



10 Easy Steps to Buying a High Quality Used Car

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Buying From a Private Party

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Introduction

When I thought about laying the foundation for this guide I knew it would take some time and extensive work to translate my 30 years of experience into something that everyone could use to buy their next used car, no matter where they live and no matter what level of car knowledge they might have. It has taken my talented, hard-working crew and me over a year of work to bring together the 10 Easy Steps and the associated videos, text tutorials, PDF's and checklists. This guide works like no other.

The "10 Easy Steps" brings to you a straightforward format in which to follow. I encourage you to fully read through the guide first, and then when you are ready, follow each step in achieving your next high quality used car purchase. I use these same exact procedures when I purchase cars for my many clients.

This guide is devoted to people who understand that buying a car should not be difficult or painful or mind racking. It should be straightforward and simple without any guesswork needed to know if the car that you see, being sold by a private party or a car dealer is good or not.

These video's and text tutorials are for real people wanting real advice on how to go about the process of purchasing a high quality used car. Start to finish.

Congratulations! You have made a great choice.

This guide is divided into two sections. Before you begin the 10 steps, consider first whether you should:

1. **Buy from a Private Party** or
2. **Buy from a Dealer**

Let's briefly go over the advantages and disadvantages of either choice starting with:

1. Why Buy From a Private Party?

There are three main reasons for buying from a private party:

1. You can generally buy at a *lower price* than with a dealer.
2. You can learn the *car's true history* by speaking to the owner. This is valuable. (*See below)
3. You are *paying cash* or you have *your own financing* for a pre-approved used car loan from your bank or credit union. Check with your lending institution on their requirements for getting pre-approved on a private sale.

Knowing the Cars True History

Knowing the car's true history is an important aspect to knowing how well the car was cared for. With a private party, what you see is what you get, for better or for worse.

My experience with buying hundreds of cars from both private parties and dealers has taught me that:

1. Meeting the owner speaks volumes about whether they are the type of person that would take good care of a car or not. In short it is easier to "read" the history of the car if you can speak to the owner.
2. Private party purchases are generally safer because if the owner has kept all maintenance records, the entire history of the car will be available to you. A dealer, on the other hand, will go to great lengths to hide previous abuse and it is much more difficult to know the true history of a car.

2. Why Buy From a Dealer?

There are two reasons you might need to buy from a dealer:

1. **Dealer Financing** and
2. Buying a car with valuable **Factory Certification**.

Let's talk about these two options and how they might help you:

1. Dealer Financing

If you buy a used car from a dealer you have the choice of either financing the car through that dealer or through your bank or credit union.

Dealer financing is easier than acquiring a bank loan in that there aren't as many constraints placed on you as you might have with a bank. At a dealership you may get approved faster and with lower rates than a bank or credit union. If you're unable to get approval from a bank because of a low FICO (credit) score, for example, then dealer financing may be your only option. To check your FICO score, go to creditkarma.com.

If you decide on dealer financing read step# 8 (Financing & Negotiating) ahead of time.

2. Factory Certification

Factory certified means that a used car has been rigorously inspected and if necessary repaired by the dealer to meet certain standards of quality. If it passes, an extended period of factory warranty coverage is added to the original factory power train warranty and the car is sold as "Certified."

Certainly not every used car on the lot is eligible for certification. For instance, if the car is older or has too many miles, the manufacturer will not allow the dealer to certify it. Every manufacturer has different qualifications and warranty limitations on the certified process. Factory certification is not a cheap add-on feature. It is a high quality factory power train warranty (covering the engine, transmission and drive train) that will be honored by any dealership for as long as it's in effect.

You generally cannot get this type of factory certification from a private party. (Some car manufacturers allow the factory certification to be transferred between private parties, but it is rare.) If this kind of assurance is important to you, then buying from a dealer may be the right choice for you.

***A word of caution:** Many dealers will offer to sell you their own brand of extended warranties that may not be worth the paper they're printed on. Do not confuse this with *factory certification*.

Keep in mind that a car that is sold as "Certified" can still have an accident history. You still must screen it for accidents. I will cover how to screen for accidents in my **Inspection Videos** series.

Whether you choose to buy from a private party or from a dealer, I will be there to lead you through this process step by step. In the end you will have the knowledge, confidence and clarity to put your fears at ease.

Get ready to buy your next high quality used car... ***stress free!***

Ready? Let's begin!

Buying From a Private Party

10 Easy Steps to Buying a High Quality Used Car:

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Step 1: Know What Car You Want

There are a few consumer websites that will be helpful in your search for a car.

To begin with, Consumer Reports (consumerreports.org) uses surveys to rank cars according to a customer satisfaction index. I've taken that list and compiled it with my 30 years of street knowledge and created what I call my Halo List (found on my web page). There you will find the cars that rank the highest in customer satisfaction, safety and reliability.

Next you'll want to research a few sites on **occupant safety**. The US government produces a list of its own (nhtsa.gov) and the insurance industry has their own crash results (IIHS.org). These sites post the results and ratings of crash tests.

TIP: The Halo List will help you determine which used cars built by each manufacturer are the most reliable.

Knowing Which Car is Right for You

Some people spend many hours looking on-line and through magazines “deciding” which car they want. But when they actually sit in the car they find it often doesn’t suit them.

For this reason, I suggest that after you have a list of cars you are interested in, set aside half a day for going to dealerships and sitting in the cars that spark your interest.

Be careful at the dealership at this point because they will try to court you into a sale. Remember that you are there to get familiar with various models of cars and *not* there to buy.

Step 2: Know How to Find Your Car Online

The best websites that list cars sold by *private owners* are Craigslist.com and Autotrader.com. Searching for a private party car begins with learning how to screen out inferior cars and find authentic private party sellers.

My video titled: **How to search for cars on Craigslist** goes into detail on the search process. My companion video on **How to search for cars on Autotrader** will explain how to use autotrader.com as a valuable resource.

Do not waste your time with any ad that hides the license plate. This is a sure sign of a **broker** or a **curbstoner** (a person acting like they are the owner of the car when they actually are not the owner).

Once you find an interesting car, write down the license plate or VIN (Vehicle Identification Number) if listed. You will need it to check the car’s history.

Checking the listings mornings and afternoons will increase your chances of being the first one to call on the car.

TIP: Avoid buying your car from online auctions such as Ebay, or any other place where you cannot physically inspect the car.

Determining the Cars Value

There are two valuation guides that you should be using. Most people tend to know about Kelly Blue Book (kbb.com). KBB is “dealer biased” which is the highest valuation. Dealers use it to justify higher prices on their lots.

For a “consumer biased” valuation site go to (edmunds.com). At Edmunds you will find a pricing structure that is based on a more realistic street value. You will want to look at both Kelly Blue Book and Edmunds to get a real world look at what you should be paying.

If the dealer uses the higher KBB price, be sure to bring your Edmunds printout so you will have negotiating leverage.

Step 3: Calling the Seller

Print the PDF titled **Questions for the Seller** from my website and have it in front of you when calling the seller.

TIP: Knowing what questions to ask the seller will help you determine if they are the genuine owners or just acting like they are the owners.

If after questioning the seller you have determined the car is worth looking at, **ask to see the car.**

Emphasize that you would like to be the **first person** to look at the car and ask for an *immediate* appointment.

After setting that appointment, ask for the **VIN, which is the 17-digit number**, found on the car title and insurance certificates. You will need this in the next step for checking the car's history.

Notice that you make the appointment *before* asking for the VIN. **This little detail is extremely important because if you are the first person scheduled to see the car you do not want to lose that position.** Secure the appointment first, and *then* ask for the VIN.

Many times the seller will *not* have the VIN number with them and they will have to hang up and get it. The time it takes them to find it and call you back will be the time someone else calls them and sets up their appointment before yours.

If the VIN history turns out bad you can always call them back and cancel the appointment.

Step 4: Checking the Car's History

First you will need to get a Carfax account. For that go to the Your car Angel website, click on the **Carfax link** and get an account.

TIP: A Carfax is your first reliable indicator of whether you should proceed with a car or not.

As of this writing it costs \$54.99 for an unlimited amount of reports by license plate number and 5 reports by VIN. So whenever possible use the license plate number. The plan is valid for 30 days from date of purchase. If you have any doubts as to the differences between Carfax and Autocheck watch my video **Carfax or Autocheck - Which is Better**

Now that you have the VIN number or license plate number in hand and you've got your account with Carfax, you're ready to check the history of the car.

On the Carfax report you'll be checking for the following things.

1. Whether it's ever been in a reported accident.
2. Where the car was originally purchased.
3. When the car was first registered, otherwise known as the "In-Service-Date"
4. Where it was driven (this will show up on the periodic maintenance and DMV entries)
5. The complete maintenance history of the car (this may or may not show up on the report)
6. How many miles per year it was driven.
7. How many owners the car has had to date.
8. If the car was sold at an auction
9. If the car has a salvaged title.

Make sure to watch my **How to Read a Carfax** video where I explain in detail about the items mentioned above.

Step 5: Greg's 7 Trade Secrets

Before you head out to see the car, watch all 7 Trade Secret Videos on the Car Angel website.

In the **Video Library** under *Greg's 7 Trade Secrets* you will find 7 videos of each of the top criteria in buying a high quality used car listed in order of importance.

Secret #1: The Importance of **No Accidents**

Secret #2: The Importance of **Highway Miles**

Secret #3: The Importance of **Original Owner**

Secret #4: The Importance of **Dealer Maintained**

Secret #5: The Importance of **Garage Kept**

Secret #6: The Importance of **All Maintenance Records**

Secret #7: The Importance of **Timing**

In each of these videos I walk you through and share with you the valuable information you will need for your car purchase.

I will tell you why, for example, *The Importance of No Accidents* is the number one concern when buying a high quality used car.

And lastly you will learn the importance of *timing*, (number 7 on the list) which does not necessarily reflect the *quality* of the car as much as it deals with the *timing* of your purchase.

View these videos in the order listed to familiarize yourself with each of these important qualities.

Step 6: Inspection by You

The inspection on a private party sale is the most important step of this whole process.

Having already done the Carfax History Check on the car from the comfort of your own home, the next thing to do is to qualify the car by doing a physical inspection.

Bring an inspection bag of tools and accessories to your appointment with the seller.

The inspection kit should have:

- * A pair of leather gloves
- * Latex gloves
- * A strong, bright flashlight
- * A rag
- * A blanket to lie on
- * Your Carfax Report
- * Your KBB and Edmunds valuation

Also bring the following three downloadable PDFs from my website:

- * Basic Inspection Check List
- * Test Drive Check List
- * Bill of Sale

TIP: It is important to watch all of my short inspection videos to learn how to perform a used car inspection.

How to Perform a Basic Engine Inspection- Part 1

How to Perform a Basic Engine Inspection- Part 2

How to Inspect a Car for Paint and Body Damage- Part 1

How to Inspect a Car for Paint and Body Damage- Part 2

How to Inspect a Car for Highway Miles

How to Inspect for a Garage Kept Car

How to Inspect a Car for Exhaust Leaks

How to Inspect a Car for Frame Damage

How to Inspect a Car for Front End Damage

How to Inspect the Dashboard Warning Lights

How to Read a VIN Sticker

How Headlight Lenses can tell you if a Car was in a Previous Accident

Basic Inspection Checklist

At the inspection you will want to use my **Basic Inspection Checklist**.

The checklist was created so that anyone, regardless of their mechanical background, could perform an inspection after watching the inspection videos.

The Basic Inspection Checklist will help you remember all of the areas you need to inspect on the car. The checklist has been color coded with red and yellow flags. Red flags denote “deal breakers” and yellow flags denote “caution – possible deal breakers”. The flag system will help you determine the overall condition of the car and whether you want to move forward in the buying process , need to investigate further or pass on the car.

If the seller is asking a “premium” for the car because they know the car is in excellent condition, then your job is to check that it is indeed in excellent condition with the help of the checklist.

Remember, **Price**, though important, is not on top of your list when deciding whether to purchase the car or not. First and foremost you are looking for a great car.

Test Drive

After the car has passed your inspection you will take it for a test drive.

Download the **Test Drive Checklist** from my website. It is a comprehensive list of everything you should be observing when out on your test drive.

Step 7: Inspection by a Mechanic

If the car you are inspecting meets all important criteria of *No Accident, Highway Miles, Dealer Maintained, Original Owner and All Maintenance Records*, then chances are you will not need an additional inspection by a mechanic. But if you want further peace of mind you should have a mechanic perform a pre-purchase inspection.

However, do not bring the mechanic into the picture until you have performed the **basic inspection** yourself.

There are mobile mechanics for hire or you can ask the seller if you can bring the car to your local mechanic.

Any repair or service related issue you or a mechanic finds on the car will need to be addressed in the negotiations. A good mechanic should be able to give you an estimate right away of how much to expect for the repairs.

Step 8: Negotiating

Although negotiating a good price is an important part of this process, remember that price should not be your first concern. What is more important is that you are getting a high quality used car. After all, you shouldn't lose the deal because the seller wouldn't come down a few hundred dollars on a high quality car just to meet your ideal price.

Still, there are some rules to negotiating to get the best car at the best price.

First, never try to negotiate over the phone. The only thing you want to ask about price during the phone conversation is simply if they are flexible on the price. If they say yes then you know you can negotiate comfortably. Just make sure you don't blurt out any figures, which would bind you at a later point.

As I mentioned earlier there are two car evaluation guides that you should be using. Make sure you know the cars value before heading out to see the car.

After the inspection you will want to ask the seller for the best price they can give. Ask the seller: "So where are you at on the price of this car?" Let them answer that completely.

TIP: Let the price the seller gives you be the negotiating point you *start* with, and go *down* from there. If at all possible, you should stay away from naming a price first, because it can only go *up* from there.

If you put your price out there first they might be surprised that you're offering so much and they'll snap up that opportunity. You might end up paying even more than what they had in mind.

Finishing the Deal

Once you have negotiated a final price on the car you have four options.

1. If you have cash, pay for the car and have the paperwork signed over to you. For your safety I would advise to meet at the bank and do the transaction at a bank table including the payment and paperwork. Banks generally allow you to use their tables for this purpose.
2. After negotiating with the seller, go to the bank along with the seller and the car and get a cashier's check for the negotiated amount. You do the transaction at the bank. The seller should sign over the paperwork in exchange for the check and then the car is yours. This method is the preferred transaction as it is the safest.
3. If it is a day that the banks are not open or if it is after bank hours then put a good faith deposit down on the car to hold it till you are able to get to the bank and get a cashier's check or cash for the balance, minus the deposit. Be sure to get a receipt of deposit. When you return for final payment refer to step 1 or 2. If at any time you feel unsure about the seller then do not leave a cash deposit.

4. If you have a pre-qualified loan from your bank or credit union, put a deposit down on the car, as in step 3. Go to your financial institution and have the check made out in the sellers name with the negotiated amount minus the deposit. Then return and finish the deal with the seller.

Step 9: Handling the Paperwork

Transfer of title (if the car is paid off and the title is free of a loan)

Before you hand the seller the money or check, look at the title and locate the 17 digit VIN number.

Compare that number to the 17 digit metal VIN plate located behind the lower part of the windshield on the driver's side.

TIP: Make sure that the number on the plate and the number on the title match identically. The VIN plate should be in mint condition with no signs of tampering.

Protecting yourself in a private party sale is important. You don't want to be had by some unscrupulous **Curbstoner** (a person who is acting like they are the owner of the car when they actually aren't). After that the title needs to be signed over to you by the person who's listed as the name that is on the title. Ask to see their driver's license if you feel unsure.

Fill out the **Bill of Sale** document you downloaded from my website. It asks for all of the information you will need to document the sale including purchase price, date and the names of the people involved in the sale. It's basically a "proof of ownership" document that will discourage anyone from misrepresenting themselves.

Transfer of title (if the car has a loan against it)

If a car has a loan and it is a private party that you are dealing with, then there will be no title that the seller can present to you at the time of sale. That seems to be a serious problem, after all the title is the only document that proves that you own the car.

Even though I have completed hundreds of these transactions successfully, and follow the critical steps, I would advise you to stay away from these transactions. They are complicated and could result in you either having to wait a very long time for the title (and subsequent inability to drive the car), or worse, the title never showing up. These complications are relatively rare but they do exist.

However, if you do attempt this type of transaction, here are the steps that I would advise taking to insure that after the car is paid off you would promptly receive the title.

First you must ask the seller for the payoff document from the lender that financed the car. This **payoff document** will have an account number along with a statement of the exact amount which is due. This document will specify a ten day period the payoff is valid and have an address to send the check to.

I personally contact the lender by phone and verify that the statement is true and that the document that I am holding is valid and accurate.

The DMV has the correct documents that both the buyer and seller must sign. They are the Bill of Sale and Release of Liability and Odometer Disclosure. These documents along with your check for the payoff amount as well as the payoff document are then sent overnight to the lender. After the seller receives the title from the bank, have the title signed off by the seller and have them send it to you. Here is where you must trust the seller because you are dependent on them to sign the title and send it to you.

This process can take 1-2 weeks. After receiving the signed title you can now register the car in your name.

Registration, Plates and Insurance

Registration

After you purchase the car you will need to register it at your local DMV office.

Plates

Depending on the state you live in, the license plate may or may not stay with the car after you buy it.

In most states, such as California, the license plates always stay with the car unless they are vanity (personalized) plates. Contact your local DMV for your state requirements.

When I purchase a car that has vanity plates I simply ask if I can send the plates back to the seller after I receive the new plates from the DMV.

If you are living in a state where the license plate does **not** stay with the car, you as the new owner will have to acquire new plates along with renewing your registration at your local DMV office. Contact your local DMV for your state requirements.

Insurance

Most insurance companies will give you a grace period between the time you bought the car to the time that you report to them that you bought the car. However, try to contact your insurance agent immediately after you purchase the car. The insurance agent will be asking you many things about the car and will want to know the model, year, miles and VIN number.

If you are financing the car then the lender will require that you carry full comprehensive coverage.

Step 10: Protecting Yourself

To protect your investment, you may want to consider purchasing an extended warranty after you buy the car.

There are many extended warranties available and if that is of interest to you then you should do some internet research on the companies offering them. Some of these after market warranties are pretty good and some are terrible. Google is a good place to do your research.

If you do purchase a warranty look at the fine print and see what will be required of you when documenting the maintenance of your car. Sometimes a warranty will be voided if you fail to, for instance, document an oil change, or if you can't find the receipt. You must keep hyper-aware of what you are required to document in order to keep the warranty valid.

Upon selling your car, the warranty is often transferable for a small \$50 or \$75 fee, but you will need to provide the new owner all of the receipts that were kept during your period of ownership in order to keep the warranty valid.

Final

After signing all the paperwork and giving the seller the money, you are free to drive away with your new high quality used car.

Congratulations!

Your high quality used car should give you years of dependable service. Remember to do regular oil changes and follow the maintenance schedule for your car. Most oil change facilities will check all of your fluid levels and check your tire pressure for you.

If you have any questions about this 10 step process, please email us at info@yourcarangel.com

I hope that you are now experiencing a greater understanding of the car buying process as well as on your way at succeeding in getting a high quality used car.