

Auto Dealer Academy™

Module One

The Buying & Selling Process:

Six Steps to Success

Overview:

Introduction & Industry Overview

The six step process:

1. Find the Car

- There are MANY MANY ways to find cars. Use them all and you will surely have all the cars you ever want and need.

2. Inspect the Car

- This is the most time consuming section to learn. Only by inspecting tons of cars will you become more proficient. Practice, Practice, Practice. Proper inspection will help ensure you are buying quality, mechanically sound vehicles. Use my video to help teach you.

3. Determine Wholesale Price

- This is more art than science. The market fluctuates daily, weekly, and monthly. Remember market guides are just guides. Proper inspection and knowing the auction price of a car will help you determine its proper value. You make your money when you “buy the car right!”

4. Buy the Car

- General tips about how to negotiate.

5. Recondition the Car

- If you want to sell a car, it needs to be clean. To the general public, a clean car must be a good car. To maximize your profit, detail the car to make it look like it just rolled off the showroom floor.

6. Sell the Car & Pocket the Profit!

- Advertise the car and pocket the money. I will show you Where to advertise, how to write an effective classified ad, how to present the car, and how to complete the paperwork. This step also covers warranties and financing options.

Introduction

For the first time, revealed in THIS manual, you will learn the closely guarded trade secrets used by top car dealers and wholesalers. You will learn step by step how to make some serious money in the most lucrative profit generating business in the world. The car business!

The car business can be as simple as you want it, buying & selling from home part time, or you can operate a million dollar buy here/pay here note lot. It is up to you. In this manual, we will discuss the various ways to make buy & sell used cars from home.

It really is easy to make money in the car business. Everyone needs a car and there is a nice spread between wholesale prices and retail prices! And everyone knows the best value, for the money, is a good quality used car. Simply retail mechanically sound, clean cars & trucks and you will make a profit.

Ten Reasons to Start a Profitable Used Car Business

1. CASH business.
2. High return on investment.
3. Start with little or no money (Auto Brokering CAN do this).
4. Little manual labor.
5. Work from home.
6. Part time or full time occupation.

7. Paperwork is easy and uncomplicated.
8. Start as one person operation.
9. Product is always in demand.
10. It is a FUN business.

The day-in, day-out cash generating techniques presented in the manual will help you make a great part time or full time income buying and selling used cars and trucks.

This can be your secret gold mine.

By parlaying your profits and pyramiding the techniques taught in this manual, you will build an incredible cash generating machine. Hands down, the car business offers a great return on investment with minimal effort. You just need to be shown HOW to do it. If you are an "I can do it! Just show me how, I'm willing to learn, type of person." You can make some serious money in the used car business.

In fact right now, right this very second, somewhere in your town, someone NEEDS to sell his car at a VERY LOW PRICE. Find that person, buy that car, and sell it for a profit. Its just that easy!

You will simply follow the "Six Step Process" covered in Volume II. Basically, you will learn where to find cars, how to buy cars, how to recondition cars, how to advertise & sell cars, and how complete the paperwork. It is really that simple.

If you like cars, you will learn how to make some serious cash in the car business. Start by retailing cars from home and then build your way into owning your own small car lot, auto brokering new or used cars, selling cars on eBay full time, or even consider operating a buy here pay here lot.

All the technical skills you need to make money are taught in this manual. Especially "Inspecting" and "Appraising" cars. Ninety percent of your success will be determined by your ability to inspect a car properly and appraise it accurately. Make sure you highlight the things you learn new. Take notes.

You may decide to specialize in old Honda's and Toyota's or maybe exotics like Acura NSX's or Porsche's. Maybe you live in four wheel drive country. Or maybe you live on the beach where convertibles sell like ice cream. You decide what you want to buy and sell.

The only natural skill you need to have is a nice personality. You need to be able to communicate easily and naturally with other people. Every time you buy or sell, you have to communicate. Simply be pleasant and never take anything personal. After all, this is a business. The more pleasant you are to people, the more sales you will make. Period.

This manual will teach you each step in GREAT detail. Its all here. Everything you need to know to make money in the car business. Once you make that first profit, you are hooked. It's easy to do and FUN to do.

The car business is not brain surgery. Making money is a simple process you repeat over and over. It gets easier each time you buy and sell a car. You will discover the car business is addictive, It gets in your blood and never leaves. You will begin to live a very profitable lifestyle with just a little effort and the strategies taught in this manual.

The average profit generated per sale varies. If you are wholesaling from dealer to dealer or auction to auction, you make \$100 - \$300, possibly more, per car. If you are retailing, you make \$500 - \$2000 a car, even more if it's a luxury or exotic car. NADA reports that the average retail gross profit margin of cars remains close to \$1500 a car! You can also make profits on financing, extended service contracts, aftermarket products, ...

If you start out selling just two cars a month, at a small profit margin of \$500 each, that's an easy \$1000 extra month in your pocket. Reinvest your profits and sell four cars a month to make \$2000 a month. Simply keep reinvesting your profits, buying more and more cars, parlaying yourself into a small financial fortune. I know more than one guy who started doing this and now they own small independent car lots.

Advice for Beginners

You will make many mistakes in this business. You just have to learn from them. At any point, it's OK to say, "I don't know". By admitting you don't know, it opens up the opportunity to learn! It frees you from the stress of pretending you know.

You will feel uncomfortable and unsure of yourself in the beginning. That is normal and expected and perhaps even desired. The uneasiness causes you to proceed with caution. Believe me, your confidence will grow! Don't get discouraged. Stay focused on your goal. You can make it happen. You can be a success in the car business. After all, this is not brain surgery! Simply go slow and learn!

Do not go out and blow your profits. Keep plowing money back into your business. Perhaps invest at least 50% of your profits back into the business.

Whatever your goal, whether it's to make an additional \$2000 a month or to build a \$10,000 a week note lot, you can make it happen. But it all starts with just a single step.

Ten Golden Commandments to Success in the Car Business

1. Always inspect a car thoroughly. Do not buy project cars. Do not buy TMU, frame damaged, salvaged, cars that smoke, cars with branded titles, police cars, such.
2. The Golden Rule of the car business is "You lock in your profit when you buy the car, not when you sell it.". A second Gold Rule might be "You secure your financial future by creating serviceable notes on cheap used cars (aka Buy Here/Pay Here)" The only way to know the value of a car is to know your local market! I can show you HOW to determine your local market but it's up to YOU to actually do it! Read the newspaper, attend local auctions, visit websites, visit dealers, call other wholesalers or used car managers, ... Get out on the street and start learning.
3. A pricing guide is only a guide - not the bible. A car is only worth what someone locally will pay for a car. Some cars are routinely worth more than book and some less than book. You will only know by learning your local market.
4. Stand behind your word. Your word is everything in the car business. Many deals are closed over the phone or with a handshake.
5. Build a network of buyers and sellers. If you are retailing, you need customers to come and buy from you again and to tell their friends. If you are wholesaling, you need as many avenues as possible to

redistribute cars. If using the Bay Model, collect bidders and winners email address. This is a Gold Mine! Build your number of contacts every opportunity you get. I bet your monthly income will grow as your rolodex grows!

6. Follow strict inventory turnover rules. As inventory ages, your profits will drop. In retailing, do not hold inventory over 60 days for any reason (unless you own a note lot selling cars for under \$5995). Some dealers will work on a 90 turnover – I think that’s too long. In wholesaling, do not hold a car for over 7 days. Buying and Selling from home, you should sell all your cars in a matter of weeks. You can develop your own rules but this is just a generalization. We discuss in further detail later.
7. If you do NOT know the value of a car, do not buy it! If you break this rule, quit the business. Make decisions based on logic and knowledge of your local market.
8. Trust but verify. People will try to take advantage of you.
9. When retailing, location is the key. When wholesaling, visiting dealers daily is key to your success. When auto brokering, marketing is the key. When buying and selling from home, taking your time to buy the right cars is key.
10. When starting out: Specialize, specialize, specialize! Start with just one car. Do everything yourself. Keep it a one man operation as long as possible. Trust me on this one.

Ethics & the Car Business

Let me tell you right now my friend, tell the truth about every car! Do not lie, it is not worth it. Do not deceive in your dealings with people. For example, if the car has paint, flood, or frame tell the person you are dealing with. Not being truthful is one sure-fire way to lose your network of buyers/sellers.

It is so easy in any industry to lie and cheat and make an income. Especially the car business. I challenge you to operate at a higher standard of ethics. Which is stronger: Your character and honor OR your desire for money. There is a lot of money to be made in the car business by being a fair honest business owner.

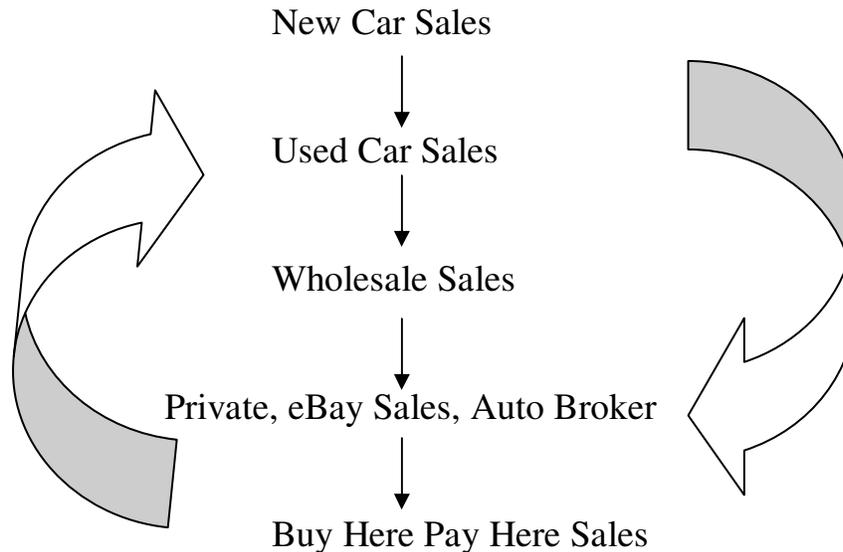
Be ethical. I know that might sound strange to be “ethical” to outside person looking in at the car business BUT let me tell you this, some of the most ethical and honest people you will ever meet are in the car business.

There are also some unethical people in the car business. They usually do not last long! Some are out of the business within a few months because honest people only want to deal with honest people! Remember that!

Always be honest about the car you are selling. Full disclosure is the way.

Industry Overview

The Life Cycle of an America Vehicle:



You will need to learn used car sales, wholesale sales, BHPH Sales, and Private Sales to truly understand the car business. This is why I teach them all.

Now, how big exactly is the used car industry in the U.S.? Is it an area of growing opportunity? How does the average used car turn rate affect sales opportunities? How much of the used car market do dealers own? Are we headed for good times or bad?

Based on an 11 year average, 57 million vehicles are sold each year in the U.S., with an average of 18 million (31%) being new vehicle sales (including private, government, commercial and fleet), and 39 million (68%)

used. Of the record 59.1 million vehicles sold in the year 2000, 30% were new, and 70% (41.6 million) were used. The used market alone represents \$363 billion dollars in gross sales, with an average selling price of \$8,716 per copy.

Of the 41.6 million used vehicles purchased in 2000, 28% or 11.9 million were bought and sold between consumers, known as the C2C market. Which means 72% (29.7 million used units) were sold by franchise and independent dealerships. Nationally, the three year average is 38% of all used vehicles are sold by franchise dealers, 34% by independents, and 27% C2C.

Based on the past 11 year average, franchise dealers sold 15,375,178 used vehicles every year, which represents 39% of the used market. Over the same period, the independent dealers sold an average of 13,084,181 units per year (32.6% of the used market) and the C2C market has averaged 11,151,000 per year (28.2% of the used market).

The average for the past 3 of 11 years shows a slight increase in the total volume of used cars sold by the independents (1.4% increase). While the franchise dealers lost 1% and the C2C market lost .2%.

Of the 213.3 million registered vehicles in 2000, 42 million were re-sold, re-leased, or turned-in within the calendar year, which represents a 19.7% annual turn rate. And this percentage remains quite constant year to year. So we can bank on the fact that one-out-of-five registered vehicles will change ownership every year. This means that based on a 20% annual turn

rate alone, over 41 million adults will be in the market for a vehicle every year.

According to the Global Vehicle Remarketing report published by the ADESA Corporation, and written by Tom Kontos, "...used vehicle sales are expected to grow from nearly 5 million units per year." I would say the used car industry is headed for good times.

Franchised and independent dealers took in 20 to 22.1 million vehicles on trade from customers, and traded 10.9 million units among themselves, and consigned 4.1 million units through auctions. According to the NADA, franchise dealers alone wholesaled 7.9 million units. I can tell you there are a variety of sources for motivated dealers to buy an endless supply of clean older cars at prices far below market average. I have often said, that the deal and the profit is made or lost in the buy. If you buy right, you can sell at a very competitive price, make a good profit, and turn your inventory faster, in good times and bad.

The most commonly sold used car at a franchise dealership is 3 years old, and 87% are less than 8 years old. For the independent dealer the most commonly sold vehicle is 8 years old, and 61% of all sales are 8 years old or older. Clearly, the franchise dealer is marketing different products to a different buyer than the independent (you need to know this as a wholesaler!). This can be to your advantage if you market yourself properly. The average gross profit on a new car from a franchise dealer is \$1,517 (6.1% of gross profit), and \$1,490 (11% of gross profit) on a used model. The independent fares better on the older used models at \$1,822 (16.8% of

gross profit) per unit, and the buy-here pay-here does the best at \$3,471 (51.6% of gross profit – WOW!!!!!!) each.

Based on the past eleven years in which I studied the statistics, I have come to realize that the car industry is in a constant fluid state. It is not locked-up or shut down based on negative economic conditions. It remains fluid, ever changing, and ever evolving. People always need cars. During the past eleven years, we experienced booms, crashes, exponential stock growth, and massive financial failures. But all the while, people bought cars.

People continue to buy cars in good times and bad, but the price, model and year of vehicles they buy, and who they buy them from will fluctuate based on their current pocket book, and the availability of credit extended to them.

The primary reason people will always buy cars, is because they need a replacement. Cars wear out; they crash, and get destroyed by natural disasters. They get stolen, re-possessed, and towed away from too many tickets.

Also, peoples automotive needs change almost regularly. Babies are born, children move-out, in-laws move-in, jobs change, and commute patterns change. People move (20% of the population moves every year), they get divorced, file bankruptcy, retire, graduate from school or college. They buy a boat, a camping trailer, or a snowmobile, so they suddenly need a tow vehicle. They move from Florida to Colorado, so they need a 4x4. These normal life events happen all the time, in good times and bad, and they can change the individual's automotive needs instantly.

According to Tom Webb, Chief Economist for Manheim Auctions. "The large, growing and somewhat aged vehicle population suggests strong used vehicle activity for years to come. The 213 million plus units in operation (the majority of them over 8 years old) suggests to us, that on any given day, there are literally millions of households that would like to trade up to something better if they could do so in a relatively easy manner at an affordable payment."

Historical data has also shown that the vitality and profitability of retail used sales is more closely tied to the availability of consumer credit, than to the cost of the vehicle. If you want to be a market leader in a slow economy, your primary job is to offer a wider variety of flexible financing options to fit any credit situation.

The age distribution of vehicles in operation shows an expanding number of vehicles in the 3 to 6 year old and the 7 to 10 year old categories. These are the primary age vehicles for independent dealers. The average independent dealer's inventory was 7 to 10 years old, and 23% was 3 to 6 years old, while 10% was over 10 years old. Remember, in slower economic times, older vehicles are more in demand, and based on the statistics, older vehicles from independent dealers make a higher gross profit.

The question is not if people are going to buy used cars this year, but what used cars are they going to buy, how are they going to finance them, and who are they going to buy them from. But rest assured, they will continue to buy, sell, and trade, as their transportation needs continue to change. Because when it comes to people and their lives, the only thing that remains constant, is change.

I can also tell you, that in slower economic times, you do need to approach things differently. You need to stock older, higher mileage, and more base model, entry-level cars – actually I preach this ALL the time. You need to offer a more flexible array of financing options for B, C and D paper, and you should be in the buy-here pay-here business.

Based on the past eleven year average, 11.15 million vehicles are sold each year in the U.S. in the C2C market. With an average retail gross profit of \$1,822 per copy, this represents \$39.3 billion dollars in potential gross profit if these vehicles were sold by the dealers instead of through the C2C market.

Automotive Publications

There are several automotive publications you should be aware of: Automotive News, AutoExec, Auto Remarketing, Dealer, Ward's Dealer Business, Auto Remarketing Weekly, Used Car Dealer, Used Car News, Automotive Fleet, Vehicle Remarketing and Auto Rental News

Six Step Buying & Selling Process

Step One: Eighteen Places to Buy Cars

Eighteen Innovative Sources for inventory.

1. Classified Ads: Private Party

This is often a gold mine that dealers overlook (Dealers only get 6% of their inventory this way!) It's a hassle to go look at cars at an individual's home. BUT, there are many good deals out there to be found. In my opinion, concentrate on this area until you need an inventory over five cars.

The older the classified ad, the more motivated the seller would be! Go get the Sunday newspaper from four weeks ago and start calling. Ask if they sold the car yet. If not, go see the car and make an offer. If the car sold, asked what it sold for SO you will know! Write it down and make a local market book. Keep track of what cars sold for in your area.

Also, call on all NEW ads the MORNING it comes out. Be the first to call, first to look at the car, and the first to make an offer. Perhaps it's a motivated seller who needs the money NOW! Go over, look at the car, and make an offer. ALWAYS MAKE AN OFFER.

Leave them your card, your offer written on it, and a DEADLINE. Tell them the offer is good for 5 days (or 3 days or whatever you want). Write the deadline on the card also.

Be the first to call a new ad. Call from 8:00 – 8:30 AM. Call again at noon during lunch and once again at 5:30 – 6:00 PM. Keep calling until you talk to the seller.

The great thing about buying a car from an individual is that they are the owner, so you can ask LOTS of questions and take your time INSPECTING the car properly. A GREAT way to start this business!

2. Public Auctions

What is a Public Auction? It's a place where businesses, charities, individuals, and a few government agencies go to sell their cars they used for transportation. The public auction, just like any other auction is in the business of making money. They make their money by charging a buyers fee and a seller's fee. Sometimes ridiculous fees! The service they provide is an environment where buyers and sellers can meet to buy and sell goods. The auction collects the money from the buyer, processes the sale, and sends a check to the seller.

Public auctions CAN be a good source to buy cars but remember people do not sell cars at a Public Auction because they are GREAT cars.

There is usually something wrong with them. Arrive EARLY to look everything over (and to get a parking spot!) and drive any car you MIGHT want to bid on. Inspect each car thoroughly. Be cautious about buying cars this way. Make sure you know how to “Inspect a car”. I cover this in DEPTH in a later section

Note: This is also a GREAT place to sell CHEAP cars for under \$1500 and especially under \$1000. Make sure the car LOOKS GREAT and it will bring “all the money”. To the public, if a car looks great, it must be great and if the car looks terrible, it must be terrible. TIP: Buy ONLY cars that can be cleaned up. DOGS do NOT sell!

I have a dealer friend in Georgia that buys 1 – 2 cars at a dealer only auction, a CHEAP car and then cleans it up. The very next day he runs it through a public auction down the road. He consistently net profits \$400 a car. It really is easy. Simply buy at a wholesale auction and sell for retail at a public auction.

At public auctions people pay MORE than retail for a car all the time. The general public just is not educated! You will be educated with this manual! That’s why Public auctions may not be the best place to buy a car but a great place to sell a car! The public can drive the price of a car through the roof. Beware and back off if you see this happening.

Be aware there are “auction fees” and sometimes they are pretty high. Consider this into your calculations. It will affect your profit.

PLUS, all cars sold at the auction MUST be registered in your name or the name on your dealer's license. Therefore, no chance of curbstoning or in other words not registering it in your name to avoid paying sales tax. You must register it and pay all applicable taxes plus the auction fee!

TIP: At most deal auctions, Hyundai cars sell for CHEAP. It's because they are JUNK. BUT, at a public auction, they can easily bring 2x - 4x times the price paid! The lower socioeconomic buyers love these cars! This might be the first place to look if you want to buy at a dealer's auction and sell at a public auction. Buy an older Hyundai for a \$100 - \$200 and sell for \$600! You can do this all day long! Before you try this, attend both auctions in your area to confirm this is true in your area!

3. Cars parked at Wal-Mart, the local gas station, ...

I find this one of my BEST methods of finding NICE CHEAP used cars. Pay attention when driving around and see what is for sale. I get emails constantly about how my students see MORE and MORE cars for sale. They were always for sale – you just never noticed them. Its like after you buy a car, suddenly you see “your” car all over – its like everyone owns now.

4. Cars parked in the same spot in neighborhoods for weeks. Drive by apartments.

This will indicate its not being used. Perhaps they want to sell it. Go knock on the door or leave your business card. I find lots of cars at apartments!

5. Online at Traderonline.com and eBaymotors.com

There are a lot of cars for sale online. And many of the ads do not advertise “offline”. The buyer wants to sell the car from an online ad (in most cases, its FREE to advertise online). Give the seller a call. I personally have bought and sold a few cars this way. I would find a “good buy” online and the following week IMPROVE the ad and sell it to someone else! (I recently did this with a motorcycle and made \$1000 on it in 5 days!)

eBay can be a GREAT place to BUY cars. Buy them on eBay and sell them locally. eBay is covered in the eBay Model manual.

6. Weekly FREE Newspapers (for example, the Green Sheets)

Find out when they come out. Usually Wednesdays. Go get a copy. Make some calls. Make an offer on everything you INSPECT.

7. Weekly “Auto Traders” and “Auto Marts” ,...

Find out when they come out. Usually Wednesdays. Go get a copy.
Make some calls. Make an offer on everything you INSPECT.

I know guys who are at the printer the day the publication is released. They are the FIRST to make an offer.

8. Advertise in the classified section. “CASH for cars. Call now, ...”

Be specific in your ad. Such as “I buy HONDAS for CASH. Sell you Honda to me. Call me NOW.” or “I will buy your TRUCK immediately. Call John at XXX-XXXX.”

9. Offer a Finder Fee to all your friends and co-workers. Offer a Finder Fee of \$50 or so or a Gift Certificate to Outback Steak House, ...Tell them that you will beat any dealer's offer for the car! I have bought more than one car this way! In fact, I bought a nice seven year old BMW 525I and netted \$3,000 profit. It was EASY!

10. Have Business Cards printed up and place them on cars you would like to buy saying something like “Want to sell your car for cash? I buy old Preludes just like yours. Call me ...”

11. Have a yard sign printed up at a local sign shop. Its just like your classified ad advertising the fact “I buy cars for CASH, Call me at ...” Put them in the ground near intersections, exit ramps, ...

12. Send a note to the family of a person who recently died. Usually the family sells the car for cheap. Send an apologetic letter about the death and an offer to make a cash offer for any vehicles they might want to sell from the estate. Simply check the obituaries.

13. If you really have some money and a few other friends/wholesalers/dealers that need inventory (like in the middle of the buying season) buy some radio advertising. “We are a network of used car buyers. We need cars! Come to XXX location this Saturday at 9:00 AM. We will appraise your car for free and make a generous CASH offer for your car. ...” You can buy a LOT of cars quickly this way.

14. Bank Repossessions

- Contact each bank in your area. Ask about procedures to buy repossessed vehicles. Sometimes they are parked onsite and other times off site at a parking lot.
- Inspect the cars carefully. Take your time.
- Find out if anyone you know wants to buy a car (charge a buyers fee)
- Make a bid.
 - TIP: Do not bid a round number like \$4000, bid \$4005. This way, you will beat any other \$4000 bid made!

Car Jargon

It can get confusing if you don't know the lingo. Here are a few!

\$500 sandwich= Went to lunch and missed a sale.

Ad car = A basic car with few options (used to draw customers into the dealership).

All the money = brings top dollar.

Baldinis = Bald tires

Be-backs: The customers who tell you not to worry, they'll be back.

BK: The customer has a bankruptcy in their credit history.

Bomb: An old car with no value

Books = Stamped Mechanic Records from a dealer. Very important for BMW's and Mercedes.

Bump - Raising the price.

Buried - Paid WAY too much for a car.

Bush - The situation that occurs when a customer attempts a non- legitimate arbitration.

Clock - Odometer

Cream Puffs - very nice used cars. They bring "all the money"

Curb Appeal = The car looks good to the average Joe.

Dime - \$1000

Disabled Sale - A sale running late model vehicles with lots of wear & tear.

Draft - Financial instrument through which dealers and wholesalers conduct trade. It's like a check but you do not actually pay for the until all the paperwork

is in proper order and title is present.

Eyes = The car has eyes when it looks NICE.

Falls in the Book - Many cars routinely fall a certain place in the book. For Example: Car XYZ might "fall in the book" around Clean (using The Black Book). It's common to ask "Where does XYZ fall in the Book?".

Fisheyes - Small specs of dirt were trapped in the paint during a paint job. They actually look like eyes of a fish.

Green Light - The car carries some sort of mechanical guarantee.

Highline - A top-of-the-line car

Iron - An old vehicle

Knee Deep in Rubber - A car with fairly good or new tires

Low Ball - To make a very low offer for a car, well below what you will pay for it.

Money on the Street – Typically refers to a Note Lot Deal. You have "money on the street" when the down payment was LESS than the amount you paid for the car.

Nickel - \$500 or \$5,000

Nut: The break-even point.

Orange Peel = The texture of the paint.

Pig Pen - Area of lot containing towing cars and salvage vehicles.

Pot - A very used car.

Pot Lot - A used car lot that has very used cars.

Quarter - \$2500 or \$25,000

Rapped - Paid WAY too much for a car.

Real Car - A real car is a car that's real. For example: A Yugo is not considered a real car while a BMW is a REAL car.

Red Light - The vehicle is being sold "as is".

Rerun - A car that is given a second chance to sell; it runs across the block for a second time during a sale. Reruns occur later in the sale with less buyers around and bring lower prices, typically. The seller is HOPING he gets a higher price than the first time it ran through and he called "no sale" on it.

Rubber = Tires

Sand Lines - Circular lines in the paint caused by an orbital working on the underlying metal. This indicates paint work.

Skateboard - A little car that's barely making it.

Sits Straight - The car does not lean to one side or another.

Sled - A worn-out vehicle.

Slider = Electric Sunroof

Standing Tall - Refers to a very well reconditioned car.

Tanked - You got buried in a car. You paid WAY too much.

TD: Turned down. Usually refers to a customer's credit application.

Tired - As a car gets older, you will see signs that the car is "tired". Like an old dog after a run. The car's engine is getting tired.

TMU = True Miles Unknown.

Wrapper New - A real nice car. Also, "In the Wrapper"

Yellow Light - The car has mechanical guarantee with
announced conditions.

Step Two: Inspect the Car

Introduction:

Most used car buyers want the same basic ideal purchase, a clean car that is mechanically sound and in their price range. The purpose of this section is to teach you step by step how to inspect a car to be reasonably assured the car is a clean, mechanically sound car.

Do NOT make the same mistakes many buyers make when making a purchase. They get emotional and buy on impulse. Getting excited about a car can often make you overlook a lot of little things. Stay Calm and Relaxed. Do not let the seller get you emotional. He will tell you that someone is coming to look at the car this afternoon. Don't let it bother you. There are plenty more cars out there in the market.

Perhaps you have looked at 10 cars and have not yet found a good one. That's ok! Keep looking and inspecting. Perhaps your next three will be steals! Do not let the seller know how much you want the car.

If had an academy where I trained you personally, I would have you inspect 1000 cars – that's right 1000 at least. The only way to learn cars is to get your bottom in a lot of cars and inspect them and drive them.

Remember, this is a business transaction, not a marriage. You can walk at anytime you do not like the car. That is always your ultimate power,

WALK. There are plenty of cars on the market. Do not be in a hurry to buy ANY car. Being in a hurry will increase the risk of a dumb purchase and decreases the chances of getting the car at a good price! Be calm and cool. Business like!

Inspecting the car is a very critical step. Do NOT take this step lightly. Especially, if you want to retail the car to a customer. You do not want to be selling JUNK. Sell a decent car, a pleasant car. Buy a car you might be proud to own yourself. Pretend when looking over the car, you are buying it for your mom. Pretend you will be driving this car for the next three years yourself. Give the car that type of attention. Just by being that cautious, you will not miss very much!

Take your time. Do not rush the process of inspecting the car.

Inspecting a car is actually fun. You are a detective. Looking for clues to determine the real condition of the car. Take you time and have fun with it. Every car you inspect will help you become a better car buyer. You will add knowledge to your buying skills. After you inspect a lot of cars, you will actually start having a "sixth sense" for the car, a "feeling" about the car. Your goal during the inspection process is to develop a story of the car. The story will help you determine what the car is WORTH. You must inspect the car before you can even attempt to place a value on it!

To really acquire this skill of inspecting cars, you need to look at a lot of cars. You will start to look at cars much differently than you have in the past. Every car you inspect will help you become a better car buyer. You

will add knowledge to your buying skills with each inspection. After you inspect a lot of cars, you will actually start having a "sixth sense" for the car, a "feeling" about the car.

Every defect gives you bargaining power. It will help you negotiate a better price.

For Sale by Owner: Calling a Private Party

Ask the owner MANY MANY questions before you ever leave your house. Here is a sample list of questions to ask. Make a question list that fits your personality. Have it next to the phone when you start making your calls. Before long, the questions will become second nature. Remember, pretend you are buying this car for your sister or yourself.

A. I am calling about the car you have in the paper.

- If he says "which one", you know he is either a dealer or another curbstoner. Ask, "Are you a dealer?"

B. How many miles are on the car?

C. Has the car ever been in a wreck? Has any part of the car ever been repainted? Any previous body damage?

This gives you a clue to the kind of shape the car is. This is very important for higher priced cars such as Lexus or BMW.

D. Is the title in your name? Do you have a clear title? Do you have the title with you? Where is the physical location of the title?

This is very important. If he does have clear title, you will have to wait for the title to come in from the bank or

whatever institution holds the title. Do not pay for a car WITHOUT clear title!

E. Does the car have a salvage history?

IF it does, RUN fast! Do not buy it for any price. You can go to www.carfax.com to find out for sure! When a car is involved in a severe accident the insurance company will total the car if the damage is 70% or higher of the value of the car. The car is then issued a salvage title. This step can save you from buying a REAL bad car! There is a \$20 charge Carfax BUT well worth the peace of mind.

Carfax checks:

Salvage/Junk Title

Rebuilt/Reconstructed Title

Flood Damage Title

Damage Disclosure Title

Manufacturer Buyback (LEMON) Title

Exceeds Mechanical Limits Title

Not Actual Mileage Title

Autocheck.com is a great resource that is a little cheaper than carfax.com. Check it out.

NOTE: Salvage/Junk Title - States issue salvage titles when an insurance company takes possession of a vehicle as a result of a claim. This generally occurs after a vehicle has been declared a

total loss. States issue junk titles to indicate that a vehicle is not road worthy and cannot be titled again in that state.

In some states, only a Salvage dealer can buy and sell a salvage car. In other words, if you buy a Salvage car, LEGALLY, you can NOT sell it to anyone. It's yours for life!

F. Are you the Original Owner? How many owners have there been?

G. Does it have Current Tags and Registration?

H. Is the price negotiable? What is the lowest price you will take in cash for the car today?

- TIP: Cash is KING. CASH talks!

I. Why are you selling the car? When do you want to sell the car?

- This tells you HOW motivated they are.

J. Do you have any other cars for sale?

- This tells you if he is a curbstoner trying to make a profit on the car. You want a seller who NEEDS to sell the car, not someone who wants to make a profit!

More Questions:

- "I am calling about the car you have for sale in the paper" IF he responds, "Which one?" You know he is either a dealer or a curbstoner. Buy from only true private parties.
- Lead with caution. RARELY will a curbstoner or dealer sell a car for cheap. It might be best to move to the next car. Before long,

you will notice repeating phone numbers. These are dealers or curbstoners.

- If you suspect the seller is a dealer, just ask, "Are you a dealer"
- If you suspect they are a curbstoner, ask:
 - Are you the original owner?
 - How long have you owned the car?
 - Do you have any other cars for sale?
 - Is your name on the title?
 - If "no", then move on to the next car!
 - What is the transfer date on the car?
 - Example I: If the car is a 2004, the transfer date is 2005 and it is currently 2009, then he probably is not a curbstoner.
 - Example II: If the car is a 2005, the transfer date is 2005 and it is currently 2005, then he probably is a curbstoner.
 - Why are you selling the car?
 - This gives you an indication if the person is a true private individual AND how motivated they are to sell the car.
 - Is there a "salvage history" on the car?
 - The word "Salvage" is clearly written on the title. Be sure to check!
 - RUN fast if there is! Insurance companies paid off the car due to a serious wreck. However, some salvage cars are fixed up and sold to

people. BUT, once the car is salvaged, it will be on its title forever.

- Salvage cars are JUNK. They are worthless. Never buy one! Period. In some states, you have to have a Salvage License to even buy or sell a salvage car.
- Does the odometer work?
 - If NOT, RUN! This is called "TMU". True Miles Unknown. It kills the value of the car. Easily by 50%!
 - Even IF the odometer has been replaced, RUN!
 - Do NOT buy a TMU car. Period.
- Has the car ever been in a flood?
- Is there any rust? (Remember, rust is cancer!)
- Describe the car to me. (Hint: LISTEN)
 - Mileage?
 - Describe the mechanical condition.
 - Engine
 - Transmission
 - Brakes
 - Has there been any bodywork?
 - Has the car been repainted?
 - What is the least you will take for the car?
 - If the seller is negotiable, then go look at the car.

- Realizes some sellers play hard ball on the phone and are babies when you negotiate face to face.
- If they do not want to negotiate, walk.

IF the seller answered all the questions to your satisfaction, then go and inspect the car thoroughly. Have a mechanic look at the car if you are planning on retailing the car.

Buying and Inspecting Dealer Inventory

Dealers have inventory they need to get rid of TODAY. They have aged inventory and recent dealer trades. After you are known as a reputable buyer – one whom can be trusted, most dealers will just throw you keys to cars. Simply walk out to the car and inspect it. Ask if he has the title and if he doesn't, ask when he bought the car. Simply go out to the car and start your “walk around”.

If you need get on the phone, and try to place the car with another dealer. In other words, sell if BEFORE you buy it. Negotiate a sale price and then go inside and try to buy the car for under that price. The difference is your profit.

Many times you will have to buy all the cars he wants to sell in a package. If he took 5 cars on trade ins – most likely the used car manager will want you to buy all five of them – even if there are a couple of dogs in bunch.

More on retailing and wholesaling in the retail and wholesaling manual.

Inspecting at Auctions

The main advantage to an auction is that you can look at a LOT of cars at one time! Cars are conveniently divided into lanes. These cars are sold fast. Many times, you can buy everything you need by lunch time.

You are provided a run list detailing all the cars to run through today's "Sale". Get the run list. Identify the cars you want to look at. Marking those interested cars on the "run list" will save you time and energy. Start your walk around immediately.

Read the Auction School in the retailing and wholesaling manual.

Tools You Might Need For A Proper Inspection:

- Flashlight
- Rags for checking fluid levels
- A refrigerator magnet
- Screwdriver
- Spark Plug Wrench

- Small Note Pad and Pen - Write down notes, do NOT rely on memory!
- Checklist so you do not forget to check anything

At an auction, I only take myself and I grab some paper towels from the bathroom to keep my hands clean. I rely on my structural inspection, my test drive, and the fact I will have a post sale inspection done on the car before I actually pay for the car! At most major auctions, you can pay a reasonable fee to have the car checked out by their mechanics on staff! It's worth every penny and I recommend it on EVERY SINGLE CAR you buy!

Nine Steps to Effective Inspecting:

- I. The Walk Around
- II. Identify Paint Work
- III. Identify Frame Damage
- IV. VIN Check
- V. Mechanical Check
- VI. Interior Check
- VII. Trunk Check
- VIII. Test Drive
- IX. Professional Mechanic Check

I. Walk Around:

Always inspect a car in sunlight. Not under a light at night! And never in the rain. It too hard to "see" the car. Live by this advice. Do not break this rule. What looks like a cream puff at night, can be a DOG in sunlight. The light can play funny tricks. Trust me on this, I learned the HARD way!

1. First approach the car and walk around the car at a fairly wide distance. This lets you "eye ball" the car and get a "feel for it". Do not buy a car when you get a wrong "feeling". Your gut is normally right. Trust it.

There are plenty of cars out there. Does it sit straight? Does it lean to one

side or the other? Does it have "curb appeal"? Does it have "eyes"? Is it "pleasant looking"? Does it look like car you would want to own? Make sure you LOOKING AT THE CAR. With a good detail job, would the car sell itself? (NOTE: People buy based on looks FIRST and then Mechanical condition SECOND.)

2. Check the top of the car, the trunk, and hood for any damage. Check for hail damage. You will see LOTS of little dents. They look like little golf balls landed on top of it! Sometimes hail damage is small and hard to see. Make sure you move side to side and up and down looking at the panels closely.
3. Stop at the back of the car (about 10 - 15 feet), squat down and look down the side of the car.
 - A. Move side to side a little looking at the fender, quarter panel, and doors. Look for creases (LONG, narrow and sometimes deep, dents in the metal). Creases look like someone might have scrapped against a pole sticking out of somewhere and it scraped down the side of the door or panel. Sometimes these are in the lower 1/4 of the panel. Get low and look carefully.
 - B. Look for mismatched paint. ALWAYS inspect a car in sunlight.
 - C. Look for the panels to be wavy. It's a sign of poor bodywork! Take a closer look when you think you have found a wavy panel. Is there evidence of paint work? Is there evidence of plastic body filler?

4. Walk once way out and then once way close. You will gain two different perspectives of the vehicle. Do not FIRST run up and look at the car close. Walk way out FIRST.

5. Check to see if there is a trailer hitch. If there is a trailer hitch on a car BEWARE. Especially if the engine a four cylinder. Pulling anything behind a small car kills the engine, transmission, and clutch. STAY AWAY from this car.

6. Touch each panel, rub up against the car if you have to. Really look at the paint. By close investigation, you can see what is under the paint by the texture of the paint. Note all external damage. Any Dents, Dings, Creases, paint peeling, clear coat peeling, ANY rust (RUST is CANCER to a car - STAY AWAY, don't walk, RUN) (Walk Around Continued)

7. Check the condition of the tires and note their condition.
 - Do they match? Are they the same brand, you don't want two Cooper Tires and two Pirelli Tires.
 - Have they worn evenly? Uneven wear might indicate suspension problems. Check the WEAR on the tires carefully. One side should NOT be worn more than the other side. If they are new tires, be extra careful when inspecting the suspension.
 - Are they the proper size? (consult the owners manual)
 - Will they need to be replaced?
 - How much will it cost to replace them?

- On a Corvette, it can cost \$1200 to replace all 4 tires. This will affect the value of the car and increase your negotiating power. (NOTE: When you sell your car, people are more worried about the condition of the tires and battery than the actual condition of the engine!)
- And does the condition of tires match the miles on the odometer? If the car has only 20,000 miles but the tires are bald, there might be a problem with the odometer or how the person drove the car. Either way, investigate further.

8. Take a good look at the car and determine what it will take to "recondition" the car. In other words what will it take to make it shine! Looks sell cars! The shinier the car, the more likely you are to sell it! Will you need new wiper blades, new tires,... ? When you do the inside inspection, you will also determine if it needs new floor mats, will the carpet have to be shampooed,? Keep this in mind when you are determining the value of the car.

II. Identify Paint Work

The more current the model year of the car and more expensive the car, the more the paint work **NEGATIVELY** affects the **VALUE** and the **CONDITION** of the car. No more than 40% of its value.

- At first look, you are looking for "orange peel" in the paint work. MOST factory paint jobs leave a smooth glossy look to the car. If you see paintwork that looks like the surface of an orange peel, it's your first indication it might have been painted.
- NOTE: BMWs naturally have an orange peel to the paint job therefore if you see a smooth glossy finish to the paint with a BMW, it is an indication it may have been repainted. Fords are notorious for orange peel. Only by inspecting a LOT of cars will you learn the paint quality of each make.
- TIP: If there are no mechanical problems with a car, a new paint job might be a plus. This is very true for an older cheap car. If the paint is a little faded a good buff job will make it shine like new.

Nine Easy Ways to Identify Paintwork:

1. FIRST, make sure you are looking at the car in sunlight! Take this advice seriously. The wrong light can play tricks with your eyes. A nice looking car under fluorescent lights at night will look like a dog in the morning under natural lighting. You have been warned!
2. The most common way to find paint work is to see over spray on the moldings around windows and door handles. Look REAL close around the door handle and window edges for over spray on the rubber. Lift up each door handle and look under it.
 - When the car was FIRST painted by the manufacturer, there was NOT any molding on the car. Only the metal. Cheap paint jobs do NOT take off molding or door handles and they are REAL sloppy (especially cheap jobs from Maaco). Paint will be everywhere under the handle and all over the modeling. The better the paint job, the less obvious the overspray. SO, if there is paint on the modeling or rubber, that's a GREAT indication the panel has been repainted.
3. Check all the door jams, door edges, and the engine compartment for color differences. With a normal aftermarket paint job (like Maaco), they do not paint the firewall in the engine compartment. Simply check to see if the color of the paint inside the engine compartment and on the firewall matches the rest of the car.

4. Also, you can lift up the edge of the windshield molding. The paint underneath the molding will be the original paint color, unless the owner has had the all the molding removed prior to painting the car. However, this is unlikely since the type of paint job can easily cost \$1000 and UP.

5. You will train your eye to see paint work quickly. But at first take your time to find it. There are many people in the car business that could NOT see paint work even if it was dripping on their shoe! Take your time when looking for paintwork. Once you learn to identify paintwork... you will never look at a car the same way anymore.

6. During the first wide walk around, make sure to look at each panel for color differences. Look closely for the differences. Is one panel a slightly different shade of color than the other, is one side a different shade than the other side?

7. Upon closer inspection of the each panel, get about 6 inches close. You might see:
 - "Fisheyes" in the paint. A fisheye looks just as it sounds, it looks like a fisheye. It is caused by the painting booth not being real clean so a piece of dirt/sand attaches to the paint.
 - "Sand Lines" in the paint. Sand lines are more difficult to find. Only experience will teach you how to find them easily. Normally, they are circular lines in the paint caused by the orbital sander they use before painting the metal.

- Check for the "orange peel" as we discussed earlier. Look at the painted strip on the pavement and watch how it ripples against the paint on the doors and fenders as you move back and forth a little bit. Note the difference in textures of the different panels. Any panel that looks different should be inspected further.
8. When you perform the engine compartment inspection there is another very easy way to tell if the car fenders have been painted. It's called feeling for "tape lines". You will feel a line where the car painter "taped" a sheet of paper so that over spray would not get onto the engine components. When the hood is up, run your fingers gingerly up and down the inside of the fender (where the hood laid). If the fenders have been painted you will feel a "tape line". In fact, many times just a visual inspection will reveal the tape line. Some tape lines are very thick and obvious and some are very thin and some have even been sanded away.
9. During the close inspection segment of the walk around, take your hand and run it along the hood's edge, where the hood ends right up next to the windshield. If it's "smooth", it's probably factory paint, if its "rough feeling", check the hood closely for paintwork.
- Go to new and used car dealership when they are closed and walk their cars feeling for tape lines. This is GREAT practice!

TIP: Check to see if the bolts on the hood have been turned. Perhaps the hood as been taken off. IF only the hood has been painted and NOT the fenders, it could have been painted because of rock clips. BUT, if the hood and both finders have been painted and the hood has been taken off, it was most likely hit from the front. Be careful!

"Has the Car Been Hit or In an Accident?"

That is a critical question everyone wants to know when buying a car. Of course, with close inspection of paint work and body work, you can develop the "story of the car".

Bodywork: Plastic "body filler" is used when dents are repaired and when rust repairs are made. If you want to know if there is "body filler" used on a door or panel, take a magnet with a cloth over it (so not to scratch the paint) and test different areas. IF it sticks on one area BUT does not stick to another area, beware. Metal is not represent! There are a couple products on the market that tests the thickness of the paint. One is called "Spot Rot". "Spot Rot" is designed to find hidden filler and paint that is thicker that .006-inches (the standard thickness manufacturers use).

EXAMPLE I: If the right fender, hood, and the left fender has been repainted and you find evidence of body filler with your magnet, then you can safely assume that this car has been hit in the front end. Especially if the hood has been painted and taken off! If you also find "welding marks" on the core support during your engine compartment inspection, you can be VERY confident this car has been hit in the front end! Also, if you find

clamp marks on the frame rails under the car during your "frame damage" inspection, can be VERY VERY safe to assume the car was hit HARD!

EXAMPLE II: If you find a "fisheye" and a few light sand marks in the drivers door and no where else. You could safely assume that perhaps a shopping cart might have hit the door or it was "keyed" by some teenager. One "painted" door is not big deal. Just make sure the door matches the rest of the car. Stand way back to get a good perspective a whether or not the paint matches.

Want to make sure? Buy a Paint Thickness Gauge! It measures the thickness of the paint! Most Hondas are .25 mils thick. If you measure a door and its .25, the other door is .29, and the fender is .75 you know there is a problem with the fender! The manufacturers paint job will NOT be off that much! Its worth every penny to own one! You can purchase one at the Auto Dealer Academy for a nice discount over retail.

Does Paintwork / Bodywork Affect The Value Of A Car?

It affects the value simply because it increases the risk of your purchase. It makes you ask, "WHY was it repainted" and do not believe what the owner tells you! It might have been a shopping cart hitting the door in the parking lot OR it might have been hit by a motorcycle causing the whole panel to need body work and paint work. Additionally, after market paint jobs can start to flake, peel, fade, and crack depending on the quality of the paint job after a short while.

On an OLD car (10 years or older), a decent paintjob might actually add value to the car because you might have had to repaint it yourself before you could resell it! But, be careful with paint work with cars of the last five model years and on ALL luxury cars because this can negatively affect the value of the car.

It's common for a paint job on a late model car to affect its value by \$1000 and more. For a luxury car, it can affect its value from \$1000 - \$3000. For an old note car, it might actually add \$500 to the value if the paint job shines and lays well.

III. Identifying Frame Damage

What is Frame Damage?

The frame is the vehicles primary support structure. Everything is connected to the frame. The suspension and drive train components. Even the interior is connects to the frame. A strong frame forms a strong foundation which the vehicle sits. A strong frame helps protect its occupants.

Once a car is in a wreck, the integrity of the frame is at risk. In fact, in many crashes, the frame is bent. Typically, the frame is a perfect rectangle. Once hit, the rectangle is no longer true. It requires frame damage repair. Once a frame has been bent and re-straightened, it becomes weak. Its new weakness can make the car a death trap. In addition to this risk, after a car

has been hit hard enough to have required frame damage repair, many times the internal engine components suffered damage than is not apparent to some time later.

By buying a car with frame damage, you are dramatically increasing the risk of the purchase. Some dealers buy frame damaged cars at auctions on PURPOSE because they can buy them for CHEAP. They do a little cosmetic work and will sell the car as if it was brand new.

There are two types of frame damage; Core/Radiator Support and Structural Frame Damage. Your goal is to check for each type of frame damage.

First Frame Check

- Stand way back from the car (10 - 15 feet), looking down the car.
 - Are the tires in alignment?
 - Does the front and back wheels line up?
 - Is the car "sitting straight"? Do this from the front and back of the car.
 - Are the bumpers in line?
- Measure the distance between the rear of each wheel and the edge of the wheel well. Measure BOTH the right and left side. Make sure the two front wheels are the same distance and the two back wheels are the same distance.

Second Frame Check

- Look at all the gaps between EACH door and its respective panel. It should be consistent. Also check between the hood and fenders and the trunk and the quarter panels. The gap should stay the same. If the gap narrows or widens, be careful. There might be a problem.
 - Open and shut every door. Do they open and close easy? If not, it might be an indication of an accident. Check the gap with ANY door that does not open and shut easily.

Third Frame Check

- Go to the side of the car. Get on your knees and look at the frame rail. You are checking to see if the car has been on a frame machine. When a car has been HIT hard, its frame is moved out of alignment and a frame machine is clamped onto the frame rails, to pull the car in alignment leaving what is called "Clamp Marks".



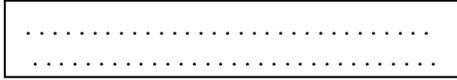
Bent Frame



Straight Frame

TIP: Have a friend drive behind you on the test drive to make sure the car is driving straight. It might help indicate to you IF there might be frame damage.

- Clamp Marks come in a couple shapes:



Fourth Frame Check

- Core Support: Core support frame damage is indicated by finding weld marks around the radiator. Many times the weld marks are very obvious. If the car was hit in the front with any significant amount of force, the radiator support was pushed in. The radiator is replaced and welded in place.

IV. VIN Check

1. Go to the driver's side of the dashboard. The VIN (Vehicle Identification Number) is 17 digits long. Write it down. Verify that the VIN number matches the VIN number on the dealer car sticker located on the inside of the driver's door.
2. VERIFY the VIN against the TITLE and REGISTRATION. This is a VERY important step! Do this EVERY time you buy a car.
3. Verify VIN with Carfax. Check out: vehicleidentificationnumber.com
4. Use the VIN to verify the year of the car! The 10th digit denotes the year.

MODEL YEAR CODES:

Code	Year	Code	Year	Code	Year	Code	Year
A =	1980	L =	1990	Y =	2000	A =	2010
B =	1981	M =	1991	1 =	2001	B =	2011
C =	1982	N =	1992	2 =	2002	C =	2012
D =	1983	P =	1993	3 =	2003	D =	2013
E =	1984	R =	1994	4 =	2004	E =	2014
F =	1985	S =	1995	5 =	2005	F =	2015
G =	1986	T =	1996	6 =	2006	G =	2016
H =	1987	V =	1997	7 =	2007	H =	2017
J =	1988	W =	1998	8 =	2008	J =	2018
K =	1989	X =	1999	9 =	2009	K =	2019

Source: http://en.wikipedia.org/wiki/Vehicle_Identification_Number

V. Mechanical Check

Retailing Note: If you are retailing cars, this mechanical inspection process becomes more critical. If you are buying the car from a dealer, wholesaler, or individual you will have plenty of time to inspect the car thoroughly. However, if you are buying the car at auction under the red light the inspect process will be a lot less thorough.

Wholesaling Note: If you are wholesaling, you just want to make sure it cranks and sounds decent. Many times the dealer will be truthful about its condition. However, you do not want to call a dealer on a car and find out later it was a piece of junk. SPECIAL NOTE: If this does happen, take the car BACK! You will learn your own quick inspection process for wholesaling. Nevertheless, read everything in this section.

1. Check general condition

Open the hood. Get a feel for the condition of the engine based on its cleanliness. If the owner just had the engine "steamed cleaned", this does not really help you. It does not mean he was hiding anything, he just might have wanted to make the car "shine". The engine will look "brand new" which makes it hard to find SLOW leaks and to access the condition of the hoses and wires because they will be shining like they are brand new! The only thing you can do is to go for your test drive and look for "fluid leaks" again. If there is a serious leak you will notice it after the test drive.

A. Is the engine clean or covered with oil and dirt?

B. Is it rusty?

- C. Does it have damage or missing parts?
- D. Does it have loose wires, hoses, cables, ...?
- E. Does it look like the owner keep good care of this car? If not, be wary! IF the engine that looks bad, might run bad.

TIP: If you buying the car from an individual at his home, take a look at his house, yard, and other cars around. Does he take care of his "things"? If the place is trashy, you KNOW he took the same car of his car.

2. Fluid Checks

Basically, fluid color should stay consistent with its intended color. It should be free of debris/foreign matter and other fluids. You will check for leaks, consistency of color, and foreign debris.

A. Check for "fluid leaks"

Check on the ground and see if you see ANY fluids on the ground. This is a great indication that you need a closer inspection. Note the color of the fluid and you will know where a potential problem might exist.

Coolant = Greenish with a sweetish odor

Engine Oil = Dark Brown or Black with a burned odor

Transmission Oil and Power Steering = Red with
sweetish odor

Brake Fluid = Clear with a sweet odor

B. Oil

More than likely the seller just changed the oil. Therefore, the real indicator of the condition of the oil's history is the oil cap! Check for water droplets or coolants mixed with the oil sludge. This may indicate a combustion leak from either a leaky head gasket or a cracked head. (if you suspect a combustion problem and want to check it out further, a radiator shop can do a one minute "Block Tester" of the cooling system that tests the presence of combustion gases in the coolant) Either way, STAY AWAY from this car. If its thick and milky (like a chocolate shake), it's an indication coolant got in the oil system. STAY AWAY from this car.

Smell the oil, check for the presence of gasoline. If you smell gas in the oil, STAY AWAY from this car. The engine will not last too long. The gas in the oil washes the oil off the cylinder walls.

Remove the oil filler cap while the car is running. If smoke is coming from the hole, the piston rings are worn. This is known as "blow by" and a sure sign that the engine is worn or "tired".

Check the dipstick. There should not be any water, dirt, or metallic pieces in the oil. If you have a small magnifying glass, use it to further check the quality of the oil. Make sure the oil is full before you start the car.

TIP: Check the actual color of the dipstick. If it discolored, it might indicate that the engine has been running seriously overheated.

A little oil leaking is ok with high mileage cars. It's normal and expected. However, large leaks are NOT OK. If you are wary, make a note for your mechanic. A steam cleaned engine makes it easy to see large leaks!

Oil leakage around the valve cover is normal at 50,000 miles. Usually the valve cover gasket is replaced when the timing belt is replaced (usually at 60,000 miles). Check the car owner's manual for scheduled maintenance.

C. Gasoline

When you first open the hood, did you smell gas? Your nose can help a lot. Check for deteriorating hoses in the fuel lines. If the engine is greasy, look for "clean" areas around the fuel system components, gasoline caused the area to be clean. Fuel leaks are uncommon and quite noticeable.

D. Radiator Coolant

Check around the radiator, radiator hoses, water pump, heater hoses, bypass hose, thermostat housing, or intake manifold. **NEVER REMOVE THE RADIATOR CAP WHILE THE CAR IS HOT, SERIOUS INJURY CAN OCCUR.** Remove the cap and look at it. It should be free of rust deposits. If there is rust, the radiator might have to be replaced soon.

Run your finger on the inside of the neck of the radiator as far as you can to check for a rusty film that could indicate a poorly serviced cooling system. The color should be a little green. Check the coolant recovery tank, it should NOT have any rusty water deposits.

Most coolant is Greenish however some is red. There should be a sweetish smell to the coolant. It should not smell like oil or gasoline, if it does **STAY AWAY** from this car. If the coolant is low, ask the owner to add some coolant to the system.

If you see oil floating on top of the coolant, there is a serious problem. Perhaps a cracked block. **STAY AWAY** from this car.

Carefully check the hoses for resilience, cracking, swelling, soft spots, or bad clamps. Replace any negative sign you see. Hoses can fail at any time. Simply squeeze the hoses. If one needs to be replaced, replace all of them. Hoses last 50,000 miles on older cars and up to 100,000 miles on newer cars.

E. Transmission Fluid

Pull out the transmission dipstick. It should be clean and red, with a sweetish odor. If it is brown and smells burnt, there are some major expensive repairs coming. **STAY AWAY** from this car! If there are pieces of metal in the fluid. **STAY AWAY** from this car!

If the fluid is milky, it indicates coolant and transmission fluid has mixed due to an internal leak. You might have to replace the radiator and possibly the whole transmission! **STAY AWAY** from this car.

F. Power Steering Fluid

Should be clear and clean. Spread a little on a white card. It is common to find leaks. Check the fluid level with the engine off and the tires pointing straight forward. Smell the fluid, it should NOT smell like "burnt toast". The color will be red or clear. There should be NO dirt or foreign debris in the fluid.

G. Clutch/Brake Fluid

Is it full?

H. Windshield Washer Fluid

Just check the reservoir. If its empty, fill it and make sure the system works.

3. Check the bolts that hold the hood and trunk lid. Have they been turned? In other words, has the hood been taken off? **WHY** would it have been removed? If the bolts appear to have been turned with a wrench, be cautious in your investigation. Perhaps it had hail damage (if so check the roof and trunk lid), or perhaps the car was hit in the front. Investigate further.

4. Check Belts

There are as many as three belts on most cars. They drive the water pump, power steering pump, air-conditioning, alternator and mechanical cooling fan. On some later model cars, they have a "serpentine belt" which is one long belt that drives all these components. Check the belt for cracks. Check both sides of the belt. Critical point is about 60,000 on most cars. The newer cars have 100,000 mile belts. Some cars have timing chains that last 100,000 miles. Ask the owner (HINT: He should KNOW)

5. Battery Check

Check the battery. Especially if the engine has not been steamed cleaned. If the terminals and posts are corrosive, it might give you an indication to how well the car has been maintained. If there is excessive corrosion, it might indicate an overcharging condition. Have you mechanic check it out.

How much longer will the battery last? Look for dates on the battery.

Check the battery tray box for corrosion. If the battery had been corrosive for a long period of time, the tray will have corrosion and it might have gotten into the unibody itself. It's worth checking!

6. Check the Air Filter. - It should be clean.

7. Check the Spark Plug Wires and Distributor Cap

The spark plugs should be clean and neatly routed and free of cuts, abrasion spots or burns. There should not be signs of cracks or carbon building on the distributor cap.

8. Spark Plug Check

This gives you an indication to the performance of the engine.

9. CV Joint Boots

If from the engine compartment you can access any of the drive axle boots on a front wheel drive car, do so while checking the engine, otherwise, check during your under car checks or ask your mechanic. Pay close attention to the CV Joint Boots. The rubber boots protect the expensive CV Joints from dirt, corrosion, and moisture. Squeeze and flex the boots looking for cracks and tears.

10. Exhaust System

Exhaust System components are usually the first to rust. Check for rust on all the pipes! Since exhaust gas is poisonous, always immediately replace any component rusted through. If you suspect a problem, get your mechanic to perform an exhaust system check.

SMOKE:

A. Black Smoke

Black Smoke means the fuel system is delivering too much fuel. The air mixture is too rich and the engine is unable to burn it. Black smoke does not automatically disqualify the car, just make a note and tell your mechanic. He might be able to make a simple

adjustment and the problem is fixed. The "Rich mixture" maybe caused by leaking fuel injectors or misfiring spark plugs, ... Perhaps all the car needs is a tune up.

B. Blue Smoke

Blue Smoke means the engine is burning oil! **STAY AWAY** from this car! The engine needs to be rebuilt! Major **MONEY!!** Stay Way from Blue Smoke. You have been warned.

C. White Smoke

White Smoke means the engine is burning Coolant and Water from its cooling system. It might be a blown head gasket which allows coolant into a combustion chamber. The **ONLY** other explanation for the white smoke is very cool humid air (low dew point). After the car' exhaust heats up, the smoke will dissipate because the hot gases have a low moisture content.

Large amounts of white smoke emitted from the car while being driven can be an indication of a problem with the transmission (water in the cylinders!), not the cooling system. If the problem is not fixed fast, the transmission may have suffered serious damage! Check with your Mechanic. The problem just might be leaking seal or diaphragm.

My advice: If it smokes, do not buy it. Do not buy project cars. It just drains your money, time, and energy.

Check and Listen to the Tail Pipe:

- A. Inspect the tail pipe. Get on your knees and check to make sure all the pipes are connected, not hanging. Black, gummy deposits tell you that the engine is burning oil. Dry deposits (white or tan) indicate fuel system problems.
- B. Put a piece of paper at the edge of the pipe (or your hand). A periodic burp or uneven "spitting" may indicate valve or ignition problems. If the paper is "sucked" towards the tailpipe it means the engine is sucking in air and the engine has major valve problems! **STAY AWAY** from this car. A good running engine always blows exhaust gas **OUT** the exhaust system.

11. Check all windows for cracks, chips, ...

12. Check all inspection stickers insuring they are all current. (California residents have to provide a Smog Certificate. If it is not available or if the pollution control devices are not intact, **WALK!**)

13. **RUST.**

RUST is CANCER. Cancer spreads and kills. There is no stopping it. If you find evidence of rust, **STAY AWAY** from the car! Rust can occur anywhere there is high humidity or chemical salts. The rusting process is accelerated by high temperatures.

No one wants a rust bucket. Do not buy one!

Check Points:

- Check under the car, looking at the floor pan and frame for rust.

- Check the rocker panels.
- Check the bottom of doors!
- Check the A Pillars (the pillar between the windshield and the front door) and B Pillars (between the front and rear doors OR the front door and the quarter panel) and C Pillar (between the rear window and the rear window, or between the rear door and the side window or rear window) for rust.
- Check around all the moldings on all windows.

12. Flood Damage

Lift up the floor mats or carpeting inside the vehicle. Do they smell moldy? Are there signs of water damage? Is there water standing underneath the mats or carpet? Do you see water lines on the doors, under the hood, or in the door jams? If you find these things, possibly the car has been flooded!

If you suspect flooding, also:

- Look under the seat. Are the springs rusted?
- Check around the clutch and see if you see rusting. Use a flashlight to look under the dash for rust.
- Open the hood. Inspect the firewall to see if you see a "water line".
- Check in doors for the same "water lines".
- Look in the trunk. Lift up the carpet. Do you see water or the beginning of rust? If ANY of these things prove positive, the car might be a flood car, **STAY AWAY** from this car.
- Check with Carfax.

VI. Interior Check

A little dirt is OK. Look beneath the dirt. Dirt will clean up! Look at the basic condition of carpet and seats. If the inside has been trashed, you can bet the owner did the same to the engine. Can you turn this "ugly duckling" inside into a jewel with a little elbow grease?

A. Unlock and open all doors.

A. Check their operation. Do all the locks work?

B. Do the windows go up and down?

C. Do all doors open from the inside?

D. Is the weather stripping in good shape?

B. Is there an owner's manual and maintenance records in the glove box?

Check out everything carefully. These are great clues when developing a story of the history of the car. If the owner kept records, he probably kept great care of his car. Be sure to ask if there are any additional papers you could examine.

- The Owners Manual is critical. It lists maintenance schedules, fluid levels, operations of controls, location of fuses, AND warranty information.
- If the car is approaching a MAJOR scheduled maintenance such as 30,000 or 60,000 or 120,000 miles, ask if they work has been done. A 30,000 or 60,000 inspection can easily run a few hundred bucks.
- If there isn't a manual, order one! Or buy a repair manual at an auto parts store.

C. Turn the engine on.

- 1) Check for smoke.
- 2) The engine should idle smoothly. Very important for SMOG certificate.
- 3) Rev the engine, it should respond easily and without hesitation. Turn the engine off and turn it back on. It should start up just as easily.
- 4) Listen to the car. Listen for noises, clicking, knocking, screeching, squealing, rubbing, rumbling, ...
- 5) Make sure you do NOT smell exhaust in the car!
- 6) Does the inside smell like cigarette smoke? This reduces its resell value. Is there an odor? Can you remove it?
- 7) Check for cracks on the dashboard.
- 8) Check the operation of all options.
 - Horn
 - Radio, Cassette, CD player (Is it factory or after market?) If it is aftermarket, ask who installed it. If he did, realize there might be some wiring problems. Also ask, if the aftermarket stereo stays. It adds LITTLE value if any at all. But ask!
 - Power Antenna
 - Turn signals, head lights, bright lights, brake lights. Get out and check.
 - Cigarette lighter
 - Windshield Wipers
 - Rear Window Defroster
 - Indoor Lights

- Trunk Release
- Automatic Mirrors, do they work?
- Auto Door Locks
- Everything you see, try it!

D. Check the Operation of the Air Conditioning and Heater

- Check all fan speed settings
- Does the A/C blow cold? (About \$1000 to replace)
- Does the heater work?
- Do all the fan direction settings operate properly?

E. If it's a convertible ...

- Take careful time checking the top for tears, seams coming undone, stains, ... they are very expensive to replace.
- If the back window is plastic, check to see how faded the window had become due to outdoor exposure.
 - Does it operate smoothly?
 - Do all the latches work?
 - If its power controlled, does it work smoothly? TIP: Most electric roofs have to be in park with the emergency brake in the lock position for the roof to operate.

F. Sit in every seat.

- Try the operation of every seat.
- Check for wear, tears, stains, and cigarette burns.
- Do all the seat belts work?
- Do they sit well?

- Are the springs sagging indicating high mileage and hard driving?

G. If there is aftermarket tinting on the car, how good does it look? Be careful with the rear defroster, tint removal on the rear defroster can sometime destroy the coils! Is it free of wrinkles, tears, or bubbles?

H. Check the operation of the Sunroof and T-Tops.

- Check the interior carefully to indicate ANY leaking of water.
- Ask if it's a factory sunroof or an after market sunroof. IF its factory you may be safe BUT if it's after market, they are notorious for leaking! Take it through a car wash if you want to test it. (ask for permission first - the owner should let you IF he is not worried about it leaking!)
- Does the sunroof operate smoothly?
- Is the glass free of cracks?
- Check the weather stripping to make sure it's in good shape.

I. Interior clues that indicate if mileage is correct.

- Check the pedal pads. Do they have excessive wear yet the car has low miles? If the pads have been replaced, be careful about trusting the mileage.
- Check the arm rests. If they are well worn, it's a higher mile car.
- Check the condition of the tires, are they worn? How many sets have been on the car? For example: If it's the second set of tires but there is only 20,000 miles on the car, you know something is wrong!

J. Consider how much it is going to cost to repair anything broken (deduct this from the price!). How much it will cost to get the car in "retail" condition.

VII. Trunk Inspection

There are a number of things that can be learned by looking in the trunk.

Always open the trunk!

- A. Make sure the key opens the trunk. If there is a trunk quick release make sure it works. The trunk release button is either on the floor by the driver's seat and door OR in the glove box or dash.
- B. Make sure it operates smoothly. Open and reopen it twice.
- C. Make sure the paint color inside the trunk matches the outside paint. Check for tape lines.
- D. Check the bolts that hold the trunk lid on. Have they been turned? In other words, has the trunk lid been removed? WHY would it have been removed? If the bolts appear to have been turned with a wrench, be cautious in your investigation. Perhaps it had hail damage (if so check the roof and hood), or perhaps the car was hit in the back, or it was a rental car with tons of scratches. Investigate further.
 - On many late model cars, there is a sticker with the VIN number on the trunk. Check to see if the sticker is there? If NOT, it might be a new trunk lid.
 - TIP: On some models, there are VIN stickers on each door and deck lid. Check to make sure all of these stickers are present and matching. If you suspect one side of the car has been hit, check to

see if the same sticker on the doors. For example: BMW and Ford have these stickers.

E. Pull up the carpet and see if there is any evidence of rusting.

F. Are there signs of repair or welding?

G. Is there a smell of mildew? Any other evidence of flood damage?

H. What sort of shape is the weather stripping?

I. Is there a spare tires, jack and lug wrench? On some cars, the jack and wrench is in the engine compartment and sometimes under the passenger seat. Check there if you do not see the jack and wrench in the trunk. On some vehicles, such as SUVs and trucks and minivans, the tire is under the car. Look there also.

J. Check the alignment of the trunk. Does the gap between the trunk lid and the quarter panels stay consistent the length of the trunk lid? If not, it might be a sign that the car was hit from the backside or the side.

K. TRUCKS. Check the bed of the truck. How scratched up is the bed? Will you need to put a liner in the bed to make it ready to be sold? Bed liners run \$100 Wholesale to \$250 Retail.

VIII. Test Drive

ALWAYS test drive a car before you buy it. Sign NOTHING before a test drive and drive carefully. It's not your car! Get comfortable with the car before going onto the interstate. Take as much time as you need. If the owner accompanies you, do not let him disturb you. Turn the radio off. During the drive, stay focused, and pay attention. Concentrate! Listen, feel, and smell everything. Drive for about 30 - 45 minutes with some highway driving and in town driving. Roll the window down periodically so you can hear the engine better.

A. Before you go on the test drive:

- Familiarize yourself with the controls. You should have done this already with a thorough interior check.
- Check the Alarm and remote keyless entry. If there is a pad to enter a code to open the door without a key, try it also.
 - TIP: If there is a pad to enter a code and the owner does not know the code, check under the deck lid for a sticker with the code on it. Many manufacturers have placed the sticker there. Also check the owners manual and in the glove box. If all else fails, call a dealer.
- ALWAYS check the brakes before test driving a used car. The brake pedal should feel firm, not spongy. If it's spongy, there might be a leak in the system allowing air into the lines. If you question the brakes, do not go on a test drive!

- Check the Parking Brake. The parking brake holds the rear brakes. It should lock after five or six clicks. More than that means the level is too loose, less than 3 clicks means it's too tight. Make a note and tell your mechanic.
- Adjust seat and all mirrors. Check for blind spots. Every car is different.

B. Listen for noise and look for smoke

- Unusually high wind noise? If so, check the weather stripping on the doors. It might be an easy fix. However realize, the cheaper the car, the higher the wind noise will be. A Ford Escort will have a higher wind noise than a Lexus ES300.
- How loud is the engine?
- Can you hear the tires bouncing?
- Does the muffler sound fine? Make a note for your mechanic.
- Do you see ANY smoke coming out of the exhaust?

C. Brakes

- Step on the brakes firmly several times.
 - Do they grab evenly?
 - Do they pull to the side?
 - Do they squeal? Vibrate? Pulsate? (ABS systems DO pulsate, it normal!)
 - Make a note on all conditions for your mechanic.
 - Does the steering wheel vibrate? This might indicate an alignment problem or the need for brakes.

D. Steering

- Does it shake or pull to one side at highway speeds? This may indicate a bad alignment or serious wheel imbalance.
- When turning slow, listen carefully to the steering. Power steering problems will make grinding noises as the wheel turns. Sometimes the wheel will pulsate. If you experience this, make a note for your mechanic.
- Take your hands off the steering wheel at about 35 MPH. It should drive straight and true. If it goes to one side, there is a wheel alignment problem or tire pressure problem. (Note: The car might go to one side slowly due to the crown in the road.)
- There should be about an inch or two of play in the wheel. If there is MORE, make a note.

E. Suspension

- Is there excessive bouncing? Drive over bumps, railroad tracks, ... The car should not be excessively bouncing. It could mean worn shocks, struts, or springs.
- Has the car or truck been lowered or raised? Stand way back, it should be obvious. Ask the owner. A truck or car, lowered or raised LOWERS the "value" of the car, NOT increases it!
- The bigger and heavier the car, the more plush ride you will get. Compact cars have a harder ride. Sport cars have an even harder and firm ride.

- In a turn, does the car ROLL too much to one side? Might indicate a problem with the stabilizer bar bushings or worn shocks absorbers.
- Make a slow sharp turn. If there is a problem with the CV joints, especially in a FWD (Front Wheel Drive) car, you will hear clicking, rattling, or ticking noise from the front end.
- Push down on each corner of the car. It should spring up and stop. If it bounces more than once the suspension may needs new struts or shocks.

F. Transmission

- Run the car through ALL gears, including reverse.
- Manual
 - Should be very smooth with no grinding. Avoid a gear grinder. STAY AWAY from this car.
 - The clutch should engage and disengage without grabbing. It should be smooth. It should engage $\frac{3}{4}$ ways up.
 - Accelerate hard during highway speeds to make sure the clutch is not slipping. Accelerating through the gears also gives you a clue about the clutch and the transmission.
- Automatic
 - Should be very smooth without jerking, hesitation, or clunking into gear. A soft thump is OK.

- Accelerate hard and slow down fast. Test the gears all the way up and down.
- Park, hold your foot on the brake, and manually shift into all gears, slowly one at a time and listen. It should be smooth with no clunking noises.
- Transmissions are EXPENSIVE. If you suspect a problem, make a note for your mechanic or STAY AWAY from the car!
- Consult consumer reports about transmission problems. On particular model. Many cars have automatic transmission problems.
- Transfer Case: If there is 4WD, try it out. Most 4WD are not All-Time 4WD, therefore checking the 4WD is pretty easy.
 - Put it into 4WD, and drive slowly making a turn. The truck will jerk a lot. If it jerks a lot, the 4WD works. If it drives normal, the 4WD does not work and do not buy the truck!

G. Engine

- Any noises? Any clanking? Roaring noises when accelerating?
- Does it accelerate smoothly without hesitation?
- Back off the accelerator and hit the gas again, is there any hesitation?
- Any black smoke?

- Note gauges and warning light. Are they operating properly? Any bad signs?
- Watch the temperature gauge. Watch the oil pressure light. High temperature or low oil pressure can mean expensive repairs.
- Pull over after driving for a while. Turn off the car and restart it. How well did it start up when being hot? Check for leaks again.

H. Drive through a car wash if you want to check if the car leaks.

Recommended with a convertible, sun roof, or T-Top car.

I. After the test drive, check for fluid leaks and smoke again. Check under the car and under the hood for leaks.

J. Write down all problems. All noises. Everything you find. It will make it easier for your mechanic to look at the car PLUS it will help you in negotiating a lower price! And most of all, you will be purchasing a mechanically sound and clean car to resell for a profit. You are going to inspect the car much better than the guy who is going to buy it from you. Be proud you buy and sell “good cars”. You can grow a great business by doing business right and selling mechanically sound and clean cars.

K. If you suspect major mechanical problems. **WALK AWAY**. Plain and simple. There are thousands of cars. You do not need a problem. A professional mechanic can really look at the car and tell you what to avoid and how expensive the repairs will cost. After a while, you will **KNOW** pretty much to the penny how much a repair will cost.

IX. Professional Mechanic Check

If you are retailing this car, consider this just part of the reconditioning costs and the cost of doing business. If you are wholesaling, skip this step.

This is the final recommended step to a thorough inspection. You might be asking yourself, why is this necessary? Well, in all honesty it depends on how you want to operate your business. If you just want to sell \$700 cars, that just RUN, then you do not need the inspection. If you are selling \$2500 cars, I would recommend getting the inspection done. Its CHEAP insurance against stupid purchases. If you are trying to develop a reputation in your town for quality used cars, get the inspection done.

You will inspect at a lot of cars. You will discount many of them due to problems you find. You think you have a winner but you want to make sure. Chances are, it's a good car if it passed your inspection. Realize though, you probably are not a mechanic. For about \$65 - \$95, a professional mechanic will go over the car and alert you to potential problems. He has the knowledge, specialized training and the expensive equipment necessary to do cylinder compression checks, engine analyzer checks, checking the A/C, and checking the under carriage with a hydraulic lift.

If you are buying the car from an individual, tell him you plan on taking the car to get a mechanic for an "pre-purchase mechanical inspection" If he objects, he is objecting for a good reason. He does not want you to find what is wrong with the car. Walk away. You always have the power to just walk. Use your common sense

and you will not get burned. If you get emotional and try to act like you "know it all", you will get burned and lose money!

NOTE: IF you are a licensed dealer and buying the car at the auction, you will not be able to get the inspection done before you buy the car. BUT, I still recommend getting the inspection done after you have bought the car and before you put ANY money into the car. Make sure your initial inspection was thorough! It might cost a dealer \$65 or so.

Go to a reputable mechanic. There are even some guys who will come to your location to perform the inspection. If the owner is hesitant letting you take the car off the premises for an inspection but it passed your inspection, call a mobile used car inspector. The mobile inspectors are more expensive.

Personally, I sleep well at night KNOWING I sell quality cars to people. After all, families really depend on reliable transportation to get to work or to the grocery store. I like the feeling I have in my heart knowing I am offering quality, mechanically sound and clean cars.

This may seem like a lot of leg work and an inconvenience, but if you have ever bought a used car and later had to pay for a large repair that could have been avoided, you KNOW it's worth the extra effort. It's worth the peace of mind. The cost of the inspection is relatively inexpensive compared to the cost of almost ANY repair. Don't be in the business of buying defective cars and selling defective cars. It's not worth it.

Professional Mechanical Pre-Purchase Inspection

Hardware

Ignition System
Primary Ignition
Secondary Ignition
Plug Condition
Timing Belt
Air Conditioning
Duct Temperature &
System
Pressures
Exhaust Gas Readings

Under Car Inspection

Fluid Leaks
Shocks
Struts
Suspension
Steering
CV Boots and
Joints
Alignment
Bearings and
Seals
Differential Fluid
Water Pump
Freeze Plugs
Oil Leaks

Charging System

Starter Draw
Alternator Unloaded
Alternator Loaded
Battery Load Test
Battery System Draw
Cables / Terminals
On Board Diagnostics
Retrieve diagnostic
trouble codes
stored by computer

State Inspection

Registration Sticker

Under Hood Inspection

Oil
Transmission Fluid
Antifreeze
Power Steering Fluid
Air Filter
Emission Filters
Fan Clutch or Fan
Belts
Hoses

Safety Inspection

Lights
Turn Signals
Emergency
Flashers
Brake Lights
Backup Lights
3rd Brake Light
Horn
Wiper Function
Front Tire
Condition
Rear Tire
Condition
Spare Tire
Jack & Tools

Brakes

Rotors / Front
Rotors / Rear
Drums / Rear
Brake Lining / Front
Brake Lining / Rear
Wheel Cylinders / Rear
Calipers / Front
Calipers / Rear
Emergency Brake /
Cables
Brake Hoses / Front
Brake Hoses / Rear
Master Cylinder / Fluid

Emission Standards

Fuel System
Fuel delivery
pressure & volume
Cooling System
Pressure Test
Block Test
Freeze Temperature

Exhaust System

Motor Mounts
Transmission Mounts