

Pop Quiz For First-Time Car Buyers

(NAPSA)—If you are considering buying a car for the first time, you might not know where to begin. Making such a major purchase is most likely the first step in your financial life, so it is very important to take it seriously.

That's the word from the experts at a national consumer education campaign called AWARE (Americans Well-informed on Automobile Retailing Economics).

To help first-time auto buyers navigate the financing system, it has put together this pop quiz:

- **Do you have a budget?** If you don't already have one, create one. It will help you determine how much car you can afford. Don't forget vehicle-related costs outside of a new car payment, particularly insurance costs. Premiums for many young drivers can be as much as the monthly car payment. Don't forget to include maintenance, gas and taxes.

- **Have you pulled your credit report?** Your credit history may affect your finance rate, so it's a good idea to get a copy of your free credit report before heading to the dealer. Go to www.annualcreditreport.com for yours.

- **Have you shopped around?** Do some homework before you decide which car to buy and where to buy it. Call your bank or credit union. Talk to dealerships. Print out all quotes and keep them in a folder that you bring with you when you shop for the car. Whether you finance through your dealer or elsewhere, there are typically no penalties to refinance if you're not satisfied.

- **Do you know how finance rates are determined?** Vehicle financiers use a number of factors to determine the finance rate they will offer you, including your credit score, the price of the vehi-



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cle you would like to purchase, manufacturer incentives, the amount of your down payment, your debt repayment options and the length of the finance contract. The rate offered to you may be negotiable.

- **Is there someone you could ask to be a co-signer if needed?** If you are under the age of 18, are currently not employed, do not have a credit history or your credit history is not good, you may need a responsible person to co-sign the finance contract for you.

- **Do you know the difference between leasing and financing?** Know what an APR is? Credit insurance? Guaranteed Auto Protection? You need to educate yourself on these terms and understand the value and price of aftermarket products. If you don't want something, don't sign for it.

According to Eric Hoffman of AWARE, if you answered "no" to one or more questions, go back and hit the books before you buy a car or truck. Said Hoffman, "Consumers, especially those at the beginning of their financial lives, need to be vigilant about understanding the vehicle-financing process. If you make mistakes along the way, they can follow you for years."

To learn more, visit the Web site at www.autofinancing101.org.