



**Auto Purchasers' Top Five Defenses  
Against Yo-yo Financing Cons and Other Dealer Scams**

- 1) **Never take “spot delivery” of a vehicle – do not drive it off the lot until you are absolutely sure that the financing is done and sealed.** Shop during weekdays when banks are open and be sure that the loan is approved by a bank in its final form before driving away with the vehicle. Most importantly, do NOT sign any form which allows a dealer a “right of rescission” to change loan terms after you have taken possession of the vehicle.
- 2) **Shop for the best loan (and loan terms) as carefully as you shop for the best sticker price.** Like vehicle prices, loans can be expensive or cheap depending on the annual percentage rate (APR), monthly payment amount and number of months. Shop around for the best deal and be sure of: 1) the exact number of payments; 2) the total cost of your credit in dollars; 3) the name, address and contact information for the bank that holds the loan; and 4) whether there is a balloon payment at the end.
- 3) **Collect a second opinion on the loan and be ready to use outside financing from a credit union or bank.** Before you go to buy, ask a credit union or your bank what a loan for that vehicle would cost. Also, get a copy of your credit report from a rating agency, and know where you stand. Compare the dealership’s offer with your independent loan. If the independent loan is preferable, do not tell the dealership that you have arranged for other financing until after you have negotiated the sticker price and are on the verge of closing the deal.
- 4) **Make a budget and stick to it.** Before you go to the dealership, use what you know about the sticker price and loan to figure out the monthly payment and loan schedule you can afford. Even an additional \$30 a month is \$1,800 extra over the life of a 60-month loan. So if the dealer tries to sell you extras and add-ons like “etch,” just say it’s not in your budget and insist on paying exactly the monthly payment you can afford.
- 5) **Plan to go away and come back several times before you buy.** Stop the transaction if you feel pressured or confused. Just walk away, and stick to your guns. Resist the pressure to “buy today” – no deal is good enough to risk losing thousands of dollars when they “yo-yo” you back into the dealership to sign new paperwork on a far more expensive loan.

**Above all, consumers should contact the Maryland legislature and ask them to pass  
Sen. Mooney’s Car Buyer’s Bill of Rights!!!**

**For more information or to fill out an on-line survey about your experiences,  
go to [www.autodealerscam.org](http://www.autodealerscam.org)**