

Buying a Car In Today's Buyer's Market

Sound Advice from
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As we all make necessary adjustments to get through these tough economic times, the importance of smart decision-making is critical. When the opportunity arises to look at purchasing a new vehicle, careful planning and research will definitely make that "new car smell" last much longer.

This is definitely a buyer's market for cars – interest rates are very low, inventories are extremely high - so focus on these four things before you set foot in a dealership, and you'll have a good template for a successful purchase:

- Create a budget (and stick to it)
- Obtain your credit report
- Get your car financing in order before you start looking
- Do your research online

Fight off the urge to "over purchase" by setting a reasonable budget and sticking to it throughout the buying process. You'll likely get plenty of car for your money in today's market.

Do you know your credit score? You can order your credit report online from each major credit bureau at www.annualcreditreport.com and receive them all within 10 days. For the most detailed explanations on your FICO scores, go to the credit education area at www.myfico.com. Your credit score directly affects the interest rate you'll receive when you finance your car purchase. A car dealer should never know more about your credit than you do.

Determine how much car (or car payment) you can afford. Most financial institutions can pre-qualify you – which means they'll determine the loan amount you qualify for before you begin your car search. This is a critical step, and will save time and headaches for both you and the dealer.

As for the timing of your car search, it is best not to wait until your clunker is ready to die before replacing it. Typically, it takes 2 months to shop, decide, negotiate, and eventually buy a car. If your car is dying, you could be forced to make a hasty decision on a car that does not meet your needs or budget.

Speaking of clunkers, recent legislation, affectionately called "Cash for Clunkers," allows consumers to receive a voucher up to \$4,500 towards the purchase of a more fuel-efficient new car. For more details, go to www.cashforclunkersfacts.com.

There are two "best times" to buy a car. One is the end of December. Holiday shopping creates lonely dealer lots, which motivates dealers to reduce prices. The other hot time is from July to October, as car dealers sell off cars at low prices to clear space for new car models.

Do your research. If you have a car in mind, find out all about it at the manufacturers website. You can read reviews and consumer reports, check options and identify fuel efficiency. A little bit of research will equip you to negotiate a great deal.

Once you are ready to start your pursuit, keep in mind that most automobile dealers care about you and their reputation. Because competition is tough on the Central Coast, word of mouth reputation is very important. Treat the sales staff with the same respect you would expect, and be truthful. If you're patient, and disciplined, chances are you'll find that the sweet deal and the new wheels are ripe for the picking.