



Know the Facts About Used Car Fraud Before You Buy

The price of new cars has climbed steadily over the past few years making used cars more attractive than ever. Buying a used car is a great way to stretch your dollar, but make sure you learn the facts before you shop. With the recent surge in the used car market, the Better Business Bureau warns consumers that there are scam artists out there willing to take advantage of unsuspecting buyers.

The BBB offers the following advice to avoid becoming a victim of used car fraud:

- **Be aware of odometer tampering.** The National Highway Traffic Safety Administration (NHTSA) estimates that consumers lose billions of dollars a year to odometer fraud. Odometer readings may be rolled back or documents can be forged. Making miles disappear helps increase the car's value to the seller, but can mean increased maintenance and repair costs to the buyer.

Before deciding on a used car, do the math. Industry standards claim the average vehicle accumulates about 12,000 miles per year. If the mileage seems excessively high or low in comparison, find out why. Ask the seller if you can see the maintenance records and compare them with the mileage on the odometer itself. Examine the car for telltale signs. Is wear on the car's pedals, tires and seats consistent with the miles displayed on the odometer? Obtain a detailed vehicle history report. If the seller cannot provide this information, you can use the vehicle's 17-digit vehicle identification number (VIN) to secure a history from either the state or a private vehicle history company. You can search the web to find companies providing this service by looking under the topic of "vehicle history."

- **Watch out for damage disclosure, salvage and rebuilt titles.** These titles are issued by states when the car has sustained damage as a result of one or more incidents. Salvage titles are issued by the state when an insurance company takes possession of a vehicle as a result of a claim. This usually occurs when a vehicle has been declared a total loss. A rebuilt title may be issued if a vehicle sustained damage and was rebuilt or reconstructed, then placed back on the road. Junk titles are issued when a vehicle is not road worthy and cannot be titled again in that state.
- **Be careful of individuals selling used cars from a vacant lot or from the side of the curb.** These vehicles may be sold by con men posing as private individual sellers. The car can come with hidden problems. Before buying any used car you should thoroughly research the car and the seller. Contact the Better Business Bureau.

SOURCES FOR USED CARS

Consider the following sources when looking for a used car:

- **New and Used Car Dealers**—These cars may be serviced by the dealer and sold with limited warranties. Whether you are considering buying from a used or new car dealer, check out the dealer's reputation and reliability first. Visit www.bbb.org for a reliability report. Ask the dealer how you may contact the car's previous owner.
- **Superstores**—Superstores offer a high-tech (via in-store computers and/or the Internet), no-price haggling way of buying used cars.
- **Car Rental Agencies**—These agencies may sell used rental cars, generally 9 to 12 months old and driven less than 25,000 miles. They often provide the car's maintenance and repair records and offer a limited warranty. Mileage on rental cars is often high on a per-year basis. The cars may suffer from the wear and tear that comes from use by a variety of drivers.
- **Bank and Loan Companies**—Bank and loan companies sometimes sell repossessed cars to pay off defaulted loans. Quality varies from car to car. But since the vehicle is being sold to recover the amount due on a loan, it may be possible to get a good price on a good car.
- **Private Owners**—Private owners usually sell their used cars through newspaper ads. You may find a well-maintained car selling for less money than you would pay a dealer. If you buy a used car from a private owner, ask for the car's maintenance and repair records and, if the seller is the first owner, for records of the original purchase. Also, check the title to make sure the person selling the car is the legal owner. **Note:** Be wary of fraudulent, criminal dealers, commonly known as "curbstoners," who offer vehicles through newspaper ads and may disguise themselves as individual sellers. The cars offered may be stolen or damaged, and their odometers may be rolled back.
- **Vehicle Auctions**—Government, private, and online vehicle auctions, which can be attended by the general public, as well as new and used car dealers, are becoming increasingly popular. Some common things to remember about buying vehicles from auctions are:
 - a. you will need funds for on-the-spot payment,
 - b. getting a warranty is rare, and
 - c. it is unlikely that you will be able to take a car to a mechanic for inspection before you purchase it.