

Car Buyer's Tips, Services and Rights

Important Information for New and Used Car Buyer's

Now more than ever people are selling their cars or trading them in for something a little older and a little less expensive. Whether you are part of this downgrading/downsizing trend or even upgrading to a new car, it is important to know your rights as a car buyer. The California Department of Motor Vehicles wants to ensure that customers are being vigilant when buying their vehicles and are aware of their rights, as well as possible hazards associated with purchasing a vehicle. Listed below are tips for smart car shopping, DMV services that are useful when buying a car and the legal rights of new and used car buyers.

Tips:

Read and understand your purchase contract- Do not sign anything you don't understand

- **Compare interest rates-** Obtaining the best possible interest rate can significantly affect the overall cost of your vehicle
- **Know the value of the vehicle-** Visit Kelley Blue Book at www.kbb.com to learn the suggested retail value of the car you are purchasing
- **Read your warranty-** Be sure to fully read and understand the manufacturer's warranty and any additional warranties offered by the dealer

Services:

- **Vehicle Registration Fee Calculator online-** Determine your VLF, use/sales tax and additional fees before purchasing your car by visiting <https://mv.dmv.ca.gov/FeeCalculatorWeb>.

Rights:

For new and used car buyers:

- Dealers must provide an itemized price list of items such as warranties and insurance, etc., if the items are being financed
- Dealer compensation from an institution financing the purchase of a vehicle is limited to no more than 2 percent for a loan term over 60 months and 2.5 percent for a loan term of 60 months or less
- Dealers must provide buyers with their credit score and an explanation of how it is used
- A new car buyer may purchase a two-day contract cancellation option agreement

For used car buyers only:

- A used car buyer may obtain a two-day sales contract cancellation option
- Used cars advertised as "certified" must meet specific requirements such as:
 - Odometer indicates the actual mileage of the vehicle
 - The vehicle was not purchased under state or federal warranty law (repurchased by the manufacturer or dealer)
 - The vehicle was not damaged by collision, fire, or flood unless repaired to safe operational condition prior to sale
 - The title was not branded as a Lemon Law Buyback, manufacturer repurchase, salvage, junk, non-repairable, flood, or similar designation.
 - The vehicle does not have frame damage or was sold "as is"
 - The seller should provide the buyer with a complete inspection report of all components inspected

By following these bits of advice and being an informed car buyer, you can save yourself time and money. For more information on car buyer's rights, smart shopping tips and many services available by the DMV online, visit www.dmv.ca.gov. Save time. Go online!