

## **New Car Secrets - Quick Guide**

**How to save a trunkload full of cash when buying your new car... in as little as 3 hours**



**by:**

**Greg Reynolds**

Limits of Liability/Disclaimer of Warranty:

The author and publisher of this book and the accompanying materials have used their best efforts in preparing this program. The author and publisher make no representation or warranties with respect to the accuracy, applicability, fitness, or completeness of the contents of this program. They disclaim any warranties (expressed or implied), merchantability, or fitness for any particular purpose. The authors and publisher shall in no event be held liable for any loss or other damages, including but not limited to special, incidental, consequential, or other damages. As always, the advice of a competent legal, tax, accounting or other professional should be sought.

This manual contains material protected under International and Federal Copyright Laws and Treaties. Any unauthorized reprint or use of this material is prohibited.

## **Table of Contents**

New Car Secrets - Quick Guide.....	1
Table of Contents .....	2
7 Steps to Car Buying Success .....	5
Seven Steps to Car Buying Success .....	5
STEP #1 - Check Your Credit Report & Credit Score .....	6
Objectives: .....	6
Advantages: .....	6
Action Items:.....	6
Time Required:.....	6
STEP #2 - Obtain Your Best Financing .....	7
Objectives: .....	7
Advantages: .....	7
Action Items:.....	7
Time Required:.....	7
Best online loan sources .....	7
Get quotes from at least three of these lenders .....	8
Why people fail to get good deals .....	8
IMPORTANT: Your secret loan strategy .....	9
Additional Loan Sources.....	9
STEP 3: Spec Out Your Car & Get Online Prices .....	11
Objectives: .....	11
Advantages: .....	11
Action items:.....	11
Time required:.....	11
Getting started .....	11
What to do .....	12
First step .....	12
Next step.....	12
Best Car Websites .....	13
The quote process .....	14
Action Items: step-by-step details .....	15
Build a Car Folder.....	15
Final note .....	15
STEP 4: Obtain Specific Dealer Quote Online.....	16
Objectives: .....	16
Advantages: .....	16
Action Items:.....	16
Time required:.....	16
Overview .....	16
How it works .....	17
Best Websites.....	17

Backup dealer source.....	17
Capsule Descriptions .....	18
How to Use This Quote.....	19
Next step.....	19
STEP 5: Ferret Out All Special Pricing .....	20
Objectives: .....	20
Advantages: .....	20
Action Items:.....	20
Time required:.....	20
Overview .....	20
What you should already have .....	21
Special Pricing Tips .....	21
Regular incentives.....	22
Special or hidden incentives .....	22
Action Item: .....	22
Here’s where the dealership makes money:.....	23
Don’t Get Fleeced by Fees.....	24
Objectives: .....	24
Advantages: .....	24
Fee Scams.....	24
Maximizing Your Trade-In .....	26
Objectives: .....	26
Advantages: .....	26
Action Item: .....	26
Time required:.....	26
Where to begin .....	26
Trade-In Tips .....	26
Best alternative sales strategies.....	27
Financing strategy .....	27
STEP 6: Conducting Your Buying Campaign.....	28
Objectives: .....	28
Advantages: .....	28
Action Items:.....	28
Time required:.....	28
The RFQ process .....	28
RFQ Buying Campaign – Fax Based .....	29
How it works .....	29
Forms explained.....	29
Best time to buy.....	32
Step 6 recap.....	32
Reviewing Competing Price Quotes .....	33
Objectives: .....	33
Advantages: .....	33

Action items:.....	33
Time required:.....	33
Price quote review .....	33
Summary spreadsheet .....	34
Price quotes: best & final round.....	36
Objectives: .....	36
Advantages: .....	36
Action item: .....	36
Time required:.....	36
Overview .....	36
Notify price quote winner .....	37
Insurance Solutions .....	38
Objectives: .....	38
Advantages: .....	38
Action item: .....	38
Time required:.....	38
Insurance coverage .....	38
Online insurance quotes .....	38
STEP 7: Closing the Deal.....	40
Objectives: .....	40
Advantages: .....	40
Action item: .....	40
Time required:.....	40
What to expect .....	40
What to bring.....	41
What to watch out for.....	41

## **7 Steps to Car Buying Success**

To be successful at anything, you have to have a plan and you have to follow it.

Buying a new car is no exception. Buying a new car actually involves multiple steps:

- Figuring out what car you want
- Adding options to the base car
- Finding out all the rebate details
- Getting a good price on everything
- Lining up the right financing
- Doing the trade-in dance
- Completing all the paperwork

To do it right, you have to do things in a certain logical order. At first, the order that we recommend might seem a little strange to you.

However, following this plan will actually save you a tremendous amount of time and money.

Just think of it as getting all your “ducks in a row.”

### ***Seven Steps to Car Buying Success***

1. Check Your Credit Report and Verify Your Credit Score
2. Obtain Financing Online or Leverage Bank/Credit Union
3. Spec Out Your Car Online and Get Online Price Quotes
4. Get Actual Dealer Invoice Quote Online & 12 Dealer Contacts
5. Ferret Out Special Pricing Details - Limit Fees & Charges
6. Conduct Your Car Buying Campaign
7. Carefully Buy Your Car at Winning Dealer

**Note:** Each of these steps is fully detailed in the ebook in its own Section containing specific instructions and complete information.

Here, we are simply providing a quick guide to the steps involved.

## **STEP #1 - Check Your Credit Report & Credit Score**

Why do you need to check your credit report first?

**Simple answer:** You need to *know now* if there's anything on your credit report that will keep you from getting your best possible financing rate.

### **Objectives:**

1. Review your credit report for errors
2. Find out your credit score (it determines your loan rate)

### **Advantages:**

1. Catch errors and correct them
2. Save hundreds in car loan interest

### **Action Items:**

1. Get [free credit report](#) online
2. Get [FICO credit score](#) online

### **Time Required:**

1. Free credit report - 5 minutes
2. FICO credit score - 5 minutes

Knowing what your credit report says is crucial to getting your best loan rate.

Don't assume that it's correct because chances are that it's not.

## **STEP #2 - Obtain Your Best Financing**

Why do you need to line up your financing first?

**Simple Answer:** Because it will save you as much as \$1500 or more compared to financing through the car dealer.

### **Objectives:**

1. Get best rate quote from two or three online lenders
2. Ask local bank/credit union to beat lowest online quote

### **Advantages:**

1. Have multiple loan quotes to choose from
2. Have check in hand next day from online lenders

### **Action Items:**

1. Apply at three sites (rates will vary)
2. Leverage best offer with bank or credit union (optional)

### **Time Required:**

1. Apply at 3 sites - 15 minutes

### **Best online loan sources**

There are several extremely competitive online loan sources. The best and easiest to do business with are:

**E-Loan** - Biggest online lender for all types of loans

**Capital One** - Volume leader in online car loans

**Road Loans** - Specializes in just car loans

**Car Loans** - Car site that arranges great loans

**MyAutoLoan** - Nice boutique loan site

**[Lending Tree](#)** - Has tremendous sourcing power

**[Virtual Bank](#)** - Has lowest published rates

### **Get quotes from at least three of these lenders**

- Your rate quotes will vary slightly (and  $\frac{1}{4}\%$  on \$20k = \$50).
- All have short, simple applications.
- You don't have to submit any extra paperwork like W-2s.
- All have a 15-minute approval process.
- All will knock an extra  $\frac{1}{2}\%$  off your rate if you pay electronically.

It only takes about five minutes per site to plug in your information.

You'll have three loan approvals in hand in less than 30 minutes!

### **Why people fail to get good deals**

Everyone obviously wants to get the best possible loan rate. Yet, many people fail to do so.

But why don't they?

Because they failed to separate car shopping from loan shopping.

They started out shopping for a car and left their financing for the dealer to handle.

According to NADA (National Association of Automobile Dealers), **two out of three people (67%)** arranged financing through the dealer.

And, they got snookered by the car dealer.

***That's Right!*** Arranging financing through a car dealer adds an average of \$1500 in extra interest and fees to your \$20k car loan.

It's gotten so bad that GM issued a directive in February 2004 limiting their dealers to adding no more than 3% to your car loan rate.

***Do the math:*** 3% extra on a 48-month \$20,000 loan is \$1,248. On a 60-month loan for the same amount, it's \$1,562.

And that doesn't even include the "fees" they add in at closing for arranging such a sweet deal for you!

Never ever arrange your financing through a car dealer.

### **IMPORTANT: Your secret loan strategy**

Follow these three simple steps:

1. Apply online at E-Loan and Capital One
2. Apply online at one or two additional lenders
3. Ask credit union/bank to beat your best online rate.

These quotes make it easy to get the possible rate quote from your bank or credit union.

Simply show your banking contact your loan commitment paperwork. With most of the loan sites you can print it out online. Or, it arrives the next day with your check.

Ask your local lender to beat your best online rate if they want your business.

If they can beat it, that's great! If they can't, then you know that you've gotten your best possible loan.

Remember, just a small fraction of a percentage point on a big car loan is worth \$50-\$100, so a little extra time loan shopping is well worth it.

Getting your loan online will save you 1%-3% from what a dealer would charge to "arrange" your financing for you!

### **Additional Loan Sources**

If you had problems getting a good rate because of poor credit, these lenders can help:

- **Household Auto** - If your credit score is above 550, then Household Auto will approve you. Plus, you're dealing directly with the lender, not a middleman like a car dealer. You can finance (or refinance) up to a 72-month term.

- [\*\*800AutoYes\*\*](#) - Great online lender with excellent customer service. Very good rates for those whose credit was spotty in the past, but are on the upswing now.
- [\*\*Auto Credit Finders\*\*](#) - Works great if you were rejected elsewhere. Establish new credit here if you've had no bad credit in last six months. They can get you a loan even if you have a discharged bankruptcy, tax problems, public record lawsuits, or other situations. Great also if you have no credit history and can't get a loan.

**Note:** If you have poor credit, NEVER finance at the dealership. They'll just burden your loan with an extra 3% surcharge.

They'll also try to pull a few scams on you. Beware of the phrase "subject to loan approval" appearing anywhere on your car purchase paperwork.

That's just an excuse for them to call you in a week, tell you that your loan fell through, and demand a higher loan rate. If you don't comply, they'll repossess the car.

So, be extraordinarily wary when financing at the dealership. Always read and understand all your paperwork.

Remember, signing your name acknowledges that you do, in fact, understand all of the loan documents!

## **STEP 3: Spec Out Your Car & Get Online Prices**

Why do this?

**Simple answer:** To immediately lock-in savings of 8-10% off MSRP, determine the exact make/model/features you want, and develop a list of dealers willing to compete for your business.

### **Objectives:**

1. Work up basic configuration and options list
2. Build a quote file folder of pricing and dealer sources

### **Advantages:**

1. Shopping online is a hassle-free way to compare cars
2. You'll already see approximate savings of 8-10% off list price

### **Action items:**

1. Get quotes from at least five sites
2. Assemble your "baseline pricing" and dealer sources

### **Time required:**

1. Deciding on make/model/options - Indeterminate
2. Getting five quotes & dealer contacts - 20 minutes

### **Getting started**

Now its time for the fun part - going online and putting together your car with the options you need. Do that first before you start adding extras that you "want" but don't necessarily "need."

Keep your focus on just the main items that you need right now. We'll cover the best ways to add other options at the best price later.

## **What to do**

Online car sites are great - Talk about a time saver! You can explore virtual models and configurations in minutes compared with the hours of high-stress time you'd spend at various car dealers.

We provide the top nine sites and recommend that you use five of them. That's specifically to build a list of 12-15 competing dealers for your RFQ (Request for Quotation) Buying Campaign.

Start in alphabetical order. We've included a capsule description of each and they're just a quick click away for your "test drive."

## **First step**

Play around a little and see which one suits you best. Build a car configuration that you like as your baseline configuration. Print it out and place it in your quote folder.

Submit your configuration through the site for dealer quotes. You'll receive email responses from the Fleet Manager or the Internet sales contact at those dealerships.

You want those contacts for your Buying Campaign, so save their emails in a special email folder called "New Cars" and save their follow-up quote details as well.

Don't worry about your email and phone information. They won't harass you like the retail salesmen do. These are the high-volume, low-margin contacts that you want to have competing for your business.

Just make sure to select "buying within 30 days" rather than "buying immediately" when you get your dealer quotes.

## **Next step**

When you're finished doing your configuration and quote at the first site, repeat it quickly at four additional sites. The purpose of this second step is strictly to compare prices and get the additional dealer contacts from the other sites.

This saves you several hours of prep time on your Buying Campaign. And, you'll be able to copy & paste all the dealership info and contact names onto your RFQ quote sheets.

Just remember, they'll do even better on the price than the first quote. In any negotiation, never accept a first offer. Always submit a counteroffer to get a better deal.

When you start your Buying Campaign in Step 6, you'll be negotiating from strength. You'll send out a rock-bottom "benchmark" quote to a dozen dealers and tell them they need to beat it.

But first, you need a baseline quote and to build your dealer list before you do the "benchmark" quote.

So let's get started!

## **Best Car Websites**

In alphabetical order, here are the sites we recommend using to research and configure your new car. Click on the site name to go directly to the site. An asterisk (\*) means they're among the top five overall sites.

- [\*\*\\*Autobytel\*\*](#) - Comprehensive, easy-to-use site that gives you multiple ways to find the car you want: manufacturer, vehicle type, price range, and feature choices.
- [\*\*\\*Auto Web\*\*](#) - Good site for browsing by make and/or category. Time-saving feature "Pros vs Cons" gives you a capsule look at what's to like about each model. Provides details about what you'll have to pay extra for in standard vs. optional equipment.
- [\*\*\\*Car Smart\*\*](#) - Selection by manufacturer and category. Compares standard features and base price to other cars in its class. Offers nice download of your selected car information - brochure, pricing details, options, etc.
- [\*\*Car.com\*\*](#) - Site is easy to navigate. You can quickly find MSRP on any base model. However, this site assumes that you already know the car maker's model variations very well. That means getting specific configurations is confusing.
- [\*\*\\*Cars.com\*\*](#) - Very good overall site with informative articles, vehicle profiles and buying guides. This site shows more accurate dealer invoice pricing than other sites right next to MSRP. Very easy-to-use configuration with point-and-click buttons. Shows your vehicle

color choice in vehicle picture.

- **\*Consumer Guide** - Good information site from a company that reviews lots of products besides automobiles. Has easy to print reports and complete option lists with MSRP and “invoice price.” Doesn’t show big discounts, but still provides excellent info for the folder. Very worthwhile site because they include everything in their detailed list of options. Definitely print these option lists out for your folder as they make a very handy reference tool for refining your configuration.
- **Edmunds** - Select by category, make, price range, vehicle type, or monthly payment. Lots of good information, but site is slow loading in several critical areas. Has nice overall rebate info, but maddeningly frustrating to get to it with repetitive clicks and page reloads galore. If you go there, be sure to print out the detailed rebate info.
- **IntelliChoice** - Select by manufacturer or category. Lots of drill down clicks versus drop-down menus which produce faster results. Does a good job of showing which options are included in a package. Nice summary page of your configuration that’s printable. Site shows standard list of factory-to-consumer rebates and financing deals.
- **Kelley Blue Book** - Select by manufacturer or category. Good detail on all the options. Great site for used car values. Be sure to get the wholesale and retail blue book numbers on your trade-in. Printable price quote does show all factory-to-consumer rebate information.

At this point, your focus is on your car choices, not on your pricing. Getting your ultimate best pricing is the subject of the next three steps. So, don’t worry about price yet.

### **The quote process**

At this point, your focus is on your car choices, not on your pricing. Getting your ultimate best pricing is the subject of the next three steps. So, don’t worry about price yet.

**Step 3** is to get the car configuration figured out first.

**Step 4** will add two “benchmark” quotes from lowest sites.

**Step 5** will factor in everything you need in your new car and add all rebates and hidden incentives into an “ultimate” quote.

**Step 6** will unleash your RFQ Buying Campaign where all the dealer contacts from **Step 3** and **Step 4** outbid each other on your “ultimate” quote from **Step 5**.

Again, the pricing from these initial sites will be good, but it’s really only the beginning of your research.

So, don’t sweat the numbers. You want the dealer contacts. Pricing is secondary right now.

You do want to save even more, right?

### **Action Items: step-by-step details**

1. Build a car folder with all your information
2. Create an email folder for email contacts (**Step 6** copy & paste)
3. Create your new car configuration of base model and options
4. Get online and email quotes from five sites (at least 12-15 dealers)
5. Get your trade-in values from Kelley Blue Book

### **Build a Car Folder**

As you visit the different sites and fine tune your new car selection, be sure to print out the relevant page or pages.

Place the assembled information in a file folder and an email folder, so you’ll have it handy when you want to get more specific price quotes.

With the specific detailed information that you gather here in **Step 3**, you’ll be able to quickly complete **Steps 4 - 6** and get your best price on your new car.

### **Final note**

If you didn’t get at least 12-15 dealer contacts, then hit some more sites. In some circumstances, you may have to vary your city and zip code to generate enough dealer response. Just leave everything the same except you “relocate” yourself up to 50 miles away.

## **STEP 4: Obtain Specific Dealer Quote Online**

Why do this?

**Simple answer:** To get the lowest possible quote with which to start the bidding on your Buying Campaign.

### **Objectives:**

1. Finalize optimum configuration
2. Obtain two dealer invoice quotes
3. Finalizing list of 15 dealers for Buying Campaign

### **Advantages:**

1. You'll conduct your buying campaign based on best quote
2. You'll have 15 dealers competing and get 12 responses
3. You'll give the fleet managers the excuse they need to go even lower than their usual best & final answer

### **Action Items:**

1. Get quotes from two sites (they will vary slightly)
2. Get contact info for Step 6 from final group of dealers

### **Time required:**

1. Get two dealer invoice quotes - 15 minutes

### **Overview**

Now it's time for **Step 4** - Getting your best real world prices for the final comparison shopping.

In this step, you'll be establishing a benchmark price that's as close to actual dealer invoice as possible.

The purpose of this step in the process is to document the best deal you can get online for your specific make and model.

## **How it works**

This will seem like *deja vu*, but it's very worthwhile. Think of every step in our process as saving you an average of \$500.

You'll plug in all the information from **Step 3**, including all of your specific options and accessories.

That way, your benchmark price is for your exact configuration.

## **Best Websites**

There are only a few sites that are worthwhile for this phase because so many sites only approximate the dealer invoice price.

And that will hurt you in the buying campaign.

We recommend these sites:

- [Cars Direct](#)
- [Invoice Dealers](#)
- [Ford Direct](#) (obviously only if you're buying a Ford)

Again, the responding dealers are ones that want to compete to win your RFQ Buying Campaign, so get their contact information through these sites.

Otherwise, you won't have the right contact names and you'll have to telephone each dealer to get it.

Then, you'll have to assemble it all and manually enter it on the forms instead of using the time-saving "copy & paste" approach.

Enough said!

## **Backup dealer source**

If you can't get enough dealer responses from the online sites - and you've already tried adjusting your city and zip code info - then look up some extra dealers online.

<http://www.theautofinder.com/dealermap.htm>

## **Capsule Descriptions**

Here's a quick overview of what to expect at the top sites:

**Cars Direct** - This site is the only one that will actually sell you a car online and have it delivered to your house.

Provides some good prices in a very quick fashion. You'll be getting prices that are often below the "dealer invoice" figures quoted on the other sites you've already visited.

Factory-to-consumer rebates are plugged directly into the Cars Direct price, so be sure to factor that in when you're comparing prices with your quotes from the other sites.

Get a written trade-in quote for your file folder while you're here. That will give you a good idea of what to expect.

Be sure to print out a specific rebates listing and place in your file folder as well.

Their general Rebates & Incentives page uses the phrase "save money" to indicate when a factory-to-dealer incentive exists. On a specific model page, it will say "yes" if there's an incentive.

Also lists when "bonus cash" (second rebate) or financing incentives are available

That information is very important to know for **Step 6**.

\* Make sure you print out rebates.

**Invoice Dealers** - This is **the best overall site** for generating online quote responses. Their dealers are the most aggressive on their email price quotes.

We've also had a disproportionately large percentage of this group of respondents provide the best bottom line price in previous RFQ Buying Campaigns.

You won't get specific option pricing here, but you will get a very comprehensive printable page listing everything that's included.

Using this site only takes a minute and you'll get that aggressive group of dealers engaged for **Step 6**.

**Ford Direct** - Obviously only use this site if you are buying a Ford.

This is Ford's "buy it direct from the factory" site. As a manufacturer, they don't want to undercut their dealers, but they also want your business. The participating dealers are very aggressive in their pricing.

A price quote from Ford Direct will make any other Ford dealer sharpen their pencil. They know it's a legitimate source and their response to your RFQ Buying Campaign will be even more aggressive pricing.

### **How to Use This Quote**

Chose your lowest quote from the sites you just visited. We'll be taking the best pricing from these quote responses and using those as the starting point or "benchmark pricing" in your RFQ Buying Campaign.

These numbers for your specific configuration will get entered on your quote sheet, so make sure everything is accurate and complete.

As always when comparing quotes, make sure you have the same base model and trim packages selected.

Just check the MSRP number. If that's different, then you've made a change. Go back and adjust your config to match.

### **Next step**

**Step 5** involves gathering all the special pricing and hidden incentives for your specific make and model.

## **STEP 5: Ferret Out All Special Pricing**

### **Objectives:**

1. Gather specific details on special pricing
2. Well-organized information to present to competing dealers

### **Advantages:**

1. Maximizes your savings from all types of rebates
2. Factory-to-dealer incentives are always valuable, but hidden

### **Action Items:**

1. Get printed copy of all published rebates
2. Get online report of hidden incentives from [CarDeals](#)

### **Time required:**

1. Get rebates and incentives details - 10 minutes

### **Overview**

Step 5 is one of the trickiest steps in the new car buying process. Your mission, should you decide to accept, is to ferret out all hidden pricing on your new car choice.

Proper completion of this phase can save you thousands of dollars on certain models. Special pricing varies widely between manufacturers, models, and time of the year. You'll discover the secrets to finding out about these significant discounts:

- Factory to Dealer Incentives
- Factory to Consumer Incentives
- Dealer Holdback Fund
- Special Financing Offers
- Hidden Special Model Incentives
- Short-Term Rebate Programs
- Dealer Monthly, Quarterly, and Annual Sales Volume Bonuses

You'll also learn that in many cases, the "dealer invoice price" isn't always the lowest price you can get.

Here's how it works. When a new car is sold, the dealer gets some really large reimbursements from the manufacturer:

- Holdback Fund: 3% of List Price (not invoice price)
- Floor Plan Charges: 2% of Invoice Price
- Advertising Fund: 2% of Invoice Price
- Dealer Incentives: 3% of List Price (much more on slow movers)
- Fees Collected: 1% of Invoice Price

So, dealer invoice is already off by roughly 10%.

As always, great incentives are out there. You just have to know where to find them.

### **What you should already have**

1. Two online car loan commitments
2. File folder with your car configuration and pricing
3. Multiple car quotes from online sites
4. Email folder with dealer contact information
5. Regular rebate information for specific model

If you're missing any of this information, go back and complete those particular Steps.

### **Special Pricing Tips**

The [CarsDirect](#) site and [Edmunds.com](#) have very good info on the standard incentives and on some of the special incentives as well.

If you didn't get it, go to these sites and get the information for your make/model. Click on the link labeled "rebates & incentives." Make sure you have your numbers ready to plug into your RFQ form in **Step 6**.

Here's a quick recap of what these two sites have in the way of rebate information:

## **Regular incentives**

### Cars Direct

1. Cash rebates
2. Financing incentives (cash back or low APR)
3. Leasing incentives

### Edmunds

1. Cash rebates
2. Financing incentives (cash back or low APR)
3. Leasing incentives

## **Special or hidden incentives**

### Cars Direct

1. Indicates “yes” if there is a special incentive on a model
2. Doesn’t reveal a dollar amount for the special incentive
3. Gives an expiration date for hidden incentive

### Edmunds

1. Indicates “marketing support” if there is a special incentive
2. Reveals a dollar amount for the special incentive
3. Gives an expiration date for hidden incentive

**Shortcomings:** Neither site has all the hidden incentive information.

### **Action Item:**

1. Get “CarDeals” for \$7  
<http://www.checkbook.org/auto/cardeal.cfm>

This is the mother lode of all hidden manufacturer-to-dealer special pricing.

CarDeals biweekly newsletter is not from the auto industry. It’s by a non-profit organization, The Center for the Study of Services.

Their website is called Consumer Checkbook. The CarDeals newsletter is published every two weeks and is available only through their web site.

It includes all consumer rebates and all known special manufacturer incentives. Car Deals tracks manufacturer rebate activity on a regional and national level through a myriad network of sources.

If there's an incentive deal out there, CarDeals has it. Go to their web site and check it out. You'll be able to download a PDF copy in just about two minutes time.

Carefully read the information pertaining to your specific make/model. You'll want to know these details for your RFQ Buying Campaign.

And remember, you can't always get the best information for free!

Again, make sure you have this information printed out and ready for **Step 6**.

### **Here's where the dealership makes money:**

1. New car sale
2. Financing markup
3. Keeping factory incentives
4. Adding more options
5. Charging excessive fees
6. Lowball your trade-in
7. Sell extended warranties
8. Overcharge for service

You don't want to get scammed at the dealer after all your hard work, do you?

I didn't think so.

## **Don't Get Fleeced by Fees**

Why do this?

**Simple answer:** Excessive fees are a huge profit source for car dealers. You MUST READ the section on fees in the main ebook.

### **Objectives:**

1. Identifying legitimate fees
2. Avoiding illegitimate fees

### **Advantages:**

1. Learning how to slash legitimate fees
2. Discover how to eliminate illegitimate fees

### **Fee Scams**

You really have to be on guard against “fee creep.” Years ago, the only fees were tax, tag, and title.

Now, the list is longer than your arm.

Consider these fees:

- Advertising fee - don't pay
- Floor planning fee - don't pay
- Dealer prep fee - don't pay (the manufacturer already paid them)
- Transportation fee - don't pay
- Destination fee - offer 50%
- Dealer handling fee - don't pay
- Document fee - offer \$50
- Title transfer fee - pay State amount
- Registration fee - pay State amount
- License fee - pay State amount
- Association fee - don't pay
- Financing fee - don't pay
- Port prep fee - don't pay
- Dealer profit fee - don't pay
- Dealer markup fee - don't pay

---

**Quick Guide: How to save a trunkload full of cash when buying your new car**

---

- Holdback fee - don't pay
- Insurance fee - don't pay
- The Little Bo Peep fee - catchall for other fees not to pay

The bottom line on fees is this:

**Just say no!**

Again, read the whole section on this in the main book where each of these fees is explained in detail.

## Maximizing Your Trade-In

Why do this?

**Simple answer:** You'll get at least \$500 more on your trade-in. Or, you can sell it yourself for even more.

### Objectives:

1. Learn what tricks the dealer uses
2. Understand best way to proceed

### Advantages:

1. Increase potential trade-in value
2. Maximize your trade-in price

### Action Item:

1. Get your approximate trade-in value
2. Use [Kelley Blue Book](#) for wholesale & retail values

### Time required:

1. Researching blue book value - 5 minutes

### Where to begin

The first things you need to do are:

1. Get your loan payoff amount
2. Get your blue book value (wholesale and retail)
3. Get your trade-in cleaned up and looking great

### Trade-In Tips

You'll get the maximum amount (wholesale) from a dealer who sells your trade-in brand.

You'll lose at least \$500 trading in your car to a different brand dealership because they'll just resell it to another dealer.

Take your trade-in to the dealer where you bought it or have had it serviced over the years.

Get that price quote and compare it to the wholesale blue book.

Don't take the first offer you get.

Always ask for a little more by saying - "Can you do a little better?"

Never trade-in where you are buying your car unless you've already explored the alternatives.

Read the full section in the main book for more details.

### **Best alternative sales strategies**

There are several ways to increase the sales price of your used car versus trading it in at the dealership.

Here are the best strategies:

1. Sell it to a dealership for that specific brand
2. Sell it to a used car lot
3. Sell it through newspaper classifieds
4. Sell it from a nearby high-traffic location
5. Sell it online - ([eBay Motors](#), [Cars.com](#), [Auto Trader](#))

### **Financing strategy**

Remember, you don't have to sell your old car immediately. Just float yourself a 0% loan from a special credit card offer like the one from [Amazon.com](#).

You get 0% financing for a year on transferred balances. Just use an existing credit card check to replace the trade-in amount in your down payment.

Then, when you have your new Amazon.com card, just write a check to pay off the old balance at 0% interest.

That's sweet! Plus, you get a \$25 Amazon gift certificate and earn more Amazon dollars every time you use the card.

## **STEP 6: Conducting Your Buying Campaign**

Why do this?

**Simple answer:** You'll use corporate buying techniques to get the lowest possible price.

### **Objectives:**

1. Conduct fast, efficient campaign
2. Understand best way to proceed

### **Advantages:**

1. Get great quotes back from multiple dealers within 24 hours
2. Maximize your savings through a competitive bid process

### **Action Items:**

1. Assemble information package for each dealer
2. Submit your RFQ to 12-15 dealers

### **Time required:**

1. Information assembly - 30 minutes
2. Conducting campaign - 30 minutes

### **The RFQ process**

This is the exact same process that corporations use to buy equipment every day. It's nothing new in the business world.

For high-volume items, they'll sign a long-term contract to get the best possible price.

For small-volume items, companies will use the RFQ process:

### **Request For Quotation = RFQ.**

The RFQ process is what you'll be using. Your bidders will be the dealers who've already expressed serious interest in giving you a competitive quote.

## **RFQ Buying Campaign – Fax Based**

This is the BIG step. You'll be shopping your new car configuration to a dozen dealers via a Request For Quote (RFQ) process.

You'll receive your best price quotes back within 24 hours.

We've provided the following forms to make things simple:

1. Fax cover sheet - modify for each dealer
2. Dealer letter - personalized explanation letter
3. Custom quote form - document format
4. Custom quote form - spreadsheet format
5. Dealer quote sheet - fill in the blanks

If you don't have access to a fax machine, see the main book for complete explanations of alternate methods.

### **How it works**

Your RFQ Buying Campaign is designed to leverage the power of the Internet by taking your best online quote and having a dozen dealers compete to give you the ultimate best possible price.

You'll be keeping it simple by detailing exactly what you want in the same format with each dealer. Their replies will all be returned on your dealer quote sheet.

The advantages to this approach are:

1. Common format makes it easy to compare quotes
2. Quote sheet limits fees to those YOU choose to pay
3. Quote sheet asks for discount on base price
4. Quote sheet asks for separate discount on accessories
5. Quote sheet places time limit on responses
6. Quote package starts pricing bids against best online quote
7. Personalized dealer letter clearly explains process
8. You'll avoid dealership tricks by negotiating from home
9. You will absolutely get your best possible price

### **Forms explained**

Here's a quick overview of how to complete each form:

**Fax cover sheet - single dealer:** If you don't want the dealers to know who they're competing against, you can use an individual cover sheet for each one.

Simply copy & paste the contact information for the dealer from your email folder in this format: Name/Title/Dealership.

Repeat as needed for each additional dealer quote.

If you don't have at least a dozen quotes, go back to Step 4 and get them.

If you didn't save them electronically and only have fax quotes, just handwrite in the information.

**Personalized dealer explanation letter:** This is the preferred way of doing it - a single page letter describing exactly what you want, how you want it, and when you want it.

In other words, you are in control. Anyone who wants your business will have to respond according to your terms and conditions. Otherwise, they won't be able to compete to win your business.

Personalizing the letter is a common courtesy that ensures your RFQ will get the desired response.

Simply copy & paste the contact information for each dealer from your email folder in this format: Name/Title/Dealership.

Complete the other blank areas (make/model, response deadline, etc.) as specified in the instructions for the forms package.

**Custom quote form - Microsoft Word:** This text version is all set to use. Simply copy & paste the figures from your best quote into the appropriate lines in the Pricing section.

Next, review the Fees section and make any final adjustments to the default "Acceptable Fees" amounts.

The dealers will all be responding by completing this form (and usually faxing along their specific quote in their format as well), so you want to make sure every line is complete.

If you don't break out the base price and the option price separately, you'll lose the opportunity to get an extra discount on high-margin accessories.

Your specific online quote will be included along with the cover sheet, but you need to review it for completeness.

Make sure it's got your actual color combination, interior details, specific options, and any dealer packages clearly identified.

**Custom quote form - spreadsheet:** The spreadsheet version takes the same information as the text version. However, it includes several subtotals and a combined total that allow you to double check all your numbers.

Copy & paste the information from your quote into the appropriate rows. Select the Fee levels that are acceptable to you. Make sure your attached quote includes all the information mentioned for the text version.

If desired, you can also email the spreadsheet version to dealers and have them enter the numbers directly into the spreadsheet.

If you use that approach, be sure to rename the returned attachments as separate spreadsheets. Otherwise, you'll end up overwriting your previous responses.

**Custom quote form - handwritten:** You can print out a copy of this PDF form and handwrite in the various information that you need.

Simply follow the directions for the other quote form versions and you'll be fine.

Don't worry about everything not being neatly typed into the form. You're buying a car, not going for style points!

**Dealer quote sheet - fill in the blanks:** The dealer quote sheet is self explanatory. They'll be writing in their pricing (and any specific notes) in the spaces provided.

The dealer quote sheet is simply a summary form that allows you to quickly scan the line item answers for the best overall prices.

It contains a signature line that acknowledges their signature, lists their position at the dealership, and confirms their willingness to sell you the car at the quoted price.

### **Best time to buy**

1. Weekend - Good
2. End of month - Better
3. Last weekend of the month - Best
4. Last weekend of the year - Fabulous

### **Step 6 recap**

Familiarize yourself with the forms being used. Make sure you know which item prices belong on which line. Don't forget to list the base price and options pricing as separate numbers.

Complete your forms and include your best online quote. Always list all applicable rebates and known incentives in the "Discounts" section.

If you've done the preliminary work correctly, in 24 hours you'll have several great prices on your new car.

## Reviewing Competing Price Quotes

### Objectives:

1. How to compare various responses
2. Determine best overall deal

### Advantages:

1. Increase total discount to maximum amount
2. Maximize your savings with one last cycle of competitive bids

### Action items:

1. Enter competing bids on spreadsheet form
2. Choose top three for follow-up

### Time required:

1. Comparing bids - 10 minutes
2. Doing follow-up bid - 10 minutes

### Price quote review

Once your 24-hour RFQ response window is closed, it's time to compare the responses.

Here's what to look for:

1. Any exceptions or missing line item pricing
2. Best pricing on base car model
3. Best pricing on all options
4. Total of all fees
5. Total price quote - complete

Here's a capsule overview:

**Exceptions** - A dealer may take exception to your quote format, particularly in the fee area. If they haven't agreed to the fee structure you're imposing on all dealers, then their quote isn't a true match to the others.

**Missing line item** - Mistakes happen. Make sure all requested line items actually contain prices. You may need to phone for clarification if some lines are not priced.

**Base car price** - The base model is priced separately for a reason and that's to get a higher discount on the options. Make sure that the base car price matches or beats your best online price.

**Option pricing** - Online dealer invoice pricing for options doesn't offer much of a discount and that's just wrong. Option pricing has incredible profit margins. You should be gaining at least a 10% extra discount on your options compared to your online quote.

**Total fees** - Dealer responses here can vary wildly. The guy with the best discount on the options may have the highest fees. Remember that most fees are just a profit center for the dealer.

**Total price** - You'll find a small group of dealers have pricing that's consistently better than the rest of the pack. There may be one that's way better than all the others, but usually there're three or so that are very close together.

## **Summary spreadsheet**

We've included a spreadsheet so you can enter each quote in its own column. That will allow you to review everything at a glance.

You'll be able to compare the individual line item pricing at a glance. Plus, you can see clearly which dealer offers the best deal on the base price, on the options, on the fees, and most importantly, on the whole enchilada.

Plugging everything into a spreadsheet will also catch any math errors within a dealer's quote. Just because somebody's bottom line says they're the lowest cost provider doesn't mean that's necessarily so.

A simple math mistake or a data entry error from changing a line item, but not updating the total, can create the wrong impression.

Be sure to double check your own data entry for accuracy as well.

You can also use the spreadsheet data sorting capability to rearrange your dealer list by whichever pricing item is most important to you.

If you don't have a spreadsheet program, just use the printed form and handwrite in the information.

Now it's time to do one more thing - get a "best & final" price from your top dealers.

## **Price quotes: best & final round**

### **Objectives:**

1. Get the lowest possible pricing on each line item from dealers
2. Convince the top dealers to lower final price by at least \$200

### **Advantages:**

1. Know that you've negotiated the best possible deal
2. Maximize your total new car savings with "best & final" pricing

### **Action item:**

1. Do follow-up RFQ with top four bidders

### **Time required:**

1. Doing follow-up bid - 10 minutes

### **Overview**

Once you've got all your quotes totaled and tallied, it's time to decide on a winner.

My recommendation is to do a "**best and final**" round of quotes. You don't have to do this, but it can easily save you another couple hundred dollars.

Your objective here is to get the best possible price on each & every item from the most competitive dealers.

Simply narrow the field to your top four. Prepare your fax cover sheet and include a new blank price quote form.

Take their faxed quote form and circle the item(s) where you know they can do better. Base this on the items where other dealers bid lower for the same items.

Fax the material to your dealer contacts with a cover sheet telling each one that they came real close, but they weren't the best overall.

But, and this is a big but, because they were so close to the winner, you're giving them a last shot at winning your business.

On average, one dealer of the four will say no. They've already given you their best price. However, the other three will indicate a willingness to sharpen their pencil for one final quote.

Next to any item where they weren't the lowest bidder, write in a price that's \$50-100 better than the best price you received.

Circle that price and add a handwritten note - "This is the price to beat."

Do the same thing with the best total price. Lower it by \$200 and add a handwritten note - "This is the total to beat."

Then sit back and wait for your best & final answers.

You'll find the extra savings on your new car extremely gratifying.

Plus, you've now earned a master's degree in new car negotiation.

### **Notify price quote winner**

Once you've selected your ultimate best price, contact the winning dealer. Make an appointment with the fleet manager to go over the paperwork.

You'll need to:

1. Schedule a test drive of the car
2. Allow adequate time to conduct a thorough inspection of the car
3. Allow enough time to completely review all paperwork

Plan on this taking at least two hours. It may go more quickly, but you don't want to rush through these final steps.

Be sure to read the main book's Section on [Contracts & Paperwork](#) along with reviewing **Step 7** - [Closing the Deal](#).

## **Insurance Solutions**

Why do this?

**Simple answer:** A couple of quick quotes can save you hundreds on insuring your new car.

### **Objectives:**

1. Learn what insurance coverage you should have
2. Understand best way to save on better coverage

### **Advantages:**

1. Protect yourself in case of trouble
2. Maximize your insurance savings

### **Action item:**

1. Get three competing insurance quotes

### **Time required:**

1. Getting competitive quotes - 10 minutes

### **Insurance coverage**

Most people forget to get competitive quotes on their car insurance. On average, people wait five years between price checks.

It's always a good idea when buying a new car to get a new quote. With the online sites, that's now an easy process.

### **Online insurance quotes**

A few minutes of shopping can result in annual savings of \$250 a year or more. That's time well spent.

Don't waste your time searching. Plug your information into three sites that do all the search work for you. They'll search rates from the top insurance providers.

Here are the sites that will save you money:

1. [4Insurance.com](#) - Provides quotes on all types of insurance. Excellent articles on how to save on your car insurance. Acts as a broker to get you quotes from the largest carriers through local agents.
2. [Insurance.com](#) - Instantly compare accurate rates from most of America's top insurance companies. Shop easily by making apples-to-apples comparisons. Receive accurate, real-time quotes. Make an informed choice and save money on your auto insurance. Extremely competitive rates.
3. [Electric Insurance](#) - Just to be on the safe side, compare the best quotes you've already gotten with this site's low rates. They consolidate quotes from the biggest carriers and give you the four best ones. If you do have a good driving record, you'll definitely find some extra savings here.

## **STEP 7: Closing the Deal**

Why do this?

**Simple answer:** You want to do the final step right - double check all the paperwork, examine your car closely, and avoid any hassles.

### **Objectives:**

1. Finalizing your new car purchase
2. Understand best way to proceed

### **Advantages:**

1. Not getting ripped off at the last minute
2. Taking your time and doing it right

### **Action item:**

1. Closing the deal at the dealership

### **Time required:**

1. Completing paperwork, etc. - variable

### **What to expect**

You are on your way to the dealer to pick up your new car. You're excited and elated.

You are also extremely vulnerable!

Most people rush through the last step, exposing themselves to considerable financial harm as a result.

Here's what's ahead of you:

1. Vehicle inspection - inside & out
2. Test drive your new car
3. Problem correction/documentation
4. Paperwork review

5. Paperwork correction
6. Paperwork signing

You need to be thorough and cautious. That way, when you drive off in your new car there won't be any unpleasant surprises.

## **What to bring**

Don't just rush to the dealership all willy-nilly and unprepared.

Here's what you'll need:

1. Your new car folder with online quotes
2. Your winning dealer's price quote
3. Four inspection checklists we provide
4. Calculator for checking paperwork numbers
5. Notepad for recording extra information
6. Scam Bingo worksheet

## **What to watch out for**

There are plenty of things to watch out for during this step. That's why we provide you with four checklists for inspecting the car.

We've also provided a paperwork checklist to remind you of what to watch out for on the paperwork.

Here are the general categories:

1. Correct model information
2. Correct option list
3. Correct base price
4. Correct option pricing
5. Correct fees per quote
6. Correct down payment
7. Correct math
8. All items complete
9. All blank spots marked off and initialed

Use this paperwork checklist only after completing a thorough vehicle inspection and test drive.

If the vehicle is a lemon or even if it only has a minor defect (or two), then you want to catch it now.

Otherwise, the problem is much harder to deal with. In fact, you might find that you are 100% responsible for fixing any problem that wasn't reported.

Read the main book for complete explanations of what to do.

Buying a new car is a big purchase. Take the time to do it right.