

# Car Buying Tips

#1 - Know your credit score!

[www.creditkarma.com](http://www.creditkarma.com)

#2 - Decide between new and used.

#3 - Determine how much you can pay down.

#4 - Work out your monthly payment.

#5 - Get pre-approved.

#6 - RESEARCH.RESEARCH.RESEARCH.

#7 - Find a trusted dealer or car salesman;  
or you can even buy from an individual.

#8 - Negotiate a fair deal and know  
what back-end products you may want  
to purchase. I.e. Warranty & GAP

## Car Buying 101 4 Scenarios - \$12,000 car at 8% Interest

State Sales Tax Rate(%):	6.25%	State Sales Tax Rate(%):	6.25%
Selling Price of Car:	\$12,000.00	Selling Price of Car:	\$12,000.00
Total Sales Tax:	\$750.00	Total Sales Tax:	\$750.00
Rebate:	\$0.00	Rebate:	\$0.00
Down Payment:	\$0.00	Down Payment:	\$0.00
Trade in OR Adjustment (+/-):	\$0.00	Trade in OR Adjustment (+/-):	\$0.00
Amount Borrowed (Principal):	\$12,750.00	Amount Borrowed (Principal):	\$12,750.00
Number of Months in Loan:	36	Number of Months in Loan:	48
Interest Rate (APR):	8.00%	Interest Rate (APR):	8.00%
Total Loan Interest:	\$1,633.39	Total Loan Interest:	\$2,190.71
<b>Your Monthly Payment is:</b>	<b>\$399.54</b>	<b>Your Monthly Payment is:</b>	<b>\$311.26</b>
Total Cost of the Loan: (Including interest)	\$14,383.39	Total Cost of the Loan: (Including interest)	\$14,940.71
Total cost of the car: (Includes taxes, rebate, interest)	\$14,383.39	Total cost of the car: (Includes taxes, rebate, interest)	\$14,940.71
State Sales Tax Rate(%):	6.25%	State Sales Tax Rate(%):	6.25%
Selling Price of Car:	\$12,000.00	Selling Price of Car:	\$12,000.00
Total Sales Tax:	\$750.00	Total Sales Tax:	\$750.00
Rebate:	\$0.00	Rebate:	\$0.00
Down Payment:	\$0.00	Down Payment:	\$0.00
Trade in OR Adjustment (+/-):	\$0.00	Trade in OR Adjustment (+/-):	\$0.00
Amount Borrowed (Principal):	\$12,750.00	Amount Borrowed (Principal):	\$12,750.00
Number of Months in Loan:	60	Number of Months in Loan:	72
Interest Rate (APR):	8.00%	Interest Rate (APR):	8.00%
Total Loan Interest:	\$2,761.44	Total Loan Interest:	\$3,345.51
<b>Your Monthly Payment is:</b>	<b>\$258.52</b>	<b>Your Monthly Payment is:</b>	<b>\$223.55</b>
Total Cost of the Loan: (Including interest)	\$15,511.44	Total Cost of the Loan: (Including interest)	\$16,095.51
Total cost of the car: (Includes taxes, rebate, interest)	\$15,511.44	Total cost of the car: (Includes taxes, rebate, interest)	\$16,095.51

## Maximum Car Loan You Can Afford

Consider the following examples with your desired monthly payment and APR. The tables show how much a loan will cost depending on the APR, desired monthly payment and length of the loan.

APR: 8.00%					
Desired Monthly Payment: \$250.00					
24 Months:	36 Months:	42 Months:	48 Months:	60 Months:	72 Months:
\$5,527.64	\$7,977.95	\$9,131.76	\$10,240.48	\$12,329.61	\$14,258.63

APR: 8.00%					
Desired Monthly Payment: \$350.00					
24 Months:	36 Months:	42 Months:	48 Months:	60 Months:	72 Months:
\$7,738.69	\$11,169.13	\$12,784.47	\$14,336.67	\$17,261.45	\$19,962.08

APR: 8.00%					
Desired Monthly Payment: \$500.00					
24 Months:	36 Months:	42 Months:	48 Months:	60 Months:	72 Months:
\$11,055.27	\$15,955.90	\$18,263.52	\$20,480.96	\$24,659.22	\$28,517.26

APR: 8.00%					
Desired Monthly Payment: \$650.00					
24 Months:	36 Months:	48 Months:	60 Months:	72 Months:	
\$14,371	\$20,742	\$26,625	\$32,056	\$37,072	

APR: 1.99%					
Desired Monthly Payment: \$650.00					
24 Months:	36 Months:	48 Months:	60 Months:	72 Months:	
\$15,295	\$22,728	\$30,021	\$37,177	\$44,198	

\*APR- The annual rate charged for borrowing or earned through an investment.

