Buying a Car Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Summary***

A person looking to buy a car, has the choice between buying a new car or a \_\_\_\_\_\_\_\_\_\_\_\_\_ car. Either way, there are many expenses that go into the cost of owning a car. This includes registration fees, \_\_\_\_\_\_\_\_\_\_\_\_\_\_ plates, and sales \_\_\_\_\_\_\_\_\_\_\_\_\_ required by your local or state government. You must also buy automobile \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to cover expenses that would result from an accident and pay \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ if you will be buying your car with a loan. Finally, the cost of gasoline, repairs, and tolls should be factored into the cost of owning a car.

If you will be buying a used car, it is important to research more than just the price of the car. Because used cars generally require more maintenance, find the nearest \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ location. Be sure to ask about the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and/or service contract if there is one. Your used car can be purchased from a private party, a \_\_\_\_\_\_\_\_\_\_ or \_\_\_\_\_\_\_\_\_\_\_ car dealer, or through an auction.

When buying a new car, research the price of the car, but also any \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ you will add (like leather interior or GPS). Learning the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ price, or the price the dealer pays, helps you determine a reasonable price you are willing to pay. If you have an old car to \_\_\_\_\_\_\_\_\_\_\_\_\_-\_\_\_\_\_\_, research the value of that car –independently and with the dealer. New cars will of course be covered by an \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ warranty, but two written warranties cover specific parts of your new vehicle. A manufacturer’s warranty covers the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ parts of the car like the engine. Parts not covered by the manufacturer’s warranty may be covered by the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ warranty – be sure to read this one carefully, though, and decide if it’s worth the cost.

Your monthly car payment will be determined by the following:

* price of the car
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the amount you pay at purchase)
* trade-in value of your old car
* \_\_\_\_\_\_\_\_\_\_\_\_ (the interest rate)
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of the loan (3, 4, or 5 years, for example)
* if car is new or used
* your creditworthiness