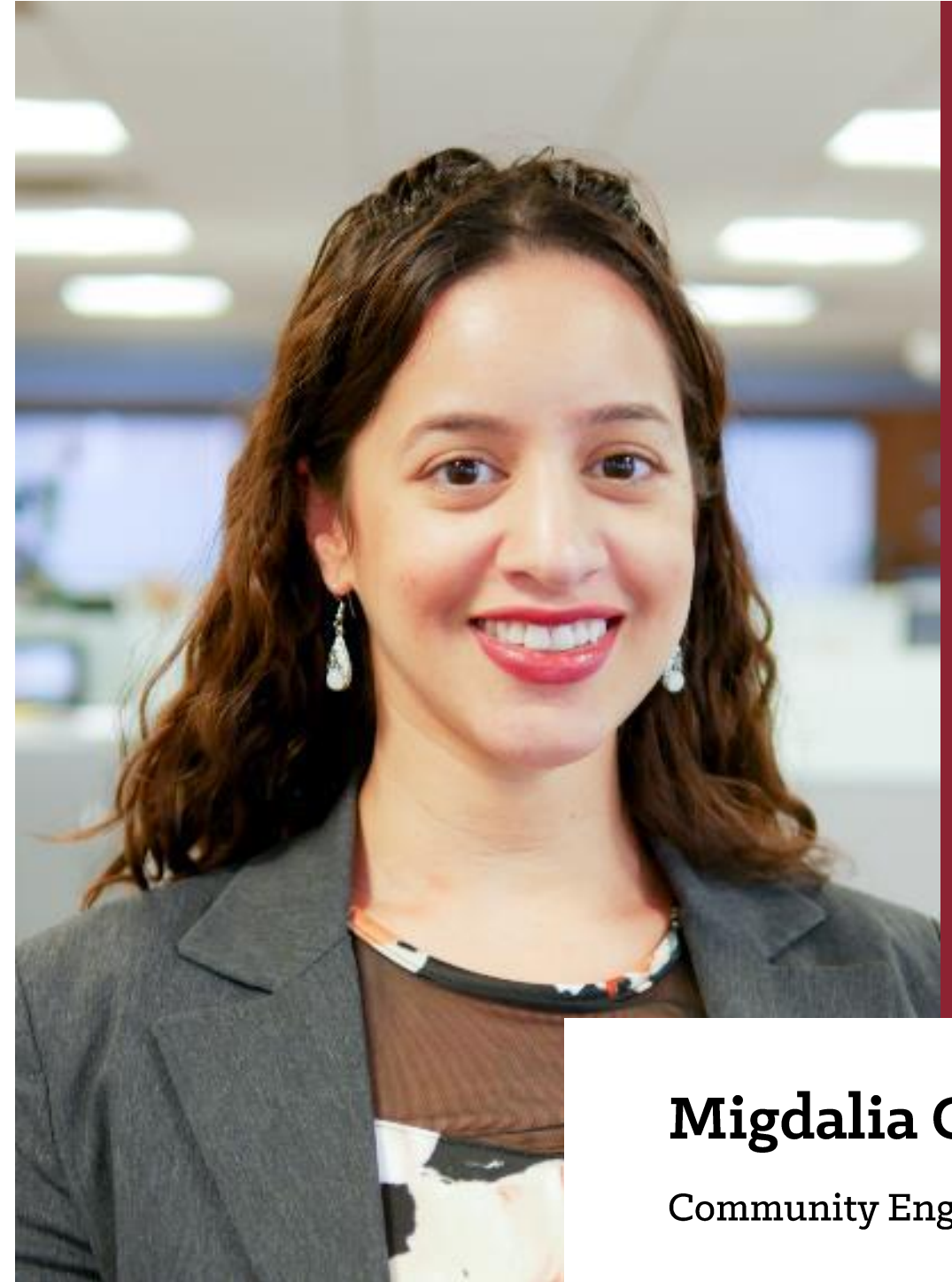


Automobile Buying and Financing



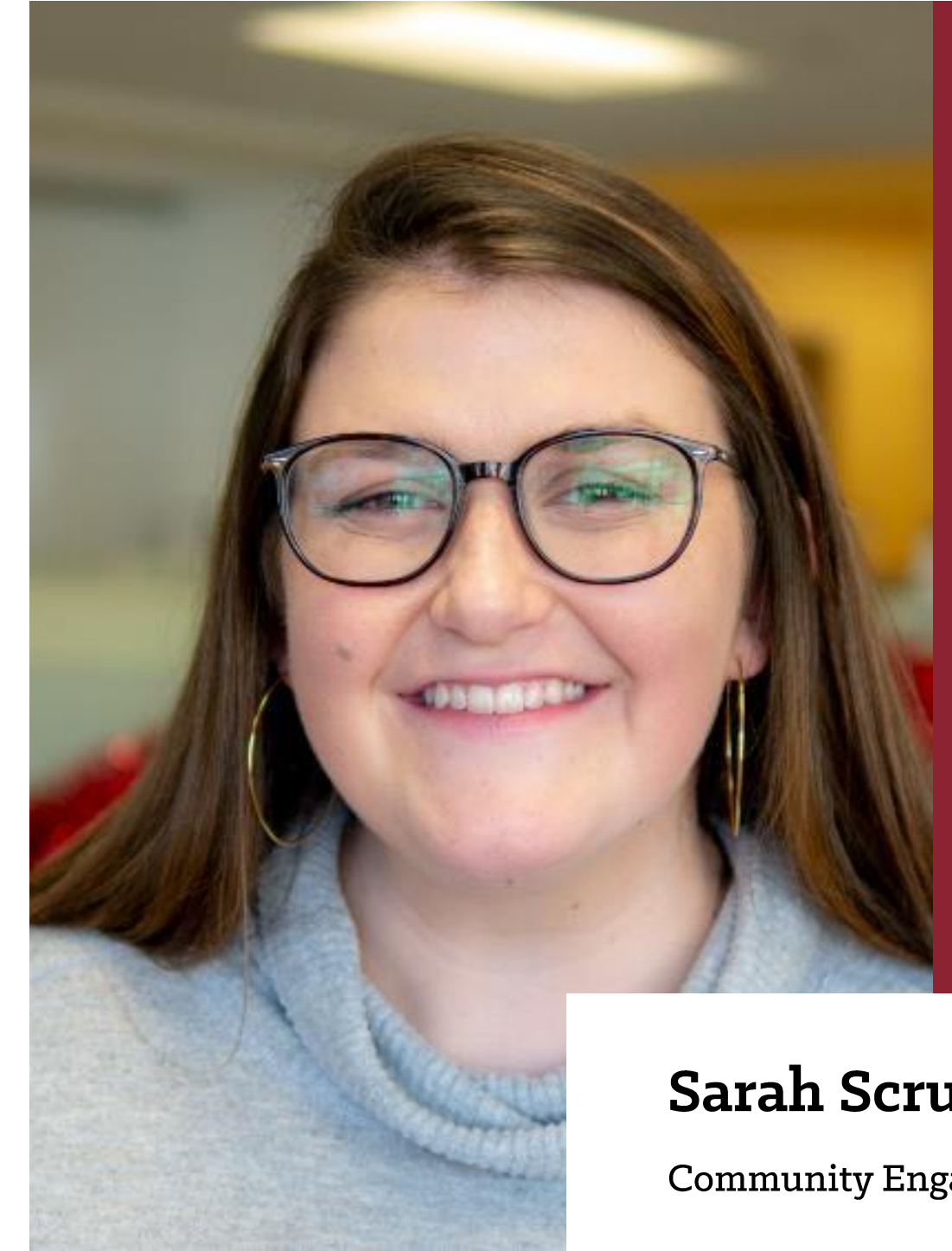
**HARVARD UNIVERSITY
EMPLOYEES CREDIT UNION**

Today's Presenters



Migdalia Gomez

Community Engagement Manager



Sarah Scruggs

Community Engagement Specialist

Today's Webinar

Reducing Background Noise

We've muted all attendees to help with audio quality.

Using the "Questions" Feature

Submit questions at any point. Let's test it!

Presentation & Recording

The presentation is being recorded and will be posted on our YouTube channel.

Post-Workshop Survey

Take our post-workshop survey and let us know how we did.

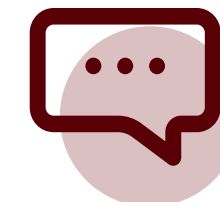


The Credit Union Difference

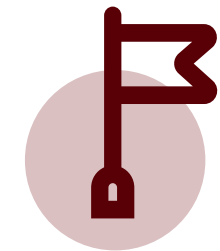
As a not-for-profit, HUECU puts members first in the form of better rates on savings and loans, lower & fewer fees, and more free services and perks.



Better Value




Better Service



Better Business Model



Better For the Community



Make a Plan

Lease or Buy?

✓ Advantages of Leasing

Can drive new car every few years

May be lower monthly payment

Lower up-front costs

✗ Disadvantages of Leasing

Vehicle does not belong to you

May be hard to get out of contract

May have to purchase a specific car insurance plan

Pay fees for:

Exceeded mileage limit

Returned condition

Terminating contract early

New or Used?

✓ Advantages of Buying New

Reliability

Manufacturer's warranty

Customize

✗ Disadvantages

Higher cost vehicle and insurance rate

Immediate depreciation

✓ Advantages of Buying Used

Lower cost

Slower depreciation

✗ Disadvantages

More work to learn car history

Usually limited or no warranty

May have higher maintenance costs

May need replacement sooner

Tips for Buying **Used**

Ask for repair history

Get VIN and run vehicle history report

Take to independent mechanic

Private sales offer little or no consumer protection

Most private sales are 'as is.'



Keep, Sell or Trade-in?

KEEP

Will anyone in your family need a car soon?

SELL OR TRADE-IN

Research the value of your current car

Fix minor dings and scratches on car and thoroughly clean inside and out.

Can usually get more money if you sell privately than trade-in to dealership.



The image features a vibrant yellow background with several pink piggy banks scattered around. A large white diamond shape is centered on the page, containing the text 'Know Your Finances' in a bold, black, sans-serif font. The piggy banks are positioned at various angles, some facing forward and others slightly turned, creating a dynamic and playful composition. The overall aesthetic is bright and positive, suggesting themes of savings and financial well-being.

Know Your Finances

What is Your Budget?

CAR EXPENSES

Monthly Payment & Insurance

Taxes & Registration

Inspection

Wear and Tear

Gas & Parking

Oil Changes

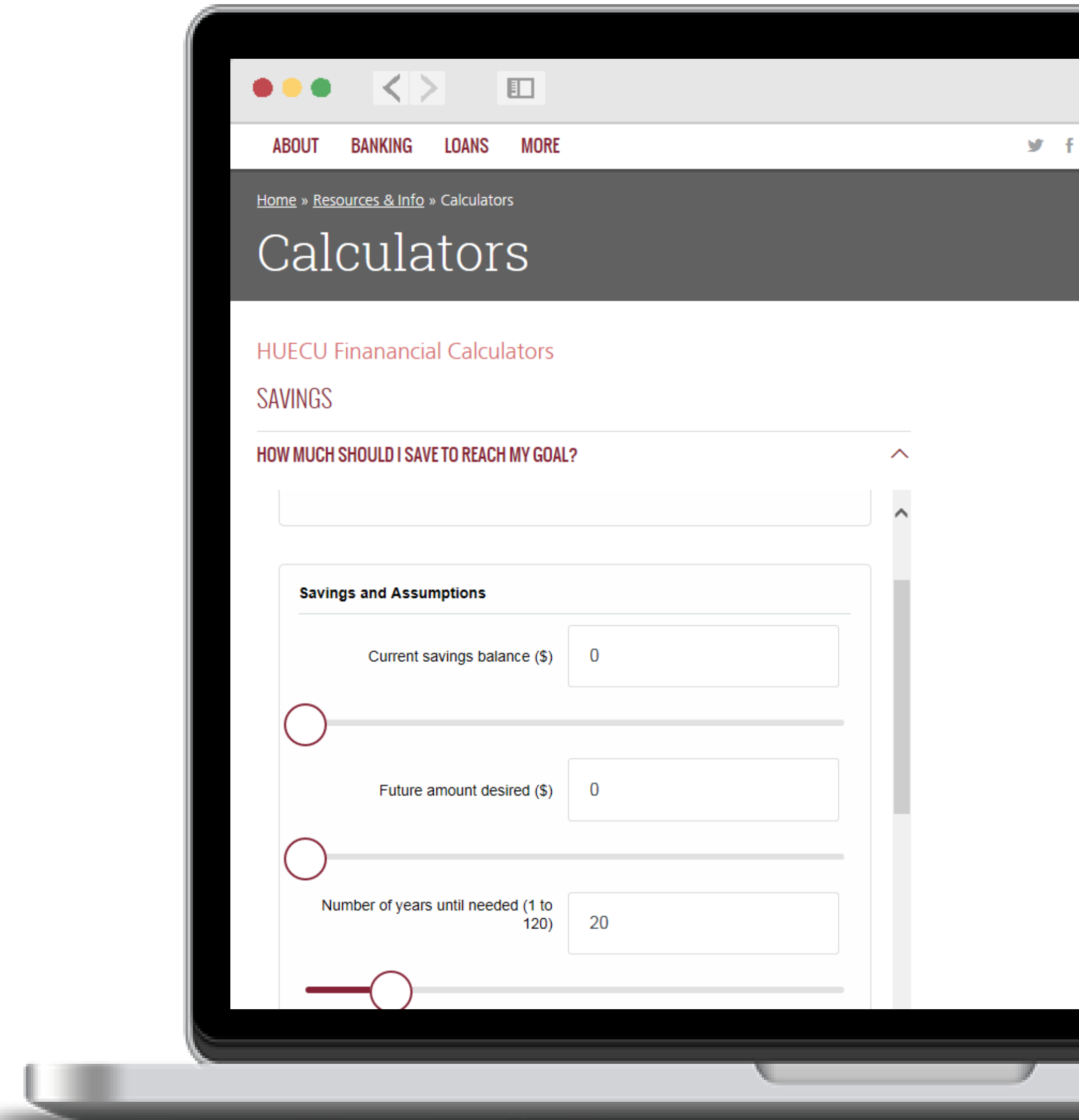


Effects of Down Payment

PURCHASE PRICE	\$25,000	\$25,000	\$25,000
DOWN PAYMENT	-\$0	-\$5,000	-\$10,000
LOAN AMOUNT	\$25,000	\$20,000	\$15,000
MONTHLY PAYMENT 5 years @ 5.00%	\$472	\$377	\$283
TOTAL INTEREST PAID	\$3,307	\$2,645	\$1,984
TOTAL VEHICLE COST	\$28,307	\$27,645	\$26,984

HUECU Calculators

HUECU.ORG/CALCULATORS



Credit Score Impact

CREDIT SCORE	790 at 5%	670 at 8%	520 at 16%
LOAN AMOUNT	\$20,000	\$20,000	\$20,000
MONTHLY PAYMENT 5 Year Loan	\$377	\$406	\$486
TOTAL INTEREST PAID	\$2,645	\$4,332	\$9,182
TOTAL VEHICLE COST	\$22,645	\$24,332	\$29,182

Do You Need A Co-signer?

LENDER MAY REQUIRE CO-SIGNER IF:

Little or poor credit history

First-time buyers

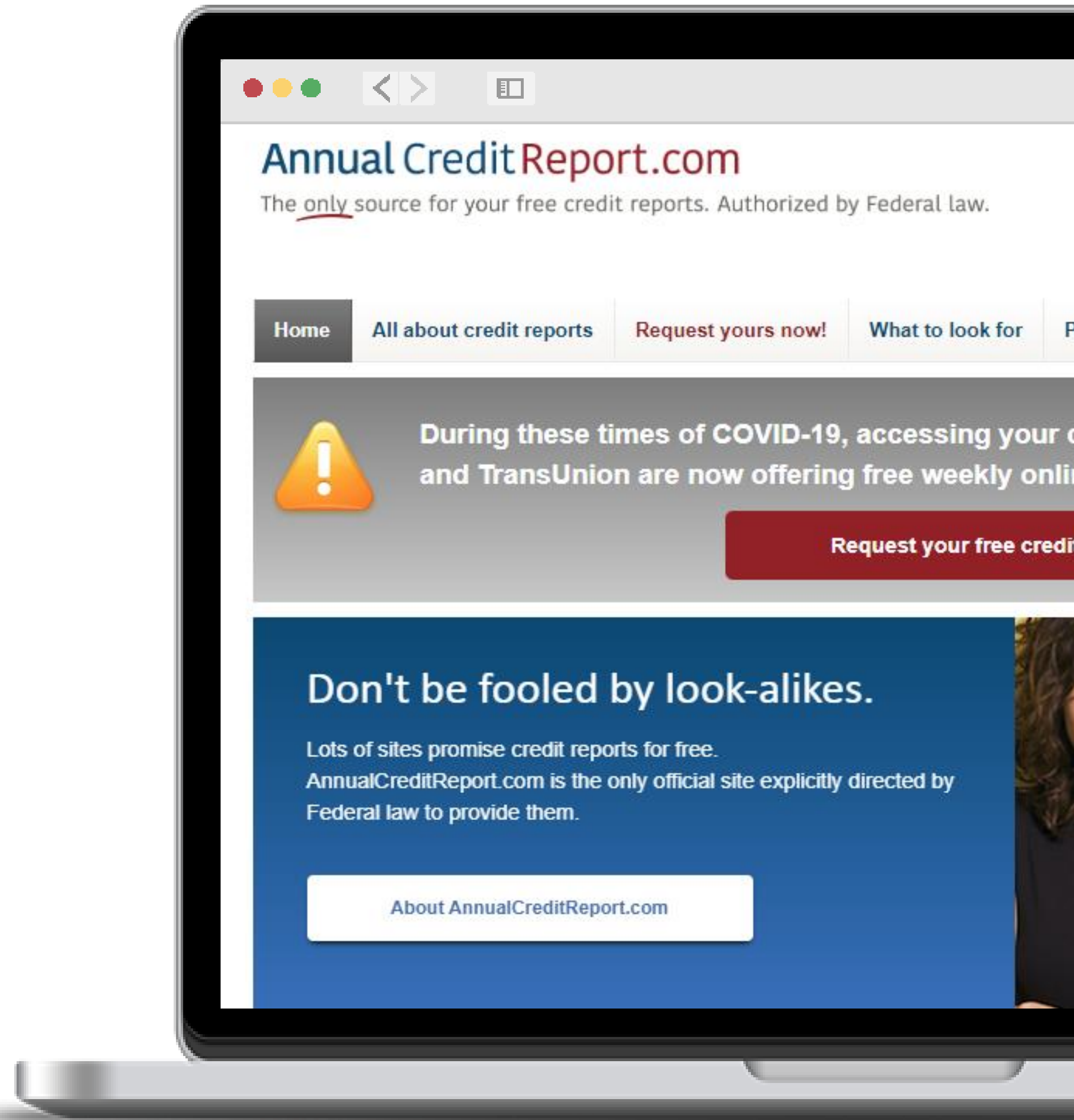
Co-signer is legally responsible for debt. Car loan may have negative impact on their credit score.



Free Credit Report

Receive a free weekly copy of report from each of 3 bureaus until April 2021.

ANNUALCREDITREPORT.COM





GreenPath

GreenPath Financial Wellness offers free credit, budget and COVID-19 counseling.

[HUECU.ORG/GREENPATH](https://huecu.org/greenpath)

A white ceramic mug with a circular image of a forest is on the left. In the background, a laptop screen shows a banking dashboard with sections for 'Basic Checking', 'Savings', 'Joint Savings', and 'Credit Cards'. A banner at the bottom of the screen reads 'WE'RE HERE FOR YOU' and 'CHECK OUT OUR COVID-19 RESOURCE'. A smartphone lies horizontally on the desk in the foreground.

Financing Strategy

Cash Back or 0% Rate

	CASH BACK	0% INTEREST RATE
	\$25,000	\$25,000
CASH BACK	-\$5,000	-\$0
REMAINING COST	\$20,000	\$25,000
MONTHLY PAYMENT 5 Year Loan (5%)	\$377	\$417
TOTAL INTEREST PAID	\$2,645	\$0
TOTAL VEHICLE COST	\$22,645	\$25,000

Loan Terms

TERMS	4 YEAR	6 YEAR	7 YEAR
LOAN AMOUNT	\$20,000	\$20,000	\$20,000
MONTHLY PAYMENT AT 5%	\$461	\$322	\$283
TOTAL INTEREST PAID	\$2,108	\$3,191	\$3,745
TOTAL VEHICLE COST	\$22,108	\$23,191	\$23,745

ITEMS TO CONSIDER

What will be the vehicle value at the end of the term?

How will that monthly payment impact your future goals?

Shop Around For Financing

Finance Options

Car Dealers

Banks

Credit Unions

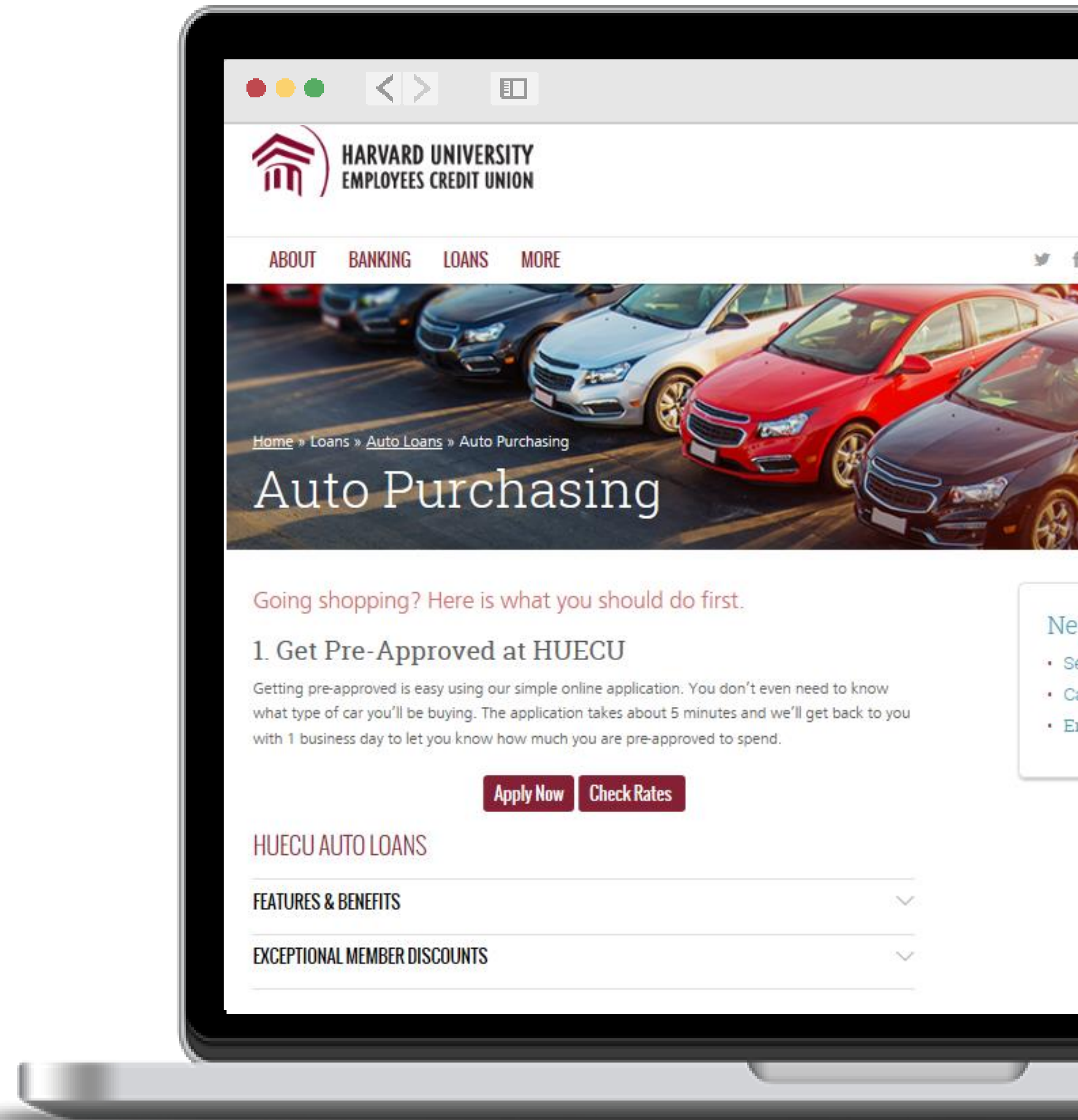
HUECU AUTO LOANS NEW OR USED – UP TO 110% FINANCING ¹		
APR ²	MAXIMUM TERM	MAXIMUM AMOUNT
AS LOW AS 2.99% ³	UP TO 72 MONTHS	\$75,000 (NEW) \$50,000 (USED)

^{1,2,3} Visit www.huecu.org for current rates and terms.

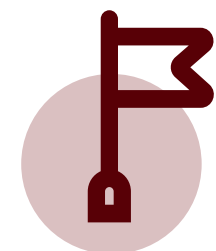


Get a Pre-Approval

- ✓ Gives you an advantage when going to the car dealer.
- ✓ Allows you to know rate in advance.



Overview of Auto Loan Process



Submit loan application (usually online)

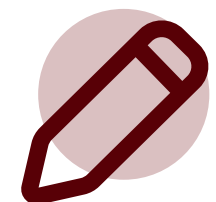
CAR DEALER

May provide their own financing and/or work with lenders across the country



Dealership provides institution with NEW Registration and Title Application

Process usually occurs at car dealership



Sign final loan documents



Funds available for auto purchase

Know the Contracts

Once it's signed you're responsible

Ask questions

Good dealers will encourage questions, they want to protect their long term reputation



Know Your Rights

TRUTH IN LENDING ACT

Lender must clearly disclose terms of borrowing

CONSUMER LEASING ACT

Lessor must clearly disclose terms of leasing

LEMON LAW

Entitled to new car or refund if buy lemon

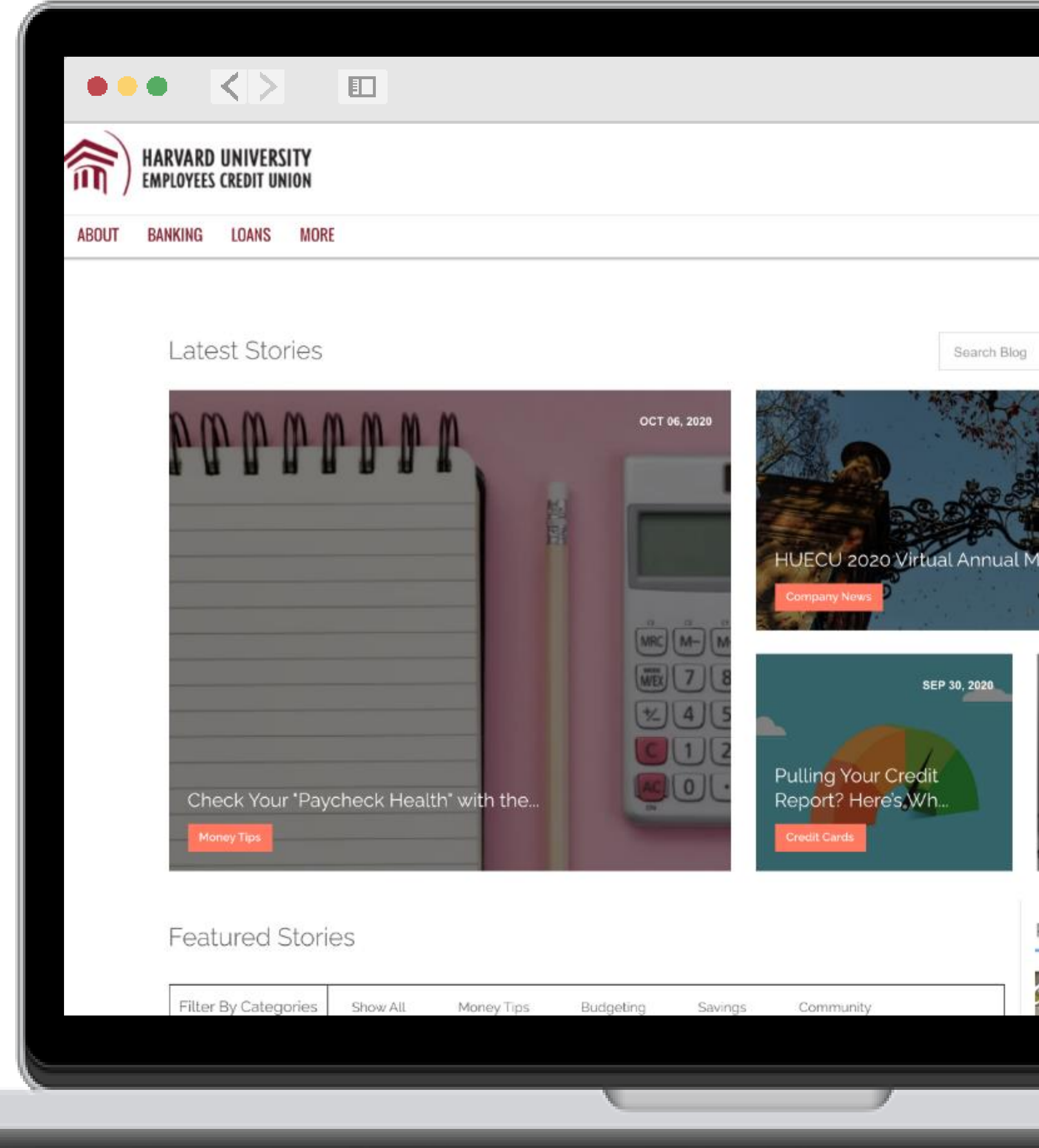
Usually only applies to new cars



We Blog

Subscribe or visit our website.

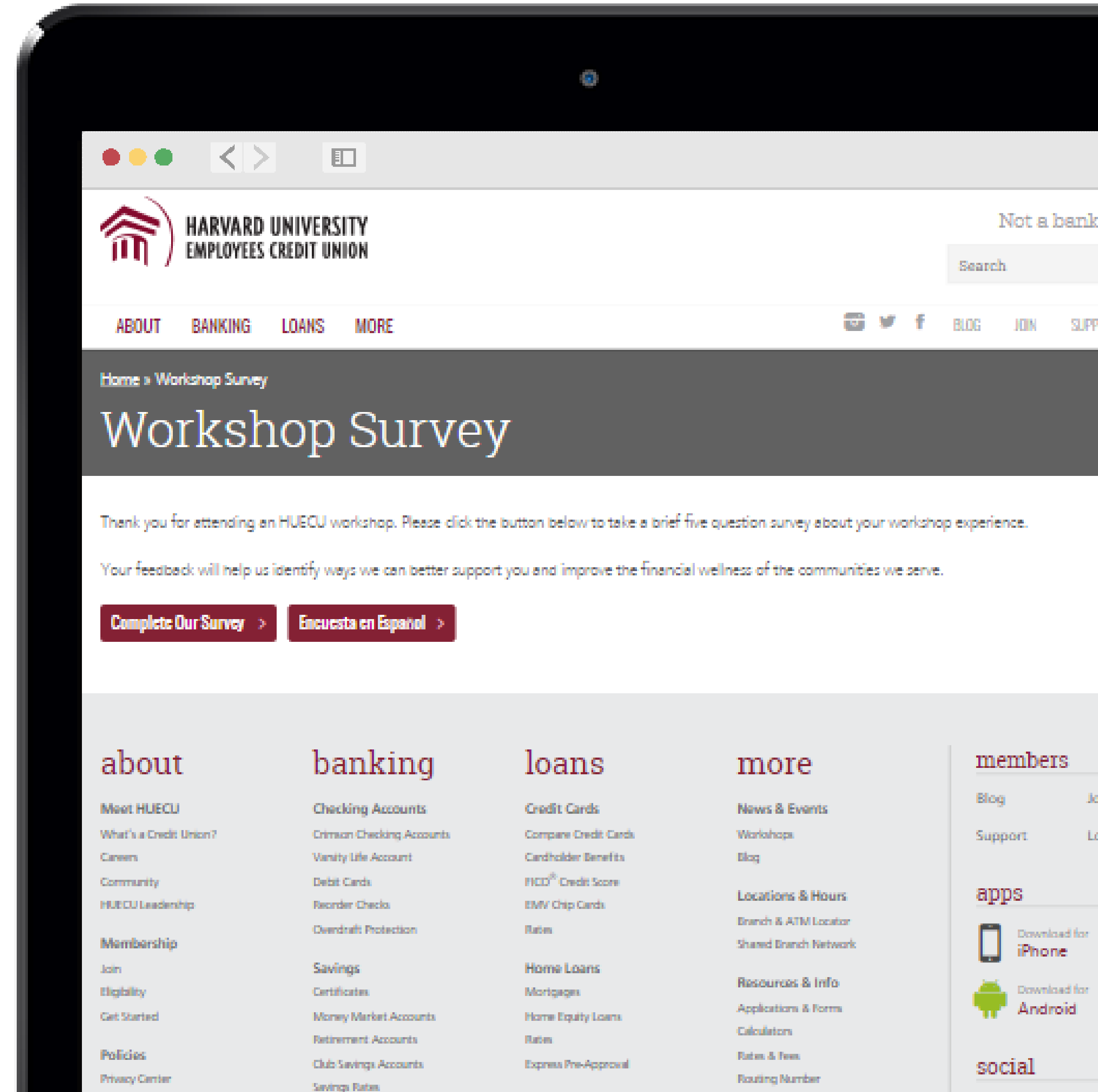
BLOG.HUECU.ORG



Survey Says!?

Let us know how you liked this webinar

HUECU.ORG/SURVEY



Disclaimer


This presentation is a general overview of principles you may want to consider. Only you can decide what is best for you. This presentation is educational in nature and is not intended to be, and should not be construed as tax, legal or investment advice. You should always consult a certified advisor for advice on your specific situation. The examples used in this presentation are for illustrative purposes only.

Let's keep in touch!

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