

## Title:

Your Options in Car Financing

## Word Count:

623

## Summary:

There are so many car financing options available how do you know which one is right for you? Read on to obtain information about all of the different options available and how to determine which one will provide you with the best benefits.

## Keywords:

car, finance, loan, personal, borrow, lending, auto, insurance, purchase, cost, interest

## Article Body:

There are so many car financing options available how do you know which one is right for you? Read on to obtain information about all of the different options available and how to determine which one will provide you with the best benefits.

Many people take advantage of an option known as dealer financing. This is when you handle the financing of your new vehicle directly through the lender. Now, that doesn't necessarily mean you'll be making your payments directly to the dealer. Usually, they work with a finance company to provide the financing to you. There are definitely some benefits to this option. First, depending on your situation you may be able to obtain extremely low interest rates; in some case you may be able to obtain a zero percent interest rate. In order to obtain this special rate; however, you will need to have excellent credit with no problems. If you have any problems at all on your credit history you will not qualify for the special interest rate although you will probably be able to still obtain a loan; just at a higher rate. When your credit report is not perfect ask yourself whether you could get a better deal at a bank.

Bank financing is an option that is typically available as long as your credit history is good. This means it doesn't have to be perfect but you shouldn't have any major flaws either. If you have already worked with the bank in the past this will increase your chances of obtaining a loan. While a bank interest rate may not be as low as what a car dealer can offer for individuals with excellent credit, it may be better than what you could obtain at the dealership if your

credit is only 'good.'

Another option you may wish to consider is credit union financing. Of course, this option is only available if you belong to a credit union. If you do happen to have a credit union membership; however, the rate available to you may be much better than what you can obtain through a bank or dealership.

These days it is also quite easy to simply go online and surf around for a quote from an online lender. This option has become so popular many lenders are now willing to compete with one another and offer very attractive rates. In the event you do not have perfect credit, this can be a good option for you; just make sure you fully understand all of the terms of the loan before accepting it.

Another option would be to simply borrow the funds from a family member or friend. Of course, this is extremely risky because it could cause problems in your relationship in the event that you run into a problem with the payments. But, if you can't obtain a loan elsewhere because of credit problems this may be a good option.

Finally, you may wish to consider refinancing your home or taking out a home equity loan in order to finance the cost of your new home. This basically allows you to pay cash for your vehicle with the proceeds of the loan and then paying back the money through the refi loan. In some cases you may be able to get a better interest rate with this route than you would with a traditional bank auto loan. In addition, the interest you pay on the loan is tax deductible. Like other options; however, there are some disadvantages. With this option, be aware that you could be putting your house at risk, not just your car, if you run into a problem and can't make the payments in the future.