How to Buy a Used Car

Bec Joyce - International Center Peer Advisor
Jake Koelzer - International Center Program Advisor
Where to Look

- Autotrader: autotrader.com
- Ann Arbor Craigslist
- cars.com
- Ann Arbor Zip Code: 48104, 48105, and 48109
- Facebook Marketplace
- WeChat

*Ann Arbor Zip Code: 48104, 48105, and 48109*
What to Look for

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

Salvage/Rebuilt 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](http://carfax.com) (Charge will apply)
STATE OF MICHIGAN

CERTIFICATE OF TITLE

VEHICLE IDENTIFICATION NUMBER: [Redacted]
YEAR: [Redacted]
MAKE: [Redacted]
MODEL: [Redacted]
BODY STYLE: [Redacted]
TITLE NUMBER: [Redacted]
ISSUE DATE: [Redacted]
ODOMETER: [Redacted]
WEIGHT/CATEGORY: [Redacted]
ODOMETER BRAND: [Redacted]
OWNERS NAME AND ADDRESS:

JIAHONG MIN

NO SECURED INTEREST ON RECORD

Title Assignment by Seller

State and federal laws require the seller to make changes when ownership is transferred. Failure to complete or providing false information may result in civil liability. Fees and improvements: Any alteration, erasure, false statement, forgery or fraud voids this title and is a crime.

Printed Name of Purchaser:

Purchaser's Street Address:

City: [Redacted]
State: [Redacted]
Zip: [Redacted]

I, the undersigned, certify that the signature in the space above is true to the best of my knowledge and belief. 

Signature of Seller:

City: [Redacted]
State: [Redacted]
Zip: [Redacted]

Seller's Street Address:

City: [Redacted]
State: [Redacted]
Zip: [Redacted]

A USER LETS YOU TO ASK FOR A COPY IN 10 BUSINESS DAYS OF TITLE BY THE SELLER.

NEW LienHOLDER INFORMATION:

The signature given on the attached certificate is true to the best of the undersigned knowledge and belief. Presented to the Michigan Department of State.

JIAHONG MIN

MAKING ADDRESS:

**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.
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 accident record can also decrease the selling price.
### Check Service Record (Not Free)

<table>
<thead>
<tr>
<th>Date</th>
<th>Source</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/08/2014</td>
<td>Michigan Motor Vehicle Dep't.</td>
<td>Registration issued or renewed</td>
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<tr>
<td></td>
<td>Lapeer, MI</td>
<td></td>
</tr>
<tr>
<td>05/01/2015</td>
<td>Auto Auction</td>
<td>Vehicle sold at auction</td>
</tr>
<tr>
<td>05/04/2015</td>
<td>Signature Ford Lincoln</td>
<td>Vehicle offered for sale</td>
</tr>
<tr>
<td></td>
<td>Owosso, MI</td>
<td></td>
</tr>
<tr>
<td>11/13/2015</td>
<td>Sold as a Ford Certified Pre-Owned vehicle</td>
<td></td>
</tr>
<tr>
<td>11/24/2015</td>
<td>Michigan Motor Vehicle Dep't.</td>
<td>Registration issued or renewed</td>
</tr>
<tr>
<td></td>
<td>Ann Arbor, MI</td>
<td></td>
</tr>
</tbody>
</table>

**Owner 2**
- **Purchased:** 2015 Personal Michigan 11/25/15/4/28/15 (3 months)

<table>
<thead>
<tr>
<th>Date</th>
<th>Mileage</th>
<th>Source</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>11/25/2015</td>
<td>40,085</td>
<td>Michigan Motor Vehicle Dep't.</td>
<td>Title issued or updated</td>
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<tr>
<td></td>
<td></td>
<td>Ann Arbor, MI</td>
<td>New owner reported</td>
</tr>
<tr>
<td>11/29/2015</td>
<td>40,400</td>
<td>Varsity Ford Ann Arbor, MI</td>
<td>Maintenance inspection completed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>888-538-1723</td>
<td>Vehicle washed/detailed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>varsityford.com</td>
<td>Oil and filter changed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Battery/charging system checked</td>
</tr>
<tr>
<td>04/28/2016</td>
<td>40,400</td>
<td>Michigan Motor Vehicle Dep't.</td>
<td>Registration issued or renewed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ann Arbor, MI</td>
<td></td>
</tr>
</tbody>
</table>

**Owner 3**
- **Purchased:** 2016 Personal Michigan 2,499/yr 11/25/16-present

<table>
<thead>
<tr>
<th>Date</th>
<th>Mileage</th>
<th>Source</th>
<th>Comments</th>
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<tbody>
<tr>
<td>04/28/2016</td>
<td>44,000</td>
<td>Michigan Motor Vehicle Dep't.</td>
<td>Title issued or updated</td>
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<tr>
<td></td>
<td></td>
<td>Ann Arbor, MI</td>
<td>New owner reported</td>
</tr>
<tr>
<td>10/06/2016</td>
<td></td>
<td>Ford Motor Company</td>
<td>Manufacturer Customer Satisfaction Program</td>
</tr>
</tbody>
</table>

[https://www.carfax.com/vehicle-history-reports/](https://www.carfax.com/vehicle-history-reports/)
# 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</td>
<td>60,000 - 90,000 miles</td>
<td>$500 - $900</td>
</tr>
<tr>
<td>Water pump</td>
<td>60,000 - 90,000 miles</td>
<td>$300 - $650</td>
</tr>
<tr>
<td>Brake pads (depending on car)</td>
<td>25,000 - 70,000 miles</td>
<td>$150 per brake pad</td>
</tr>
<tr>
<td>Clutch (for manual cars)</td>
<td>40,000 - 100,000 miles</td>
<td>$600 - $1000</td>
</tr>
<tr>
<td>Tires</td>
<td>Rotate: 15,000 miles (check routinely) New: 50,000</td>
<td>$50 - $250 for each</td>
</tr>
<tr>
<td>Catalyst Converter &amp; Oxygen Sensor</td>
<td>Potential repair for cars over 100,000 miles</td>
<td>$600</td>
</tr>
</tbody>
</table>
Price Checking

- Check used car price at [Kelley Blue Book](https://www.kbb.com) website
Good and Bad Ad Examples

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

- **Bad**
  - Limited information
  - Too good to be true
Good Ad Examples

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

- Clean Title
- 50,XXX miles (daily driver so mileage is increasing)
- 1.6 Liter 4 Cyl
- 5 Spd Manual
- Tire changed 2 years ago (around 10,000 miles)
- Brake changed 6 month ago
- Damage on front bumper (~$300 to repair)
Bad Ad Examples

- Limited Information

2003 ford focus. $750 - $750 (Dearborn hghts)

2003 ford focus
condition: fair
cylinders: 4 cylinders
fuel: gas
title status: clean
transmission: manual

2003 ford focus run and drive manual transmission asking $750 text or call (show contact info)

• do NOT contact me with unsolicited services or offers
Bad Ad Examples

○ Too good to be real
○ Cautious about price

2012 Lincoln MKX! 141,000 miles, clean title. $9,885. Runs and drives awesome. No leaks, noises, or anything. Loaded, leather, AWD, 3.7 L Engine. (Does not have a tow package) This one is a must see. Nice freezing cold A/C. My name is Lisa. Serious inquiries only. We are dealer. My personal line (show contact info) for questions. I attached vin # if you would like to pull a car-fax.
Call Message/Text Lisa if interested.
Or come by M-F between 10am-6pm Sat 10am-2pm @ 29068 Plymouth rd, Livonia 48150
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.
- Personal needs: Parking sensor? GPS?
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 tread
- 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
- Does not guarantee reliability

**Private owners**
- Usually can provide more details
- More personal
- Cheaper
- Haggling a possibility
- Might not be as knowledgeable
Repair Shops

Repair shops close to campus:

Firestone (Auto maintenance)

Broadway (Collision Repair and Auto maintenance)

Napa (Auto Parts)

A2 Auto Glass (Windshields)

*Check prices of parts* (example: 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
  - Always be careful when turning
- Things to look at:
  - Ground Clearance
  - Snow Brush (Snow here could be really deep!)
  - Windshield defroster and heating working properly
  - Snow Tires (especially for Rear Wheel Drive Cars)
Car Insurance

*NO SSN NEEDED*

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

https://michigan.aaa.com/
https://www.allstate.com
https://www.progressive.com
https://www.geico.com
Cost Estimate

6% tax on the price of the car

Driver’s license ($25), title ($15), registration (depends), license plate (depends), and road test ($60-85)

Car Insurance depends on the person (age, driving history, address), vehicle, and types of coverage ($1200-$2000/year)

Repairs and maintenance (depends on age and condition of the car)

Gasoline (depends)

Parking ($100 - Student Orange and Yellow Lots)

Depreciation
Student Discounts

Mcard Discounts

The following businesses and organizations offer discounts when you show your Mcard at the time of payment or at time of offer. These discount offers are subject to change without notice if you have questions, contact the business or organization for more information.

The university provides this site as a communications tool and it should not be construed as an endorsement of any of the businesses or organizations.

Attention business owners: To submit a discount offer for individuals at the University of Michigan, please read the Mcard Discounts Policy and then complete an Mcard Discounts Submission Form.

Not all of the discounts listed below apply to all groups. Please be sure to select the correct "Target Audience" for applicable discounts.

<table>
<thead>
<tr>
<th>Discount Type:</th>
<th>Automotive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target Audience:</td>
<td>Students</td>
</tr>
</tbody>
</table>

What's New?
- Guaranteed Rate: $1,290 mortgage discount
- Guaranteed Rate
- Number 1 Auto Transport: $50 discount
- Number 1 Auto Transport: Translation Company Group, The 15% discount on translation services
- Translation Company Group, The Gentleman's Jon: 10% off all orders
- Gentleman's Jon
- Capital Monage Funding: $1,000 Mortgage Closing discount
- Capital Monage Funding

Most Popular
- Enterprise Rent-A-Car: Discounts on Enterprise rental vehicles
- Enterprise Rent-A-Car
- The Insurance Market LLC: Home & Auto Insurance
- The Insurance Market LLC
- Avis Group Inc.: Discount Car Rentals
- Avis Group Inc.
- Maanit Insurance - Kidman Agency, LLC: Save up to 35%
- Maanit Insurance - Kidman Agency, LLC
- National Car Rental: Receive discount on National Car rentals
- National Car Rental
Procedure

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

2. Find & buy a car

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 and Registration
   a. Need to show proof of car insurance first

*You need to renew license and registration every year at Secretary of State. You can renew insurance electronically.*
Parking

● Students can buy Orange and Yellow parking permit at 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 Orange, Yellow, or Blue lot after 3pm (only for graduate students)

● Maps to find out parking spots https://pts.umich.edu/maps/
If you don’t think parking permit is a great deal

Visitor Parking on campus ($1.60 per hour)

Street Parking and Parking Structure
  ○ Street Parking rate is usually more expensive
  ○ https://campusinfo.umich.edu/article/parking-0

FREE PARKING:
  ○ Central Campus (Street): Mon-Sat after 6:00pm, Sunday
  ○ Any time period besides the permit required time
Alternates: Rental

http://www.zipcar.com

http://uhaul.com

http://enterprise.com

https://www.hertz.com
Alternates: Taxi/Ridesharing

- Uber
- Lyft
- Blue Buses
- AATA (City Bus)
Alternates: Car Lease

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

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

You will be sent a short survey about this presentation. Your feedback is valuable to us and will help us to improve the experience of future participants. Thank you!