy salesperson can tell when you are a desperate buyer (perhaps your car has finally broken down for the last time, and you need a new vehicle today) and they may try to take advantage of you.

This is why it’s important to begin researching a car purchase before you need it. Start reading reviews and planning. Save your down



**START RESEARCHING
BEFORE YOU NEED TO
BUY SO YOU’RE NOT
MAKING PURCHASE
DECISIONS OUT OF
DESPERATION.**

payment. See if you can take advantage

of the slower times of the year for car purchases, such as when the new model year has come out and dealerships are looking to make room on their lots by getting rid of last year’s cars or during winter months when sales are slower.³ If you’re looking for a used car, look

for auto shows and other sales events — more trade-ins means more inventory at the car lot, and more motivated salespeople.

Get Pre-Approved

One of the most frustrating parts of buying a car is the financing. Once you've picked a vehicle, you are hit with many different options of loans and extras. You have to make on-the-spot decisions about what lender to use (and many of these lenders are big, out-of-town operations), how long your loan term is, and what pricey options to roll into the financing. No matter what leg work you've done ahead of time, you won't even really know how much you'll be paying for your car until you sit down with the finance manager and go through this lengthy process.

Instead, take time before you hit the dealership to get pre-approved with SoundView. You'll go in knowing exactly what you can afford to pay (and what your monthly payments will be) so you can make informed decisions. We can work with you to explore options when you're not under pressure to sign the papers and get your car home today. If you're concerned about your credit history, we can work with you confidentially to secure the best financing for your situation (we know you, and we can make a decision based on our relationship, not some piece of paper). Plus, you've got the power position of a cash buyer – and the opportunity to take advantage of cash incentives offered by the manufacturer and dealership.

Additionally, with financing secured, you won't be in a position to get talked into unnecessary add-ons that just increase your monthly payment (This is often the drawback of those low-interest offers you find at dealerships. Once you calculate the add-ons, you may find that your monthly payment is higher than it would be if you'd gotten financing beforehand from your credit union).

Get Pre-Approved

Going for a private sale? Even better. You'll enter your sales conversations with the seller knowing that you can buy right away. (We are usually able to fund the loan within a day.) Most people selling their car themselves just want to get it out of their driveway, so they like knowing that you've already secured funding.

You'll benefit from the time savings offered by credit union financing over the long-term, too, when you easily make your monthly payment within online banking or at your favorite branch where you're already doing business. Ready to buy your new or used vehicle? Apply online now at soundviewfcu.org.



Sources

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