

RAWLING REPORT

SUMMER 2011 • BROUGHT TO YOU



BY RAWLING FINANCIAL INC.

HELPING CLIENTS MAKE WISE DECISIONS REGARDING THEIR WEALTH

My experience buying a car on eBay

As a financial coach, you learn to study different options to find a solution. Recently, I used those skills to buy a car.

This past February, my wife needed a new car after our 2009 Audi A4 wagon was involved in an accident. At impact, the car was travelling only 15 to 20 km per hour, however, the front end broke apart, the engine stopped running and all the air bags deployed. The insurance company wrote the car off.

We wanted another station wagon and weren't inspired to buy another Audi. I checked the price of a 2011 Mercedes E350 4matic wagon, with the navigation "premium package". Its manufacturer's suggested retail price (MSRP) was in the low \$70s. My profession trained me to know this wouldn't be the best investment.

I've used www.eBay.ca many times to buy many small items, and read about buying vehicles in the U.S. However, when I decided to place my first bid on a car on eBay.ca, I was still venturing into uncharted territory.

On eBay.ca, I saw a similar 2006 vehicle, in Bethesda, Maryland. It was good in my opinion, since it had "no reserve", meaning it was going to be sold when the auction closed. I then went on Autotrader.ca and found a couple of cars about the same age and with similar mileage (60,000 miles/100,000 km), listed in the high \$20s to low \$30's. My first preference was to buy locally, but if I couldn't find the car I wanted or the price wasn't close to a vehicle from the

U.S., I would consider purchasing from across the border.

The Registrar of Imported Vehicles (RIV), is a good place to get information (www.riv.ca). The website's purpose is to register, inspect and certify Canadian standard vehicles manufactured for distribution in the U.S., but are permanently imported to Canada. They'll tell you if a vehicle can be admitted into the country. This was good information to know before I started bidding. However, I did find one bit of information that was wrong. They suggested the U.S. Customs process be completed right at the Peace Bridge, but I found out before leaving, it was actually at the Lewiston Bridge. Modifications that are required, like daytime running lights, must be



Left to right, Bob La Rose, Phil Walsh and Dave Biro joined Hugh for the Tuesday, April 5, 2011 practice round of the Masters Golf Tournament at the Augusta National Golf Club in Augusta, Georgia.

completed. Finally, RIV required a registration fee of \$220.35, including tax, which must be paid before they release their inspection form.

I placed several bids and ended up winning with a bid in the low \$20s (USD).

The U.S. seems to have a competitive car shipping industry. For \$550, we found a broker who knew of a transport company that would ship the car to the Buffalo border. The cost was about the same as a one-way airfare and saved me the time and cost of driving the car the full distance.

For a processing fee of \$189, the seller completed all the paper work including temporary plates. This included sending the vehicle export information, and required 72 hours before you export it to the Vehicle Export Office, of U.S. Customs. You can fax or email it, but not both. Their info line was 716-843-8359, open Monday to Friday, 8 a.m. to 4 p.m. only. It made sense for me to go early, since if you missed the 4 p.m. time, it would be frustrating to waste that day of travel. This step went smoothly, after we found the office. It was the only step for which there was no cost. If you skip this step, they say failure to comply may result in penalty. I asked what the penalty was and they said that day they had just assessed a \$500 fine to someone.

Next step was to drive to Canadian Customs. They asked me what I was bringing in and it felt funny to say it was the car I was driving. They wanted to see the printed out eBay receipt for the amount I paid. I didn't expect that and wasn't prepared. I had the "bill of sale" from the seller, but they didn't want to see that. We pay six per cent duty (since the car was not made in North America) and the GST. They allowed me to go online to eBay.ca to show what I paid. You don't pay the Ontario tax until you license the car at a local office, when you are home.

I also learned that if you import a U.S. car and you

want the balance of the warranty, Mercedes Canada requires you to install an expensive "Canadian instrument cluster" (other auto manufacturers may do this as well). I think getting a car with an expired warranty, avoids you having to pay that large extra cost, which reduces the price advantage you "might get" on a U.S. car (I pay less and take on the responsibility for repairs).

If you're considering a U.S. car purchase, I hope my experience during my recent purchase might be helpful. Of course, rules and details can change, so make sure you do your homework to get the most up-to-date information, before you make the decision to purchase a vehicle from the U.S.

The Annual Rawling Financial Inc. Las Vegas Golf Trip



Golf at world-class courses in and around Las Vegas and St. George, Utah, Saturday, Oct. 1 to Wednesday, Oct. 5, 2011. If you're interested, please contact Hugh for more details.



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