

SECTION I – BUYING A CAR (new or used)



Determine the costs and price you can pay for the car

You may already be dreaming of a model that has caught your eye. Or of features that will make your driving more pleasurable. But first you must face reality. The first step in buying a car should be to estimate what price range you can afford. To do this, you need two pieces of information:

- Down payment** How much money can you pay up front in cash since you will not have a car to trade-in
Monthly payment If you plan to borrow money, what is the maximum payment you can afford every month?

In order to minimize your overall cost for the loan, put down as much as you can afford -preferably at least 20 percent. A higher down payment reduces the amount of money you need to borrow, which lowers your monthly payments and reduces the amount of interest you will pay overall.

In addition to the vehicle price, you need to consider other costs, including: Sales Tax, Registration Fees and Insurance Premiums

You might want to first check with your insurance agent or get a quote online so you understand what costs you're getting into.

TYPICAL FEES YOU WILL BE CHARGED – SOME FAIR, SOME FOUL

	Fee	What's it about?	Amount
Unavoidable	Destination charge	A standard charge levied to cover shipment of the vehicle. Typically, it is the same for all models from a particular brand.	\$
	Documentation fee	A modest charge of \$50 or less for processing documents that establish your title and registration is warranted. Question anything higher than \$100.	\$
	Title and registration	The formalities of establishing you as the new owner of the vehicle and obtaining temporary tags are best taken care of by the dealer. Expect the dealer to pass along what the state charges — typically between 1% and 3% of vehicle's cost — plus a modest processing fee (see Documentation Fee, above).	\$
	Sales tax	Unavoidably, the state will take its cut of the deal.	\$
Avoid Paying	Advertising charge	Increasingly common, regional dealer cooperatives assess fees to support promotional efforts. If this charge shows up only at the closing, contest it. You may end up having to pay.	\$
	Extended warranty	Extra coverage that covers major repairs that occur after the manufacturer's warranty expires. It's your call whether you need it. Don't feel pressured to buy such a warranty at the same time you buy the car; you can usually buy a plan anytime before the original warranty expires. If you do buy, we suggest sticking with a plan offered by the automaker. Third-party coverage may be cheaper, but can vary enormously in quality and coverage.	\$
	Additional dealer markup	A better name would be "gratuitous dealer profit." You may find this on a newly introduced model that's in high demand. This can add up to \$1,000 or more to the cost of some models.	\$
	Dealer preparation fee	Most manufacturers pay the dealers to remove the coatings and coverings that protect the vehicle during shipment and to clean up the car for you. There is no justification for you to pay the dealer again for this service.	\$

Where to Buy a Car?

Auto Buying Websites: www.autotrader.com
www.carsdirect.com
www.carmax.com
www.autonation.com

Auto Reviews and Pricing Websites: <http://www.kbb.com> and www.consumerreports.com and www.edmunds.com

We cannot stress enough to please do your research on Edmunds and Consumer Reports in which both sites include reviews, pricing, efficiency ratings, comparisons, safety features, and more valuable information.

Local Dealerships: Ask your OneWorld Relocation Specialist for further assistance

Dealer visit worksheet			
	Dealer #1	Dealer #2	Dealer #3
Dealership name			
Date of visit			
Salesman name			
Phone number			
Vehicle model/ Trim line			
Vehicle identification number			
Options packages			
Sticker Price			
Lowest Price quoted			
Your target price			
Follow-up notes on financing, extras, etc.			

Four steps to getting the best price

Ideally, a dealership should help you find the right vehicle at a fair price. But some dealers place more emphasis on their profit margins than on satisfying their customers. When buying a car, keep your interests front and center -and avoid common pitfalls that can cost you extra money--by following these tips:

1. **Do your homework.** Many dealerships prey on the unprepared. Going into a showroom “cold”--without having gathered key facts and preliminary pricing figures--gives the salesperson too much control over the buying process. Research your choices. Read a variety of reviews. Check the reliability, safety, fuel economy, and pricing of any models you're considering.
2. **Don't assume that the sticker price is the purchase price.** To get the lowest price, go in with a starting price that's based not on the sticker price but on how much the dealer paid for the vehicle. The dealer invoice price is commonly available on Web sites and in pricing guides. But the invoice price isn't necessarily what the dealer paid. There are often behind-the-scenes bonuses, such as dealer incentives and holdbacks, that give the dealer more profit margin.
3. **Negotiate one thing at one time.** Salespeople like to mix financing, leasing, and trade-in negotiations together, often asking you to negotiate around a monthly payment figure. This tactic gives the dealer more latitude to offer you a favorable figure in one area while inflating figures in another.

Make clear that you want the lowest possible markup over your starting price.

Only after you've settled on the price should you discuss financing, leasing, or a trade-in, as necessary. Negotiate each item individually. Remember, you're in charge and can leave at any time. Heading for the door can sometimes jump-start a slow-moving negotiation or bring a lower offer.

4. **Don't pay for extras you don't need.** Dealers often try to sell you extras such as rust proofing, fabric protection, and paint protectant, or push etching your Vehicle Identification Number on windows to deter thieves.

Don't accept those unnecessary services and fees. If the items are on the bill of sale, put a line through them. Vehicle bodies are already coated to protect against rust. And Consumer Reports reliability surveys show that rust is not a major problem with modern cars. You can treat upholstery and apply paint protectant yourself with good off-the-shelf products.

Two steps you can do to check out a 'used car' condition

1. Test Drive the Vehicle for sure.

The test drive is an extension of the inspection process. It's your chance to see how the vehicle performs and whether you can detect any problems with its drive-train, steering, suspension, brakes, or other important system. You should try to drive any vehicles you're considering all on the same day so you can more easily compare them.

Try to eliminate as many distractions as possible. Many dealerships will let you do the test drive by yourself, but some still insist on sending someone along. A private seller will almost certainly want to be present. Following are some of the major things you should concentrate on during your test drive. Remember that all cars have different personalities, and it's important to find one that matches yours. Little things that might seem insignificant now, such as uncomfortable seats, could become major irritants later.

Ride comfort. Is the ride soft, harsh, or somewhere in between? Does the suspension isolate you from the road, or do you feel every bump and ripple? Some softer suspensions feel comfortable over bumps but tend to be floaty, wallowing up and down a bit after a large bump. Look for a vehicle that feels tight and controlled over bumps, but not harsh. Ride comfort is determined by a vehicle's suspension, tires, and even its seats, but it's certainly one vehicle attribute that's measured by personal preference. Sporty cars and some family sedans have a firmer ride, which is a trade-off for their better handling characteristics. This may not be for everyone. Some buyers who excitedly bought a sporty car regretted it later because of the stiff ride that seemed to accentuate every little bump in the road. To confirm your preference, we suggest you drive several comparable vehicles to evaluate the differences in ride. Be sure the ride you experience during your test drive is one you can tolerate for the life of the car.

Acceleration. Make sure that the engine provides adequate acceleration when starting from a stop and that you can merge safely into highway traffic. Acceleration depends primarily on the engine power, but it is also closely linked to the transmission. A great engine coupled with a mediocre transmission will deliver less-than-stellar performance. Conversely, a fairly small engine can appear much better in combination with a modern, well-designed manual or automatic transmission. One of the real benefits of a test drive is to see if you like the power train you've selected. If so, that's great, but if not, now is the time to change your selection or keep looking. During your test drives, be sure to try quick acceleration from a stop and a rolling merge into fast freeway traffic.

Braking. Do the brakes feel responsive without being too jerky? Braking is a vehicle attribute that's hard to evaluate thoroughly without professional help, but you can do a basic assessment. Feel how the vehicle responds when you depress the brake pedal, both softly and with more force. The braking should be nice and smooth, and it should be easy to get just the amount of stopping power you need without the car stopping too quickly or not quickly enough.

Steering and handling. Does the car respond well to quick steering maneuvers? Does it track well when driving straight ahead on the highway, or does it need small, continual corrections? Does the car feel relaxed or too darty to be comfortable? And does it stay relatively composed on rough roads? Since vehicle response to quick steering maneuvers is a key factor in avoiding emergency highway situations, it's important that you're comfortable with the way your vehicle responds. It should be easy and controllable to maneuver along the road--not so quick that it feels darty and not so slow that it takes a lot of turning to make a maneuver. You should also get good feedback through the steering wheel about what the car is doing on the road; some steering systems feel numb and disconnected from the road. Many vehicles have variable power steering, which makes them feel one way on the highway and another at slow speeds, such as when trying to maneuver into a tight parking space.

Quietness. Is the sound of the engine annoying during heavy acceleration or highway cruising? Can you hear noise from the tires or wind noise from side-view mirrors? Are there any squeaks or rattles? Quietness includes engine, wind, and road noise, as well as squeaks and rattles. During your test drive, turn off the radio and close all windows so you can hear what else is going on. Engine noise has a lot to do with the quality of the engine, but it's also related to the engine size and configuration. Four-cylinder engines are the noisiest because they are built to be economical and are usually installed in low-priced entry-level cars. If your four-cylinder test car seems too noisy, a V6 version may be better. If any engine sounds coarse and loud under heavy acceleration or at highway speed, it could become more annoying later. Engines don't get quieter with age.

Wind noise is the next biggest annoyance, and side-view mirrors are the major culprits. Poorly designed mirrors roar and whistle, unlike better-designed ones. You should have little trouble telling which is which during your test drive.

2. Car History Report and Independent Mechanic - Though you will never buy a "Perfect Used Car", we highly recommend asking the dealer or owner to provide you with a free history report from any of the major services (Car Fax the most popular). These reports provide useful information, however there are further steps you will want to take as there is no one report that is 100% reliable.

Check the back body or door jambs for paint overspray, an indicator that the car was re-painted for some reason.

Check for smell of mold or mildew which can indicate a water problem.

Take a used car to an independent mechanic and have the vehicle inspected if necessary. You can search for a mechanic at or repair shop at www.repairpal.com or www.cartalk.com.com which have names and user reviews for many local garages.

Picking up the car

Give the vehicle a thorough inspection before you drive it off the dealer's lot or away from the private seller. Any problems should be addressed right away. Take your time and go over it thoroughly, both inside and out. If you find any problems, they should be fixed before you take delivery or, if they're minor enough for you to wait, set a firm date for the dealership to fix them.

Here are some tips:

1. Inspect the vehicle in bright daylight. It's easier to miss small defects at night.
2. Be sure the vehicle has all the options and accessories that you ordered and that they work.
3. Inspect the exterior for scratches, dents, mismatched body panels, or paint defects. Metal particles, for instance, can be embedded in the paint during shipping.
4. Inspect the interior for loose or misfitting trim and stains or other defects in the upholstery, carpeting, or headliner.
6. Have the salesperson show you how to work all controls and the location of common maintenance items (such as the engine-oil dipstick, oil-filler hole, brake-fluid reservoir, etc.).

Auto Insurance

Buy the Right Amount of Insurance

Car insurance is meant to protect you against catastrophic losses, such as a major accident or the theft of your car. Be prepared to absorb minor losses yourself.

Coverage you must have, but not limited to state laws if applicable:

Bodily injury liability. Should you cause an accident, the "liability" part of your insurance coverage pays the medical, rehabilitation, and, if necessary, funeral bills of your passengers, the other driver, his or her passengers, and any pedestrians involved. It also covers pain and suffering awards as well as legal costs. Buy coverage that will pay at least \$100,000 per person and \$300,000 per accident.

Property damage. This coverage pays to repair or replace another person's vehicle or other property damaged by your car. States typically require only \$10,000 to \$25,000.

Uninsured and underinsured motorist coverage. This covers medical bills, rehabilitation, and funeral costs, as well as losses for pain and suffering for you or the passengers in your car when an accident is caused by a hit-and-run driver or someone who has little or no insurance.

Coverage you'll probably need

Collision and comprehensive. Collision coverage pays to repair or replace your car no matter whom or what caused the accident. Comprehensive pays to repair or replace your car if it's stolen or damaged as a result of a storm or other natural event. Coverage kicks in for the amount above your deductible. Choose the highest deductible you can afford to pay out of pocket--at least \$500. Once the cost of this coverage equals 10 percent of your vehicle's book value, you might want to cancel it, since you will collect no more than your vehicle's market worth

Personal-injury protection. PIP reimburses you for lost wages and in-home care needed as a result of an accident. If you have separate health and disability policies, you can buy just the state-required minimum for PIP. The other policies should cover the balance of your needs.

Auto Insurance Continued



Medical-payments coverage. Sometimes called med-pay, this covers medical bills for you and your passengers, regardless of who's at fault. When this coverage isn't automatically included in your policy, its costs are minimal. You may not require any if you have good health insurance.

Additional types of coverage

Roadside assistance. This coverage pays to have your vehicle towed. If you already have an auto-club membership or your car's manufacturer provides this service for free, don't buy this extra coverage.

Rental reimbursement. This coverage typically costs \$30 per year and pays for a rental car--usually for up to 30 days--if your vehicle is stolen or is in the shop for repairs sustained in an accident. There's usually a cap on the amount you're reimbursed per day and per occurrence.

Nationwide Insurance Companies:

CBS Coverage Group

Sarah Goshin, Account Manager

sgoshin@cbsinsurance.com

www.cbsinsurance.com

516-394-7580

GEICO

www.geico.com

1-800-861-8380

Please ask your local OneWorld Relocation Specialist for an additional recommendation specific to your area.

[SECTION II – Leasing and Long Term Rentals \(alternatives to buying\)](#)

Pros and cons of leasing

Buying a vehicle is a fairly straightforward process. You borrow money from a lending institution, pay the dealership for the car, and then make monthly payments on the loan until it's paid off. As you pay off the loan, you gain equity in the vehicle until it's eventually all yours. You can keep the vehicle as long as you like and you can do whatever you want to it, from giving it a custom paint job to entering it in a demolition derby. The only penalty for modification or abuse, perhaps, is a lower resale value when you're done with it.

On the surface, leasing appears even simpler. You pay the leasing company a monthly payment that's lower than when buying. Then, after enjoying the most trouble-free two or three years of the vehicle's life, you simply bring it back to the dealership and lease another new one, or walk away. No muss, no fuss, right? Gone are your worries about haggling over the trade-in value or how to sell your old car. With a lease, that new-car smell need never leave your nostrils. Moreover:

- There's often a low or zero down payment required when leasing
- You can drive a higher-priced, better-equipped vehicle than you might otherwise be able to afford to buy.
- You're always driving a late-model vehicle that's usually covered by the manufacturer's warranty.

These benefits are very inviting for many people. Still, there are a number of compromises and disadvantages to leasing, which means that it's not right for everyone.

- Most leases are a minimum of 24-months
- You have a limited number of miles in your contract and will have to pay extra if you go over.
- You must maintain the vehicle in good condition. If you don't, you'll have to pay penalties for excess wear and tear when you turn it in.
- If you need to get out of a lease before it expires, you may be stuck with early-termination fees and penalties
- You can't customize your vehicle in any permanent way.

In addition, arranging a lease can be a confusing, complicated process that can easily leave you paying more than you should.

This is not to say that leasing can't be a satisfying and cost-effective way to acquire a new vehicle. But it's a mistake to think that leasing is always easier or less expensive than buying.

Who Should Lease?

A lease comes with lots of limitations on how you can use your new vehicle. Do you drive a lot? Do you load your trunk or roof rack with paint-gouging flea-market treasures? Is your car a magnet for parking-lot dents and dings? Are your kids apt to turn its interior into a finger-painting studio? If so, you face a potentially costly problem trying to live within the strictures of a lease. First, you'll have to pay for what the leasing company determines to be excessive wear and tear to the vehicle when you return it at lease-end. Second, you'll have to ante up 10 cents to as much as 25 cents for every mile you drive beyond what your lease allows. Driving 5,000 miles over your limit can cost you \$500 to \$1,250.

Leasing generally makes sense only if:

- You don't exceed the annual mileage allowance--typically 12,000 to 15,000 miles, but sometimes as little as 10,000 miles a year.
- You keep the vehicle in very good shape. Excess wear and tear charges can be steep.
- You can find a lease under 24 months and prefer to literally hand back the car and keys without the hassle of having to dispose of the car before repatriating back home.
- Some long term rentals include insurance and all maintenance, which will create a larger monthly payment, however in the end, ends up equaling the same payment combined in a monthly loan, insurance, maintenance, etc.

If you cannot find a dealership to finance your lease, you might want to also try [Lion Leasing](#).

[Lion Leasing](#) offers a foreign national lease program as well as long term rentals.

While we do not endorse any particular company, you can use our name when contacting them.

[See the next page for more information](#)

Benefits Associated with Financing through Lion Int.

No hassle car leasing and financing

- Leasing / finance program available in all of the U.S.
- 7 to 9 days from application approval to funding
- Lease / finance period from 12 to 60 months
- Minimum finance amount is \$ 15,000
- New and used cars can be financed
- Car maintenance program
- Insurance with AIG (No U.S. drivers license needed) and we will transfer your driving history to the U.S.
- You will build a U.S. credit history, since Enterprise reports to the major U.S. credit bureaus

For vehicle leases or purchases you have 3 options:

- Inform us about what type of make and model you want, and Enterprise will locate and negotiate pricing for you with a dealer close to your location. Enterprise can in most cases get better pricing, as they are one of the largest buyers of vehicles in the U.S.
- Order a new vehicle customized directly from the factory. This will give you a larger discount on the car. Note: waiting period can be 3 to 6 months.
- Find a vehicle on your own at a local dealership, Enterprise purchases the vehicle for the member and leases/finances it directly to them. (Note: no negotiation help)

The following information is required to apply:

- Completed lease / finance application
- Copy of passport with photo and visa stamp
- Copy of valid drivers license
- Employment contract stating salary, term and benefits
- Proof of U.S. residence (i.e. lease agreement or corporate housing)

Financial Terms & Conditions

- Interest rate is between 6.25% to 8.5% and is subject to individual credit review
- No down-payment or a minimal down payment may be required on all lease or finance agreements subject to your credit review
- You can choose to own the vehicle at the end of the lease by paying the residual value on the vehicle

First lease/finance payment consists of:

- Lease inception fee \$995 (per vehicle)
- Initial administration fee \$75 (per vehicle)
- Monthly management fee is subject to credit review
- Pro rated portion of current months monthly payment
- First full months lease/finance payment
- Registration fees (taxes and plate)

6 easy steps to getting your vehicle and more

- Step 1** Contact Lion Int. Leasing +1 212 297 5792 - cars@lion-leasing.com for an initial program overview. Lion Int. will take you through the process of getting a vehicle.
- Step 2** Decide on one or more vehicles that you are interested in, and note the following information: New or used, make, model, year, and desired finance terms (12-60 months). This information will be helpful in the next steps.
- Step 3** To get a customized quote tailored to your needs and credit profile you will need to provide the following information:
1. A copy of your passport and/or visa
 2. A copy of your employment letter specific to your U.S. relocation
 3. A completed application with as much information as possible. Note that this application is not in any way binding.
 4. Any potential guarantee from your employer regarding a leased vehicle (Only if available)

Our partner Enterprise will locate and negotiate a price on the desired vehicle on your behalf with a dealer located near you. They will then contact you with a quote for the lease / finance and go through the terms and conditions with you.

- Step 4** When you have decided on the vehicle and finance terms, contact Lion Int. and we will help you obtain a quote for an auto insurance.
- Step 5** When the auto insurance is finalized, Enterprise will make arrangements for payment of the vehicle to the car dealership and confirm delivery time with you.
- Step 6** Now it is time to pick up your vehicle at the dealership. The vehicle will normally be ready for pick up 1 business day after approval from Enterprise and AIG.

