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# Keeping Your Vehicle and Managing Your Money

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## Section Objectives

Aside from a house, your vehicle is probably one of your biggest investments you'll ever make. This section is designed to help you take care of your investment and your finances so you can enjoy your vehicle, and continue sharing the road to good credit. After completing this section you will be able to:

- Understand how to take care of your vehicle
- Recognize your responsibilities as an owner
- Recognize the importance of protecting your credit
- Understand the fundamentals of vehicle safety

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## Key Terms

<b>Car Alarm</b>	A device installed in a vehicle in an attempt to discourage theft of that vehicle.
<b>Car Manual</b>	An owner's manual that provides handy information about basic maintenance and service of your vehicle.
<b>Immobilizer:</b>	An immobilizer is an electronic device which prevents a vehicle from being started until it has been deactivated.
<b>SR22:</b>	A form which must be filed by the insurance company stating that auto liability insurance is in effect for a particular individual. Required when insurance is provided to an individual who was in an accident or was convicted of a traffic offense or was unable to show financial responsibility.
<b>Tracker:</b>	An electronic device to track your vehicle, very useful to recover your vehicle in case of theft.

## Taking Care of your Vehicle

Protecting your vehicle means more than just taking it to the car wash, it means getting to know its features and the kind of routine maintenance it needs. It means continuing to manage your money wisely, and it means paying your vehicle loan on time. Finally, it means knowing how to cope with serious financial problems if they should arise.

Remember to get your car you have:

- Saved money for a down payment
- Saved for fees, insurance, and other loan expenses
- Shopped around for the best financing
- Looked and looked for the right vehicle on the Internet and at the dealership
- Had your credit history reviewed by the lender
- Filled out forms
- Showed up for classes, appointments, and test drives
- Committed yourself to an additional debt and upkeep of your vehicle

### **Maintenance**

Before you drive out of the dealership, there are questions that you should ask the sales person or the maintenance staff:

- Is there any mileage on the vehicle? Even new vehicles sometimes have a small amount of mileage.
- How do the different features of the vehicle work?
- What does the service contract include?
- Are there any manufacturer's warranties?
- Is there any routine free maintenance included?
- Who should you contact in case you have more questions after you take possession of the vehicle?

## Vehicle Maintenance Check List

If you love your vehicle, as most people do, you'll want to prevent problems and extend its life. Most of the maintenance on your vehicle should be performed by a qualified mechanic. You should pay attention to the mechanical function of the vehicle regularly. Refer to your vehicle manual for a maintenance schedule for your specific make and model. The following are some simple checks and procedures to help prevent problems and extend the life of your vehicle:

- **Check all the fluids.**  
This includes brake, power steering, transmission, transaxle, windshield washer and antifreeze fluids. Your owner's manual will tell you how to check these.
- **Check the air pressure level in your tires at least once a month.**  
Your owner's manual should specify the ideal air pressure for your particular tire.
- **Make sure all your lights work.**  
This includes headlights, turn signals, brake lights and taillights.
- **Replace the windshield wiper blades periodically.**  
If your wiper blades are cracked or torn, or if they begin to streak, it's time to replace them.
- **Inspect the engine belts.**  
They should not have cracks or missing segments.
- **Check the air filter.**  
The filter should be clean, not clogged or damaged.



If you have questions about any basic maintenance issues or notice any unusual problems with the vehicle, take it to your dealership or to a certified mechanic. Do not take risks that might endanger your investment or your safety.

## Vehicle Manual

In general, new vehicles come with a printed manual located in the glove compartment or another designated place in the vehicle. Owner's manuals have information on changing a tire, explanation of warning lights and signs, and many other basic maintenance tips. Knowing your vehicle and its various parts can be a life saver. If you need an owner's manual you may contact your dealership or search for a copy on the Internet. A small fee might be required.

## Vehicle Owner Responsibilities

### Paying on Time

By routinely paying your bills on time, you will have peace of mind knowing that your bills are in order and that you will not have to pay unexpected late charges. If you pay your vehicle or other bills late, you end up paying more than you owe, you might lose your line of credit, your possessions or your services. Some credit agreements make the total unpaid balance due if you miss a payment. So, let's say you miss a vehicle payment. You may have to pay the total amount you owe, or the lender can take the vehicle back. Sometimes the creditor has the legal right to take money out of your paycheck to repay the debt.



Budget your expenses, make your vehicle payment at least 10 business days before the due date, and call your creditor as soon as you are aware that you can not pay a payment. Remember, if your vehicle payment is several hundred dollars, it might be difficult to get back on track if you miss even one payment. And, keep in mind that making your payments on time will always keep you ahead of the “credit” game.

### Pay Taxes and Insurance

Before you became a vehicle owner, your tax and insurance needs were probably pretty simple. An income tax form and some basic renter's insurance were probably all you needed. Things are a little different for vehicle owners. Some states charge an annual personal property tax for your vehicle and your vehicle must be continuously insured under a proper policy. If you have a lapse on your insurance, you may have to buy a more expensive mandatory insurance sometimes known as SR22. If you have an accident, you may be found guilty of driving without insurance which could carry monetary penalties and/or time in jail even if the accident was caused by the other driver because by law you are required to insure your vehicle. If you caused an accident and have no insurance, you may have to pay thousands of dollars and spend long hours in Court.

To find out the auto insurance state minimum and fines and penalties for driving without insurance in your State, visit the Department of Motor Vehicle's website.

### Never Leave the Accident Scene

In the event that you are involved in an accident never leave the accident scene. The law requires that you identify yourself and render assistance before leaving the scene of an accident. Police must be called if the accident involves death, injury, or property damage.

A driver involved in an accident must give his name, address, vehicle registration number, and show his driver's license to any other driver involved in the accident, if asked to do so. You should not make any statements or admissions about fault or causing the accident. A lack of complete information and the excitement of the moment can lead to admissions that would not have been made in a more normal circumstance.

If you are injured, the investigating officer is likely to ask you if you wish to be transported to the nearest emergency room. This is not the time to be tough. If you have been injured, tell the police officer so. Accept his offer to have you transported to the emergency room if you have any question about your ability to get there yourself. It is best to have a doctor give you a thorough

examination as soon after the accident as possible. Of course, sometimes, it is imperative from a medical standpoint

*Drive safely; remember your life and that of many others is in your hands.*

### Police Reports

A police report was probably generated if you have been involved in a motor vehicle accident or other incident to which a law enforcement officer responded. You are entitled to receive a copy of any such report, so it is a good idea to contact the responding law enforcement agency as soon as possible after the incident. If you know the name of the agency, locate them in the phone book or on the internet, and call them to request a copy of the report. You may need to pay a small fee to cover photocopying, and the agency may require that you appear in person to pick up the report. Some agencies will mail a copy of the report to you at no charge. Police reports can help you in negotiating personal injury disputes with the insurance company and can clarify circumstances of the incident and may contain officer's observations of any state's vehicle code violations.

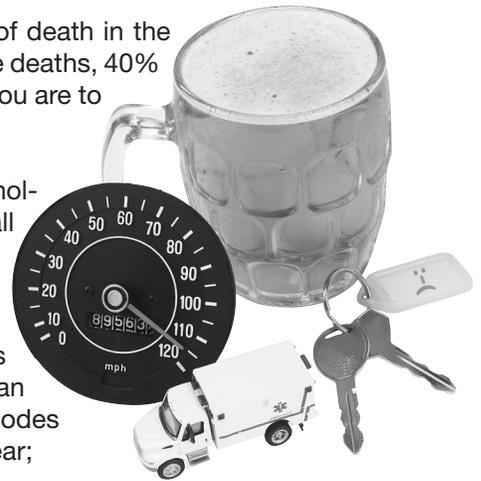


### Never Drink and Drive

Most people think about drink and drive as a matter of intoxication. However, it's a question of whether or not it's safe to drive when you have consumed any amount of alcohol. Research shows that alcohol impairment begins before a person reaches the blood alcohol concentration of .08.

According to the Centers for Disease Control, the leading cause of death in the United States under the age of 34 is motor vehicle wrecks. Of those deaths, 40% are alcohol-related. Basically, the more you drink, the more likely you are to have an accident, and a fatal one.

- During 2005, 16,885 people in the U.S. died in alcohol-related motor vehicle crashes, representing 39% of all traffic-related deaths;
- In 2005, nearly 1.4 million drivers were arrested for driving under the influence of alcohol or narcotics (Department of Justice 2005). That's less than one percent of the 159 million self-reported episodes of alcohol-impaired driving among U.S. adults each year;
- Drugs other than alcohol (e.g., marijuana and cocaine) are involved in about 18% of motor vehicle driver deaths. These other drugs are generally used in combination with alcohol;
- More than half of the 414 child passengers ages 14 and younger who died in alcohol-related crashes during 2005 were riding with the drinking driver;
- In 2005, 48 children age 14 years and younger who were killed as pedestrians or pedalcyclists were struck by impaired drivers;



Driving intoxicated increases your chances of:

- Driving recklessly
- Making bad driving decisions
- Not being able to control your vehicle
- Breaking the law
- Being in a vehicle accident, you could
  - Die
  - Become permanently and severely disabled
  - Cause the death of another person (a stranger, a relative, a friend, a child)
  - Cause great injury to another person (a stranger, a relative, a friend, a child)
- Losing your driver's license
- Being arrested
- Paying higher vehicle insurance rates
- Having the disapproval of your family, friends, neighbors and peers

**Below are some safety tips to keep in mind:**

- Don't drink and drive and don't drive with someone that had too much to drink
- Volunteer to be a designated driver
- Always use a safety seat belt
- Never use illegal drugs. Illicit drugs are involved on a large proportion of traffic fatalities

Having a driver's license is a privilege and in many areas driving is a necessity of every day life. Protect it and protect your live and the lives of everyone around you.

## Car Safety

It is estimated that a vehicle is stolen every 26 seconds in the United States. To reduce the risk of becoming a victim of vehicle theft:

### Secure your vehicle

- Lock your garage at home
- Park in well-lit areas
- Roll your windows up
- Always lock your vehicle
- Consider installing a vehicle alarm
- Never leave your vehicle unattended while the engine is running

### Secure your property

- Always hide valuables
- Never hide a second key in or on your vehicle

Always report any theft activity to your local police.

## Locking your Vehicle and Car Alarms

Car safety experts estimate that nearly 20% of all vehicles stolen have the keys on them and approximately 50% were left unlocked. For your protection it is highly recommended that you:

- Look around and inside your vehicle before you get in. If you are concerned for any reason simply walk past your vehicle and call for help.
- Lock your door immediately upon entering the vehicle. Make this your first action—even before you put the key in the ignition.
- Lock your door every time you get into your vehicle even if you are just going for a short ride.
- Check your surroundings before getting out of the vehicle. If something or someone strikes you as out of place or threatening, drive away.

Car alarms are good for protecting your personal things in your vehicle, immobilizers and trackers protect you from vehicle theft. Most up to date vehicles come with theft protection already. Below are some safety features that you might be interested in purchasing if your vehicle is not already equipped with them:

- **Alarms**

Installing a vehicle alarm is a good way to qualify for an inexpensive vehicle insurance premium. Car alarms are a good criminal deterrent to protect your vehicle and valuables like your stereo. Once activated, the alarm will sound if the vehicle is jolted heavily, if the doors are opened or the windows are smashed. The latest alarms also come with a pager to alert you if they are activated.

- **Immobilizers**

An immobilizer is an electronic device which prevents a vehicle from being started until it has been deactivated. Although this won't stop a vehicle from being broken into, it may stop it from being stolen.

- **Trackers**

If your vehicle is stolen, it has a better chance of being recovered if you have fitted a tracker device. Trackers are a great way to get discounts on vehicle insurance. Your vehicle might be recovered by following the tracker signal back to its source.

## Section Review

Choose the best answer by placing a check mark on the box:

1. A vehicle alarm might help you get a cheaper insurance rate
  - True
  - False
  
2. What is an example of a device to protect your vehicle from theft?
  - vehicle alarm
  - vehicle telephone
  - tinted glass
  - none of the above
  
3. After you buy your vehicle, you don't have to make your vehicle payments on time.
  - True
  - False
  
4. Drinking and driving can cause you to
  - lose your driver's license
  - injury others
  - pay fines
  - all of the above
  
5. An additional monthly expense after you buy your vehicle is vehicle insurance.
  - True
  - False
  
6. A police report after an accident can help you
  - negotiate a claim
  - get time and location of accident information
  - have officer's opinion of who was at fault
  - all of the above
  
7. Paying your vehicle on time will help your credit score
  - True
  - False
  
8. A driver involved in an accident must give his/her
  - name
  - address
  - insurance information
  - all of the above
  
9. Major repairs to your vehicle must be done by a certified mechanic.
  - True
  - False
  
10. A routine maintenance task that the vehicle owner should do is check the vehicle fluids
  - True
  - False



## Additional Learning Resources

- Centers for Disease Control
- Drinking and Driving Facts: <http://www.cdc.gov/ncipc/factsheets/driving.htm>

## Web Sites and Contact Information

- Auto Safety  
[www.edmunds.com](http://www.edmunds.com)
- Vehicle and Carseat Safety Information  
[www.car-safety.org](http://www.car-safety.org)
- Drinking and Driving  
<http://www.cdc.gov/ncipc/factsheets/driving.htm>

