

# CAR OWNERSHIP

Whether you're buying a new car or looking at a used one, it's important to make sure you get the best deal and secure a great loan.



★ **Pro tip:** Many companies offer their employees discounts from certain auto manufacturers – be sure to ask your employer!

★ **Pro tip:** Pay for extras in cash so you don't end up owing more than your car is worth.

## YOUR CAR-BUYING CHECKLIST

- Research your car online**  
Check out reviews for the make, model and specifications of the car that you want to buy. Look for the **average selling price** in your area on a site like Edmunds.com.
- Check the Fair Purchase Price Range**  
NADA has a pricing index that will let you know if the price for the car you're considering is fair. It's the greatest indication of whether or not you're getting a good deal.
- Research the dealership**  
Pay close attention to what past customers have to say about a particular dealership.
- Do a credit check-up**  
The better your credit history and score, the lower your costs should be when you borrow money. Banks, credit unions and other lenders reference your credit history and score when setting the interest rate and other terms on your auto loan.
- Get financing in advance**  
Shop around for an auto loan that has the best terms you can qualify for **before** you go to the car dealership. **A small difference in rate can cost you thousands on the loan.** One of the best places to go is your local credit union. While dealerships offer financing, they also often charge a markup, which is typically not disclosed to the customer. Bring the preapproval letter with you to the dealership – it can be a powerful bargaining tool.
- Know your trade-in value**  
Car dealers are notorious for low-balling customers when buying their trade-ins. Use a site like NADA.com as a starting point for trading in or selling your trade-in.
- Get a buyer's order**  
Ask for a breakdown of charges and an explanation of what each one is so you know exactly what's included in the total price.
- Leave, then come back**  
Never buy a car on your first trip to a dealership. Even if you find exactly the car you want, take 24 hours to think about it.



## How much can I afford?

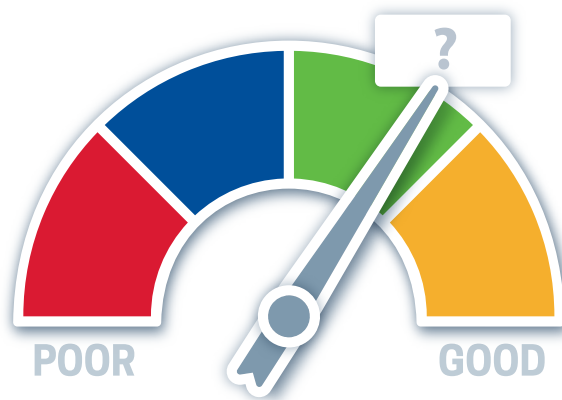
To figure out how much you can spend, add your preapproved loan amount, your trade-in value or what you got through selling it yourself, and any cash you plan to use for a down payment. You should **shop for models a few thousand dollars below that total**, to leave room for taxes and fees.

💡 **Did you know?** More than 90% of lending institutions use the FICO credit score to make decisions.

## WHAT'S IN A NUMBER?

**Check your credit score.** You can request your credit score from the three major credit reporting agencies: Equifax, Experian and TransUnion.

**Get a free copy of your credit report every year from AnnualCreditReport.com.** Make sure all the information is accurate and up to date.



If your credit is less than excellent, you won't qualify for the best deals, but you will probably still be able to get a loan if you're willing to pay a higher interest rate. If you're young, with little or no credit, and you can't qualify for a loan on your own, you should talk to your parents or another older, trusted relative about co-signing for your loan.

**Why would my score differ between credit agencies?** The three major credit bureaus are Equifax, Experian and TransUnion. If you're seeing different scores from each bureau, or from independent sites where you can request your score, there could be a few reasons for this.



The scores are from different dates. Since your score can change at any time, it's important to compare credit scores from the same date.



Scoring models may be different. Individual credit-reporting agencies use different scoring models, so even if they each have the same information about you, their calculators may reach different results. They also may give different weights to different items affecting your score.



The information in your credit reports varies among credit bureaus. Some lenders report to all three credit bureaus, but others report to just two, one or none at all.

★ **Pro tip:** Concentrate on where your score falls in the range of risk for that model and on the risk factor statements that accompany the scores.

# 1, 2, 3

### Three ways to improve your FICO score right now:

1. **Check your credit report.**
2. **Set up payment reminders**, or enroll in automatic payments, on all credit cards, loans and regular bills (such as phone and utilities).
3. **Reduce the amount of debt you owe.** Reduce credit card use and come up with a payment plan.

## MIND THE GAP: WHAT IS GAP INSURANCE?

In the event of a total loss, sometimes there is a difference between what you owe on your auto loan and what your auto insurance will pay. GAP insurance pays the difference between the value of your vehicle and what you owe on your loan. It also covers your insurance deductible up to \$1,000.

★ **Pro tip:** Shop around for pricing on GAP insurance. Your credit union or bank might charge much less than the dealership.

★ **Pro tip:** You can add GAP insurance to your Dominion car loan at any time! The cost is just \$499 and you get a free 90 day trial period. Ask us!



### DID YOU KNOW?

Most lenders charge a higher interest rate for used cars and refinances than they do for new cars. Dominion Energy Credit Union offers the same low rate for new, used and refinanced vehicles.

**Get to know us.** Your life is an open-road journey, and we're your financial copilot. Get moving quickly with our low rates and quick approvals on car loans.

### Apply yourself

What you'll need when you apply for a loan:

- Your monthly or yearly income
- Monthly mortgage or rent payment
- Vehicle make and model (if you already know)