

SCDCA'S

Auto
Guide

FOR



Consumers

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Purchasing a car can be one of the most expensive decisions you will ever make. From financing to fees to scams, the process can be overwhelming. So, follow SCDCA's road map for getting that new set of wheels!

B E F O R E Y O U B U Y

- 1.) Check the dealer out.** Ask friends and family for recommendations. Contact SCDCA to see how many complaints we have on file and how the issues were resolved. You can also search the web for complaints.
- 2.) Financing the purchase?** Dealers and lenders offer a variety of different loan terms, so, shop around, compare offers, and negotiate the best deal you can. Make sure you understand the loan agreement before you sign any documents.
- 3.) Buying Used? Is there a Buyers Guide?** The Federal Trade Commission requires **dealers*** to post a Buyers Guide in every used car they sell. This guide is important because it tells consumers:

- * If the vehicle is being sold "as is" or with a warranty.
- * What percentage of the repair costs a dealer will pay under warranty.
- * Keep the Buyers Guide for reference after the sale.

* *The Buyers Guide is not required in a private sales transaction.*

- 4.) Tips for every situation:** Whether the car is new or used, from a dealership or not, here are some things to keep in mind **before you buy:**

- * Test drive the car on various road conditions.
- * Oral promises are hard to prove. Get them in writing.
- * Ask to have the car inspected by an independent mechanic prior to purchase.
- * Conduct an inspection of the car yourself.
- * Ask to see the car's maintenance records. You could find these with the owner or at the place the car received most of its servicing.

BUYERS GUIDE

IMPORTANT: Spoken promises are difficult to enforce. Ask the dealer to put all promises in writing. Keep this form.

CHEVROLET MALBU 2001 1G1ND52MBWY154805
VEHICLE MAKE MODEL YEAR VIN NUMBER

99278
DEALER'S FLOOR PLAN OR OTHER IDENTIFICATION NUMBER

WARRANTIES FOR THIS VEHICLE:

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 made about the vehicle.

WARRANTY

FULL **LIMITED WARRANTY.** The dealer will pay 50 % of the labor and 50 % of the parts for the covered systems that fail during the warranty period. Ask the dealer for a copy of the warranty document for a full explanation of warranty coverage, exclusions, and the dealer's repair obligations. Under state law, "implied warranties" may give you even more rights.

SYSTEMS COVERED: _____ **DURATION:** Whichever is earlier.

The dealer will pay 50% of the labor and 50% of the parts for any item that fails during the first 30 calendar days of ownership of this used car. The duration of this agreement is 30 days from the effective date or 1000 miles from that show of the effective date - whichever comes first. All covered repairs must be performed at the dealership for this warranty to be valid. Clutches, brake pads are wear items and are not covered under this warranty.

SERVICE CONTRACT. A service contract is available at an extra charge on this vehicle. Ask for details as to coverage, deductible, price, and exclusions. If you buy a service contract within 90 days of the time of sale, state law "implied warranties" may give you additional rights.

PRE-PURCHASE INSPECTION: ASK THE DEALER IF YOU MAY HAVE THIS VEHICLE INSPECTED BY YOUR MECHANIC EITHER ON OR OFF THE LOT.

SCAM WATCH: BUYING A VEHICLE ONLINE

Thinking about buying a car off Craigslist, Ebay or some other online vendor? *Make sure you get all the facts before you buy!*



- * **Never wire money** via wire transfer service or to someone's bank account. It's like sending cash and it is virtually untraceable.
- * **Don't buy something you cannot test drive.** If the vehicle is in another state, it may be best to wait for a deal closer to home.
- * Look out for a seller who is **unwilling to speak to you by phone** and whose e-mails may contain spelling and grammatical errors.
- * **Selling online?** You can be victimized too. Over payment scams are common and involve the 'buyer' writing a bigger check so you can pay for shipping or send the difference back. Only, the check is fake!

A COMMON MYTH: LEMON LAW



What is a "LEMON"?

- * A new private passenger vehicle (i.e. car, truck or van);
- * With a defect that impairs its use, safety or will lower its market value substantially;
- * And which the manufacturer cannot repair in reasonable time.

Vehicles are not covered if:

- * The defects are due to the owner's abuse, neglect or unauthorized alteration of the vehicle;
- * Or if the defect(s) don't show up within the first 12,000 miles or 12 months, whichever comes first.



REPOSSESSIONS: WHAT YOU NEED TO KNOW

What if you miss a payment?

Before repossessing, the creditor will send a you a "right to cure" notice if you have been in default for more than 10 days.

You then have 20 days to pay the missed payment.

If you make the payment, it is as though you never missed the payment. **However, if you miss another payment in the course of the loan, the creditor does not have to issue another "right to cure" notice.**

A creditor can also repossess your car in the event that you drop your insurance coverage or put the collateral in jeopardy somehow. **When this happens, the creditor does NOT have to issue a right to cure notice.**

F E E S , A P R & G A P , O H M Y !

Closing Fees

Dealers are NOT required to charge a closing fee, but some do. If a dealer chooses to do so, the fee must be:

1. **Filed with SCDCA.** (You can compare them at www.consumer.sc.gov, just click on "Licensee Lookup")
2. **Displayed in the dealership.**
3. **Included in the advertised price and shown on the contract.**

If you are not happy with the amount of the fee, **you can always negotiate with the dealer.** It's a good idea to shop around for the best deal.

Dealers who charge an Annual Percentage Rate of more than 18% are required to file a Maximum Rate Schedule with SCDCA. So, before you sign on the dotted line, make sure you look up the dealership at www.consumer.sc.gov. The maximum closing fee they charge will also be listed.

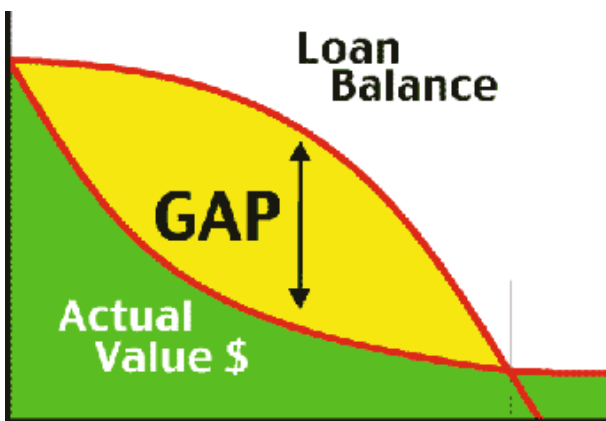
Annual Percentage Rate

W H A T I S A P R ?

'Annual Percentage Rate - APR' is **the cost of credit** expressed as a percentage. This includes any interest, fees, and other charges you will pay under the contract.

Guaranteed Asset Protection

GAP coverage is helpful when you are upside down in your loan (*meaning you owe more on the car than it is worth*). However, it is not insurance. It is a debt cancellation contract. Be sure to weigh the pros and cons before purchasing GAP.



REMEMBER:

- If you purchase GAP you will pay for it through the duration of your loan. **However, it may only be beneficial for a short period during the beginning of the loan.**
- If you pay off the loan early, the unearned portion of the GAP charge must be refunded.

IS LEASING RIGHT FOR YOU?

Consider the following before leasing:

- * **The agreed-upon value of the vehicle.** This will impact your monthly payment amount.
- * **Up front costs.** Things like security deposit, capitalized cost reduction (similar to a down payment), taxes and other fees can add up quickly.
- * **The length of the lease.** How long will you have the car? If you move often, you might want to have a shorter lease.
- * **End of lease fees or charges.** Will there be hefty fees at the end of the lease term? The law limits the amount to 3 times the average monthly payment.
- * **Allowable mileage.** What are the charges if you do exceed the allowed mileage?
- * **Is there a purchase option?** You can arrange to purchase the vehicle at the end of the lease in some cases. Decide if that is something you want to do, **before** you sign on the dotted line.
- * **Is GAP coverage included?** Is GAP included or will you have to purchase it independently? (see page 3 for more on GAP)



NEED MORE INFORMATION?



SCDCA aims to protect consumers from inequities in the marketplace through advocacy, complaint mediation, enforcement and education.

If you need more information, visit us @ www.consumer.sc.gov. You can find all the information above and much more.



If you still have questions, call us at **800.922.1594** or **803.734.4200**.

Connect With SCDCA:





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