

Car Purchasing and Loans

This factsheet is about car loans, and what to do when buying a car

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When you think you've found the right car for you, remember there are some important checks you should do before buying it

Before you buy a car

Check you can afford it

Before buying check your budget and know the maximum you can afford. You can shop around with car dealers to find a car you can afford.

Independent car inspection

Make sure the car works properly. Get a Pre-Purchase Car Inspection before you sign or pay the money for the car. Inspecting the car may save you losing money on a lemon car. Find a checklist at your state fair trading body.

Don't rely on the dealer's mechanic – get an independent mechanic.

Make sure the car you bought matches the paperwork for the sale of the car. You need to check the vehicle identification number (VIN) found on the car body is the same as the one on the paperwork.

Ask the dealer to show you where the VIN is. Check there isn't any scratches or damage to the ID plates.

Car Search

Do a car search on the Personal Property Securities Register for a few dollars to see if the used car is 'free from debt' or reported as a stolen car or written off. You don't want a finance company repossessing the car you just bought.

If the car has a problem in working

Take it back to the dealership as soon as possible. If the dealership refuses to fix it or does a bad job in fixing it, then call Mob Strong on 1800 808 488 and we could help you make a

complaint to your state or territory's Fair Trading body. But act as soon as possible and get advice.

What to do before you sign a loan contract

Before signing a car loan contract, there are some things you should check.

1. **Look for better deals than dealer finance.** The car dealer may not give you the best deal and the loan could include extra fees like broker fees or a warranty that you don't need. Always check the repayment amount and take time to look at if you can afford it.
2. **See if a No Interest Loan or Low Interest Loan is available** – you can call a financial counsellor at Mob Strong on 1800 808 488 to discuss these.
3. **Don't sign a commercial or business loan if your car is for personal use.** Business loans don't have the same legal protections.

Get independent advice before signing a business purpose statement.

Before signing, check your lender and/or broker are members of AFCA (the financial ombudsman) by searching AFCA's website.

You should not feel pressured. Read the contract and if you are unsure, then don't sign and call us for free help.

Finally, always make sure you see the car yourself **before** you sign any loan agreement. If the dealer refuses then maybe walk away.

Help

Call Mob Strong on 1800 808 488 for more information. We are a free First Nations driven legal advice and financial counselling service. We help Aboriginal and Torres Strait Islander peoples from anywhere in Australia. We are a free and independent service. We keep your information private.

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