

**New York State Attorney General
Eric T. Schneiderman**



Dear New Yorker,

Shopping for a car, new or used, can be a daunting experience. The more information you have, the less likely you are to be pressured into making a decision you'll regret.

Here are some tips to help you put together the information you need before you make this important purchase. Being a well informed consumer will keep you in the driver's seat... before and after you make the deal.

Sincerely,

Eric T. Schneiderman



**New York State Attorney General
The State Capitol
Albany, New York 12224
1-800-771-7755
www.ag.ny.gov**

New and Used Car Lemon Laws

If your new or used car is a "lemon", there is help. Contact the Attorney General's office for directions on how to file a claim or work out a settlement with the car dealer.

Consumer Help Line 1-800-771-7755
WWW.AG.NY.GOV

**Before You Negotiate:
Terms You Should Know**

- **Manufacturer's Suggested Retail Price ("MSRP")** is the price recommended by the manufacturer that is posted on a new car. Most are NOT sold at this price.
- **Invoice price** is the manufacturer's initial charge to the dealer. Because this usually is higher than the dealer's actual cost (the dealers receive rebates and other discounts), it should not be used in auto advertising, unless it reflects the dealers' total final cost.
- **Extended Warranties or Service Contracts** are expensive and very profitable to the dealer. Check carefully to see what both the manufacturer's warranty and the extended warranty cover. Often, the items most likely to need repair or replacement will not be covered by the extended warranty. A copy of the terms and conditions of the service contract must be provided by the dealership. You are entitled to a full refund, less any claims paid, within twenty days of the mailing of the service contract or within ten days if the contract is delivered at the time of sale.

**New York State
Office of the Attorney General**

**BUYING
A CAR?**

Consumer Tips





Know Your Price Range

Before you start looking at cars, determine what you can afford to pay. Consider:

- How much do you have on hand to pay up front, in cash and/or trade-ins?
- If you will borrow, what is the highest monthly payment you can afford? Take into account take-home income, living expenses and any debt you currently owe.

Choosing a Vehicle

- Do some research. Websites, such as Consumer Reports, include reviews of reliability and value for new and used cars over several model years. They also compare functions to help you choose a make and model.
- Other sources, such as www.edmunds.com or Kelley Blue Book, www.kbb.com, record the price of new and used cars. Some surveys indicate that consumers who carefully research the price of cars pay an average of 5% less than consumers who have not.
- Test drive any vehicle you are interested in, including driving on different road conditions.

Considering a Used Car?

- Have a trusted mechanic check out a used car before you buy it.
- Check an online service, such as CarFax.com, to find accident and repair records, including whether a car was declared salvage, labeled a “lemon,” or if there are problems with the odometer.

Beware of odometer tampering:

- Check the title carefully for inconsistencies, erasures and numbers that appear to have been written over;
- Be very wary of titles that say “NOT THE ACTUAL MILEAGE;”
- Look for signs of tampering - loose dashboard, broken speedometer, digits on the left side that don’t lineup.

Choosing a Dealer

- Check with the Better Business Bureau to find out if the dealer is reputable.
- Visit websites that review dealerships to see what other customers say.
- Considering a private sale for a used car? You may find a lower price, but such a sale is not covered by the Used Car Lemon Law, which provides important protections.

Trade-Ins

- Trading in your current vehicle? Remember: a selling price discount is sometimes off-set by under-valuing a trade-in or charging a higher interest rate.
- Get a trade-in value from several dealers.
- Check web sites or publications such as the N.A.D.A. Official Used Car Guide (www.nadaguides.com) or Kelley Blue Book for suggested trade-in values.

Signing a Contract

- Don’t give in to high-pressure sales tactics; don’t be afraid to walk out of the dealership if you feel like you are being manipulated.
- Be wary of “one-day only” deals.
- Take your time to read the contract. Make sure all verbal promises are included in your written contract. If necessary, take the unsigned contract with you and read it over in the quiet of your own home.
- Be certain the car’s serial number matches the number on your contract.

Financing

- Shop around for financing. Often, your own bank will “prequalify” you for a loan. Use that to compare other offers.
- Dealers sometimes make greater profits on financing than they do on the car itself, so negotiate finance charges.
- If you have credit problems, you may not be eligible for the advertised financing.
- Look out for a balloon payment, which is a large payment due at the end of the finance agreement.
- Always know the total amount that you are paying for the car, including interest, and not just the monthly payments.

Refunds of Deposits

Many consumers mistakenly believe they are entitled to a refund of their deposit if they decide not to buy a car. However, there is no right to cancel a contract, unless the dealer fails to conspicuously post the refund policy. If the dealer assists you in arranging for financing and you have not picked up the vehicle, you may cancel at any time prior to signing a finance agreement and receive a full refund.