

Automotive Answers

Tips On Financing A Vehicle

(NAPSA)—Whether you're shopping for a new or used vehicle, there are ways to make sure you get the best deal when you finance your car.

Finance 101

There are a number of financing options, but "dealership financing" is the most commonly used. The practice involves a buyer and a dealership entering into a contract where the buyer agrees to pay the amount financed, plus an agreed-upon finance charge, over a period of time. Last year alone, more than 40 million auto-financing transactions were arranged through dealerships.

Americans Well-informed on Automobile Retailing Economics (AWARE), a group of automotive industry leaders providing free advice to locate, price and negotiate to buy the car you want, offers these tips:

Before Visiting The Dealership

- Evaluate your financial situation and determine how much you can afford to pay. A list of online auto financing calculators can be found at www.autofinancing101.org/resources/links.asp.

- Check out auto buying guides, the Internet and other sources to determine a realistic price range for the auto you are thinking of buying.

- Understand the differences between buying and leasing an auto. "Keys to Vehicle Leasing" (www.federalreserve.gov/pubs/leasing), a publication of the Federal Reserve Board, provides useful information on this topic.

- Get a copy of your credit report so you can correct any errors and be aware of what credi-



Visit www.autofinancing101.org before buying a car.

tors will see. All consumers may obtain a free copy of their credit report annually. Consumers can request their free annual credit reports via the Internet at www.annualcreditreport.com, by calling 1-877-322-8228, or by mailing requests to Annual Credit Report Request Service, P.O. Box, 105281, Atlanta, GA 30348-5281.

- Compare annual percentage rates and financing terms from multiple sources such as banks, finance companies, credit unions and dealerships.

Shopping For A Vehicle

- Stay within the price range you can afford, and negotiate your finance terms just as you negotiate the price of the vehicle.

- Understand the value and price of optional products such as extended service contracts, credit insurance, or guaranteed auto protection. If you don't want these products, don't sign for them.

- Read the contract carefully before you sign it. Ask questions about anything you don't understand.

For more information, visit www.autofinancing101.org.