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## **Key Steps to Buying a Car From a Private Party Who Has a Loan (Lienholder) on the Vehicle**

**Note:** *The steps below assume you (the buyer) will be financing your car purchase. If you're paying cash for your car, you should disregard steps that involve financing.*

### **What is a lienholder?**

The legal claim of the credit union upon the property of a borrower to secure the payment of a debt or the satisfaction of an obligation.

### **STEP 1**

#### **Get your financing pre-approved**

At any UCCU branch, online at UCCURelax.com, or by calling 801.223.UCCU.

### **STEP 2**

#### **Choose your vehicle**

When you're pre-approved, you can shop for a vehicle anywhere.

### **STEP 3**

#### **Ask for a copy of the current registration for the vehicle**

This will show who the registered owner of the vehicle is and therefore who has the authority to sell the vehicle.

### **STEP 4**

#### **Complete a Bill of Sale**

You can find a Bill of Sale form on the State of Utah's website or write up your own. If you write your own, make sure and include the following:

- The names of both the buyer and the seller
- The vehicle's information (year, make, model, VIN, and mileage)
- The sales price
- The date

### **STEP 5**

#### **Obtain the loan payoff amount from the seller's lender**

Interest generally accrues daily, so it's best to get a loan payoff statement that is good for 10-14 days. This will allow the time needed for UCCU to issue a check and mail it to the seller's lender. Typically, the seller makes the request for the loan payoff amount and provides the payoff statement to the buyer.

## **STEP 6**

**Print a “UCCU Authorization for Payoff form” and have the seller fill it out and sign it.**

This form will be sent to the seller’s lender along with the loan payoff check that will be issued by UCCU. The Authorization for Payoff Form informs the seller’s lending institution that the seller has authorized his/her loan to be paid off and that the title of the auto being held as collateral on the loan should be sent to UCCU.

## **STEP 7**

**Bring the following four documents to UCCU to complete your auto loan:**

1. Copy of vehicle registration
2. Copy of completed and signed Bill of Sale
3. UCCU Authorization for Payoff form signed by the seller
4. Current auto insurance policy information
5. Proof of income verification

## **STEP 8**

**Decide if you would like to roll the sales tax, vehicle licensing, and registration fees into the loan.**

This should be determined before you finalize your loan, and a UCCU Auto Buying Expert will be happy to help you make this decision.

## **STEP 9**

**Carefully review your loan documents with a UCCU Auto Buying Expert.**

Be sure to setup automatic loan payments so you don’t have to worry about late payments. UCCU will issue a certified cashier’s check which will be mailed to the lending institution (lienholder) who will stamp the title “paid in full” and send it directly to UCCU where it will be held as collateral until your loan is paid in full.

## **STEP 10**

**Take your copy of the Bill of Sale and your Safety & Emissions Certificate to the Department of Motor Vehicles to register your vehicle and receive your license plates.**

You will need to pay Sales Tax, Licensing, and Registration fees (which you can pay out of your own pocket or rolled into your auto loan - see STEP 9).

**Congratulations! You’ve just bought a car.**

**For more information call our auto buying experts at 801.223.UCCU**



INSPIRING SMART DECISIONS.