

2. Warranties
3. Latest tech.

**Disadvantages of buying new auto**

1. Depreciation
2. Insurance
3. Return on investment

**Advantages of buying used auto**

1. Save \$\$
2. Certified as good
3. Lower insurance, taxes and registration

**Disadvantages of buying used auto**

1. “broken in”
2. No warranty
3. Pay for inspection

**2 important factors of choosing car**

1. Use
2. Where you live

**Base price**.....price with standard equipment

**Book price**.....estimated value of a car

**Invoice price** .....price dealer pays manufacturer

**MSRP** .....manufacturer’s suggested retail

**Sticker price**.....dealer’s initial asking price

**Purchase price** .....price customer pays

**Down payment**.....an initial payment made when something is bought on credit

**Trade-in allowance**.....a reduction in the price of a new item when an old item is given as part of the deal

**Loan amount**.....The amount specified in the mortgage contract that the borrower agrees to pay back. The amount of points included and various other costs make the loan amount different from the quantity of cash distributed by the lender.

**# of months**..... time allotment to pay back loan

**# of payments**.....how many payments paid to pay of the loan

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