



TRADE-IN

Trade-In Value & Equity Worksheet

Find out what your car is really worth, what you really owe, and what the difference will do to your next loan.

A NOTE FROM OUR TEAM

Equity is the one number on a trade that most people never actually calculate. They hear a trade value, they hear a payment, and the two get blended together across the desk. Take ten minutes with this sheet and you'll know exactly where you stand before anyone runs the numbers for you.

— The Auto Advocate Team

Your trade-in has two numbers attached to it: what it's worth and what you owe. The gap between them is your **equity**, and it either helps pay for your next vehicle or quietly gets added to the next loan. This worksheet walks you from guidebook values to real offers to an exact equity figure.

1 Why Every Guide Gives You a Different Number

Valuation guides don't share a formula. Edmunds notes that sources use their own proprietary data and methods, so you'll see variations, and recommends comparing several. Here's how the four names you'll hear most often differ:

Kelley Blue Book

Consumer-facing values built from market transactions, adjusted for ZIP code, mileage, equipment, and condition. Shows **trade-in** and **private party** values separately; trade-in is lower because the dealer has to recondition and resell.

Edmunds

Consumer-facing appraisal values that Edmunds says are built from dealer transaction data reviewed by its statisticians. Often a useful second opinion next to KBB.

J.D. Power (formerly NADA)

J.D. Power bought the NADA Used Car Guide in 2015 and has since renamed it J.D. Power Values. Long used by dealers and automotive professionals.

Black Book

An industry data provider that says it has served dealers, auto finance companies, lenders, and manufacturers since 1955. Mostly sold to the trade, so you may not see it directly.

FROM THE INSIDE

Our team has spent years on the dealership side of the desk. The used-car manager isn't really asking "what does the guide say?" They're asking, "what will this car bring at wholesale, and what will it cost me to get it front-line ready?" Consumer guides are a starting point. A written offer from someone willing to write a check is evidence. When the store's number is low, ask what reconditioning they're accounting for. That one question tells you how they built the number.

HAVE THESE IN FRONT OF YOU BEFORE YOU START

- | | |
|---|--|
| ☐ VIN (on your registration or insurance card) | ☐ Most recent loan statement |
| ☐ Exact odometer reading | ☐ Payoff letter from your lender |
| ☐ Trim level and factory options | ☐ Any written offers you already have |

2 Guidebook Values

Use the same mileage, options, and an **honest** condition rating everywhere. KBB notes most people overestimate their car's condition.

SOURCE	DATE	CONDITION USED	TRADE-IN VALUE	PRIVATE PARTY / RETAIL
Kelley Blue Book			\$	\$
Edmunds			\$	\$
J.D. Power			\$	\$
Black Book (if a dealer or lender shares it)			\$	\$
Average trade-in value			\$	

Mileage _____ Trim / options _____ ZIP code used _____

3 Real Offers Received

Guidebooks estimate. Offers commit. Record every written offer; see **No. 12, Trade-In Preparation Checklist** for how to get them.

WHO MADE THE OFFER	OFFER	GOOD THROUGH	INSPECTION / CONDITIONS
	\$		
	\$		
	\$		
A. Best written offer	\$		

4 Your Real Payoff

Your payoff is not the balance on your statement. The CFPB explains that a payoff amount includes interest due through the day you pay the loan off, plus any unpaid fees. Its explanation is written for home loans, but car loans work on the same principle: ask your lender for a payoff quote for a specific date. Most payoff letters show a **good-through date** and a **per diem** (the interest that accrues each extra day).

PAYOFF DETAIL	AMOUNT
Payoff amount on lender's letter	\$
Good-through date on the letter	
Per diem (daily interest) amount	\$
Per diem × days past the good-through date until the dealer pays the lender	\$
B. Adjusted payoff (payoff + extra interest)	\$

Rough per diem estimate for a simple-interest loan: $\text{balance} \times \text{APR} \div 365$. Example: $\$18,000 \times 0.065 \div 365 \approx \$3.21$ per day. Always use the exact figure from your lender's letter.

5 Calculate Your Equity

CALCULATION	AMOUNT
A. Best written offer (or agreed trade value)	\$
minus B. Adjusted payoff	\$
C. Your equity (A – B)	\$

IF C IS POSITIVE

You have **positive equity**. That money works like a down payment. Make sure the full amount shows up as a credit on the buyer's order, and that it's applied after you've agreed on the vehicle's price.

IF C IS NEGATIVE

You have **negative equity**: you owe more than the car is worth. The CFPB defines it simply as owing more on the vehicle than it's worth. That amount has to be paid somewhere, by you.

6 What Rolling Over Negative Equity Really Does

When a dealer "pays off" a loan that's upside down, the shortfall usually gets added to your new loan. The FTC warns that promises to pay off your loan may be misleading for exactly this reason. The CFPB studied loans made from 2018 through 2022 and found:

11.6%OF LOANS INCLUDED
NEGATIVE EQUITY**\$5,073**AVERAGE ROLLED IN, NEW
VEHICLES**119.3%**

AVERAGE LOAN-TO-VALUE

73 mo.AVERAGE TERM VS. 67 WITH
NO TRADE

The same research found these borrowers had an average payment of \$626 a month versus \$493 with no trade-in, and were **more than twice as likely** to have their account assigned to repossession within two years as borrowers who traded in a car with positive equity.

IF YOU'RE UPSIDE DOWN, YOUR OPTIONS

- 1 Pay the difference in cash so the new loan starts clean.
- 2 Keep driving your current car and pay it down until the balance is below its value.
- 3 Sell it yourself. Private party value is usually higher than trade-in value, per KBB.
- 4 If you must roll it in, keep the term as short as you can afford. The FTC notes that a longer term means more interest and a longer wait to reach positive equity.

DEFEND YOUR EQUITY AT THE DESK

Know your number. Then hold it.

This worksheet tells you what your trade should bring. Trade-In Shield gives you the evidence to get it: dealer-grade bookouts, a Carfax, your supporting documents, and a script to defend your trade number with the salesperson and with management.

Trade-In Shield \$49**(405) 761-3390 • autoadvocacy.net****THE DEALERSHIP HAS EXPERTS. NOW YOU DO, TOO.****SOURCES**

Consumer Financial Protection Bureau (CFPB), Data Spotlight: Negative Equity Findings from the Auto Finance Data Pilot (June 2024): consumerfinance.gov/data-research/research-reports/data-spotlight-negative-equity-findings-from-the-auto-finance-data-pilot/

CFPB, Negative equity in auto lending (full report, June 2024): files.consumerfinance.gov/f/documents/cfpb_negative-equity-in-auto-lending-report_2024-06.pdf

CFPB, What is a payoff amount and is it the same as my current balance?: consumerfinance.gov/ask-cfpb/what-is-a-payoff-amount-en-205/

CFPB, Take control of your auto loan (guide, March 2024): files.consumerfinance.gov/f/documents/cfpb_auto_loan_guide.pdf

Federal Trade Commission (FTC), What is Negative Equity? (Auto trade-ins and negative equity): consumer.ftc.gov/node/77482

Kelley Blue Book, FAQ: My Car's Value: kbb.com/faq/values/

Edmunds, NADA Guides: Decoding NADA Value: edmunds.com/appraisal/nada-guides

J.D. Power, J.D. Power Values (formerly NADA Official Used Car Guide): jdpower.com/trade-in-value

Black Book (National Auto Research), company overview: blackbook.com

This worksheet is an educational planning tool, not legal, tax, or financial advice. Verify all figures with your lender, insurer, and the dealership before you sign.