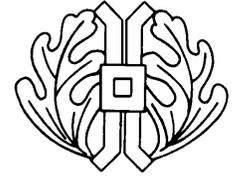


PREVENTIVE LAW SERIES
BUYING AN AUTOMOBILE



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Buying a new car is usually the second most expensive purchase many consumers make, after the purchase of their home. This handout is intended as an overview of some of the information you need in order to make a smart deal on a new car and how to avoid problems in purchasing a used automobile.

Before purchasing a new or used automobile a buyer should keep the following in mind:

1. Know what car model and options you want and how much you can afford to spend before looking for a car.
2. Compare prices of cars at different dealers by reviewing newspaper ads.
3. Check each car's quality and repair record through available consumer reporting agencies and publications. The U. S. Department of Transportation Auto Safety Hotline (800-424-9393) will tell you if a car model has ever been recalled and will send you information about that recall.
4. Some cars cost more to insure than others, so check insurance rates before buying an automobile.
5. **Before going to the first dealer, try to arrange financing for the purchase through a bank, credit union or lending institution.** Dealers and lending institutions offer a variety of interest rates and payment schedules, so you will want to shop for terms. If, for example, you need low monthly payments, consider making a larger down-payment or getting financing that will stretch payments over five years. Of course, a longer payment period equals paying more interest and a higher total cost.
6. Compare finance charges among institutions.
7. Before signing any purchase agreement, know the total sales price, the amount of the down payment, the annual percentage rate (APR), and the monthly payment. Be cautious about advertisements offering financing to first-time buyers or people with bad credit. These offers often require a big down payment and a high APR. If you decide to sell the car before the loan expires, the amount you receive from the sale may be far less than the amount you need to pay off the loan. If your budget is tight, you may want to consider paying cash for a less expensive car than you first had in mind.
8. Examine the car yourself using an inspection checklist or have the vehicle inspected by an independent third party. Test-drive the car under varied road conditions - on hills, highways, and in stop-and-go traffic. The best test is by taking the car to a trusted mechanic before you sign a contract.

READ THE ENTIRE CONTRACT BEFORE SIGNING IT!
There is very little we can do after you have signed the contract.

As an active duty servicemember, one place you may want to consider when purchasing a vehicle and obtaining financing is the Navy AutoSource. Navy AutoSource is the Navy's officially authorized new vehicle buying program. **It is only available aboard deployed ships that are 12 or more miles out to sea.** For specifics on the Navy AutoSource program, speak to one of their representatives or go to their online web site.

All potential buyers should be aware that **the three-day "cooling off" period for canceling many consumer contracts does NOT apply** to new and used car purchases unless expressly provided in the sales contracts!

IF YOU BUY AN AUTOMOBILE, DO NOT EXPECT TO RETURN IT WITHIN THREE DAYS AND GET YOUR MONEY BACK! SEE AN ATTORNEY BEFORE YOU SIGN ANY CONTRACT!

As for new car purchases, a variety of express and implied warranties are imposed by state law to ensure the safety and performance of the automobile. Also, new cars are covered by the Washington "Lemon Law" which is designed to help new vehicle owners who have substantial continuing problems with warranty repairs. The law allows the owner to request an arbitration hearing through the Attorney General's Office.

There is no charge for the arbitration process. At the hearing, the arbitrator will decide whether a consumer's claim meets the requirements under the law. To determine whether your car qualifies for arbitration, see the Attorney General's Handout titled "Lemon Law" or go to their website at <http://www.atg.wa.gov/LemonLaw/General.aspx>.

However this applies to purchases from automobile dealers or manufacturers. A person who purchases a used car from another individual has little recourse. Private sales are not covered by many state laws which protect the consumer. But, you may bring an action in small claims or municipal court, depending on the amount of the claim.

LEGAL ASSISTANCE SERVICES

Attorneys are available by appointment. For more information, please contact one of our Legal Assistance Offices at the following locations:

NLSO Northwest Bremerton
COMM (360) 476-1003/DSN 439-1003

NLSO Northwest Everett
COMM (425) 304-4551/DSN 820-2126

NLSO Northwest Bangor
COMM (360) 396-6003/DSN 744-6003

NLSO Northwest Whidbey Island
COMM (360) 257-2126/DSN 820-2126

RESOURCES

Federal Trade Commission: 1-877-382-4357, www.ftc.gov

Consumer Response Center, Federal Trade Commission: (202) 326-2222

Better Business Bureau: <http://www.bbb.org/>

Washington State Office of the Attorney General (Lemon Law): <http://www.atg.wa.gov/LemonLaw/General.aspx>

National Automobile Dealers Association (N.A.D.A.): <http://www.nada.org/>

Navy AutoSource – 1-877-696-2892, www.navyautosource.com

Kelley Blue Book: <http://www.kbb.com/>