

# MANUEL AVOIDS CAR-BUYING TROUBLE

A FOTONOVELA FROM THE  
FEDERAL TRADE COMMISSION




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## ABOUT THE FTC

The Federal Trade Commission is the nation's consumer protection agency. Its mission is to protect consumers from fraudulent and deceptive practices.

This fotonovela is part of the FTC's ongoing efforts to help the Latino community avoid scams and stop fraud. For more information, visit [www.consumer.ftc.gov/fotonovela](http://www.consumer.ftc.gov/fotonovela).


Report fraud by calling 1-877-FTC-HELP or at [www.ftc.gov/complaint](http://www.ftc.gov/complaint).



Welcome to the show!  
Today we're talking about  
how to avoid scams with  
consumer protection  
expert Nicolas Garcia.  
Welcome back, Nicolas!

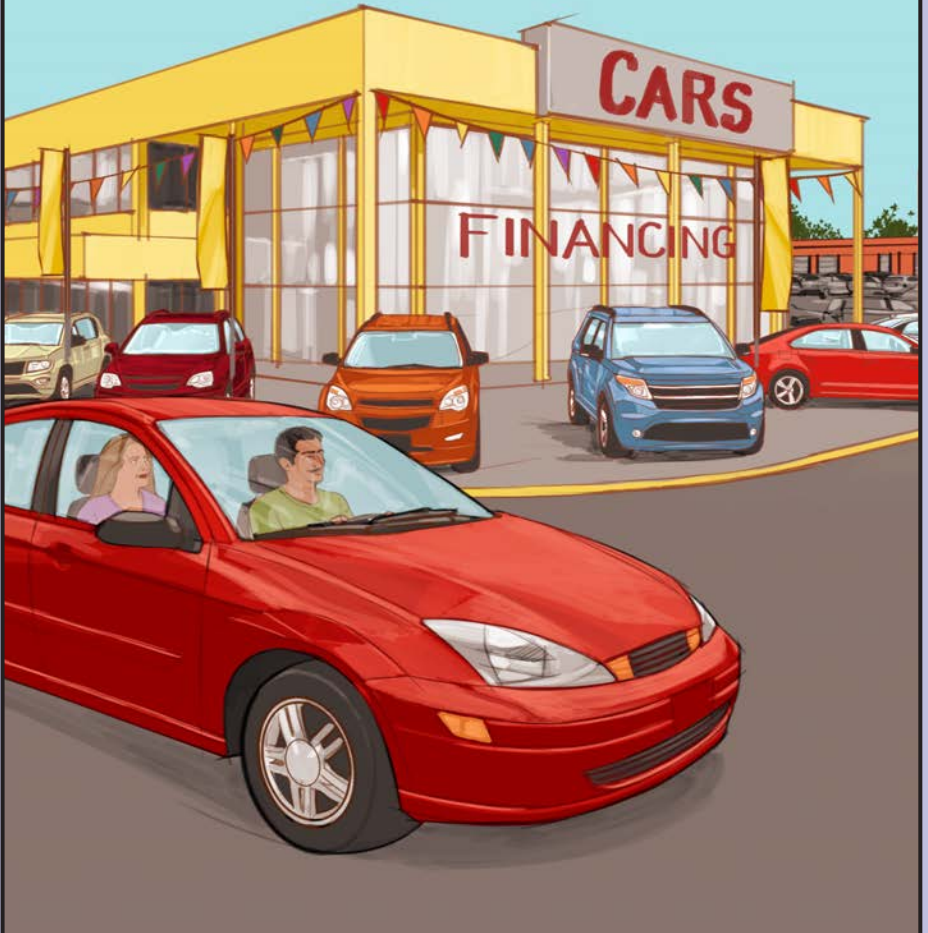
Thanks, Victoria.

Let's get to our first  
caller. Manuel, what's  
on your mind today?



Hi. Last month my wife and I were  
shopping for a car.

We saw a minivan we really liked and the dealer was offering financing so we applied.



# FINANCING





A few days later, the finance manager called back about the financing.

What do you mean the financing wasn't approved? We signed a contract. I thought it was a done deal.



Honey, what happened?

The deal fell through. We have to go back to the dealer.



He had another financing agreement with a higher rate and monthly payment. I told him I couldn't afford it. But he started pressuring me.



If you don't sign this agreement, you'll have to return the minivan.

Take it. I can't afford it anyway. Just give me my car back.

I can't. It's already for sale.

Manuel, maybe we should just sign it.






I didn't let him push me around. I said I'd report him to the Attorney General. He canceled the contract and we returned the minivan. Then he gave us our car and title and we split.

Wow, that's unbelievable! Thanks for sharing your story, Manuel. Nicolas, do you see this a lot?

**ON AIR**



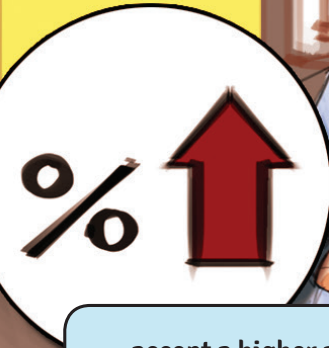




We do see it happen, especially when the buyer has poor credit.




The dealer might say you have to make a bigger down payment...



...accept a higher annual percentage rate...



...or buy an expensive add-on like an extended warranty or service contract. All this drives up the cost of the vehicle.



Why would anyone sign a contract that makes the car more expensive?

Buyers are under pressure.

# FINANCING

If you don't sign, the dealer might refuse to return your down payment.




Some say they'll keep your trade-in vehicle.




Others threaten to file a police report saying you stole the vehicle!





How can this happen?  
How can the dealer  
renege on the sale?



When a buyer signs  
a contract, he thinks  
the sale is final. But it  
might not be.



SALES  
AGREEMENT



CONTINGENT



If the contract says the sale  
is contingent on the dealer  
finding a financing source, the  
financing terms could change.



If I'm buying a car, how can I avoid a situation like this?

Before you start shopping, go to your bank or credit union and apply for a pre-approved loan.



What if I can't get a loan and dealer financing is my only option?



Read the contract before you sign it.



Ask if your deal is final. If it is, make sure that's written in the contract.

If it's not, ask the dealer to put in writing that your trade-in vehicle won't be sold and your down payment will be returned if the deal falls through.

If you have a problem with dealership financing, let the Federal Trade Commission know about it. Your report makes a difference.

1-877-FTC-HELP  
[www.ftc.gov/complaint](http://www.ftc.gov/complaint)



## AVOIDING A CAR-BUYING JAM

If you're buying a vehicle and financing it through the dealer:

**Ask if your deal is final.**

- If it is, make sure that's written in the contract.
- If it isn't, ask the dealer to put in writing that your trade-in vehicle won't be sold and your down payment will be returned if the deal falls through.

**Read the contract before you sign it.**

- Check if the financing terms — annual percentage rate, length of the financing, and amount borrowed — are what you expected.
- If the contract includes add-ons you don't want, ask the dealer to remove them.

If your financing falls through, an unscrupulous dealer might pressure you to accept a different deal that costs more. You don't have to agree to a second deal.

If you have a problem with financing you received from a dealership, report it to the Federal Trade Commission at [www.ftc.gov/complaint](http://www.ftc.gov/complaint) or call 1-877-FTC-HELP.

Esta fotonovela es parte de nuestro continuo esfuerzo para elevar el nivel de concientización sobre las estafas dirigidas contra la comunidad latina. Este cuento provee consejos para evitar un problema al comprar un carro.

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