

CONSUMER CORNER

The Key To Vehicle Financing

(NAPSA)—For most consumers, the road to buying a new or used vehicle now starts with dealership financing, or leasing. If you're among this group, understanding the ins and outs of financing agreements can help you steer clear of potential financial problems.

Here's a breakdown from the American Financial Services Association Education Foundation (AFSAEF):

What Is Dealership Financing? Generally, dealership financing involves a buyer and dealership entering an agreement where the buyer agrees to pay the amount financed, plus an agreed upon finance charge, over a period of time.

What Influences My APR? Your credit history, current finance rates, competition, market conditions and special offers are among the factors that influence your APR.

How Should I Prepare? Before you arrive at the dealership, do some research. AFSAEF offers a brochure, *Understanding Vehicle Financing* with a "Monthly Spending Plan" worksheet to help people determine how much they can afford to pay. Consumers can order a free copy of *Understanding Vehicle Financing* by calling (888) 400-2233.

After determining your monthly finances, it's a good idea to get a copy of your credit report so you can correct any errors that may affect your finance rates. Also,

Tips For Financing A Vehicle

- Evaluate your financial situation. How much can you afford to spend each month?
- Know the difference between buying and leasing a vehicle. Which is right for you?
- Compare annual percentage rates and financing terms from multiple sources, such as banks, finance companies and credit unions.
- Be aware that your credit history may affect the finance rate you are able to negotiate.
- Make your payments on time. Late or missed payments incur late fees and reflect negatively on your credit.
- Talk to your creditors if you are having difficulty meeting your payments.



check auto buying guides, the Internet and other sources to find out price ranges on the vehicle you want to buy. Finally, compare current finance rates being offered.

What If I Encounter Financial Difficulty? A creditor or assignee may take the vehicle in full satisfaction of the credit arrangement or may sell the vehicle and apply the proceeds to the outstanding balance on the vehicle. If you are having trouble making payments, talk to your creditor.

For more information visit www.afsaef.org.