

Your Car-Buying Cheat Sheet

Congratulations — you're about to snag a new ride! Follow these steps to get a good deal and make the car-buying process at the dealership as painless as possible.



1 Before you go to the dealership

A little preparation goes a long way to getting you the best deal.

- Get preapproved or pre-qualified for an auto loan.
- Decide if you'll want extras like an extended warranty, paint protection or additional anti-theft devices.
- Gather your pricing information, checkbook, loan offer and proof of insurance.
- If you're trading in a car, grab the title, loan documents and extra keys.
- Bring the items above and a snack and water!

NERDY TIP

Getting preapproved for a car loan is a single step that has multiple benefits: It gets you a sample interest rate, simplifies negotiations and forces the dealership to beat your rate.

2 At the dealership and on the test drive

You want to make sure you like the car and feel comfortable with the salesperson.

- If asked, don't consent to a credit check at this time.
- Avoid naming the monthly payment you want. Just say, "I'm a cash buyer."
- Test drive the car on a route with tight corners, hills, rough pavement and highway.
- Make sure the salesperson listens and seems knowledgeable and not too pushy.

NERDY TIP

If you don't feel comfortable with your salesperson, you can ask to see the sales manager and request a new person to work with. Or, just leave since the process will get only more intense as the deal progresses.

3 Negotiating the price and closing the deal

If you like the car, make a deal. But try to remain unemotional and be ready to leave.

- Ask the salesperson to name a price. Counter with an offer \$1,000 below the current market price. If necessary, increase your offer by \$250 until you reach that price.
- Before saying yes, ask for an "out the door" price and a breakdown of fees.
- In the finance office, say no to any extras you don't want.
- See if the dealer can beat your rate. Keep loan terms the same when comparing offers.
- Before you sign, verify that the numbers in the sales contract match the agreed-upon price.

NERDY TIP

Remember that when you reach a deal with your salesperson you aren't done. In fact, the final step — negotiating financing terms and signing documents — is the most important. And, while the finance manager may look like a friendly banker, he or she is actually a salesperson.