



5 Questions to Ask Yourself Before Purchasing a Vehicle

If you are looking for a car, one of your concerns may be whether the vehicle you are getting is within your budget and/or will serve your needs. Whether you have a great deal of experience purchasing a car or none at all, you will want to be thorough in your research and answer some questions before you go to a dealer.

Question #1. How much can you afford? Your costs will include a down payment, various fees, monthly payments, and ownership costs. Know your priorities and limits before beginning the car-buying process.

Question #2. What auto loan options do you have? Compare different options and find out what's best for your unique situation. There is a good chance that a credit union in your area offers auto loans with lower APRs than what the conventional banks do. Don't always assume that financing provided by the dealership is the best option. You may or may not qualify for the rock bottom interest rates the dealerships advertise. If you decide to get a loan from a credit union, you may also have complimentary access to an auto loan advisor. If so, use this professional assistance to your advantage.

Question #3. Do you plan to get pre-approved? Sure hope so! Getting pre-approved is always a great idea because you can see in advance what you qualify for. This way, you can get a clearer picture of what you can afford and compare it with other loan options. Overall, pre-approval gives you extra bargaining power.

Question #4. How long will it take you to pay off your loan? Keep the loan term as short as you can. A longer term means less monthly payment, but in the end, you will have spent more money in total because you will be paying more interest over time.

Question #5. What are you going to be looking for during a test drive? Make a list before you go and be checking for each while test driving. You can feel free to ask if you need more time behind the wheel or to look around.

If you have a car that you are currently paying for, you may be eligible for a refinance. Maybe you are looking to reduce your monthly payment without extending the terms? Perhaps your credit score has improved or interest rates dropped since got your vehicle? These can be all good reasons to consider refinancing. Typically, a local credit union is a great place to explore refinancing options to potentially lower your payments.

We hope this equips you to be a stronger, prepared car-buyer. Happy driving!