

RENTING A CAR

The rental car companies do everything they can to protect their property. If you rent a car, it is important to read every part of the contract in fine print on the



back of the page. You want to be sure that you are fully covered with insurance in case of an accident.

Unless your personal car insurance policy covers you and the rental car

you drive (specifically, in writing, in your policy), you need full coverage from the rental company. Once there is a written contract, any departure from the contract must be in writing.



DRIVING IN CHAMPAIGN-URBANA AND OTHER PLACES

One of the things you learn quickly is that the habits of the Champaign-Urbana drivers are just a little bit different from those of other areas.

There is a slightly different "feel" to driving in each part of the country and in various towns and cities in Illinois. To avoid accidents, it is important to know the manner of



observing regulations in each separate place; for example, how do people respond to green lights? Traffic regulations differ from state to state, also. It is only recently that Illinois drivers are permitted to turn right on a red light with caution after stopping, unless

there is a sign posted to the contrary. Speed limits are rigorously enforced on Green Street and, in general, on campus.



STUDENT LEGAL SERVICE

324 Illini Union
1401 West Green St.
Urbana, IL 61801
333-9053

Office Hours: 8:30-Noon & 1-4:30pm, M-F
<http://www.uiuc.edu/unit/SLS>

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SUMMARY OF COSTS

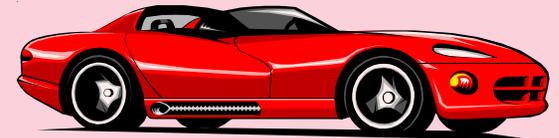
The costs of driving a car are:

- Purchase price, with extras
- Interest on the purchase loan
- Repairs, parts and labor
- Registration of purchase, state tax
- Annual license for the vehicle
- Insurance coverage
- Gasoline, oil, on-going care
- Parking
- Traffic and parking tickets
- Car rental
- Auto accident costs (unpredictable)
- Re-possession and redemption costs of car lost through non-payment

Before purchasing a car, you should budget money to cover all possible events in order to decide whether you can afford the visible and hidden costs.

THIS PAMPHLET DOES NOT CONSTITUTE LEGAL ADVICE. STUDENTS WHO ARE CONFRONTED WITH LEGAL PROBLEMS OR WHO NEED SPECIFIC ADVICE ARE ENCOURAGED TO SEEK ASSISTANCE FROM A LICENSED ATTORNEY AT STUDENT LEGAL SERVICE.

CAN YOU AFFORD TO DRIVE A CAR?



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PURCHASING AN AUTOMOBILE

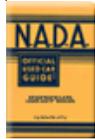
You may purchase a new or used car. If you decide to buy a new car, you will find variations in the cost from dealer to dealer for the same model with the same or different options, such as power steering, cruise control, sunroof, or CD player/sound system. One cost advantage of buying a new car is that there are warranties that will protect you for a specific period of time.

When you buy a used car, you should understand the terms of your "warranty," which is probably a service agreement, or the meaning of "as is". You can expect to need repairs soon on a used car. It is best to know the history of the car; check with <http://www.carfax.com>. Was it ever in an accident? Has it ever been "salvaged"? You should also know what normal mileage is for the age of the car you buy. If the mileage is



low, the odometer may have been rolled back to show fewer miles. Rolling back the odometer is classified as a crime of fraud.

You may be able to negotiate the price of the car, but if you do not like to bargain, you might want to know that there are dealers who have set prices for new cars. If you are going to buy a used car, you should know the Bluebook value of the model and year of the car you intend to buy to help you determine whether the price you are asked to pay is fair. Check with <http://www.nadaguides.com>.



COSTS AT PURCHASE

When you have purchased a car, you have brought upon yourself many other costs.

The first of these is the registration of ownership. You will also buy an auto license every year: seventy-eight



dollars (\$78.00) for a passenger car in Illinois (2005) for

standard plates; personalized or vanity plates, and specialty plates are



more. Paying for your car in payments means that you have taken out a loan for the car and part of each payment will be for interest on the loan. In the long run, this means that you pay more for the car than the initial price. You will want to study the loan papers before you sign them. Once you have taken out a loan to pay for the car, you have to repay the entire loan, even if something happens to your car and you can no longer use it.

AUTO INSURANCE IS REQUIRED

Even a careful driver may be involved in an accident. Illinois law demands that you have insurance to cover accidents. You will make a substantial payment (several hundred dollars) for insurance at the time of purchase of the car.



If you have a very old car, the insurance company will not cover you for "collisions"; in that case, you will only have liability insurance: money to cover the car that you hit and any person you hurt in the accident. In other words, your insurance company will not pay for the damage to your car. If the accident is caused by the other driver, his liability insurance will pay for your damage if he has insurance.

It is best to have "full coverage" so that your insurance company will pay for the damage to your car. (If the other person is at fault, the insurance company will collect what they paid to you from that person's insurance.) If you are involved in an accident, you will be responsible for the deductible amount on your insurance (usually \$500 or \$1,000). Your insurance will pay the rest of the bills that they have agreed to pay under the policy.

Auto accidents can cost more than is obvious at the time of the accident. If the cost of the repair is more than the fair market value of the car (often, but not always, the Bluebook value), the car is "totaled" by the insurance company, and it will give you no more than the fair market value. If the car is less than eight years old, they will also take the car. If the car is older, you may keep it and have it repaired, but the insurance will not pay more than the value of the car.

It is wise to investigate your insurance company before you commit yourself to a policy. It is better to pay more for insurance than to get poor coverage for cheaper insurance premiums.

ON-GOING COSTS

The on-going costs of the use of the car include those for gasoline, upkeep (oil changes, etc., unless you buy one of the new cars which includes upkeep for a period of time), parking (annual, monthly, daily lot, neighborhood meters). If you drive on toll roads, you will pay set amounts.



You will want to budget some money annually for the repair of a car no longer under the original warranty. Labor costs

are usually the greater part of repair; for this reason, you will want to have a reliable mechanic with a shop near your home for routine and special work. Some repairs will have to be done by a dealer.



TICKETS, EXPECTED OR NOT

Both parking and moving violation (traffic) tickets can be unexpected expenses. The fine for a parking ticket doubles if it is not paid quickly. If your car is towed because it is illegally parked or is on the street during cleaning, you will incur an additional cost of over eighty dollars (\$80) to get it back.



The fines on moving violations increase every couple of years. This year the minimum fine for a moving violation is seventy-five dollars (\$75).

THE WORST HAPPENS: Losing the Car

When a car is being purchased under an installment contract, failure to make payments can lead to the repossession of the car. When a car is repossessed by the lender, the lender sells the car, sometimes at auction. If the car is sold for less than the balance of the loan, the person who originally bought the repossessed car is liable for the payment of the rest of the original loan. This is the worst that can happen: you are continuing to pay for a car you no longer have.



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