

9. Don't sign anything without reading it first.

When you sign your name to a document, you are saying that you understand and agree with the document. If there is something that you don't agree with, ask for the contract to be changed. Never sign a document that you haven't thoroughly read and do not understand.



This fact sheet is not meant to take the place of legal advice.

If you have a legal problem, consult a private attorney or call your local Legal Services Office.

In accordance with Federal Law and U.S. Department of Agriculture policy, West Tennessee Legal Services (WTLS) is prohibited from discriminating on the basis of race, color, national origin, sex, age, religion, political beliefs or disability. To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW Washington, D.C. 20250 or call (202)720-5964 (voice and TDD). USDA and WTLS are equal opportunity providers and employers.



West Tennessee Legal Services

Contact information

731.423.0616

1.800.372.8346

Email: wtls@wtls.org

Web address: www.wtls.org

Jackson

210 West Main Street

Jackson, Tennessee 38301

Selmer

141 North Third Street

Selmer, Tennessee 38375

Huntingdon

113 West Paris Street

Huntingdon, Tennessee 38344

Dyersburg

208 South Church Street

Dyersburg, Tennessee 38024

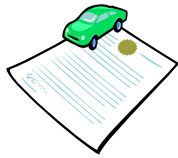
BUYING A USED CAR



Tips for Reducing Risk

BUYING A USED CAR!

Buying a used car is a serious decision. What if you buy the car, drive it off the lot, and it breaks down within hours? You usually cannot just let the car go back to the dealer. You may end up having to pay for a broken car.



Most used cars have problems and no warranty.

The problems might show up immediately or may show up months after purchasing. Some dealers may hide a car's problems or lie about them.

You should know that most dealers sell used cars as "**AS IS**." This means that there is no guarantee that the car is in good condition and there is no return policy. If the car needs work, **YOU** are responsible for the repairs.

Even if the dealer tells you that the car is a "good car" or that the dealership will "stand behind it," if the contract says "**AS IS**", then the promises means nothing.

Even if the car breaks down, you still have to pay for it.

Most used cars are bought in installments, meaning you make a regular monthly payment to your creditor until the loan is paid in full. Most of the contracts for installment payments say that you will pay for the car, even if it breaks down. You are responsible for the repairs and for the regular monthly payments.



Even if you return the car to the dealer, you still have to pay for it.

What if you decide that you don't like the car? What if you lose your job and cannot pay? What if the car breaks down? You cannot just return the car to the dealer and expect to get your money back. If you return the car to the dealer, you will have no car and will still have to pay. Giving the car back to the dealer is called voluntary repossession. If you give up the car, the dealer can sell your car at an auction. Most of the time the car sells for less than the rest of your car note. You are responsible for paying the difference between your car note and the amount that the car sells for at the auction. This difference is called a deficiency.

What if you lose your job and miss a payment? What if you make your payment late? In most car contracts, you agree that if you miss a payment or make a late payment, then the dealer can take your car. This is called repossession. The dealer can do this without telling you ahead of time. To get your car back from the dealer, most dealers will require you to pay off the whole car note, not just your late or missed payments. If you aren't able to pay off the amount demanded by the dealer, the dealer can sell your car at auction. Most of the time the car sells for less than the rest of the note. You are responsible for paying the deficiency.

Tips for reducing risk when buying a used car

1. Know what you need and what you can afford.

Think about what you really need in a car before going to the car lot. You should also review your monthly budget and know what monthly car payment that you can afford.

2. Be patient.

Do not get in a big hurry when shopping for a used car and buy the first car you see. Take your time and go to different dealers.

3. Test drive the car.

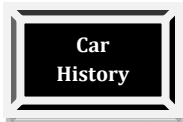
Drive the car at different speeds for several miles. Some dealers may not let you do this. They may say they cannot because of "insurance regulations." Do not buy from this dealer.

4. Bring a mechanic.

Have a mechanic you trust look at the car and test drive it. If the dealer will not let you do this, go somewhere else.

5. Ask for a car history report.

Ask the dealer for a copy of the car history report. If the dealer refuses, write down the car's VIN and run a report yourself.



6. Do not be fooled by looks.

Do not get fooled by how good a car looks. What counts is how the car runs.

7. Expect to make repairs.

Cars wear out. You will have to spend some money for maintenance and repairs. Face this fact in the beginning and remember not to spend every dollar you have on a car note.

8. Don't opt for the optional warranty.

Warranties on used cars that are sold by a used car dealer are usually worthless or cost much more than they will ever pay back. Purchasing an optional warranty from a dealer is usually a bad idea.