How to Buy A Used Car

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Icebreaker

- How many of you have bought a used car before?
- What is buying a used car like in your country?
- What are your concerns about buying a used car in the U.S.?
Where to Look

- ebay.com/motors
- autotrader.com
- craigslist.org
- cars.com
- Facebook Marketplace

*Ann Arbor Zip Code: 48104, 48105, and 48109*
Typical things to look out for:

- Vehicle Title
- Mileage
- Service Record
- Tires
- Safety Features (Airbag, Anti-lock brakes, etc.)
- Gas Mileage (MPG)

Car Condition

Car Feature
Clean Title:
- No severe accident
- Never got called back by manufacturer due to defect

Rebuild/Salvage Title
- The car has experienced at least one of the events listed above
- Usually priced a lot lower

The Risk
- The car is fine if it is rebuilt properly, but there is no way of knowing for sure
- Usually harder or more expensive to get insured
- Check accident records: carfax.com (Charge will apply)
Mileage and Service Record

Recommend looking for cars **under 100,000 miles**, or 10,000 miles per year for older cars

- Older/higher mileage cars are more likely to break down

Think long term:

- Buying a car close to 100,000 miles means that it will likely be over 100,000 miles when selling.
- Having a poor service record can also decrease the selling price
## Costly Service Items for Used Cars

<table>
<thead>
<tr>
<th>Items</th>
<th>Service Schedule</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timing belt &amp; Water pump</td>
<td>60,000 - 90,000 miles</td>
<td>$600</td>
</tr>
<tr>
<td>Brakes</td>
<td>20,000 - 30,000 miles</td>
<td>$600 for all four</td>
</tr>
<tr>
<td>Catalyst Converter &amp; Oxygen Sensor</td>
<td>Potential repair for cars over 100,000 miles</td>
<td>$600</td>
</tr>
<tr>
<td>Clutch (for manual cars)</td>
<td>40,000 - 100,000 miles</td>
<td>$1000</td>
</tr>
</tbody>
</table>

*Add potential service cost to vehicle selling price is a good way for comparison*

*Check repair cost at Repair Pal*
Key Information
- Vehicle year: 2006
- Vehicle Model: Toyota Matrix
- Location: Ann Arbor
- Title: Clean
- Price: $5000
- Mileage: 50,000

Service Records
- Tire: 2 years ago
- Brakes: 6 months ago

Drawbacks
- Damage on front bumper
- Potential Clutch replacement
More Good and Bad Ad Examples

- (More examples shown during presentation)

- Good
  - Provides a lot of information (photos, VIN, tires, odometer, etc)

- Bad
  - Limited information
  - Too good to be true
Price Checking

- Check used car price at Kelley Blue Book website
Questions to Ask

- How long have you owned the car?
- What did you use the car for?
- Why are you selling it?
- Has it been in any accidents?
- Does it need anything/have any problems?
- What service have you done since you owned the car?
- When is the last time parts (tires, transmission, engine, etc.) were replaced?
- How is it on snow/ice?
- What gas mileage are you getting?
- Ask for a test drive.

Background Information
- Service Record
- Owner’s Experience
Reevaluate

RepairPal Fair Price Estimate™
for Clutch Replacement
on 2006 Toyota Matrix
in Ann Arbor, MI

Change

Clutch Replacement: $1400
Bumper Replacement: $300
Total Vehicle Price: $6700
At the Test Drive

- Look underneath the car for rust and oil leak (A flashlight can be helpful)
- Look for crack on the rubber parts (tire sidewall, belt)
- Check tire thread
- Check all lights

http://www.wikihow.com/Check-out-a-Used-Car-Before-Buying-It
Dealerships vs. Private Owners

**Dealerships**
- Provide more selections
- Can provide service plan for discount price
- Usually more expensive

**Private owners**
- Usually can provide more details about the car
- Cheaper
Are Dealerships More Reliable?

Buying car at dealership **does not** guarantee the car will be more reliable.

Get to know the car through **Consumer Report** and **Car Talk**.

**Time is money**: Car repairs cost both money and time, and can significantly impact you when you are busy.

Repair shops close to campus:

- **Napa**
- **Firestone**
- **Broadway** (North Campus)

*Check prices of parts* (example: [http://www.autozone.com/parts](http://www.autozone.com/parts))
Choosing a Car for Winter

- Getting stuck in snow (best to worst):
  - All Wheel Drive > Front Wheel Drive > Rear Wheel Drive
- All wheel drive DOES NOT prevent you from losing control on slippery surfaces
- Things to look at:
  - Windshield defroster and heating working properly
  - Ground Clearance
  - Snow Tires (especially for Rear Wheel Drive Cars)
Car Insurance

https://michigan.aaa.com/
https://www.allstate.com
https://www.geico.com
https://www.progressive.com
https://www.meemic.com/

- Nerd Wallet Compare Car Insurance Rates
- It’s illegal not to have car insurance!
Cost Estimate

- 6% tax on the price of the car
- Driver’s license, title, registration, license plate, and road test
- Car Insurance depends on the person (age, driving history, address), vehicle, and types of coverage ($1500-$2000/year)
- Repairs and maintenance (depends on age and condition of the car)
- Gasoline ($50 per month)
- Parking ($100 - Student Orange and Yellow Lots)
- Depreciation
Procurement

1. Driver’s License: Secretary of State
   a. Study guide/manual for the test

2. Find & buy a car
   a. Bill of Sale, assignment of title, check lien information

3. Insurance
   a. Send request letters for quote to insurance agents

4. Title
   a. Transfer title at a Secretary of State office within 15 days after the purchase of your car

5. License Plate
CERTIFICATE OF TITLE

STATE OF MICHIGAN

OWNED NAME AND ADDRESS
JIAHONG MIN

NO SECURED INTEREST ON RECORD

Title Assignment by Seller

State and federal laws require the seller to submit this form. Failure to complete or providing false information may result in civil liability fines and imprisonment. ANY ALTERATION, ERASURE, FALSE STATEMENT, FORGERY OR FRAUD VIOLATES THIS TITLE AND IS A CRIME.

I categorically declare that the following statements are true and correct to the best of my knowledge.

Printed Name of Purchaser:
Signature of Seller:
Sellers Street Address:

A TRUE COPY is submitted to the Secretary of State for the Bureau of Motor Vehicles in the county in which the vehicle is registered.

NOTICE TO SELLERS:

Sellers must keep a receipt or photocopy of the reassigned title for their records for 18 months or accompany the purchaser to a Secretary of State Office.
Parking

- Students can buy Orange and Yellow parking permit at [https://permits.pts.umich.edu/eBusiness/cmn/index.aspx](https://permits.pts.umich.edu/eBusiness/cmn/index.aspx)
- Blue permit is for staff and faculty of the university (or students with disabilities)
- Gold permit is by lottery
- After-hour permit allows you to park in any lot after 3pm (only for graduate students)
- Maps to find out parking spots [https://pts.umich.edu/maps/](https://pts.umich.edu/maps/)
Alternatives: Rental

- Zipcar: [http://www.zipcar.com](http://www.zipcar.com)
- Hertz: [https://www.hertz.com](https://www.hertz.com)
- Thrifty: [https://www.thrifty.com](https://www.thrifty.com)
- Enterprise: [http://enterprise.com](http://enterprise.com)
- U-Haul: [http://uhaul.com](http://uhaul.com)
- Penske: [http://www.pensketruckrental.com](http://www.pensketruckrental.com)
Alternatives: Taxi/Ridesharing

- Blue Cab - 734-547-2222
- Ann Arbor Cab - 734-709-5454
- A-1 Airport Cars - 877-276-1335
- Uber
- Lyft
Alternatives: Car Lease

*Require Social Security Number (SSN)*
Other Orientation Workshops

- Getting around Ann Arbor and Personal Safety
- Budget Travel in North America
- Driving in the U.S.
Questions?

Your feedback is valuable to us and will help us to improve the experience of future participants. Thank you!

bit.ly/umicorinetation