

Financing Terms

You're in the market for a "soul mate", that perfect vehicle that you have fallen in love with, which will help you reach Carvana! Once you have found your future vehicle, what happens next?

Carvana is here to help you understand the lingo! We will walk through the purchase process defining some of the most commonly questioned terms, and by the end you should feel more enlightened and confident in your new purchase!

Don't worry, we won't be offended if you skip over any terms that you already know.

Pricing Terms

Kelly Blue Book (KBB) - Kelly Blue Book is a website that was created to show the price of vehicles at dealerships and by private sellers in your area. Carvana shows this price as part of our transparency. KBB is a trusted site and we generally price our vehicles under their estimate of a fair price for the vehicle.

Suggested Retail Price (SRP) - If you are looking at a new vehicle, you will usually see an 'M' in front of this acronym standing for 'Manufacturers' Suggested Retail Price. This is the suggested price for the vehicle with the selected trim and options. This price generally does not include any additional charges such as transportation or preparation costs.

Carvana Price - The Carvana Price is the haggle-free price of the vehicle. Carvana provides the KBB suggested value as well, so you can be assured that our Carvana Price is fair, transparent, and you'll save on average \$1,500 when compared to KBB.

Total Down Payment - When you purchase a vehicle you will often have to pay for part of the vehicle up front. The more that you can initially pay, the less that you will have to finance and ultimately your monthly payment will be lower. If you are trading in your car, the trade in value can be included in your Total Down.

Basic Financing Terms

When you finance a purchase, you are borrowing money from a lender to purchase that item to be able to receive it immediately. This means that you must pay the lender back the amount that you borrowed as well as a yearly fee for using the lender's money. Financing options include many different terms, such as **APR**, **Monthly Payment**, and **Term**.

Annual Percentage Rate (APR) - The yearly interest rate on your loan which will change based off of your personal credit score, down payment, and term.

Monthly Payment - The total amount that you pay per month.

Term - The number of months that you have to repay your loan. On average, most people have a term of more than 60 months. With Carvana, there is no fee for paying the balance early!

Personalized Financing

Credit Score - This is a number that is given to you by the credit bureaus and is representative of your track record of payment history, length of your credit history, and debt to income ratio.

Vantage Score - VantageScore is a combination of credit scores from 3 different companies. The score is used to evaluate a consumer's lending terms such as the amount approved to lend, interest rate, and payback period.

Soft Pull - A Soft Pull is a check into your credit report similar to a background check but won't affect your credit score in any way. Carvana uses the soft pull information to allow users to see their estimated credit terms on each of our vehicles including APR, Monthly Payment, and Term.

Hard Pull - A Hard Pull is a credit inquiry that may affect your credit score and will solidify your final financing terms. This is only done when a vehicle is purchased and if a loan is established.

Additional Fees

Title & Reg - This is the fee a buyer will pay to have the vehicle registered with their state motor vehicle division and to transfer the vehicle ownership papers.

Dealer Fee - This is a calculated fee that the dealership would pass on to the buyer to cover some of the administrative costs during the vehicle purchase. This fee usually isn't consistent across dealerships and can be as much as \$500.

Carvana's Dealer Fee - \$0.00 By purchasing your vehicle through Carvana, you won't have to worry about this fee. Easy.

Trade-In

Trade-in Value - You can complete an online appraisal form to determine the value of your vehicle by using our trade in process guided by Sebastian the Cardian Angel. If you choose to purchase a vehicle, this value can be applied towards your down payment.

Negative Equity/lien balance - If an appraised value of the vehicle is less than the current loan payoff. Please contact an advocate if you would like more information about Negative Equity.