

# A GUIDE TO PURCHASING YOUR FIRST CAR



YOUR FI PATH





## ***DID YOU KNOW***

you can get car loan pre-approval  
before you walk into a dealership?

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# Read about the true cost of owning a car



car insurance

maintenance

inspection

emission test

registration

parking/speeding tickets

tolls/parking/gas

insurance deductible

**COST** *of*

**OWNING A CAR**

# GET PRE-APPROVAL



What is pre-approval? Pre-approval is a car loan offer you get from a lender (your credit union or bank).



Why is pre-approval important? The best part - it gives you options.

- You know ahead of time how much loan you are approved for and the interest rate. The better your credit score, the better your interest rate. ***Understand your credit score.***
- Sometimes dealer financing is marked up, so you can avoid the higher interest rate if you have a pre-approval.

***How?***

Sometimes you receive pre-approval offers from your bank/credit union and sometimes you have to apply for it through your bank/credit union's website.



**Go Car Shopping**  
**with**  
an experienced car buyer



# Watch out for lending scams!!!

## STICKER PRICE

Read the fine print. Don't fall for the advertised prices.

## LENGTH OF LOAN TERM

Some dealerships will do anything to have you walk away with a car. For example, a dealer will extend your loan term from 5 years to 6 years just to make the monthly payments lower. You don't win in this case; you end up with a higher total payment. Read everything, before you sign anything.



# FAQ

**Q:** Can a lender retract a pre-approval or change the terms of the pre-approval?

**Ans:** Yes. Pre-approval is conditional. The terms of the pre-approved car loan is based on your financial situation staying the same. This means, after you get a pre-approval, don't do anything that will drastically change your financial situation before you purchase the car.

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**Q:** Does the lender pull my credit when I apply for a pre-approval car loan?

**Ans:** Yes. The lender will pull your credit, which affects your credit score, so try to limit the number of pre-approvals you apply for.