

**Real World Graduation: Question 81: Test Drives**

Edward D. Duvall  
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Question 81

A person went to a new car dealer to buy a new car. He found one that he was interested in, and the dealer offered to let him take a test drive, but required that the prospective buyer first provide his drivers license so the dealer could make a copy of it before the test drive. Why did the dealer want to see the license and make a copy?

- a) To check with the police to see if the prospective buyer has any outstanding arrest warrants and report him to the local police.
- b) To make sure the prospective buyer is legally allowed to buy a car.
- c) To see if the prospective buyer has any unpaid parking tickets, and report him to the local parking violation bureau.
- d) To verify that the prospective buyer has adequate automobile insurance, in case of an accident during the test drive.
- e) Some combination of the above, which varies from state to state depending on the state and local laws.

### Answer to Question 81

This is a trick question. None of the answers are correct.

Answer b) is incorrect because licenses are not required to buy a car (since they can be driven without restriction on one's own private property).

Answers a) and c) are incorrect because car dealers are not required to enforce traffic laws or assist in the apprehension of wanted persons, but it is possible that some enterprising politician will introduce legislation to require it.

Answer d) is incorrect because car dealers maintain considerable insurance on all their unsold vehicles, since those vehicles are their stock and source of revenue.

The real reason the dealer wants the license has nothing to do with driving skill or insurance. The purpose of the "license check" is to access the prospective buyer's financial history and credit score, so they will know what kind of interest rate to offer the buyer on a car loan, or whether to offer the buyer a loan at all.

Therefore, when shopping for a car that you intend to finance, be sure to know your credit score. Then you can just tell the dealer what it is as you hand him your license. Better yet, obtain financing from your bank or credit bureau first, which will allow you to choose the better deal when the car dealer makes you a financial offer on the loan agreement.