

Auto Finance Introduction

"Auto Financing" is a general term meaning how you pay for the vehicle. In most cases, cars are financed by taking out an auto loan to buy or lease the car. This involves getting a credit check. Financing your car needs as much research and homework as choosing the car. You can also get financing through the dealer or from the auto manufacturer. It's possible that dealer/manufacturer financing will cost you more, but it isn't written in stone.

There will be occasions when a dealer will actually give you the best deal. Unfortunately, those occasions are not predictable (despite endless "must sell," "lowest rates possible" and "no money down" advertising by dealers) and the only way to be sure is by comparison shopping. Interest rates on new cars are lower than on used vehicles. And, in general, new cars can be financed over longer terms than used ones. This equation can make a new car cheaper than a used one in many cases.

KEY FINANCING FAQs:

What's the actual interest rate I'm going to pay & do I have to make a down payment? The APR (annual percentage rate) is the best way to know the exact figure of interest rate you are paying. It is the actual interest rate you pay annually on the unpaid balance of the loan. The rate you are offered will to a large extent depend on your credit score, a number that dealers get from your credit report. And now answer of another question, Most of companies are not requiring down payment but some of them do require a down payment.

If your application is approved this information will be provided by the lender before you sign any documents. Is this deal contingent on getting subsequent approval of the financing from a third party? Some dealers will offer you finance with low interest rate initially then call a day or two later to say they couldn't get you financed at the rate they quoted, but they have found a lender who will cover the loan at a higher payment. Don't fall for this.

Make sure you know who the person is financing to you and that the deal is sealed before leaving the lot. If there's any question, tell the dealer you'll come back and get the car when everything is settled.

KNOW YOUR FINANCE AMOUNT NUMBER:

Don't let one number dominate you. For example, a really low down payment is not by itself a guarantee of a good deal. You need to consider all the numbers together to know what sort of deal you're getting.

Bottom line -- know your numbers. Be sure, every step of the way, that you know just how much you are paying, when, how and what for! No exceptions! Read -- and be sure you understand -- every word of every document you sign or initial. No exceptions allowed.

About the Author

[Online Automobile Financing](#) - It doesn't matter if you have good credit or bad credit. All credit is welcome! [Car Loan finance company](#) is committed to locating the [lowest rate financing](#) that you need in their network of hundreds of [auto loan](#) lenders located across the country.

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