

## Things you should know when buying a car ...



You look GREAT in that little red sports car! The salesman says the dealership can process your loan application, and you can drive it home today. Sounds great, right? Maybe ... and maybe not!

There are some things you should do BEFORE you sign that dealer purchase agreement, because once you sign it, you don't have the right to change your mind.

Before you make your final decision, you'll want to know what that hot little number will cost you to insure. Massachusetts is a compulsory insurance state, so you must have liability insurance. The loan agreement you sign to buy the car will, no doubt, require you to carry physical damage – comprehensive and collision – coverage. You might be surprised to find that the tiny little sports car has a very big price tag when it comes to insurance, particularly if you have a somewhat checkered past in the accident and ticket department!

You will want to make a quick call to your insurance agent or company to find out how much it will cost to insure the car.

If buying the car is a “go”, here are some things you should know:

1. The dealer must assign the vehicle's title to you at the time of delivery. Make sure the back of the title is one of the documents you sign before you drive away.
2. If you are trading in your old car, in some cases you may have a “grace” period to give you time to get to the RMV. Your insurance agent or company can tell you whether this law applies to you.
3. To register your new car, you will need an RMV-1 Application for Registration form and the title to the new car. This RMV-1 form will be completed by the dealer or by your insurance agent or company if you are buying from a private person. When you register the car, you will need to pay for the new plates (cost varies depending on plate type) or a plate transfer (\$15), a title (\$50), and the sales tax. The sales tax is based on purchase price for dealer sales and “book value” (to be determined by the RMV) for private sales.
4. Your new car must have a safety inspection within seven days of registration.
5. If you are buying a used car, you may also need to have a pre-insurance inspection within ten days of purchase. This inspection is different from the safety inspection and required by Massachusetts regulations in order to determine if there is existing damage or broken glass.