

Santa Gives a Valuable Gift: Auto Financing Tips

His Reindeer Provide Helpful Suggestions From www.AutoFinancing101.org



As the holidays approach, and the economy remains slow, Santa is facing a problem. He is getting oh-so-many letters and e-mails from good boys and girls (with driver's licenses) and men and women across the country, asking for new cars and trucks, but Santa can't possibly afford to make and deliver them all!

Luckily, Santa's eight reindeer – plus Rudolph – have an idea! They tell Santa that since he can't deliver cars and trucks to everyone who wishes for them this year, he should help them by providing advice on financing their own vehicles. The reindeers spend some time learning about vehicle financing on www.AutoFinancing101.org, and come back to Santa with some important tips and advice to share this holiday season.

DASHER, the speediest reindeer, quickly tells Santa that the first step people should take is to ***build a budget***. They must determine a price range for their new vehicle and stick to it, making sure to factor in vehicle related costs outside of the monthly payment, such as insurance, maintenance and gas costs. Dasher tells Santa that everyone should check out AWARE's Learning Suite at <http://www.AutoFinancing101.org/LearningSuite> for tools such as the downloadable Affordability Gauge, which will help them calculate their budget, taking all vehicle related costs into consideration.

DANCER, the most graceful reindeer, charmingly reminds Santa that people must take the time to do their homework and ***conduct research*** before buying a car. According to Dancer, they should gather all the information they can find – using the Internet, buying guides and consumer publications – to learn about the cars on their Wish Lists. They should also make sure to understand the key differences between buying and leasing, so they can make a choice that best suits their needs and circumstances.

PRANCER, the most powerful reindeer, knows the power of good credit, and authoritatively tells Santa to remind people that credit history affects the rate at which one can finance a vehicle. Santa must tell people to ***review their credit report***, so they'll know what creditors will see – and correct any errors they may find. They can also take any steps necessary to improve their credit score. Prancer tells Santa that people can get free copies of their credit report once a year from each of the three nationwide credit reporting companies by calling (877) 322-8228 or visiting www.annualcreditreport.com.

VIXEN is a beautiful, powerful reindeer with important advice for Santa to share: ***comparison shop***. She tells Santa that people should compare interest rates ("APR") and other financing

terms offered by several different sources, such as banks, credit unions, and dealers. There are thousands of sources of financing for vehicle purchases, and in this highly competitive marketplace, it's smart to check multiple sources. That way, says Vixen, people can ensure they have the information they need to finance a beautiful, powerful vehicle!

COMET brings happiness and wonder to the world. But he tells Santa that people do not want to have to wonder what the dealer is talking about when it comes to financing. Comet says Santa should encourage people to **become familiar with common terms** they are likely to hear or read in the course of purchasing or financing a vehicle – such as down payment, fixed- and variable-rate financing, and on- and off-site financing. They can learn about many familiar terms in AWARE's glossary: <http://AutoFinancing101.org/learningsuite/AWAREGlossary.pdf>.

CUPID brings love and joy to the world. She tells Santa that people will *love* their new cars if they obtain only the optional service they want and need. Cupid tells Santa that people should make sure to **understand the value and price of optional services**, such as credit insurance, guaranteed auto protection, and extended service contracts. If they do not want these services, they need not sign for them.

DONDER's original name was Dunder, which means "thunder" in Dutch. Donder tells Santa that people should **negotiate**, remain calm, and take their time as they negotiate the price of their vehicle, as well as the financing terms they are offered.

BLITZEN is known as the lightning reindeer, but she tells Santa that people should not read their contracts at lightning speed. Instead, they should **read the contract carefully** and ask questions about anything they do not understand.

RUDOLPH's bright red nose guides Santa's sleigh. Rudolph also has good guidance for the good boys and girls and men and women on Santa's list. He asks Santa to remind them that once they bring their new vehicles home from the dealership, they must fulfill their financing obligations and **make payments on time**. Late or missed payments can incur late fees and may even cause a vehicle to be repossessed, permanently. A bad payment record will also show up on their credit report, damaging their ability to obtain credit in the future.

Santa is very grateful for his reindeer's great auto financing advice and promises to share these tips with all who are wishing for new cars and trucks this year. He also decides to use the tips himself, and finances a new sleigh for the reindeer to get to all the holiday parties this year!

AWARE was formed by the vehicle financing industry to build a greater understanding among consumers about how auto financing works. The group's primary initiative is its Web site, www.AutoFinancing101.org, which is available in both English and Spanish.