

Members be aware: Avoid these new scams on auto loans
Always get pre-approved with Valley Community CU

Yo-Yo Sales:

- You sign purchase contract
- Give dealer trade in
- Make down payment
- Seller lets you drive off the lot even though the financing is not “final”
- A day or so later you get a call from the dealer: “There is a problem with the financing”
- He pulls you and the car back to the lot (like a yo-yo)
- He says the lower rates are not available anymore but how about a higher priced loan.
- Customer says to cancel the deal and give back the down payment and the trade in.
- Dealer refuses to give back the deposit and says your trade in has been sold.

So never drive off with any cars until the financing has been finalized. Get pre-approved with us first.

Bait and Switch Financing

- Advertisement says wonderful cars are available at great prices and interest rates.
- When you get to the car lot, you are told you don't qualify for that low rate- but how about buying this jalopy for 22% APR?

Always get pre-approved with your Valley Community CU. You will know exactly what rate you will be getting before you go to the lot.

Dealer Reserve Scam

- Financier says rate is 9%-This is the “buy rate”
- Dealer marks the rate to 12% and doesn't tell customer what the “buy rate” is

EX. on a \$14,000 used car loan hiking the buy rate from 9% to 12% could cost the consumer \$1200 additional over the life of a 36 month loan.

** There are many lawsuits pending in the U.S. over this problem.

Certified Used Vehicles

Some dealers will list cars as certified after they have had major damage.

They may have been in a flood, was a lemon buy back or the odometer had been rolled back

Always ask dealer for a CARFAX report.