



Car Buying

Helpful Tricks and Tips

Should I lease or buy?

Leasing, rather than buying a vehicle, can be a good option for some. If you lease, your monthly payments will be smaller than if you financed the purchase. Leasing, however, requires some contractual obligations, so it isn't right for everyone. While payments may be less per month, you may be limited on how many miles you can drive per year and pay a significant penalty when you turn the vehicle in. Once you've locked into a lease, breaking it is nearly impossible versus buying a car where you can attempt to sell it and terminate the loan.

Car Payment Calculator

- Car payments should be no more than 4-6% of your gross income per month.
- \$50,000 gross x 6% = \$3,000/12 months = \$250/month.

7 Tips To Follow When Car Shopping

1. Figure out your car budget.
2. Calculate potential payments on loan amounts.
3. Practice negotiating with someone.
4. Be willing to walk away.
5. Always negotiate the price of warranties and insurance.
6. Stick to your budget - both payments and the total amount you're willing to spend on the vehicle.
7. GET QUALIFIED AT THE CREDIT UNION FIRST!

The “add-ons” and upsells are where most consumers end up paying too much for their vehicles.

Helping Iowans
build wealth,
responsibility and
independence.

WEB RESOURCES:

To find car value:

www.kbb.com
www.edmunds.com
www.nadaguides.com

Car loan calculators:

www.kiplinger.com
www.bankrate.com
www.carloanscalculator.com

Shopping for cars:

www.ebay.com
www.cars.com
www.autotrader.com
www.craigslist.com



IOWA CREDIT UNION
FOUNDATION