



Car Buying Tips

- **Don't overpay! Know the car's fair market value before you buy it.** You can find this information at Kelley Blue Book, Edmunds, NADA, Autobyte, Consumer Reports, etc.
- **Run a title history for a used car before you buy it.** This will give you information on the number of prior owners, odometer discrepancies, accident history, etc.—use Carfax.com or AutoCheck.com.*
- **Florida's Lemon Law doesn't cover used cars.** A large percentage of used cars are sold “AS IS” – with no warranties as to the condition. Generally, you won't be able to return the car for defects discovered after the purchase. Florida law does not provide a “cooling off” period.
- **Have a used car checked by a licensed mechanic before you buy it!** Under Florida law, once you buy it, it's yours. However, some dealerships may give you a limited number of days to return a car. In this situation, the return policy will be in writing. Check the contract to make sure it's there! Keep a copy of the return policy (& all other documents) & have the vehicle inspected before the return period expires.
- **If you are financing your purchase, know your credit score and what sort interest rate and terms you qualify for!** Try to secure financing from your local credit union or bank before you start shopping. Dealers will often try to charge you a higher interest rate and sell you add-on packages that profits them, but may not be a good value for you! Be cautious of add-ons like extended warranties & maintenance packages.**
- The Orange County, Florida sales tax is 6.5%. If you buy a car from an individual, you will pay the tax when you register the car with the Florida Department of Motor Vehicles (DMV). **It is a *crime (misdemeanor of the first degree) to report a sales price less than the actual sales price.******
- **Leasing instead of buying?** Vehicle leases require the lessee to purchase an insurance policy with much higher limits than when buying a car. Typically, \$100,000/\$300,000 bodily injury liability and \$50,000 property damage liability or \$500,000 combined. What may seem an affordable payment on the surface may become unaffordable when you calculate the amount of extra insurance you will have to buy.

*AutoCheck reports information from most auction companies showing the condition of the vehicle when sold at auction (body frame damage, etc.).

**On new cars, dealers often offer rebates which may exceed the value of having a lower interest rate. For example, a \$2000 rebate may be a better deal than saving a percentage on the APR (and you may be able to refinance into a lower rate after a few months and keep the rebates). Check with the dealer for details. Edmund's has a calculator to help you determine the best deal:

<https://www.edmunds.com/calculators/incentives-rebates.html>

***If the “sales price” reported is less than 80% of the average loan price (NADA), the “sales price” is presumed to be underreported. In these situations, the FL Department of Revenue will contact the buyer to recover unpaid tax calculated on the total loan value for the car, interest & a penalty equal to twice the amount of additional tax owe

Questions?

Make an appointment with UCF's Student Legal Services! 407-823-2538 or stulegal@ucf.edu

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