

Car Buying Cheat Sheet

How to negotiate confidently at the dealership

How to negotiate with a Salesperson

Salesperson: Are you paying cash?

You: I haven't determined exactly how I plan to pay for it. I am only concerned about the total out-the-door price.

Salesperson: Do you have a monthly budget in mind?

You: I have a total out-the-door price in mind, so I would only like to discuss that at the present time.

Salesperson: How much cash will you be putting down?

You: I haven't decided that yet and I won't until we establish an acceptable total out-the-door price.

Salesperson: What are you going to do with the car that drove here, will you be trading it?

You: I haven't decided yet. We can discuss that as a possibility after we agree to an out-the-door price.

Salesperson: Now that we have agreed to the out-the-door price, what about the car you drove here, will you be trading that in?

You: I might, it depends on whether or not you can match or beat these written offers that I have already received.

Salesperson: Now that we have agreed to the out-the-door price and agreed to the value of your trade, what do you want your monthly payment to be?

You: I'll only discuss that with the Finance Manager.



Key points

You really want to stay **laser-focused** on the only number that matters this early in the game: **The out-the-door price.**

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How to negotiate the best auto loan rate in the finance office

Finance Manager: I assume that you have given some thought to a monthly payment and loan term that will be comfortable to you.

You: I have indeed and I have also secured a pre-approval from my credit union as a possibility for my loan.

Finance Manager: Would you consider financing through us?

You: I would assuming that you can beat the pre-approved rate that I have. Here is the pre-approval terms sheet from my credit union with all the particulars.

Finance Manager: So if I beat the rate you will finance with us?

You: Yes, if you beat it by at least $\frac{1}{4}$ of a percent. And I promise to at least listen to any finance and protection packages that are available.

Finance Manager: So you are open to some of our programs?

You: Possibly, if we can agree to a reasonable selling price on any items that I think have value. Oh, and if I do buy any products I would at least expect you to give me the buy rate from the bank on my loan. Once again though, you will need to beat my credit union rate by at least $\frac{1}{4}$ of a percent for me to even consider it.

Finance Manager: Great, let's get started.

You: I'm all ears.

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Finance Manager shares the MENU with additional products.

You: But first, before we go over product benefits, where is my base payment, amount financed, term and interest rate?

Finance Manager shows them to you.

You: Is there a prepayment penalty if I finance with you?

(If there is no **prepayment penalty**, proceed with considering their menu options.)

These are **products** you might see on the menu, and questions to ask:

Vehicle Service Contract (also known as an extended warranty): Are you getting a fair deal? Remember, CarEdge brings you the LOWEST prices for extended warranties

GAP coverage: In the event of an accident, GAP covers the difference between what a vehicle is currently worth and the amount you actually owe on it.

- Does this GAP coverage pay 150% and my deductible?

Maintenance plan

- Does this plan cover the major, expensive services or is this basic oil, filter & tire rotations?

Electronics Warranty: Your new car IS a computer on wheels, but be wary of dealer pricing on electronics warranties.

Tire/wheel coverage

- Does this also cover cosmetic damage?

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Paint-less dent repair/windshield repair

- Where on the vehicle and how large can the dent/crack be? How many are covered under the policy?

Paint and interior coverage

Key care

- Is this 5 years and unlimited keys?

****Finance Manager shows you payments.****

You: (If you don't see actual product price) Please write the actual product price next to each one.

Finance Manager: It just changes your payment by this much.

You: I see that, but I want to see the actual price of each product to help me make a good decision.

At this point, negotiate prices down on any products you want.

Finance Manager: OK, sign here and here and here.

You: Please print my Bank Contract and Purchase Order first so I can go over them.

Go over each line of your itemized Purchase Order and make sure the bottom line (amount financed) on both documents match!