

Protect Your Financial Security

Purchasing Used Cars and Trade-ins in a Troubled Economy

Think you are getting a great deal on that eBay auto purchase? Don't be lulled into believing that just because things are stable in the Panhandle that it holds true elsewhere. GM and Ford aren't the only auto dealers struggling; around the country independent dealerships continue to close their doors.

These insolvent dealers have caused havoc on many consumers that have traded-in or bought a used traded-in auto. Consider this, the now insolvent dealership where they traded or purchased a used car never fulfilled their obligation to pay-off that vehicle. Even though legally the dealership is responsible, it might not matter for the consumer. If the dealer fails to payoff your trade-in, then technically you the consumer are still contractually responsible, and your credit could suffer for non-payment. On the flip side, if the dealer is unable to payoff the lien on a used auto you purchased, ownership (the title) has not been transferred into your name.

How can you avoid these situations? Ask to see a copy of the title, and be sure it is in the dealer's name, also be sure there are no liens on the title, or that they have been released. If it hasn't been released ask for proof that it is paid off (receipts, etc.) Get a copy of everything and if the dealer is hesitant or seems offended, find a different car!

What are other things to avoid? First do business locally if possible. You can use prices and comparisons, from other nearby markets (i.e. Dallas, Oklahoma City, etc.) to negotiate better deals with a well established local dealer.

Avoid eBay deals and deals that seem too good to be true. The truth is that eBay sales many vehicles each year, and a large majority of those are out of the tri-state area. That presents a great deal of risk for both borrower and lender. It has been our experience at Access Community that it is very hard for a dissatisfied customer to go after an out of state seller. It is also near pointless to sue a dealer that is broke, you will spend more money to pursue than likely what you will recover. I am not saying that you can never get a good deal on an eBay auto, but that you are taking inherent risks to do so. From experience, some risks are so great that the credit union has deemed it risky to coordinate the transaction.

Of course we welcome your calls and questions, and we have had some members who were initially upset when we explained that we couldn't coordinate a transaction outside our trade area (typically eBay sales), many later thanked us for protecting their financial security. That's why Access Community Credit Union exists, to protect and build your financial security even if it sometimes means saying, "we will not help you put yourself at risk." We appreciate the opportunity to earn your business.



G. Keith Watson,
President/CEO, Access Community Credit Union