



Americans Well-informed on  
Automobile Retailing Economics

Educating consumers about auto financing

**For Immediate Release**

**Contact: Eric Hoffman  
202-585-2808 or  
eric.hoffman@AutoFinancing101.org**

## **Cashing in on Your Clunker? Don't Forget Auto Financing Basics, Says AWARE**

**WASHINGTON (July 24, 2009)** – Starting today, a credit of up to \$4,500 from the federal government under the new Car Allowance Rebate System (CARS) program, also known as “cash for clunkers,” will help many new-car shoppers overcome one of the biggest hurdles to new-vehicle ownership: making a down payment.

As many consumers are expected to take advantage of this opportunity, Americans Well-informed on Auto Retailing Economics (AWARE) is reaching out to them to emphasize the importance of wise purchasing and financing decisions.

“Those consumers who plan to use the CARS program will get the most out of their vehicle financing experience if they do their homework,” says Eric Hoffman, spokesman for AWARE, a coalition of companies and associations whose Web site, [www.autofinancing101.org](http://www.autofinancing101.org), helps consumers better understand auto financing.

AWARE offers the following tips for consumers considering buying another vehicle:

### **Before visiting the dealership:**

- **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).
- **DETERMINE IF YOU QUALIFY** for the Car Allowance Rebate System (CARS) program, which provides a trade-in credit to owners of cars built in 1984 or later that achieve 18 miles per gallon or less. The \$1 billion program, signed into law by President Obama in June, lasts about three months (ending Nov. 1, 2009) or until the funds run out. Visit [www.cars.gov](http://www.cars.gov) for current information about the program and its criteria for participation. If you qualify, you will be required to provide documentation.
- **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.asp](http://www.AutoFinancing101.org/resources/glossary.asp).

#### 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

- **KNOW THE DIFFERENCE** between buying and leasing an automobile.

#### **When shopping for an auto:**

- **STAY WITHIN THE PRICE RANGE** that you can afford.
- **NEGOTIATE** your finance arrangements and terms.
- **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.
- **READ THE CONTRACT** carefully before signing it.

#### **After completing the auto 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.

#### **About AWARE**

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 website, [www.AutoFinancing101.org](http://www.AutoFinancing101.org), available in both English and Spanish. The site aims to provide potential buyers of new and used autos with the tools and resources they need to successfully navigate the auto financing process. AWARE focuses exclusively on educating consumers on vehicle financing in a web environment and offers materials free of advertising or lead generation sales tactics.

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, Group 1 Automotive, Inc., Jaguar Credit, Land Rover Capital Group, Lithia Motors, Mazda American Credit, National Auto Finance Co., Nissan Motor Acceptance Corp., Nuvel 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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