

Car Buyers' Worst Mistakes

How much money do you think educated car buyers can save over uneducated buyers when buying the same car? Would \$5,000 get your attention?

While you may not save as much as \$5,000, you'll save a bunch if you avoid these classic car-buying errors.

1. Showing enthusiasm. If you act excited, the sellers know they have a unique product you want. The price goes up instantly. Keep that enthusiasm in check until you've driven home. Sneer a little if you like the car.

2. Buying in a hurry. If you buy on your first visit to a dealership, you don't have time to compare. Take your time. Be willing to walk away. The price at most dealerships falls quickly if you move slowly.

3. Giving deposits before the dealer approves your offer on a vehicle. Feel free to give a deposit, if you really want a vehicle. But don't give it until the boss has said "yes." Some dealerships use deposits to keep you there while they try to convince you to pay more. And you can't leave if they have your deposit--money, a credit card, a driver's license, or your kids.

4. Being switched to leasing without doing your homework. Because dealerships make a much larger profit if they lease rather than sell, even the best dealership is going to try to "switch" you. They'll try to convince you leasing is cheaper than buying. In most instances, it isn't. If you want to lease, fine. Just don't do it on the spur of the moment.

5. Trading in your old car without knowing its value in advance. A dealership has the right to give you the least you will take for your old car. But you have a right to get the most your car is worth. To know that value, simply clean it up, and try to sell it to several used car departments. The highest amount you're offered for it is your car's real value right now. Don't accept less than that in trade.

6. Financing automatically at the dealership. Dealerships may be the cheapest place to finance. To find out, simply bring a copy of the filled-out dealer contract to Hopewell Federal Credit Union and compare contracts. If the dealership won't give you a copy, they're probably telling you they're not really the cheapest.

Big mistakes, big bucks out the window. We like to help you preserve your money--that's what Hopewell Federal Credit Union is all about. – helping our members get ahead financially. Avoid these mistakes, and put that money to work rather than throwing it away.