

## ➤ CAR FINANCING TIPS

Financing your purchase involves a separate set of considerations: down payments, affordable monthly payments, tax deductibility of the loan, total purchase price (including finance charges over the life of the loan) and loan term (number of months). Visit your credit union and ask your representative to prepare financing options that include all the elements outlined above. Revisit the dealer once you've secured your financing and have the dealer prepare a written set of financing options on the price you've negotiated, on the car you want, with the options you want. Once this process is completed – go home and thoroughly analyze your financing offers and decide which one applies best to your situation.



**Your credit union can even preapprove your loan before you go car shopping, saving you time and hassle.**

## ➤ THE BOTTOM LINE:

Many dealer-based financing offers do not include many of the benefits you have come to rely on at your credit union – flexible payment plans, no prepayment penalties and more. The key to getting the best financing deal is understanding the deal. Remember, the company selling you a car is unlikely to provide you objective, unbiased advice on how best to finance it! In the long run, financing your car through your credit union might give you a lower total cost.

## ➤ WHERE TO FIND HELP

[www.Edmunds.com](http://www.Edmunds.com)

[www.Kelleybluebook.com](http://www.Kelleybluebook.com)

[www.ftc.gov](http://www.ftc.gov)

[www.Intellichoice.com](http://www.Intellichoice.com)

[www.cars.com](http://www.cars.com)

Perhaps your best resource of all is your credit union. Visit your credit union to learn exactly what the deal means – in monthly payments, overall costs and the value of your trade-in. Your credit union – the people who help you care for your money.



United States  
**SENATE**  
Federal Credit Union

National Capitol Station  
P.O. Box 77920  
Washington, DC 20013-8920

(202) 224-2967  
(800) 374-2758

[www.ussfcu.org](http://www.ussfcu.org)



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# AUTO BUYING AND FINANCING TIPS



**Knowing your options helps  
you make smarter choices**

**“0% Financing”...  
 “No Down Payment”...  
 “Take From Dealer Stock”...  
 “Limited-Time Offer”...**

Purchasing a new or used vehicle today can mean sorting through “no down payment” offers, super-low manufacturer financing, and a host of other deals. They are tempting, but they often can confuse what you most want to know – the bottom line, the best value.

What does value really mean? Is it the best price ... or the best monthly payment? Is it 0% financing ... or a full service loan from your credit union? The answers might surprise you. Unless you know the facts, you can wind up owning a car other than the one you want, when you want it, and surprisingly, it can even mean you pay more in the long run!

When you decide it's time for a new or used car, follow this simple advice: negotiate your best purchase price, then investigate your best financing deal. Keep these two items completely separate – there is no advantage for you to allow these items to be coupled. The following proven strategies and tips can help you through the car buying and financing process.



**➤ CAR BUYING RESEARCH**

The first step is to research the vehicle cost (see “Where To Find Help”) and establish your **Target Price** before you visit any dealership. Once there, the salesperson will usually talk about the manufacturer's suggested retail price (MSRP) – the list price. Keep your focus on the dealer's cost (which you already know through your research) and how much more you are willing to pay. That way, you are working from the ground up rather than the top down – the secret to a good deal.

**➤ NEGOTIATE THE DEAL**

It's easier than you might think to negotiate your best deal on the car you want, with the options you want. But always be prepared to walk out if you become worn down by the salesperson and lose sight of your goal – a good deal. Get the dealer's best price offer and make certain any factory rebates are included as a line item. Go home and relax. Double-check that the dealer's best price is consistent with your independent research of dealer's cost, manufacturer's suggested retail price and your target price. Then, once you're convinced that you have negotiated the best price, revisit the dealership and as a separate negotiation ask the dealer to refigure the deal with your trade-in value.

Today, you don't even need to go to the dealership to get a dealer quote. Many car dealers and car-buying Web sites will provide quotes online, based on your vehicle's specifications. Getting quotes online can save time, and can help you narrow down your choice of vehicles and dealers.

After settling on the deal, you're ready to begin the second phase of your purchase – car financing. You've worked hard to secure your best price. Now your credit union can be a big help to secure your best financing.

**LOAN RATE CHART**

Loan Amount	Rate	Term	Monthly Payment
\$15,000	0%	36 mos.	\$417
\$15,000	2.9%	36 mos.	\$436
\$15,000	3.9%	36 mos.	\$442
\$15,000	6.7%	48 mos.	\$357
\$15,000	6.8%	60 mos.	\$296
\$20,000	0%	36 mos.	\$556
\$20,000	2.9%	36 mos.	\$581
\$20,000	3.9%	36 mos.	\$590
\$20,000	6.7%	48 mos.	\$476
\$20,000	6.8%	60 mos.	\$394
\$25,000	0%	36 mos.	\$694
\$25,000	2.9%	36 mos.	\$726
\$25,000	3.9%	36 mos.	\$737
\$25,000	6.7%	48 mos.	\$595
\$25,000	6.8%	60 mos.	\$493

**TO CALCULATE DIFFERENT LOAN AMOUNTS, RATES, TERMS AND MONTHLY PAYMENTS GO TO [www.cars.com](http://www.cars.com) and click on “Auto Loan Calculator.”**