



Hotline helps with car-buying questions

By Liesel Nowak

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John Conover and Alex Gulotta have heard stories of used-car woe for years from people duped by bad wheel deals.

Now the pair of legal aid lawyers are launching a free program designed to help used car purchasers with low incomes make wise decisions before they end up in a pickle, or a lemon.

"We see too many people after the fact," Conover said, and most of the time, there isn't a thing that can be done for the consumer, thanks to dealer-friendly Virginia laws. "People want to be optimistic [and think] the car will last."

That optimism can lead to hasty decisions, however. Buying a used car is a gamble, Gulotta said, and bad judgment can easily lead to bankruptcy.

After uninsured medical bills, car financing gone bad leads more people to file for bankruptcy, Gulotta said.

"You're sunk," Gulotta said. "Once you make a bad deal, you're stuck with a bad deal."

Along with finding the right car for the right price, another key component in smart auto shopping is financing.

In general, people are getting smarter at buying used cars. Thanks to the Internet, consumers are able to shop around and compare offers between dealers and private sellers by browsing Web sites that offer price information about used cars and a detailed history of a particular automobile.

But some buyers are still susceptible to a financing trap. Gulotta said he has seen clients lock into car loans with interest rates as high as 39.9 percent. Eventually, the consumer is over his head in debt.

Many people only see what their monthly payments amount to, and not the long-term ramifications of buying with a high-interest rate. For low-income clients unable to buy a house, purchasing a car is the biggest financial commitment they will make, Gulotta said.

In some ways, Conover said, buying a house is less tricky, because it is a slower process with many built-in checks and balances.

With many years of experience between them, Conover and Gulotta are willing to walk prospective buyers through the process of buying a used car. The Car Talk program will help clients make smart decisions about the value of a car, and help them shop around for financing, whether it is at a bank, a credit union or through the dealer.

Sometimes, consumers underestimate their credit score, and agree to high rates. The Car Talk team will pull credit reports and counsel clients on what their financing options might be. In some cases, Conover and Gulotta said, they will advise clients on why it is better not to buy a car, if their budgets just won't allow it.

Some of the most common dilemmas in car buying involve confusion over warranties. Gulotta said they will show clients how to negotiate a better warranty with the dealer. He said many people hear "30-day warranty" and assume they can bring the car back if there are any problems, but most warranties are limited, and cover only major mechanics of the power train such as the transmission or engine.

"It really is a significant problem," Gulotta said. "People just get themselves in such a horrible mess."

Virginia National Bank has provided a grant to fund the Car Talk program. Conover and Gulotta received the go-ahead for use of the program's name from the hosts of National Public Radio's own "Car Talk" show, Tom and Ray Magliozzi, aka "Click and Clack, the Tappet Brothers."

Thanks to a heavy print advertising campaign featuring a caricature of Conover and Gulotta, people are already calling the Car Talk hotline at (800) 578-8111 or (434) 977-0553.

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