



GETTING STARTED

The First-Time Car Buyer's Guide

Everything nobody tells you before your first car, in the order you'll actually need it.

A NOTE FROM OUR TEAM

Buying your first car should feel exciting, not scary. Every expert in that building was a beginner once, and so were we. Take this one step at a time, bring this guide with you, and remember: you are the one with the money, so you are the one in charge.

— The Auto Advocate Team

Your first car purchase is one of the biggest purchases you'll make, and most people make it with zero training against a team that does this every day. That isn't a reason to be afraid. It's a reason to prepare. Follow these eight steps in order and you'll walk in knowing more than most buyers twice your age.

8

STEPS, IN ORDER

3

NUMBERS TO KNOW FIRST

1

RULE: YOU CAN ALWAYS LEAVE

1 Know Your Budget Before You Know Your Car

Start with what you can afford, not what you want. A car costs far more than its payment: insurance, fuel, maintenance, tires, registration, and repairs all come out of the same paycheck.

Monthly take-home pay _____ Total monthly car budget _____
Payment _____ Insurance _____ Fuel + upkeep _____

Not sure where to start? Fill out No. 01, The Family Budget Worksheet, then No. 02, The True Car Budget Calculator.

2 Check Your Credit (It's Free)

Your credit history largely decides your interest rate, and the rate decides how much the car really costs. Look before a lender does.

- ☐ Pull your free reports at [AnnualCreditReport.com](https://www.annualcreditreport.com), the official site. Free weekly access is now permanent.
- ☐ Know your score range so a quoted rate doesn't surprise you.
- ☐ Dispute any errors with the credit bureau before you apply for a loan.
- ☐ Thin credit file? Ask banks and credit unions whether they offer first-time buyer programs.

3 Get an Insurance Quote Before You Pick the Car

For a new driver, insurance can rival the car payment. Rates vary a lot by model, so quote two or three specific vehicles *before* you fall in love with one.

What a financed car needs

If you finance or lease, the lender will likely require **collision** and **comprehensive** coverage on top of your state's required liability. Budget for all of it.

What those words mean

Collision fixes your car after a crash. **Comprehensive** covers theft, hail, fire, flood, and animal strikes. Both pay only the car's value, not your loan balance.

4 Think Hard Before Using a Co-Signer

A parent co-signing can get you approved or lower your rate. It also puts their finances fully on the line. The FTC requires lenders to give co-signers a written notice. Here is what it says, in plain English:

WHAT A CO-SIGNER IS AGREEING TO

- If you don't pay, **they must**, up to the full amount, plus late fees or collection costs.
- The lender can collect from them **without first trying to collect from you** (some states require trying the borrower first).
- The loan can appear on **their** credit report, and a missed payment can hurt their score.
- Getting a co-signer released later requires lender approval, which is unlikely.

Have the honest conversation first. If you can't make the payment without them, the car is probably too expensive.

5 Get Pre-Approved Before You Shop

Apply with your bank or a credit union first. A pre-approval shows your APR, your loan length, and the most you can borrow. You don't have to finance with the dealer, and an outside offer in your pocket gives you something to compare against.

Lender _____ APR _____ Max amount _____

WON'T SHOPPING FOR RATES HURT MY CREDIT?

Not much, if you're quick. Credit scoring generally treats multiple auto-loan inquiries made within a short window (roughly 14 to 45 days) as a single inquiry.

6 Choose the Car, Then Check It Out

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| ☐ Pick two or three models that fit your budget <i>and</i> insurance quote. | ☐ Get a vehicle history report and an independent mechanic's inspection. |
| ☐ Test drive on the highway and in a parking lot, not just around the block. | ☐ Run the VIN at nhtsa.gov/recalls for open safety recalls. |
| ☐ Used car? Read the Buyers Guide on the window. "As Is" means no dealer warranty. | ☐ Ask for the out-the-door price in writing, by email, before you visit. |

7 What Actually Happens at the Dealership

Knowing the sequence takes the mystery (and much of the pressure) out of it. Here's how most visits go:

- 1 The greeting.** A salesperson asks what you're looking for and, very early, what monthly payment you want. Answer with "I'm focused on the out-the-door price."
- 2 The test drive.** Drive the exact vehicle you'd buy. Check its VIN and miles match your paperwork.
- 3 The trade appraisal** (if you have one). A manager inspects your current car. Know its value before you arrive.
- 4 The numbers.** Your salesperson brings offers from a manager you may never meet. The first offer is rarely the best one.
- 5 The finance office.** You sign the contract and will be offered optional products: service contracts, GAP, and more. Every one of them is optional, and it's fine to say no. See **No. 38** before you go.
- 6 Before you drive away.** Every blank filled in. APR, amount financed, and total of payments match what you agreed to. Copies of everything you signed.

FROM THE INSIDE

Our team has spent years on the dealership side of the desk. First-time buyers are often told "the bank approved you" and handed the keys the same night, before the loan is actually final. If the store calls days later saying the financing "fell through" and asks you to sign at a higher rate, you're not required to accept new terms. You can walk away, and the dealer should refund your down payment. Better yet: arrive with your own pre-approval so there's nothing left to "fall through."

8 First-Timer Mistakes to Avoid

- **Shopping by monthly payment.** A longer loan makes any car "fit." Compare total cost instead.
- **Skipping the insurance quote.** The surprise usually arrives after you sign.
- **Buying on the first visit under pressure.** Good deals survive overnight.
- **Assuming a three-day return right.** Federal law doesn't give you one.
- **Signing with blanks.** Never sign a contract with empty spaces.
- **Saying yes to every add-on.** Each one raises your loan and your interest.
- **Trusting verbal promises.** If it isn't in writing (a "we-owe"), it doesn't exist.
- **Going alone.** Bring a calm, informed person or a coach on the phone.

✓ Your Confidence Checklist

Check every box and you're ready. Miss one, and you know exactly what to do next.

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| ☐ I know my total monthly car budget, not just a payment | ☐ I have an out-the-door price quote in writing |
| ☐ I've checked my credit reports and fixed any errors | ☐ I've run the VIN for recalls and history |
| ☐ I have insurance quotes on my top choices | ☐ I know the six steps of a dealership visit |
| ☐ Any co-signer understands the full responsibility | ☐ I've decided in advance which add-ons, if any, I want |
| ☐ I have a pre-approval letter with an APR | ☐ I'm willing to walk away, and I know it |

Hear a word you don't recognize? Look it up in No. 29, *The Car Buyer's Glossary*.

YOUR FIRST CAR, DONE RIGHT

Walk in prepared, not nervous.

Walk-In Ready does the heavy lifting from this guide for you. We locate the vehicle, research rebates and rates, book out your trade, and tell you exactly who to ask for, what to say, and which documents to bring, with optional lender introductions. Located, documented, and lender-ready. You book the visit.

Walk-In Ready \$399

(405) 761-3390 • autoadvocacy.net
THE DEALERSHIP HAS EXPERTS. NOW YOU DO, TOO.

SOURCES

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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.