

BUYING A USED CAR



VOCABULARY and DEFINITIONS

Anti-lock brakes: Brakes that won't lock up, a computer in the car pumps the brakes on and off so the car will not skid.

As Is: Buyer beware, the car is sold with no guarantees, if something goes wrong you can not return it and you will need to have it fixed yourself.

Blue Book: The Blue Book is the automotive industries reference to what a car is worth. It takes into account the year, make, model, mileage, condition, accessories and if it is a trade in or a sale. The price guide gives you the highest and lowest value of the car.

Cylinders: The size of the motor is based partially on the number of cylinders the car has. A V8 is the largest followed by a 6 and a 4-cylinder motor. The size (cubic inch) of the cylinder is another way to measure the size of the motor.

Depreciation: The amount the car loses in value each year.

Disc Brakes: A newer type of breaks, usually considered the best type.

Drum Brakes: Older type breaks found on earlier model cars.

Extended Service Contracts: You can purchase a warranty policy on the car for a longer time then is offered when you buy the vehicle. Usually costs a few hundred dollars and covers the car for an additional 1 to 3 years.

Financing: Borrowing money to purchase the car. Usually secured through a bank, credit union or the auto sales person. You agree to pay a monthly payment for a determine amount of time and pay them a interest fee above and beyond the price of the car.

Four Wheel Drive: Usually cars are two wheel drive, either front or rear wheels. In four wheel drive both front and rear wheels are power wheels depending on the condition of the road. When one wheel slips the others provide traction.

Fuel Economy: Refers to how many miles per gallon of gas the car will go. Good economy cars will get over 30 miles per gallon and poor economy cars will get under 20 miles per gallon.

Horsepower: Refers to the amount of power the car has. The more the horsepower, the more powerful the car is.

Lease: A lease is a long-term rental. At the end of the lease you have to give the car back to the dealer.

Liability Insurance: Required insurance by law. Insures the driver for damages occurred to another vehicle, property or person. Covers the cost of repair and medical bills.

Odometer: Usually found near the speedometer and tells you how many miles the car has traveled since it was new. It is against the law to alter the odometer, if it needs to be replaced a statement on the owners "pink slip" needs to indicate how many miles were on it when it was replaced.

Overdrive: A special gear that is best for highway fuel efficiency. Usually it has a gear ratio of 1:1. Newer cars have overdrive on automatic transmissions.

Pink Slip: The certificate of ownership given by the state. You must have this to sell the car.

Proof of Insurance: A card from your insurance company you get each year to prove you have current insurance. The law requires you to have this proof in the car to show a patrol officer when requested.

Negotiating: When buying a car the price is usually negotiable. It is in your best interest to try to get the car for as least amount of money as possible. It is also good to try to get as much for your old car as possible. Usually you can get a new car for over \$1000.00 less than they are asking.

Registration: Each year you must pay registration fees on your car. The DMV will issue you a registration card and a current sticker for your license plate. It is against the law to drive an unregistered car on public roads.

Release of Liability: When you sell a car you must sign a “Release of Liability” form stating that you no longer own the car and are not responsible for it’s operation.

Safety and Diagnostic Check: A service you pay for at a auto shop or other auto clinic to determine the state of the car. It covers many aspects of the mechanical operation of the car. It is a good idea to have a safety and diagnostic check on any car you want to purchase.

Salvage Titles: If a car has been an accident where it was totaled, or if it has been in a flood or had other major damage, the car must be issued a salvage title to let prospective buyers know of the vehicles history.

Service Record: A record of the maintenance for the vehicle. Usually a good car has had regular maintenance.

Smog Inspection/Certificate: California law requires that every time you sell a car, you must prove it has acceptable emissions and does not pollute the environment.

Warranty: A written guarantee that the car is in good working order. If something breaks or malfunctions within the stated time the repair costs will be paid for by the seller. Not all cars come with a warranty and are sold “AS IS”.

As Is – No Warranty: You will pay all costs for any repairs. The dealer assumes no responsibility for any repairs regardless of any oral statements about the vehicle.

Implied Warranties: This means that the dealer does not make any specific promises to fix things that need repair when you buy the vehicle or after the time of sale. But, state law “Implied Warranties” may give you some rights to have the dealer take care of serious problems that were not apparent when you bought the vehicle.

Co-sign : If you are over 18 and do not have a credit history or a bad credit history and cannot get financing on your own, the bank may require you to have a co-signer for the loan. This means the co-signer will be responsible for the loan payment if you fail to meet your financial responsibility.

Questions to ask when buying a used car

- How much money can you afford? How much cash will you need? Will you need to get a loan? How much monthly payments can you afford?
- What kind of driving will you do frequently? Highway, hills, city, off road, mountain, rural, stop and go, with 1, 2, 3 passengers, lots of miles, snow, etc.
- If you need to get a loan do you have a person to co-sign for the loan?
- Have you researched the make and model of car for frequency of repair (consumer reports)?
- What kind of warranty does the car come with?
- Do you have an auto mechanic lined up to check the car out before you buy?
- Do you know the service history of the vehicle?
- Buying a car from a private party is very different from buying a car from a dealer. The same rules of “implied warranties” do not cover private parties.
- How many miles on the car? Are they original miles? Has the odometer rolled over to 0?
- How are the tires? Less than 2/32 inch tread? Mismatched sizes? Visible damage?
- How is the body? Dents, rust, paint, doors close right.
- How is the engine? Oil leaks, fuel leaks, blue exhaust (burning oil), white exhaust (water leak cracked head), black exhaust (poor combustion), mocha colored oil (cracked block), knocking loud noises or not smooth.
- How is the transmission? Shifts smoothly, no noises.
- Do all the gauges and lights work properly?
- How are the brakes? Pedal not firm under pressure, pulls to one side when stopping, brake pads less than 1/32 inch, brake fluid leak at wheel or master cylinder.
- How is the steering system? Too much play in steering wheel, doesn't pull to one side or other while going straight, power steering fluid leaks.
- How is the suspension system? Shock absorbers functioning properly, ball joint seals, springs ok, rubber bushings ok

Name: _____

Date: _____

Used Car Quiz

Check the correct answer

1. To estimate the value of a certain make, model, and year car, you should check with:
 - A. The owner
 - B. The Blue book
 - C. The Newspaper
 - D. The car lot

2. To show ownership of a car you need:
 - A. Proof of insurance
 - B. Registration
 - C. Pink Slip
 - D. Bill of Sale

3. The decrease in value of a car each year is called.
 - A. Wear and tear
 - B. Appreciation
 - C. Depreciation
 - D. Finance charge

4. Fuel economy can be helped by:
 - A. Using overdrive
 - B. Driving on the highway
 - C. Having less horsepower
 - D. Driving slower
 - E. All of the above

5. Before you sell a car you must have:
 - A. Pink Slip
 - B. Proof of insurance
 - C. Implied warranty
 - D. Service record

Name: _____

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6. If the car has been totally wrecked or in a flood and then fixed, you can tell this by:
- A. The service record
 - B. Safety and diagnostic check
 - C. Salvage title
 - D. Odometer
7. Implied Warranties means that whatever goes wrong within 30 days the seller must fix it.
- True False
8. Registration and license fees are good for:
- A. 1 year
 - B. 5 years
 - C. As long as you own the car
 - D. None of the above
9. Release of liability means the seller is no longer responsible for the car.
- True False
10. When buying a used car it is important to:
- A. Check the service record
 - B. Have it checked out by a mechanic
 - C. Have the smog inspection certificate
 - D. Negotiate
 - E. All of the above