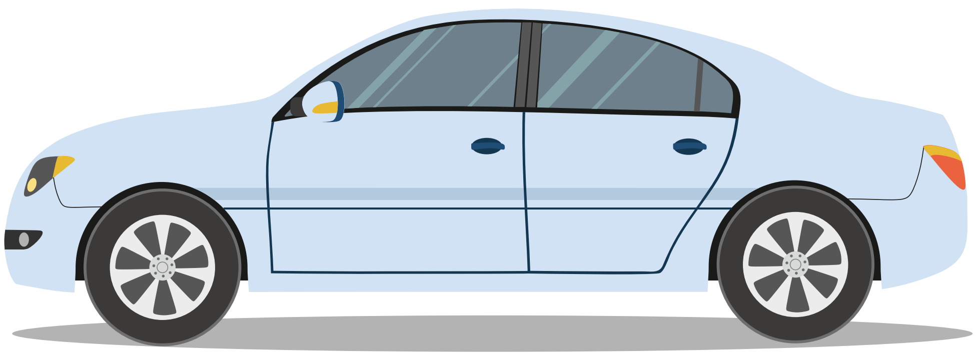
First Service Credit Union

Car Buyer's Guide

The Common Sense Approach to Purchasing a New Vehicle



The Common Sense Approach to

Purchasing a New Vehicle

In the market for a new car? Before taking the next step, let us help you through the oftentimes frustrating and tricky process of shopping for a new car.

No matter the car, we want to provide you with essential information that will make your car buying experience a lot easier.

This step-by-step guide will help you in selecting and financing your new car, as well as tips on what to do with your old car.

Follow our tips and you'll thank us later!

Get Pre-approved

Become a Stronger Shopper

Before setting foot in a dealership, get pre-approved for a loan so you can know what kind of car you can afford.

At First Service, we make shopping for a car easy with an Express Check. An Express Check is essentially a blank check from First Service, good up to the amount for which you are pre-approved.

Once you decide on your vehicle, you'll be able to fill it out, hand it to the dealership, and go on about your day, knowing you got a good deal on your new car.

Scan Or visit FSCU.com/Preapproval

Now that you're on your way to getting your financing done with First Service, it's time to pick out your vehicle. But before you do... research!

Do Your Research

Understand Your Trade-In Value

If you have a vehicle to trade in, invest in a good detail job or detail it yourself. Then provide the VIN, mileage, and vehicle condition to your loan officer at First Service. We have access to wholesale pricing data to help you determine a fair trade-in value.

It is important to determine your current vehicle's worth before you start your negotiations. Many dealers will attempt to underbid your trade. If your trade is worth $10,000 and the dealer only gives you $8,000, then you are essentially paying $2,000 extra for the vehicle you are purchasing.

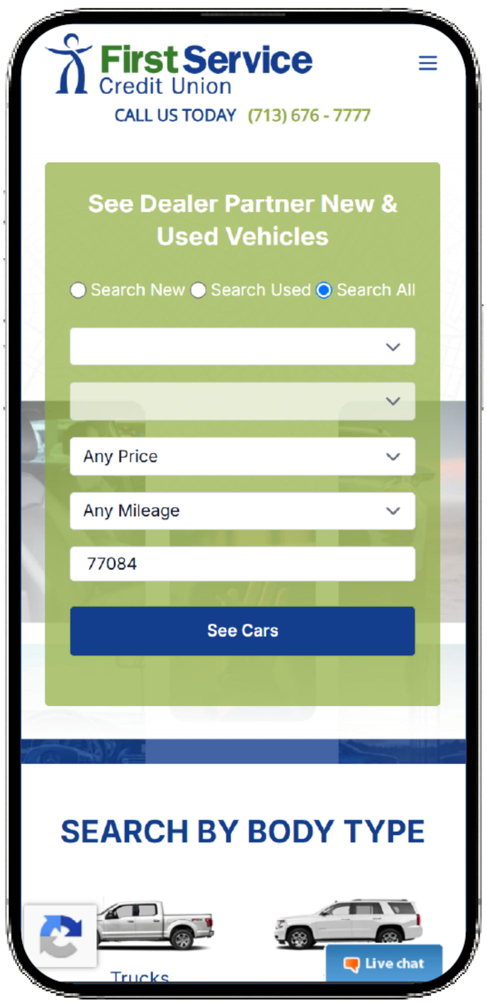
Do Your Research

Find your next ride with our Preferred Dealer Directory

An impulse decision at the dealership could cost you thousands of dollars. Conduct as much online research as possible before you visit a dealership, starting with manufacturer websites.

Research your next vehicle with First Service Credit Union's Preferred Dealer Directory. Browse thousands of new and used vehicles, compare models, review pricing, access **CARFAX® Vehicle History Reports**, and use helpful tools like **payment calculators and trade-in value estimates**—all in one convenient place.

Whether you're buying your first car or upgrading to something new, the Preferred Dealer Directory gives you the information and resources you need to shop with confidence.



The following websites also provide excellent industry reviews to help you research your ideal vehicle and compare to similar models:

Scan or Visit
FSCU.MemberAutoCenter.com

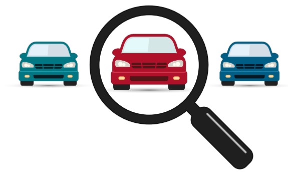
Edmunds.com **CarAndDriver.com** **MotorTrend.com**

Do Your Research

Schedule a Test Drive

When you see a vehicle that fits your ideal criteria during your research, set an appointment for a test drive. Be sure to include the whole family. If your spouse is going to be driving it, make sure they get a chance to test drive it. If you have kids, make sure they get a chance to sit in the back seat. Have your trade appraised during your test drive.

During your test drive, take your time and evaluate equipment and packages.



Some dealerships will require you to provide your Social Security number for identification or OFAC (Office of Foreign Assets Control) purposes. In fact, some will not allow you to take delivery of your new vehicle if you do not provide it.

Do not provide your SS# on a dealer's credit application! Be sure and utilize the Social Security Number Authorization form at the end of this guide.

Now Walk Away!

WALK AWAY AFTER YOUR TEST DRIVE! **NEVER** negotiate at the dealership.

This may seem like a counterintuitive step but walking away will allow you to receive, and then analyze the financial details of the transaction.

Do Your Research

Generate Inquiries on the Preferred Dealer Directory

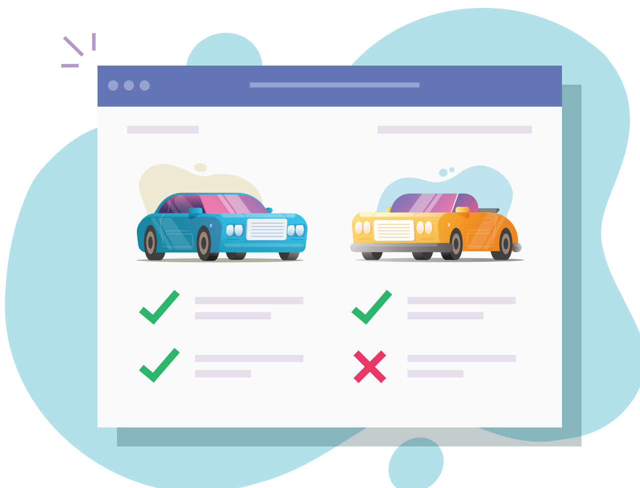
As you browse vehicles in the First Service Preferred Dealer Directory, take time to compare features, review pricing, and check available CARFAX® Vehicle History Reports. When you find a vehicle that interests you, ask yourself:

- Does this vehicle have the features and options I want?
- Does it fit my budget and lifestyle?
- Is this a vehicle I can see myself owning for years to come?

Once you've found a vehicle that meets your needs, share the vehicle listing, VIN, and mileage with your First Service loan officer. We can help you evaluate the vehicle and provide guidance on a fair purchase price. With the Preferred Dealer Directory's research tools and First Service financing expertise, you'll be well-equipped to make a confident buying decision.

Beware if you see 0% APR dealer financing while online shopping or offered when you are emailing with dealerships. Do not assume that is the way to go.

More often than not, rebates to lower the purchase price of the vehicle will far outweigh any savings you would realize from taking 0% APR financing from the dealership.



Negotiate

Request Purchase Agreement

You'll want to let First Service review your purchase agreement before you take delivery of your new vehicle. If you get into a rate conversation with the dealer at any time and allow the dealer to pull your credit, you are leaving yourself wide open to having additional fees added to a different lender's finance contract. Simply tell the dealer "I am already getting an excellent rate."

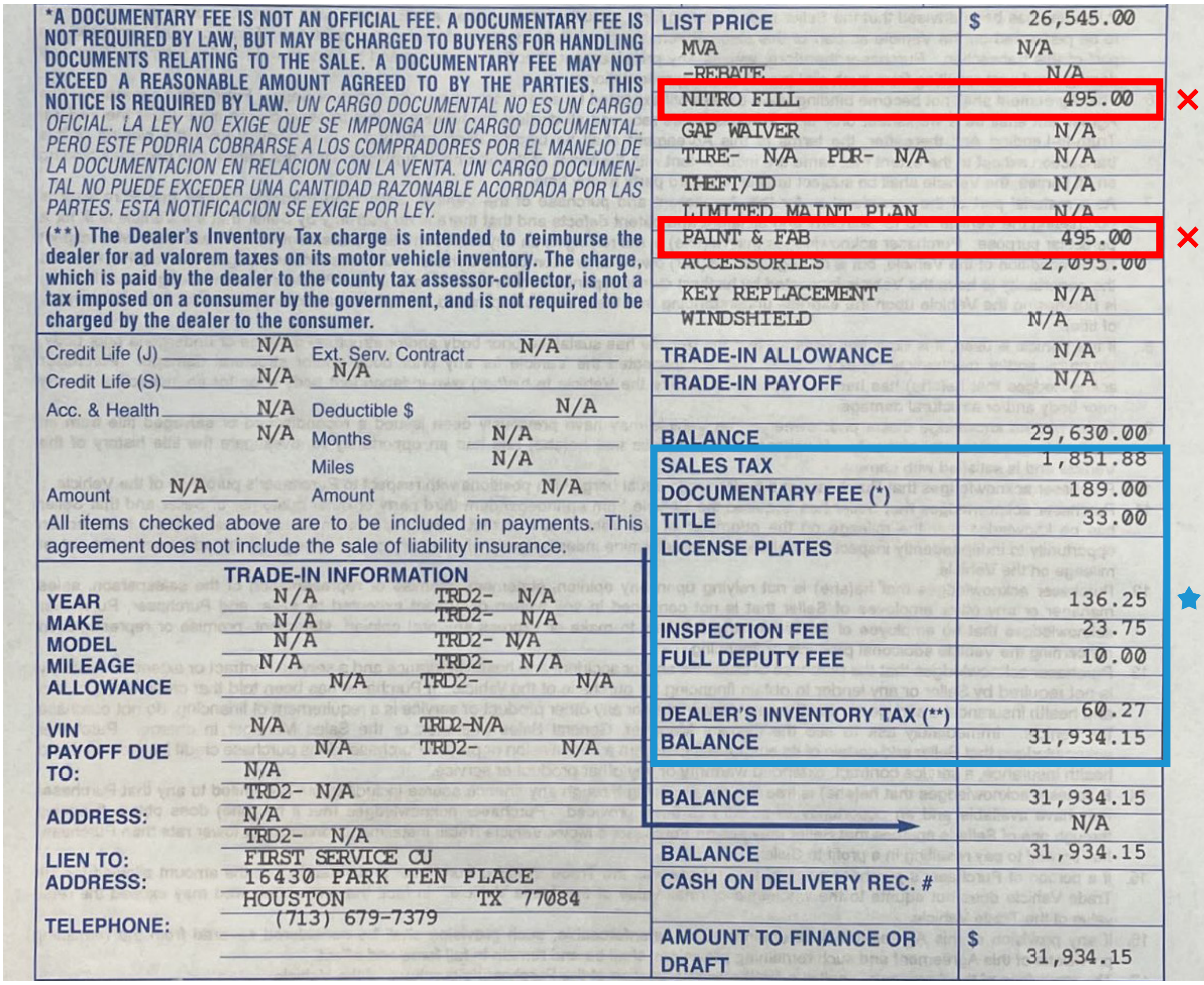
Why CSI Ratings Matter

There is a tremendous amount of money to be made by dealerships for having high Customer Service Index (CSI) ratings. As such, understand that it gives you tremendous leverage as a consumer. While you may have to use it as a threat, if the dealer follows through, hold up your end of the bargain and give them those high CSI ratings.

Scan to read more about why CSI is your hidden power

Review the Purchase Agreement

Purchase Agreement Example 1



*A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO BUYERS FOR HANDLING DOCUMENTS RELATING TO THE SALE. A DOCUMENTARY FEE MAY NOT EXCEED A REASONABLE AMOUNT AGREED TO BY THE PARTIES. THIS NOTICE IS REQUIRED BY LAW. *UN CARGO DOCUMENTAL NO ES UN CARGO OFICIAL. LA LEY NO EXIGE QUE SE IMPONGA UN CARGO DOCUMENTAL. PERO ESTE PODRIA COBRARSE A LOS COMPRADORES POR EL MANEJO DE LA DOCUMENTACION EN RELACION CON LA VENTA. UN CARGO DOCUMENTAL NO PUEDE EXCEDER UNA CANTIDAD RAZONABLE ACORDADA POR LAS PARTES. ESTA NOTIFICACION SE EXIGE POR LEY.*

(**) The Dealer's Inventory Tax charge is intended to reimburse the dealer for ad valorem taxes on its motor vehicle inventory. The charge, which is paid by the dealer to the county tax assessor-collector, is not a tax imposed on a consumer by the government, and is not required to be charged by the dealer to the consumer.

Credit Life (J) N/A Ext. Serv. Contract N/A
Credit Life (S) N/A N/A
Acc. & Health N/A Deductible $ N/A
N/A Months N/A
Miles N/A
Amount N/A Amount N/A

All items checked above are to be included in payments. This agreement does not include the sale of liability insurance.

TRADE-IN INFORMATION

YEAR	N/A	TRD2- N/A
MAKE	N/A	TRD2- N/A
MODEL	N/A	TRD2- N/A
MILEAGE	N/A	TRD2- N/A
ALLOWANCE	N/A	TRD2- N/A
VIN	N/A	TRD2-N/A
PAYOFF DUE TO:	N/A	TRD2- N/A
	N/A	
	TRD2- N/A	
ADDRESS:	N/A	
	TRD2- N/A	
LIEN TO:	FIRST SERVICE CU	
ADDRESS:	16430 PARK TEN PLACE	
	HOUSTON TX 77084	
TELEPHONE:	(713) 679-7379	

LIST PRICE	$ 26,545.00
MVA	N/A
-REBATE	N/A
NITRO FILL	495.00
GAP WAIVER	N/A
TIRE- N/A PDR- N/A	N/A
THEFT/ID	N/A
LIMITED MAINT PLAN	N/A
PAINT & FAB	495.00
ACCESSORIES	2,095.00
KEY REPLACEMENT	N/A
WINDSHIELD	N/A
TRADE-IN ALLOWANCE	N/A
TRADE-IN PAYOFF	N/A
BALANCE	29,630.00
SALES TAX	1,851.88
DOCUMENTARY FEE (*)	189.00
TITLE	33.00
LICENSE PLATES	
	136.25
INSPECTION FEE	23.75
FULL DEPUTY FEE	10.00
DEALER'S INVENTORY TAX (**)	60.27
BALANCE	31,934.15
BALANCE	31,934.15
	N/A
BALANCE	31,934.15
CASH ON DELIVERY REC. #	
AMOUNT TO FINANCE OR DRAFT	$ 31,934.15

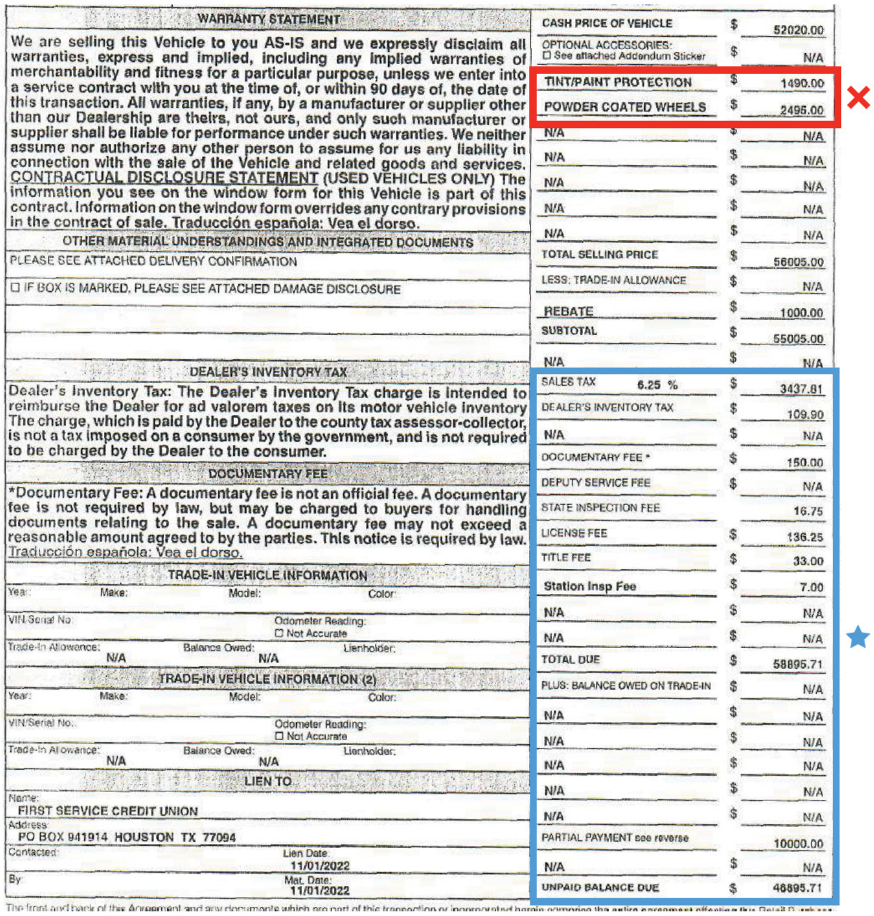
On this purchase agreement, you can see that items like Nitro Fill and Paint & Fab total almost $1,000, and these are not necessary. A good rule of thumb when looking for "dirty items" on a purchase agreement is to look for the items that are written in, as opposed to the items that are part of the original agreement. The items outlined in blue are legitimate fees. You can see the differences in the purchase agreement above.

*Due to the market, some items can not be removed.

Negotiate

Review the Purchase Agreement

Purchase Agreement Example 2



WARRANTY STATEMENT

We are selling this Vehicle to you AS-IS and we expressly disclaim all warranties, express and implied, including any implied warranties of merchantability and fitness for a particular purpose, unless we enter into a service contract with you at the time of, or within 90 days of, the date of this transaction. All warranties, if any, by a manufacturer or supplier other than our Dealership are theirs, not ours, and only such manufacturer or supplier shall be liable for performance under such warranties. We neither assume nor authorize any other person to assume for us any liability in connection with the sale of the Vehicle and related goods and services. CONTRACTUAL DISCLOSURE STATEMENT (USED VEHICLES ONLY) The information you see on the window form for this Vehicle is part of this contract. Information on the window form overrides any contrary provisions in the contract of sale. Traducción española: Vea el dorso.

OTHER MATERIAL UNDERSTANDINGS AND INTEGRATED DOCUMENTS

PLEASE SEE ATTACHED DELIVERY CONFIRMATION

☐ IF BOX IS MARKED, PLEASE SEE ATTACHED DAMAGE DISCLOSURE

DEALER'S INVENTORY TAX

Dealer's Inventory Tax: The Dealer's Inventory Tax charge is intended to reimburse the Dealer for ad valorem taxes on its motor vehicle inventory The charge, which is paid by the Dealer to the county tax assessor-collector, is not a tax imposed on a consumer by the government, and is not required to be charged by the Dealer to the consumer.

DOCUMENTARY FEE

*Documentary Fee: A documentary fee is not an official fee. A documentary fee is not required by law, but may be charged to buyers for handling documents relating to the sale. A documentary fee may not exceed a reasonable amount agreed to by the parties. This notice is required by law. Traducción española: Vea el dorso.

TRADE-IN VEHICLE INFORMATION

Year: Make: Model: Color:

VIN/Serial No: Odometer Reading: ☐ Not Accurate

Trade-In Allowance: N/A Balance Owed: N/A Lienholder:

TRADE-IN VEHICLE INFORMATION (2)

Year: Make: Model: Color:

VIN/Serial No.: Odometer Reading: ☐ Not Accurate

Trade-In Allowance: N/A Balance Owed: N/A Lienholder:

LIEN TO

Name: FIRST SERVICE CREDIT UNION

Address: PO BOX 941914 HOUSTON TX 77094

Contacted: Lien Date: 11/01/2022

By: Mat. Date: 11/01/2022

CASH PRICE OF VEHICLE	$	52020.00
OPTIONAL ACCESSORIES: ☐ See attached Addendum Sticker	$	N/A
TINT/PAINT PROTECTION	$	1490.00
POWDER COATED WHEELS	$	2495.00
N/A	$	N/A
N/A	$	N/A
N/A	$	N/A
N/A	$	N/A
N/A	$	N/A
TOTAL SELLING PRICE	$	56005.00
LESS: TRADE-IN ALLOWANCE	$	N/A
REBATE	$	1000.00
SUBTOTAL	$	55005.00
N/A	$	N/A
SALES TAX 6.25 %	$	3437.81
DEALER'S INVENTORY TAX	$	109.90
N/A	$	N/A
DOCUMENTARY FEE *	$	150.00
DEPUTY SERVICE FEE	$	N/A
STATE INSPECTION FEE		16.75
LICENSE FEE	$	136.25
TITLE FEE	$	33.00
Station Insp Fee	$	7.00
N/A	$	N/A
N/A	$	N/A
TOTAL DUE	$	58895.71
PLUS: BALANCE OWED ON TRADE-IN	$	N/A
N/A	$	N/A
N/A	$	N/A
N/A	$	N/A
N/A	$	N/A
N/A	$	N/A
PARTIAL PAYMENT see reverse		10000.00
N/A	$	N/A
UNPAID BALANCE DUE	$	48895.71

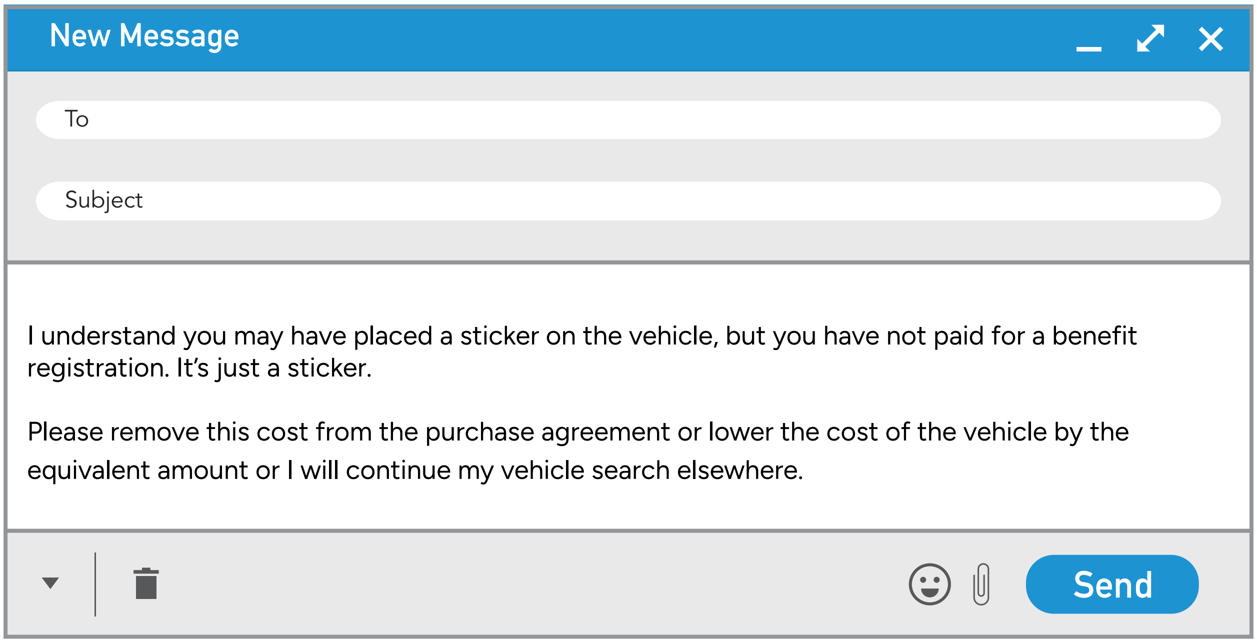
The front and back of this Agreement and any documents which are part of this transaction or incorporated herein comprise the entire agreement affecting this Retail Purchase

The sales price of this vehicle included almost $4,000 in optional products on this “dirty” purchase agreement. The member requested that the dealer remove all the products before First Service funded the loan, or they would not purchase the vehicle.

The dealer wasn’t happy, but the member ended up paying $4,000 less for the vehicle.

First Service can provide you with Extended Warranty, GAP, and Multishield Protection at a far lower cost than the dealership.

As you are reviewing the purchase agreement, if the dealer tells you VIN Etching, Phantom Footprints, or Theft Protection are “already on the car,” your response should be as follows:

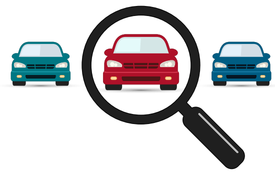


Negotiate

Review the Purchase Agreement

Once you have purchase agreements from all the dealers that are interested in competing for your business, you can compare them apples to apples. As long as all the dealers sent you information on the same vehicle with the same equipment package, you now have the ability to pick the best price.

You can also continue to negotiate on things like exterior/interior colors if that is something that is important to you. For example, if you would prefer a white car with beige interior, and Dealer A has that one, but it is $500 more than Dealer B who has a blue car with gray interior, you can email Dealer A and see if they would be willing to match the price of Dealer B.



New Message

To

Subject

I am really leaning towards purchasing the white (Make/Model) from you because of the color, however another dealership I am talking to has the same vehicle in blue that I am not as fond of for $500 less. I will purchase the white one from you if you can come down $500 and match the other dealership.

If you cannot come down on the price, I understand. However, I'll be purchasing the blue one from one of your competitors.

Send

Negotiate

Evaluate Dealer Financing for the Rebate

Sometimes, taking advantage of dealer financing in order to secure additional rebates can help you lower the total amount financed and then you can refinance your vehicle with First Service to lower your payments. Your First Service loan officer can help you do the math to figure out if this is in your best interest.

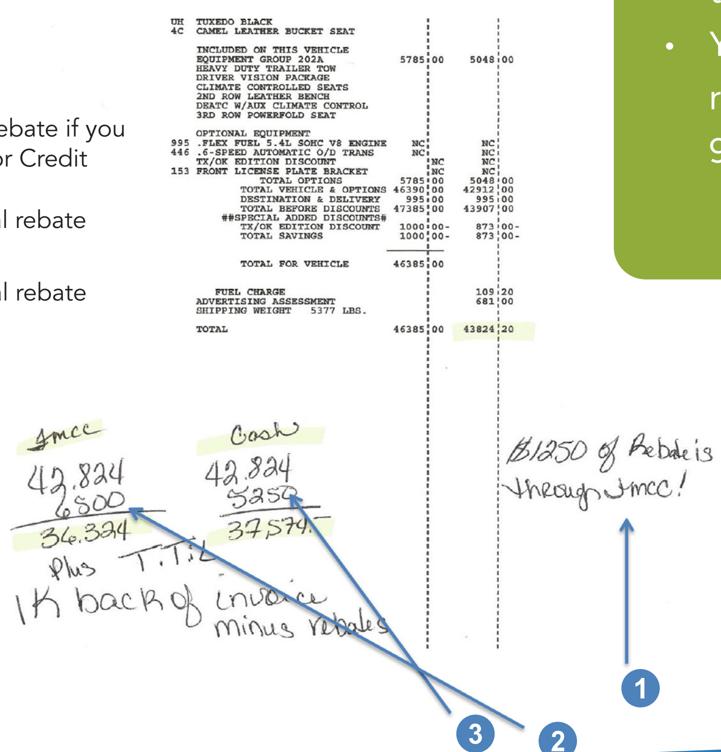
In the example below, this member was offered an additional rebate of $1,250 to use Ford Motor Credit Company (FMCC), but the rate with the dealership was much higher than the First Service rate. In this instance, the best course of action is to finance the vehicle with FMCC to take advantage of the additional rebate and then immediately turn around and refinance the vehicle with First Service at a lower rate. Keep in mind, you will have to let the dealer pull your credit and you need to be sure they don't sneak any additional charges on your purchase agreement or finance contract.

Once the loan is established in the lender's system (typically 1-2 weeks), we can complete the refinance with First Service and pay off the factory lender.

Important Notes

- You do not have to wait 90 days or make 3 payments with the other lender.
- You will not lose the additional rebate if you re-finance within 90 days.

1. $1,250 ADDITIONAL rebate if you finance with Ford Motor Credit
2. Total of car minus initial rebate
3. Total of car minus initial rebate plus additional rebate



UH	TUXEDO BLACK		
4C	CAMEL LEATHER BUCKET SEAT		
	INCLUDED ON THIS VEHICLE		
	EQUIPMENT GROUP 202A	5785 00	5048 00
	HEAVY DUTY TRAILER TOW		
	DRIVER VISION PACKAGE		
	CLIMATE CONTROLLED SEATS		
	2ND ROW LEATHER BENCH		
	DEATC W/AUX CLIMATE CONTROL		
	3RD ROW POWERFOLD SEAT		
	OPTIONAL EQUIPMENT		
995	.FLEX FUEL 5.4L SOHC V8 ENGINE	NC	NC
446	.6-SPEED AUTOMATIC O/D TRANS	NC	NC
	TX/OK EDITION DISCOUNT	NC	NC
153	FRONT LICENSE PLATE BRACKET	NC	NC
	TOTAL OPTIONS	5785 00	5048 00
	TOTAL VEHICLE & OPTIONS	46390 00	42912 00
	DESTINATION & DELIVERY	995 00	995 00
	TOTAL BEFORE DISCOUNTS	47385 00	43907 00
	##SPECIAL ADDED DISCOUNTS#		
	TX/OK EDITION DISCOUNT	1000 00-	873 00-
	TOTAL SAVINGS	1000 00-	873 00-
	TOTAL FOR VEHICLE	46385 00	
	FUEL CHARGE		109 20
	ADVERTISING ASSESSMENT		681 00
	SHIPPING WEIGHT 5377 LBS.		
	TOTAL	46385 00	43824 20

In this example, if you finance with Ford you will receive an additional $1250 rebate.

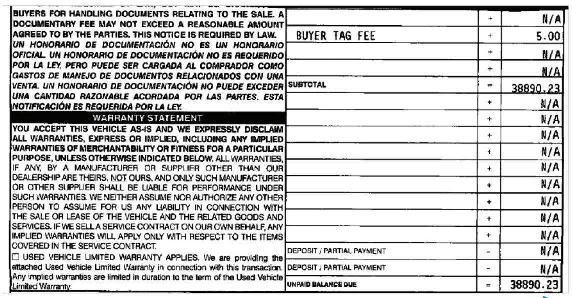
This effectively raises the total rebate amount from $5250 to $6500, thus lowering the cost of the vehicle.

Remember, your First Service loan officer can run all these numbers for you and help you pick the right option for you.

If you choose to go with the factory financing, you need to make sure that the Unpaid Balance on your "clean" purchase agreement matches the Amount Financed (Line 5) on the factory lender's finance contract.

In the example below: If your "clean" purchase agreement shows an unpaid balance of $38,890.23 after you take advantage of the additional rebate offered through the dealer's lender, make sure Line 5 (Amount Financed) on the other lender's finance contract also equals $38,890.23.

Purchase Agreement



BUYERS FOR HANDLING DOCUMENTS RELATING TO THE SALE. A DOCUMENTARY FEE MAY NOT EXCEED A REASONABLE AMOUNT AGREED TO BY THE PARTIES. THIS NOTICE IS REQUIRED BY LAW. *UN HONORARIO DE DOCUMENTACIÓN NO ES UN HONORARIO OFICIAL. UN HONORARIO DE DOCUMENTACIÓN NO ES REQUERIDO POR LA LEY, PERO PUEDE SER CARGADA AL COMPRADOR COMO GASTOS DE MANEJO DE DOCUMENTOS RELACIONADOS CON UNA VENTA. UN HONORARIO DE DOCUMENTACIÓN NO PUEDE EXCEDER UNA CANTIDAD RAZONABLE ACORDADA POR LAS PARTES. ESTA NOTIFICACIÓN ES REQUERIDA POR LA LEY.*

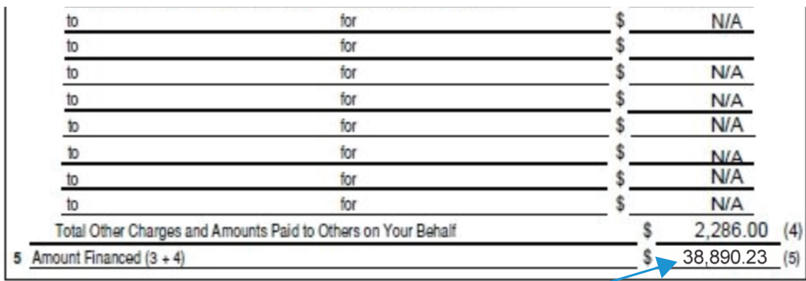
WARRANTY STATEMENT

YOU ACCEPT THIS VEHICLE AS-IS AND WE EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, UNLESS OTHERWISE INDICATED BELOW. ALL WARRANTIES, IF ANY, BY A MANUFACTURER OR SUPPLIER OTHER THAN OUR DEALERSHIP ARE THEIRS, NOT OURS, AND ONLY SUCH MANUFACTURER OR OTHER SUPPLIER SHALL BE LIABLE FOR PERFORMANCE UNDER SUCH WARRANTIES. WE NEITHER ASSUME NOR AUTHORIZE ANY OTHER PERSON TO ASSUME FOR US ANY LIABILITY IN CONNECTION WITH THE SALE OR LEASE OF THE VEHICLE AND THE RELATED GOODS AND SERVICES. IF WE SELL A SERVICE CONTRACT ON OUR OWN BEHALF, ANY IMPLIED WARRANTIES WILL APPLY ONLY WITH RESPECT TO THE ITEMS COVERED IN THE SERVICE CONTRACT.

☐ USED VEHICLE LIMITED WARRANTY APPLIES. We are providing the attached Used Vehicle Limited Warranty in connection with this transaction. Any implied warranties are limited in duration to the term of the Used Vehicle Limited Warranty.

	+	N/A
BUYER TAG FEE	+	5.00
	+	N/A
	+	N/A
SUBTOTAL	=	38890.23
	+	N/A
	+	N/A
	+	N/A
	+	N/A
	+	N/A
	+	N/A
	+	N/A
	+	N/A
	+	N/A
DEPOSIT / PARTIAL PAYMENT	-	N/A
DEPOSIT / PARTIAL PAYMENT	-	N/A
UNPAID BALANCE DUE	=	38890.23

Factory Lender's Finance Contract



to	for	$	N/A	
to	for	$		
to	for	$	N/A	
to	for	$	N/A	
to	for	$	N/A	
to	for	$	N/A	
to	for	$	N/A	
to	for	$	N/A	
Total Other Charges and Amounts Paid to Others on Your Behalf		$	2,286.00	(4)
5 Amount Financed (3 + 4)		$	38,890.23	(5)

$38,890.23 = $38,890.23

If Line 5 (Amount Financed) on the other lender's finance contract is higher than your carefully negotiated "bottom line" (Unpaid Balance) on your purchase agreement, this means the finance manager has added optional items!

Politely tell the finance manager that you only want to finance the Unpaid Balance on your purchase agreement! However, it is okay to purchase GAP insurance, so that you're covered in the event your car is totaled or stolen.

Once you go through with financing with the factory lender to take advantage of the additional rebate, do not forget to take the last step and follow through with First Service to refinance your vehicle with us.

Use Your Express Check

Purchase with Your Express Check

If everything looks good on the purchase agreement (and matches up to the finance contract if you are going to finance with them to take advantage of the rebate), make an appointment to take delivery. Make sure you have your Express Check filled out before you get to the dealership!

- Be specific about setting an appointment. Dealerships will tell you "just come on in" and then use that opportunity to try and flip the financing on you at the last minute.
- Ask that the car be parked out front when you arrive. Dealerships will use stall tactics like gassing it up or one last detail to try and flip the financing on you at the last minute.
- When you go inside to give them your Express Check and fill out a small amount of paperwork, don't take the bait when they ask what kind of deal you're getting.

In all of the above situations, simply say, "I am already getting an excellent rate with my credit union," then pay with your First Service Express Check, and enjoy your new ride!

Lastly, if the salesperson did a good job, hold up your end of the bargain from that very first email and give them those high CSI ratings.

So let's review:

1. Get Pre-approved for an Express Check
2. Research
3. Negotiate
4. Use your Express Check

For any questions related to purchasing a new car, the First Service loan officers are here to help at **713-676-5270.**

The Car Buyer's Guide is intended to provide general information and guidance throughout the vehicle purchasing process. Use of this guide does not constitute or guarantee approval for an auto loan or the purchase of a vehicle. For additional information about our pre-approval process, please visit FSCU.com/PreApproval.

Social Security Number Authorization

By signing below, I authorize ______________________________ (Automobile Dealership) to utilize my Social Security Number for identification purposes only in the conjunction with an automobile purchase from their dealership.

This is not an authorization to access my credit report.

By signing below, the dealer representative acknowledges that they will not utilize my Social Security number to access my credit report and will be subject to legal action if an inquiry from the dealership appears on Equifax, Experian, or TransUnion.

____
Purchaser – Print Name

____
Purchaser – Signature

____
Date

____
Dealer Representative – Print Name

____
Dealer Representative – Signature

____
Date