

# What Does it Mean to Buy a Car With a Salvage Title?



You may have recently come across a used car you'd like to buy that seems like a great deal. The only problem is that you found out it has a salvage title. This isn't necessarily the end of the line for that car, but you do need to know your facts.

## **What is a salvage title?**

The exact criteria that make a car "salvage" varies a little from state to state, but it most commonly just refers to an automobile that has been totaled. In other words, the cost to repair it would be more than what the car is worth.

A salvage title isn't only applied to vehicles that were in wrecks, though. It could have been damaged by flood, fire, or hail. Or it could have just been stolen and then found after the owner already received compensation.

Most titles will specifically identify a vehicle as “salvage” or “repaired salvage.” Some even let you know if it was a former police, taxi, or other such vehicle that’s been modified for use.

## **How to buy a car with a salvage title**

You can find cars with salvage titles at auto dealerships, [salvage car auctions](#), or independent dealers, but financing can be tricky because they don’t have a Blue Book value. Most people who buy these vehicles use their own financing methods.

Once you’ve chosen a car, you’ll want to take a few precautions before buying it. First of all, buy from reputable dealers. There are occasionally some shady practices when dealing with salvage titles.

First, hire a mechanic to thoroughly inspect the car. Most states require even salvage vehicles to pass inspections before registering them, but you’ll need to know what you’re looking at to make sure it is not beyond repair.

Secondly, make sure the price is right. A car with a salvage title might not have a Blue Book value. But that doesn’t mean you can’t check to see how much one goes for with a clean title. If the price is not well below that (at least 25 percent), don’t bother.

Finally, check with your insurance company to make sure it’s a vehicle they will insure. Most [insurance companies will insure](#) them, but each has its own stipulations. For example, most only offer liability insurance for salvage cars. But companies who do offer full coverage do so at about the same premiums as they would for any other car.

## **Why should you buy a car with a salvage**

## title?

The main reason most people buy a car with a salvage title is to save money. [According to Fox Business](#), “a fully repaired car with a salvage title typically sells for 30 to 40 percent less than one with a clean title.” For example, a vehicle priced at \$15,000 would sell for about \$9,000 if it had a salvage title. That’s a big chunk of change!

Buying a car with a salvage title may make sense for you if you’re in the market for a used car anyway. If you can buy one for 30-40 percent less than you would spend otherwise and drive it for several years, it is a wise investment.

Autos with salvage titles are also often good investments for people who can do some repairs themselves. This is true for body work, but also for mechanical work, as well. And if you know your way around a car, you’ll probably be able to spot a lemon from a mile away and you won’t have to worry about making a mistake.

Buying a car with a salvage title may not be right for everyone. But if you know what you’re doing, it can be a great deal.