



# EdFed

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## Your Car, Part 1

To cut your transportation expenses, you'll need to first think carefully about your personal and professional needs and how critical it is for you to have reliable transportation. In some cities, like New York or Boston, having a car is unnecessary and will definitely set you back financially in ways that make it impractical, and often downright impossible, to own a car. In other places, like Los Angeles, you may feel like you desperately need some wheels to get around. If you do buy a car, or you already have one, here are some helpful cost-cutting suggestions to follow.

Be a smart car buyer. Do a thorough inspection and background check on any car you're considering buying. You can use a service called Car Facts ([www.carfacts.com](http://www.carfacts.com)), which for a small fee will provide you with all the information you need to know about a car's history.

All you need to do is supply them with the car's vehicle identification number (VTN), which is the unique 17-character number that's found on the dashboard. Car Facts will instantly tell you everything you'd want to know about the car, such as whether there has been damage to it, what the odometer reading on it should say, how many owners the car has had, and whether it received regular service checkups.

As a savvy consumer, you certainly want to know whether someone's telling you the truth about taking good care of the car, or that it has low miles on it, or that it's never been in an accident. Car Facts collects data from government sources such as state departments of motor vehicles to help you confirm what the owner/seller of the car is telling you about the vehicle. When a car suffers major damage, the DMV labels the title of the car with names like "Flooded," "Salvage," or "Totaled," so you can avoid pitfalls like odometer fraud or buying a used car with flood damage. All of this can be useful information in negotiating a better price for the car.

Haggle over the price of any car you buy. Never simply pay the sticker price or asking price for a car, whether from a dealer or a private owner. Be prepared to negotiate for the best possible deal. Arm yourself with facts about the car's present value, how much it might depreciate in the future, and what comparable cars in similar condition are currently going for. You can find this information online through car-buying websites such as [Edmunds.com](http://Edmunds.com) or [Kelly Blue Book](http://Kelly Blue Book) ([www.kbb.com](http://www.kbb.com)).

If you're buying a car from an auto dealership, be firm about disregarding the sticker price on the car's window. Most people make the mistake of trying to bargain down from that price, which is also called the manufacturer's suggested retail price (MSRP). But Consumer Reports says you should first find out the dealer's invoice price—the cost they actually paid for the car—and then negotiate up from that number. [Cars.com](http://Cars.com) and [MotorReports.com](http://MotorReports.com) offer free information about how to calculate a dealer's invoice price, and how to get rid of bogus charges like "prep" fees or charges for VTN etching.