

Title:

Bad Credit Car Loans

Word Count:

268

Summary:

Auto loans for bad credit are offered to people who have acquired bad credit by late and/or missed payments. A bad credit auto loan helps to re-establish the credit history of borrowers. Bad credit auto loans can be used to buy a used vehicle. Sometimes, these loans can be used to finance a new car. Bad credit auto loans are short-term loans, and their repayment period extends from 48 to 60 months.

Keywords:

bad credit, car loan, loans

Article Body:

Auto loans for bad credit are offered to people who have acquired bad credit by late and/or missed payments. A bad credit auto loan helps to re-establish the credit history of borrowers. Bad credit auto loans can be used to buy a used vehicle. Sometimes, these loans can be used to finance a new car. Bad credit auto loans are short-term loans, and their repayment period extends from 48 to 60 months.

The first step in the process of applying for a bad credit auto loan is to determine your FICO score, also known as credit score. Credit bureaus such as Equifax, Trans Union, and Bradstreet can determine your credit score. A credit score of 650 and below is regarded as bad credit. Borrowers with poor credit are usually offered high interest rate auto loans. The next step is to search for a trustworthy lender. The Internet is a good source to locate lenders dealing in bad credit auto loans.

Financial institutions, banks, credit unions, dealers and brokers extend bad credit auto loans. All of them employ a kind of risk based valuing approach in offering bad credit auto loans. A co-signed loan is one of the best options for a bad credit auto loan. If borrowers fail to repay the loan, the co-signer undertakes the responsibility to pay back the loan. In order to secure bad credit loans through dealership, borrowers have to pay premium prices.

The last step is the comparison and evaluation of interest rates and fees

charged by various lenders. Auto loan quotes from multiple lenders can be used to select the most competitive interest rates.