



SHOPPING SMART

New vs. Used vs. Certified Pre-Owned

An honest look at what you gain, what you give up, and what the word "certified" really promises.

A NOTE FROM OUR TEAM

There's no single right answer here, and anyone who tells you otherwise is probably selling one of the three. We've seen great deals and painful mistakes in every category. This guide gives you the plain truth about each so you can choose with your eyes open.

— The Auto Advocate Team

New, used, and certified pre-owned each solve a different problem. New buys you certainty. Used buys you value. Certified pre-owned tries to buy you a little of both. The mistake isn't picking the "wrong" one. It's picking one without understanding what you're paying for, and what you're giving up.

1 The Honest Side-by-Side

	NEW	USED	CERTIFIED PRE-OWNED (CPO)
Price	Highest	Lowest for the same model	In between; usually more than a comparable non-certified used car
Depreciation	You absorb the steepest drop	The first owner already took the biggest hit	Same as used, plus a certification premium
Warranty	Full factory coverage	Whatever remains, or none ("As Is")	Remaining factory coverage, often extended by the program
History	None. You're the first owner	Unknown until you check	Inspected under program rules, but still check
Financing	Often manufacturer incentivized rates	Rates typically higher than new	Some brands offer special CPO rates
Selection	Exact color, trim, and options	Take what's out there	Limited to that brand's franchised dealers
Biggest risk	Paying for value you'll lose fast	Hidden mechanical or accident problems	Paying for a "certified" label that isn't the real thing

2 Depreciation: The Cost Nobody Bills You For

Depreciation is the value your vehicle loses over time. You never write a check for it, but you pay it the day you sell or trade. Industry data shows how front-loaded it is:

16%

AVERAGE VALUE LOST IN YEAR ONE

45%

VALUE REMAINING AFTER FIVE YEARS

Varies

WIDELY BY BRAND, MODEL & DEMAND

Averages from Kelley Blue Book data as reported by Experian (2025). Your vehicle may lose more or less depending on the model, mileage, condition, and market.

What it means for you: buying a vehicle that's two or three years old lets someone else pay for its steepest years. Buying new makes the most sense when you'll keep it long enough to spread that early loss across many years, or when strong rebates and incentivized rates close the gap. Check the current numbers on the exact vehicle before you assume either way.

3 What "Certified" Really Means

Not all certified vehicles are certified by the same people. This is the single most misunderstood word on a used car lot.

Manufacturer CPO

- Run by the automaker (e.g., Toyota Certified, Honda True Certified, GM Certified)
- Sold only through that brand's franchised dealers
- Must meet the program's age, mileage, and inspection rules
- Warranty is backed by the manufacturer, honored at any franchised dealer of that brand
- Edmunds reports these typically cost about 4% to 5% more than comparable non-certified used cars

Dealer "Certified"

- A label the individual dealership created
- Inspection standards are whatever that store decides
- Coverage is often a third-party service contract, not a factory warranty
- Edmunds notes these haven't passed the same inspections, and you have no recourse with the automaker
- Can still be a fine car. Just price it as a used car, not as a CPO

FROM THE INSIDE

On the dealer side, "certified" is a merchandising tool. Reconditioning costs, the warranty cost, and the store's margin all get built into the price, and sometimes a separate "certification" line shows up on the addendum. Ask three questions: **"Is this a manufacturer CPO or a dealer program?"** **"Can I see the completed inspection checklist for this VIN?"** and **"Who backs the warranty, and where can I get it serviced?"** A confident store answers all three in writing.

4 The Buyers Guide: The Federal Window Sticker

Under the FTC's Used Car Rule (16 CFR Part 455), dealers must post a **Buyers Guide** on every used vehicle they offer for sale, including light-duty trucks and vans, demonstrators, and program cars. CPO vehicles are used vehicles, so they get one too. It's the most important piece of paper on a used car, and most buyers never read it.

WHAT IT TELLS YOU

- Whether the vehicle is sold **"As Is – No Dealer Warranty"** or with a dealer warranty
- If there's a warranty: how long it lasts, which systems are covered, and what percent of repair costs the dealer pays
- Where to learn how to get a vehicle history report and check for safety recalls

WHY IT MATTERS

- The FTC says the Buyers Guide **overrides** contrary terms in your sales contract
- Any warranty changes you negotiate must be written on the Guide
- You're entitled to keep it after the sale
- Some states don't allow "as is" sales and use an alternate version of the Guide

WATCH OUT

There is no federal three-day return right. The FTC is clear: federal law doesn't require dealers to give you three days to cancel. Some states have their own rules, and some dealers offer a return policy. If yours does, get it in writing. And "As Is" means exactly that: once you drive away, repairs are on you. Spoken promises are hard to enforce. If the salesperson says "we'll fix that," it goes on the Buyers Guide or the contract, or it didn't happen.

5 Protect Yourself on Any Used or CPO Vehicle

- 1 **Run the VIN for open recalls** at nhtsa.gov/recalls. Recall repairs are free, but get them done before you sign.
- 2 **Pull a vehicle history report.** The FTC notes these can reveal accidents and flood damage, but usually not mechanical problems.
- 3 **Get an independent inspection,** even on a CPO. The FTC recommends a mechanical inspection by a mechanic you choose, with a written report. A dealer who refuses is telling you something.
- 4 **Read the Buyers Guide on the window,** and match it to what the salesperson told you.
- 5 **For CPO, ask for the program name and the inspection checklist,** and look up the program's actual warranty terms on the manufacturer's website.

6 Your Decision Worksheet

Circle the answer that fits you best. The column with the most circles is where to start shopping.

QUESTION	POINTS TO NEW	POINTS TO CPO	POINTS TO USED
How long will you keep it?	7+ years	4-7 years	Any length
How much repair risk can your budget absorb?	None	Very little	Some, with savings
Are strong rebates or incentivized rates available?	Yes	CPO rate offered	No
How important is the exact trim, color, and options?	Essential	Somewhat	Flexible
Do you want the latest safety tech?	Must have	Recent is fine	Will verify
What matters more: lowest price or peace of mind?	Peace of mind	Balance	Lowest price
Will you get an independent inspection?	Not needed	Yes	Yes, always
Circles in each column	—	—	—

My path _____

Model years I'll consider _____

Max mileage I'll accept _____

Out-the-door ceiling _____

QUESTIONS TO ASK ABOUT ANY USED OR CPO VEHICLE

- ☐ Where did this vehicle come from? (trade-in, auction, lease return)
- ☐ Are there open recalls, and will you fix them before delivery?
- ☐ What reconditioning was done, and can I see the repair order?
- ☐ Is this sold "As Is" or with a dealer warranty? Show me on the Buyers Guide.
- ☐ How many keys and fobs come with it?
- ☐ Can I take it to my own mechanic for an inspection?

KEEP GOING

Still deciding between models? Use **No. 07, The Needs vs. Wants Vehicle Questionnaire** and **No. 08, The Vehicle Comparison Scorecard**. Thinking about leasing new instead of buying? Run the numbers in **No. 26, Lease vs. Buy Worksheet**.

WHICHEVER PATH YOU CHOOSE

New, used, or certified, we'll help you pay the right price for it.

The Buyer Brief fits every path. On new, we research current rebates, incentives, and incentivized rates. On used or CPO, we support your offer with real market data or help locate the right unit. On every deal, you get dealer-grade bookouts and a Carfax on your trade, plus a script to defend its value.

Buyer Brief **\$99**

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THE DEALERSHIP HAS EXPERTS. NOW YOU DO, TOO.

SOURCES

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This guide is educational, not legal or financial advice. Warranty, certification, and cancellation rules vary by manufacturer, dealer, and state. Read every document before you sign and check your state attorney general's office for local rules.