



**For Immediate Release**

**Contact: Eric Hoffman**

**202-585-2808**

**[eric.hoffman@autofinancing101.org](mailto:eric.hoffman@autofinancing101.org)**

**Financial Literacy Month Provides Ideal Time to Learn Auto Financing Basics**

**WASHINGTON April 8, 2010** – April is Financial Literacy Month, and there’s no time like the present for consumers to educate themselves about auto financing, says Americans Well-informed on Auto Retailing Economics (AWARE).

AWARE, an educational coalition that aims to help consumers understand the auto financing process, offers several tips for consumers on how to be smart shoppers throughout the process – from the research phase beyond the transaction.

“A little knowledge and research can go a long way in helping consumers work out the best auto financing arrangement for them,” says AWARE spokesman Eric Hoffman. “For students, newly enlisted military service members and other young adults who may be buying their first car, it’s especially important to do some homework first and know what you can comfortably afford.”

**Before financing a car:**

- **SET A BUDGET**, based upon your needs and financial situation. If you need help, use the Auto Finance Calculator at [www.autofinancing101.org](http://www.autofinancing101.org).
- **CHECK YOUR CREDIT RATING** by obtaining your credit report from [www.annualcreditreport.com](http://www.annualcreditreport.com). Immediately contest any errors, settle outstanding debts, and build your rationale for anything negative.
- **EDUCATE YOURSELF** by taking AWARE’s Auto Financing Tune-Up at [www.autofinancing101.org/learning\\_suite/tuneup.cfm](http://www.autofinancing101.org/learning_suite/tuneup.cfm)
- **COMPARE ANNUAL PERCENTAGE RATES** and other financing terms from multiple lending sources.
- **LEARN THE LANGUAGE** and make sure you are familiar with common terms you’re likely to hear or read in the course of purchasing or financing a vehicle, including APR, down payment, fixed and variable-rate financing and on- and off-site financing. Many of these terms can be found at [www.autofinancing101.org/resources/glossary.cfm](http://www.autofinancing101.org/resources/glossary.cfm).
- **KNOW THE DIFFERENCE** between buying and leasing an automobile.

FOUNDING MEMBERS OF AWARE

1220 L Street, N.W.  
Suite 100-154  
Washington, D.C. 20005-4018

Phone: 866.693.4464  
Email: [info@autofinancing.org](mailto:info@autofinancing.org)  
[www.autofinancing101.org](http://www.autofinancing101.org)

American Financial Services Association  
National Automobile Dealers Association  
National Association of Minority Automobile Dealers  
American International Automobile Dealers Association  
Chrysler Financial

Daimler Financial Services  
Ford Motor Credit Company  
GMAC Financial Services  
Toyota Financial Services  
Wells Fargo Auto Finance

### **When arranging your financing:**

- **STAY WITHIN THE PRICE RANGE** you determined you could afford when you calculated your budget.
- **UNDERSTAND THE VALUE AND PRICE** of optional products such as extended service contracts, credit insurance, or guaranteed auto protection. If you do not want these products, do not sign up for them.
- **NEGOTIATE** your finance arrangements and terms.
- **READ THE CONTRACT** carefully before signing it.

### **After completing the purchase or lease:**

- **MAKE YOUR PAYMENTS ON TIME.** Late or missed payments incur late fees and appear on your credit report, which can impact your ability to get credit in the future.
- **CONTACT YOUR CREDITOR IF YOU EXPERIENCE FINANCIAL DIFFICULTY.** Repossession can occur if you fail to make timely payments. Vehicle finance companies want to work with you so you can fulfill your financing obligations and reclaim firm financial footing.

AWARE is a vehicle financing industry effort to help consumers understand how auto financing works. The group provides potential buyers of new and used autos with the tools and resources they need to successfully navigate the auto financing process. The AWARE Web site ([www.autofinancing101.org](http://www.autofinancing101.org)) includes materials in English and Spanish.

AWARE's members include: American Financial Services Association, National Automobile Dealers Association, National Association of Minority Automobile Dealers, American International Automobile Dealers Association, American Honda Finance Corp., American Suzuki Financial Services, AutoNation, Ford Motor Credit Company, GMAC Financial Services, Group 1 Automotive, Inc., Lithia Motors, National Auto Finance Co., Nissan Motor Acceptance Corp., Nuveel Financial Services, Saab Financial Services Corp., Sonic Automotive, Inc., Toyota Financial Services, United Auto Group, Inc., Volvo Car Finance North America and Wells Fargo Auto Finance.

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