Checklists for buying a used car

Bill Nolting, U-M International Center, 2015-16

Before you start looking—Estimate the costs! How much can you afford? Start off knowing what you can afford. **Add up ALL the costs—the price of the car is usually not the largest cost!**

(Write in your costs)

- Cost of car
- Add 6% sales tax to price of car which you must pay when the car is registered
- Costs for driver’s license, registration and license plate (a few hundred $)
- Cost of car insurance (typically thousands of $ per year for student-age drivers)
- Cost of repairs & maintenance (can range from $ hundreds - to $ thousands per year)
- Cost of gasoline (typically $20-50 per week if car driven regularly)
- Cost of parking – U-M orange pass for students costs around $200 per year
- Cost of depreciation of the car while you own it. If car is relatively new, this cost will be in the $ thousands per year – or $ hundreds per year if car is old.
- **GRAND TOTAL**

Legal matters

- **Michigan Driver’s license** (take written test at IC + driving test). Essential even if you have an international driver’s license. You must have a Michigan driver’s license to be able to purchase car insurance! See [http://www.michigan.gov/sos](http://www.michigan.gov/sos) (click on “Driver License & State ID”).
- **Car insurance** is required by law BEFORE you may drive a car you own.
- Check car insurance costs: these vary depending age / gender of owner AND age / type of car. **Expect to pay thousands of dollars per year!** See IC website article on car insurance.
- **Title** (ownership document for car). Be sure title is signed over to you before you pay for car. Note that the owner of the car is liable for all damage caused by the car. When buying from private individual, it is recommended to go with that person to the Secretary of State’s office and have the individual sign over the title to you – see [http://www.michigan.gov/sos](http://www.michigan.gov/sos) (click on “Owning a Vehicle,” then “Buying a Vehicle”) and license plate for car. To register your car and obtain a license plate, you must first have proof of car insurance to show to the Secretary of State. When the car is registered, you will have to pay a 6% sales tax on the price of the car – see [http://www.michigan.gov/sos](http://www.michigan.gov/sos) (click on “Owning a Vehicle,” then “Title”)

Researching car cost, reliability, and history of specific car

- Check [Consumer Reports](http://www.consumerreports.org) (subscription necessary for full access) for reliability records of specific brands. Note that the most-reliable brands tend to be Japanese (e.g. Honda, Subaru, Toyota) and will cost more as used cars! Most US brands have average reliability, but SUVs usually have poor reliability. European brands generally have average to poor reliability records.
- See International Center article for suggestions on where to look for used cars and where to find mechanics who can inspect the car: [http://www.internationalcenter.umich.edu/life/usedcar.html](http://www.internationalcenter.umich.edu/life/usedcar.html)
- Car dealers make buying a car more convenient, but they are more expensive and usually do **not** offer any warranty or guarantee for the quality of the car. There is no law against selling an unsafe or mechanically unsound car! If buying from a private individual, ask for records of maintenance and repairs.
- When looking at a car, check for basic things like the mileage (more than 100,000 miles is high), rust on the vehicle, condition of tires, signs of oil leakage in the engine compartment, etc. When you go for a test drive, check to see if the car smokes, if the steering wheel shakes or pulls to one side, or the brakes do not work perfectly -- expect expensive repairs if any of these problems are present.
- Check car’s ownership and accident history by putting the VIN number into Carfax, [www.carfax.com](http://www.carfax.com). This shows if the car had an accident or was declared “totaled” (beyond repair) by an insurance company – even “totaled” cars can be fixed and resold as “salvage”. (There is a charge for using Carfax).

**IMPORTANT**--If you are serious about buying a used car, have it **inspected by a mechanic** (see IC website article) for safety and mechanical issues that you cannot see by yourself. Repairs to make the car safe may cost thousands!.

**The following two service stations offer inspection of used cars and will give estimates of the cost of any necessary repairs:**

**CITGO Station (A2 Auto Center)**
1500 E. Stadium
734.332.8617
(5 minutes from Central Campus)
Cost in 2015 = $59.99 for U-M students
Map: [http://mapq.st/nvTJud](http://mapq.st/nvTJud)

**SHELL Station**
1800 Plymouth Rd., at Broadway & Plymouth Rd. (Close to North Campus)
734.662.2444
Cost in 2015 = $50 for U-M students
Map: [http://mapq.st/nVuwaX](http://mapq.st/nVuwaX)