

Travis Credit Union

# Top 10 Car Buying Tips



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Buying a new car today remains no small task, even for experienced drivers looking for their next set of wheels. With hundreds of makes and models to choose from, you'll need to do your homework to find your dream car – but it doesn't stop there. The reality is that you'll also need to determine how much car you can comfortably afford, how you'll finance your vehicle and how you'll insure it.



## 1. Check your credit history

Your first step toward buying a car is to check your credit history to determine your credit score or your borrowing strength. Your credit score will affect the interest rate you'll receive on your auto loan from lenders. Generally, the highest credit scores qualify for the lowest interest rates. By federal law, you're eligible for one free credit report each year from each of the three major credit reporting bureaus. Visit [annualcreditreport.com](http://annualcreditreport.com) to get started.

## 2. Save for a down payment

Another early tip when thinking about buying a new car is to start setting aside money for a down payment. Simply put, the more you pay upfront, the less you'll have to pay off on your auto loan, which also means a lower monthly payment.

## 3. Get prequalified at Travis

Once you know your credit score, you'll need to know how much car you can afford, based on your current income, outstanding bills and other factors. Travis Credit Union can help you get prequalified for an auto loan so you'll know the maximum loan amount you're qualified for and what those monthly payments would be. Becoming prequalified also helps you shop with more confidence because you know exactly what you can afford at the dealership.

## 4. Identify the type of car you need

Ask yourself why you need a new car and what will be its main use. Is it a commuter car, a weekend road trip SUV or a luxury vehicle that you'll use on special occasions? Knowing how you'll use your car will help you determine the type of vehicle you need and if you should be looking at gas-powered, hybrid or even electric vehicles. For example, if your workplace offers electric vehicle charging stations, you might want to consider a plug-in hybrid or electric commuter car.

## 5. Understanding the window sticker

A new car's window sticker contains important information about the car that you will need before you make a purchase. It contains the manufacturer's suggested retail price (MSRP), which is the price for which the carmaker suggests that the dealer sell a car. The invoice price listed is the price the dealer paid for the car. Many buyers strive to buy a car for lower than the MSRP. Other information on the window sticker include: fuel economy estimates, engine and transmission specifications, standard equipment and warranties, optional equipment and crash-test ratings.

## 6. Search online first

Before you visit a dealership, begin your search online. There are several websites that offer detailed information about every make and model available in the United States. Websites such as [Edmunds.com](http://Edmunds.com) also provide you with professional and consumer reviews

so you can narrow your search. After you've identified a handful of cars you're most interested in, it's time to visit the dealerships.

## 7. Test drive at the dealership

Auto dealerships can be intimidating places but if you have done your homework, they don't have to be. Go with an adult family member or a friend for support. Focus on the test drive and how the vehicle feels when you drive it. Ergonomically, do the instrument console, entertainment system, cup holders and other controls and storage work for you? Ask to drive the car on the highway as well as surface streets so you can get a feel for how the car performs. If you have the time, schedule a test drive at night so you can experience the interior and exterior lighting in real conditions. Take your time after the test drive and sit in the back seats, inspect the trunk and engine, open the gas tank lid, honk the horn and test the car stereo.

## 8. Negotiating the price

Once you've found the right vehicle for you, it's time to negotiate with the dealership. If you're purchasing a vehicle instead of leasing, first settle on the price of the vehicle, then discuss financing and trade-in separately. One tip is to provide prices that you've found online and see if the dealership can match them. Be firm on your price point and keep to your prequalified budget. Expect long waits during negotiations as your salesperson relays your information to the sales manager. After you agree on a price, **inform them that you're prequalified at Travis**. If you have a trade-in, this is when you mention it to the dealership.

## 9. Review the loan contract

Once the negotiations are over, be sure to read the loan contract to ensure that everything that was agreed upon is included in the contract. It's a fairly lengthy document to review. Ask questions about each line item, if needed, and be sure to look for any unfamiliar or hidden costs. Remember that the deal isn't final until you sign the contract. Also, you will likely be asked about additional coverage plans for the vehicle so be prepared to consider these add-on options.

## 10. Auto insurance

Before you can drive your new car off the lot, you'll need to show proof that your new vehicle is insured. Most lenders will require collision and comprehensive coverage on any vehicle with a loan. Don't forget to factor in the cost of auto insurance when determining the costs of buying a vehicle.

## Leasing

### ADVANTAGES

- More car per monthly payment
- Drive the latest models every few years
- No need to worry about trade-in

### 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 off
- Greater flexibility
- Greater leverage when purchasing

### DISADVANTAGES

- Less car per monthly payment

We hope these tips help improve your car-buying experience. If you're ready to buy, get prequalified with Travis Credit Union by visiting a branch, apply online at [traviscu.org/apply](http://traviscu.org/apply) or by calling us at **800-877-8328**.

## 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

(707) 449-4000 or (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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TCU-1098 (12/18)