

## Used Car Loan: A Useful Checklist

Most people cannot afford to pay cash and have to obtain car loan financing for purchase of a new or used car. The world of car loans and financing can be quite confusing. Many items have to be considered such as affordability, and terms of payment or whether a car lease can work out. The first step is to decide on the type of car to buy. The next important step is to find a good financier and it is important to explore various lenders and shortlist a suitable lender, while qualifying for car loan financing. This can be done by searching for car loan offers online and by visiting local banks.

### **Available Car Financing Options for Used cars are:**

**Used Car Loan:** This traditional car financing method is still preferred by many. The option is beneficial as when the loan is paid off; the car is free and clear for owning. Desired alterations can be made to the car unlike a lease offer where the car is returned when the car lease expires.

**Used Car Lease:** A car lease is also a popular car financing method for people who wish to keep their monthly payments low and also a preferred method of finance for getting a new car say, every two to three years.

**Refinance Used Car Loan:** The Refinance car option should be considered when more favorable terms are received during the car purchase and it is especially a good option if the credit has recently improved and can qualify for a much lower rate.

**Obtaining a pre approval for a Loan:** Obtaining a pre approval for a set amount of cash can be made if good credit is available and the lender can be decided before visiting the car dealership. After having obtained the pre approval, how much to spend is to be decided as there will not be any tempting to look at used cars that are out of the price range. Dealers may be more willing to negotiate a deal if they know that approved for a loan has already been obtained. Moreover salespeople will do exhibit their best task to accommodate people who has already obtained a prior approval for a loan, as most of them work on commission.

**Down Payment and Interest Rates:** The initial down payment will determine the type of car loan financing received. Lower interest rate offers can be expected with greater down payment. Auto lenders will also a feel that the risk is less if more money is invested in the vehicle upfront.

**Length of Payment Terms:** Dealers are now offering extended payments plans of up to seventy-two and eighty-four months, compared to the conventional sixty-month term. This has resulted in people to opt for more expensive used cars that would generally be out of their price range. Online approvals of used car loans are fast and easy now. There are a host of auto finance companies on the World Wide Web focusing to help people find used car loans. These companies typically sustain relationships with scores of auto finance lenders throughout the country and believe that they can find lenders with affordable used car loan rates. There is not much work to be done when searching for used cars is done online. The first step is to just fill up an auto loan application form. Subsequently, the online computer network can instantly match up the car buyers with lenders in a given area. The system generates the lenders which are the companies best suited to offer car loans. A variety of websites can be chosen by car buyers to check out before they decide on the company. Companies change their car loan rates regularly and certain fees associated with the loans may be hidden or in fine print. Therefore a review of the rates and terms and conditions for a few auto finance companies need to be done before making decisions.

## About the Author

Adam Boulton is an expert in dealing with automobile related matters. He has contributed several informative articles on topics such as used cars and auto loan to webguides - <http://www.getbestcars.com> and <http://www.autoloanguide.info>

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