

Travis Credit Union

# A Member's Guide to Buying, Owning and Selling a Vehicle





# We're with you through every stage of your financial life

Buying a new car ranks right up there among big expenses such as weddings, college tuition and buying a home. At Travis Credit Union, we're with you throughout every stage of your financial life, including when it is time to buy or sell your vehicle.

This guide provides you with advice and tips toward buying a new vehicle. This step-by-step information is intended to help make the auto-buying and selling process easier by becoming a well-informed consumer.

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## Before You Buy

If you're in the market for a new vehicle, congratulations! There's a special feeling about driving a new vehicle off the dealership lot, knowing every mile logged on it will have your name on it. As a buyer, you should consider a few things before you start shopping.

**Check Your Credit.** Review your credit report first so you can identify any issues that may affect your credit and prevent you from receiving a good interest rate on your auto loan. Generally, the best credit scores qualify for the lowest interest rates. You can get a free copy of your credit report from the three major credit bureaus at [www.annualcreditreport.com](http://www.annualcreditreport.com).

**Vehicle Usage:** Consider how you will use your car. Will it be for short, daily commutes in town or frequent highway driving in the country? Do you need something that can handle seasonal extreme weather conditions, such as, snow or 100-degree temperatures? Other things to consider is whether the vehicle has enough space for all your passengers and if it can fit in your garage.

**Buy or Lease?** Is owning your vehicle more important than always driving the latest model? Think about buy and lease

## Determine Your Budget

Another important step toward buying a car is taking the time to determine how much car you can afford. A great way to do this is to get pre-approved for an auto loan at Travis Credit Union. This way, you'll know exactly how much you can afford so you'll stay within your budget. You'll need to anticipate all of the costs involved in a



vehicle purchase such as registration, fees, taxes and insurance. Other costs include fuel and maintenance.

### Here are some tips toward financing your car:

1. **Set a Budget.** Crunch the numbers and see how much of a car payment you can afford. Once you have an idea, use an auto payment calculator to see how much of a total vehicle price you can afford. Try our auto loan calculator at [www.traviscu.org](http://www.traviscu.org).
2. **Get pre-approved.** Call the credit union, visit a branch or go online to
3. **A down payment helps:** Remember, the larger down payment you make, the lower your monthly payment will be. It may be wise to save up for a down payment for six months or longer to lessen the impact.

choose the rate and term that is the best option for your budget. Get pre-approved on your auto loan so you can shop with confidence and so you don't get talked into buying more car than you can afford.

## Conduct online research first!

Do your homework first by conducting online research to find the right brand, make and model you want before stepping foot onto a dealership. Start at [www.traviscu.org](http://www.traviscu.org)



## Research Your Vehicle

Now that you're pre-approved and ready to shop for a vehicle, where do you start? It may be wise to begin your research online at sites such as Travis Credit Union's CUDL Autosmart (<http://traviscu.cudlautosmart.com>), which helps you find the right vehicle that fits your needs.

**Here are some things to consider when you're researching your vehicle:**

**New Car:** Buying a new car means you'll have a choice of the latest features and options. You'll also gain peace of mind knowing there were no previous mechanical problems or body damage.

**Used Car:** Most of us would prefer a new car but used cars can provide more value. Used cars are sold at dealerships

and from private sellers. Be sure to consult Kelley Blue Book or Edmunds.com for a general idea of the fair market value of a used vehicle. Also, review all documentation for a used vehicle and consult a service like [Carfax.com](http://Carfax.com) to see if the vehicle has been in an accident. Be sure the owner has the title to the car.

**Test Drive:** Once you've found a vehicle you're interested in, do a test drive to see if you're comfortable with the seating, steering, mirrors, dashboard instruments and other features. Drive it in highway conditions so you can get a feel for how it accelerates, how smoothly it operates at highway speeds and how quiet the ride is. Inspect the car during only daylight hours (but test the headlights, too).

## NEW CAR

### ADVANTAGES

- Warranty protection
- Choice of latest features
- No mechanical problems

### DISADVANTAGES

- Higher price (including sales tax and fees)
- More expensive insurance
- Instant depreciation from date of purchase

## USED CAR

### ADVANTAGES

- Lower price
- Lower insurance cost
- Less depreciation

### DISADVANTAGES

- Higher interest rate finance
- Older cars may not qualify for financing
- Potential maintenance issues
- Limited or no warranty
- Limited recourse after sale

## Don't forget the Insurance

New vehicles typically cost more to insure. Do your research first to see if you can afford the monthly car loan payment and the insurance.

## Finalizing the Sale

Once you've settled on the right car, it's time to settle on the best price you can get. Be assertive and firm. By doing your homework, you'll have a good idea what the vehicle's sale price is and how much a dealership has marked up the price. Companies such as Kelley Blue Book, TrueCar and Edmunds specialize in tracking the average price of vehicles and rebates or incentives available.

Remember that as the buyer, you're in control of the situation. Ask about incentives and rebates, and determine if they're really a good deal. It is perfectly okay to walk away if you're not happy with the final price and try again another day.



### Here are other things to consider when finalizing your purchase:

**Total amount financed:** Double check your loan documents to be sure the total amount financed is what you agreed upon.

**Length of loan term:** Typically, vehicle loans range from 48 months to 96 months. While financing for longer terms means a lower monthly payment, it may cost you more over the life of the loan if you don't pay off the loan early.

**Monthly payments:** If you were pre-approved before you shopped for your vehicle, you'll know if you can afford the monthly payments. Don't agree to the sale if you know you can't.

## Consider Loan Protection

One you've agreed to the price of the vehicle and signed the loan documents, it may be wise to consider loan protection in case your vehicle is totaled in an accident or the unexpected occurs and you become involuntarily unemployed. Travis Credit Union representatives can help explain these two insurance products:

**Guaranteed Asset Protection:** What if your new vehicle is stolen or totaled in an accident just a few months after you bought it? Since your car insurance will only pay the value of the vehicle at the time of its loss, chances are that amount won't be enough to pay off your auto loan. Guaranteed Asset Protection (GAP) coverage pays this difference. GAP is available for private passenger cars, vans and light trucks, as well as for motorcycles, ATVs, snowmobiles and personal watercraft. Even recreational vehicles and watercraft are eligible.

You can purchase GAP from Travis Credit Union within 90 days from the date your loan is funded. Please note GAP will not pay for items such as late fees, interest, credit protection and service contracts that could be cancelled and returned to the loan balance or remaining balances due to over-financed loans.

**Member-Valued Protection:** MVP is voluntary payment protection that you can add to an eligible loan. It assists you in making payments during a financial hardship. MVP acts like an emergency payment plan that will make your loan payments should you become involuntarily unemployed, disabled or die. For example, MVP will make your

monthly auto loan payments, up to the agreement maximum, should payment protection be needed. For a loss of life, it will cancel your outstanding loan balance, up to the agreement maximum.

MVP coverage is available in three options for up to two borrowers per loan. Costs vary by plan. Only TCU consumer loans and credit cards are eligible for MVP coverage and the cost of the protection can be conveniently rolled into your loan agreement to become part of your monthly payments.

## MBI plans

As much as you rely on your vehicle to get from point A to B, you never know when the journey could be interrupted with an unexpected stop on the road.

If your car does breakdown, Mechanical Breakdown Insurance can be your safeguard. MBI provides nationwide coverage along with 24/7/365 emergency roadside assistance to ensure a helping hand on the road if you ever need it.

The available MBI plans are determined by the year, make, model and mileage of the vehicle and feature three separate tiers of service. They each offer no deductible, nationwide coverage, a 60-day money-back guarantee and direct claim payments via Visa and MasterCard. Plans are transferrable to a new owner of the vehicle.

\*This insurance program is offered through Route 66 MBI. There is a 30-day and 1,000-mile waiting period. All vehicle repairs must be approved by the claims office. Route 66 MBI policies are transferrable for a \$40 fee.

### TruStage™ Auto & Home Insurance Program

Exclusively for credit union members, the TruStage Auto & Home Insurance Program provides affordable top-quality protection. You could enjoy discounted rates combined with online convenience and 24/7 claims service.

Call 1-855-483-2149 for a free quote.

### Owner Maintenance

Routine vehicle maintenance is the key to keeping your new vehicle operating efficiently and under its original factory warranty. Your vehicle's operation manual details the maintenance required, based on mileage milestones.

#### Here are other tips to maintaining your vehicle:

**Take it easy at start-up:** When your car's engine is cold, so is the oil inside it, most of which has seeped back down to the oil pan at night. Instead of a quick start and go in the morning, give your car about 30 seconds or so to idle (without revving) so the oil can re-lubricate the engine. This can save engine wear and tear, while giving you time to settle in for your drive.

**Check your fluids:** Make weekly checks of your engine's oil, brake cylinder fluid, power steering fluid, transmission fluid, and radiator coolant (antifreeze).



These tasks can be done in less than 10 minutes. Your vehicle manual describes where and how to check them.

**Rotate your tires:** To extend the life of your tires, rotate them twice a year or every 6,000 miles. Follow the rotation pattern outlined in your vehicle manual. Keep your tires inflated to the recommended levels. Under-inflated tires can reduce tire life by up to 15 percent and reduce gas mileage up to 10 percent.

**Choose the right fuel:** Select the grade of fuel recommended for the vehicle. For example, if you have a high performance vehicle it may be wise to invest in a higher octane fuel to improve performance and extend engine life. Sticking with the same brand of gasoline helps reduce the chance of deposits building up in the fuel system.

### Get pre-approved before you buy!

Get pre-approved for an auto loan with Travis Credit Union before you start to shop for a new vehicle so you'll know exactly how much car you can afford. Call (800) 877-8328 during normal business hours to get started.

## LEASING

### ADVANTAGES

- More car per monthly payment
- Drive the latest models every few years
- No need to worry about trade in
- You'll know how many miles you'll drive

### DISADVANTAGES

- No asset at the end of lease
- No flexibility in changing model
- Possibly higher insurance costs
- May be charged for excess mileage

## BUYING

### ADVANTAGES

- Own an asset when paid of
- Greater flexibility
- Greater leverage when purchasing

### DISADVANTAGES

- Less car per monthly payment

**Replace your air filter:** Your car engine generates energy through the combustion of air and gas. If the air filter is dirty, the engine isn't getting enough air and it will reduce engine performance and mileage. Change your air filter about every 12,000 miles.

## Selling Your Vehicle

There are many factors involved in deciding whether to replace your car. Are repair and maintenance costs adding up? Does the vehicle no longer meet your transportation needs or your lifestyle? Will your clunker last a few more years or is it becoming unreliable? Can you afford monthly payments on a new car?

**Here are few things to keep in mind if it is time to sell your vehicle:**

**Determine its value:** You'll need to know how much your old car is worth. Some types of cars are worth more than others, even if they have the same mileage and age. To find out, visit the Auto Buying Center at [www.traviscu.org](http://www.traviscu.org) and click the "Research" link on the top right. Then click on the Kelly Blue Book icon under "Vehicle Value Guides."

**Prepare for the sale:** Once you've set a fair price for your car, get it ready for sale. In many cases, buyers will make up their minds whether to buy your car in the first few minutes. Wash and wax your car's exterior, and clean and vacuum the interior. Remove everything from the trunk and make sure the spare tire is in good shape. Conduct minor maintenance such as an oil change and gather up your car's maintenance records so you can document the condition it is in.

**Advertise your car:** Consider both printed and online classified ads when selling your car. When selling online, consider Web sites such as [Craigslist.org](http://Craigslist.org), [AutoTrader.com](http://AutoTrader.com), [Edmunds.com](http://Edmunds.com) or [CarsDirect.com](http://CarsDirect.com).

**Showing your vehicle:** It's wise to first screen buyers over the phone before meeting them in person to show the vehicle. Use your intuition; if something about a caller doesn't seem right, don't do business with them. When showing your car, be sure you bring along a friend and show the car at a public park or shopping center. Remember, buyers will also be evaluating you to see if you're trustworthy about your description of your car. If they want to test-drive the car, ride along so you can answer questions about the car's history. If they want their mechanic to inspect the car, agree to meet them at the mechanic's shop so you can answer any questions that may arise.

**Negotiate fairly:** You once negotiated to buy this car. Now you're doing so to sell it. Ask for a fair price. It's a good idea to keep to your asking price. If someone wants to negotiate the price by phone or e-mail, just tell them to come see the car first. Once a deal has been struck, ask for payment in cash or by a cashier's check issued by a local and reputable financial institution. Be sure to finalize the sale by completing all transfer of ownership requirements with your state motor vehicles department.

## Mailing & Shipping

### Mailing Address

Travis Credit Union  
P.O. Box 2069  
Vacaville, CA 95696

### Deposits & Loan Payments Only

Travis Credit Union  
P.O. Box 8000  
Travis AFB, CA 94535

### Shipping & Overnight Mail

Travis Credit Union  
One Travis Way  
Vacaville, CA 95696

## Account Access & Information

### Web Site Address

[www.traviscu.org](http://www.traviscu.org)

### Call-24 Phone Banking

(707) 449-4700 or (800) 578-3282

## Member Service Center

### Account Assistance and Information:

(707) 449-4000 or (800) 877-8328

### PhoneLoan™

(707) 451-5350 or (800) 877-8328

### Home Loan Center

One Travis Way, Vacaville, CA 95687  
(707) 469-2000 or (888) 698-0000

### Check Fraud Information

(707) 469-4384 or (800) 877-8328 ext. 4384

### Debit/Credit Card Fraud Information

(800) 877-8328

Everyone who lives, works, worships or attends school in Alameda, Colusa, Contra Costa, Merced, Napa, Placer, Sacramento, San Joaquin, Sonoma, Solano, Stanislaus or Yolo County is eligible to join. Certain membership eligibility requirements may apply.

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