Car & Vehicle Financing

WHAT DO TO BEFORE YOU SIGN ON THE DOTTED LINE
WITH THE CAR LOAN YOUR BANK IS OFFERING,

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Car & Vehicle Financing

Before you sign on the dotted line with the car loan your bank is offering, compare your options from a wide range of brands.

There are some incredibly cheap car loans out there and the key to finding the righ one is picking the loan type that suits your financial needs.

Car & Vehicle Financing

HOW DO CAR LOANS WORK?

Car loans can work differently depending on what type of loan you take out and what kind of car you're looking to purchase.

Generally the following steps will apply:

1) You apply for finance

Once you've chosen your car finance you need to submit your application. unsecured loans will only required your personal and financial details, but secured loans will also need information about the car.

2) The lender approves your loan

Car finance approvals can happen on the same day or they may take up to ten days. You may also be able to receive conditional approval, whereby you will be told how much you are likely eligible for so you can go car shopping knowing your spending limitations.

3) The car is purchased using the funds

This can happen a few different ways. If you're buying a car in private sale, your lender may be able to pay the seller directly or give you a cheque to pay them directly. Unsecured loans will required you to arrange the payment yourself.

TYPES OF CAR& VEHICLE LOANS

There is a wide variety of car financing options out there and there are features that differentiate those options.

- Secured car loan
- Unsecured car loan
- Chattel mortgage
- Car hire purchase
- Novated lease
- Car lease

BALLOON PAYMENTS

A balloon payment is a residual amount of money that needs to be repaid at the end of the loan terms. This type of loan lets you reduce your monthly repayments throughout the term of the loan, then you need to pay off the lump sum amount still owning at the end.

You might choose to sell the car to pay off the lump sum amount due or to trade it in on another vehicle and refinance that residual amount into your new loan.

PURCHASING A CAR PRIVATELY (RATHER THAN A DEALER)

You are able to buy your car through a private seller if you wish. You will need to provide details about the car to the lender, such as registration number and vehicle identification number (VIN) for the loan to proceed.

CAR & VEHICLE FINANCING

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