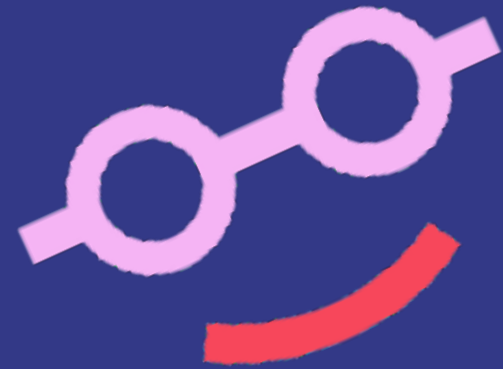




**Harvard**  
**FEDERAL CREDIT UNION**

# Auto Financing



# Meet Your Hosts



**Jen Fries**

Community Engagement Manager



**Ty Robinson**

Community Engagement Specialist



**Terrence Bazile**

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

This presentation is being recorded and will be posted on our YouTube channel to re-watch.

## Post-Workshop Survey

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

# No Problem is Too Big or Too Small

Assessment, Short-term Problem Solving and Referral

## Personal & Well-being

Stress/Resilience  
Depression/Anxiety  
Domestic Violence  
Grief/Loss  
Addictions  
Relationships



## Family & Life

Childcare  
Financial  
Eldercare  
Legal  
Parenting  
Lactation

## Workplace

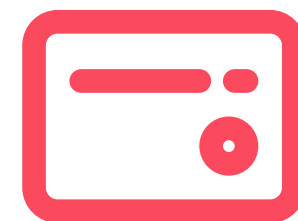
Staff Support During Difficult Times  
Manager Consultations  
Workplace Issues  
Work & Life Webinars / Seminars

# Not-For-Profit Banking at Harvard FCU



## Community Focused

Harvard FCU is dedicated to empowering our community at Harvard and beyond. Once a member, always a member, even if you leave your job. When you join membership extends to all family members.



## Products & Services

Free access to ATMs nationwide. Credit cards with cash back rewards. Home loans for purchases and refinancing, student loans and refinancing options, auto loans and more.



## Access Anywhere

Convenient locations and Online Banking. Mobile Banking and Digital Wallet ready. Access to the nationwide CO-OP Shared Branching Network.

# Make a Plan





## ✓ Advantages of Leasing

Can drive new car every few years

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May be lower monthly payment

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Lower up-front costs

## ✗ Disadvantages of Leasing

Vehicle does not belong to you

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May be hard to get out of contract

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May have to purchase a specific car insurance plan

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Pay fees for:

- Exceeded mileage limit
- Returned condition
- Terminating contract early



✓ **Advantages of Buying New**

Reliability

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Manufacturer's warranty

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Customize

✗ **Disadvantages of Buying New**

Higher cost vehicle and insurance rate

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Immediate depreciation

✓ **Advantages of Buying Used**

Lower cost

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Slower depreciation

✗ **Disadvantages of Buying Used**

More work to learn car history

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Usually limited or no warranty

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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

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

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

# Know Your Finances



# What is Your Budget? Car Expenses

- Monthly Payment & Insurance
- Taxes & Registration
- Inspection
- Wear and Tear
- Gas & Parking
- Oil Changes

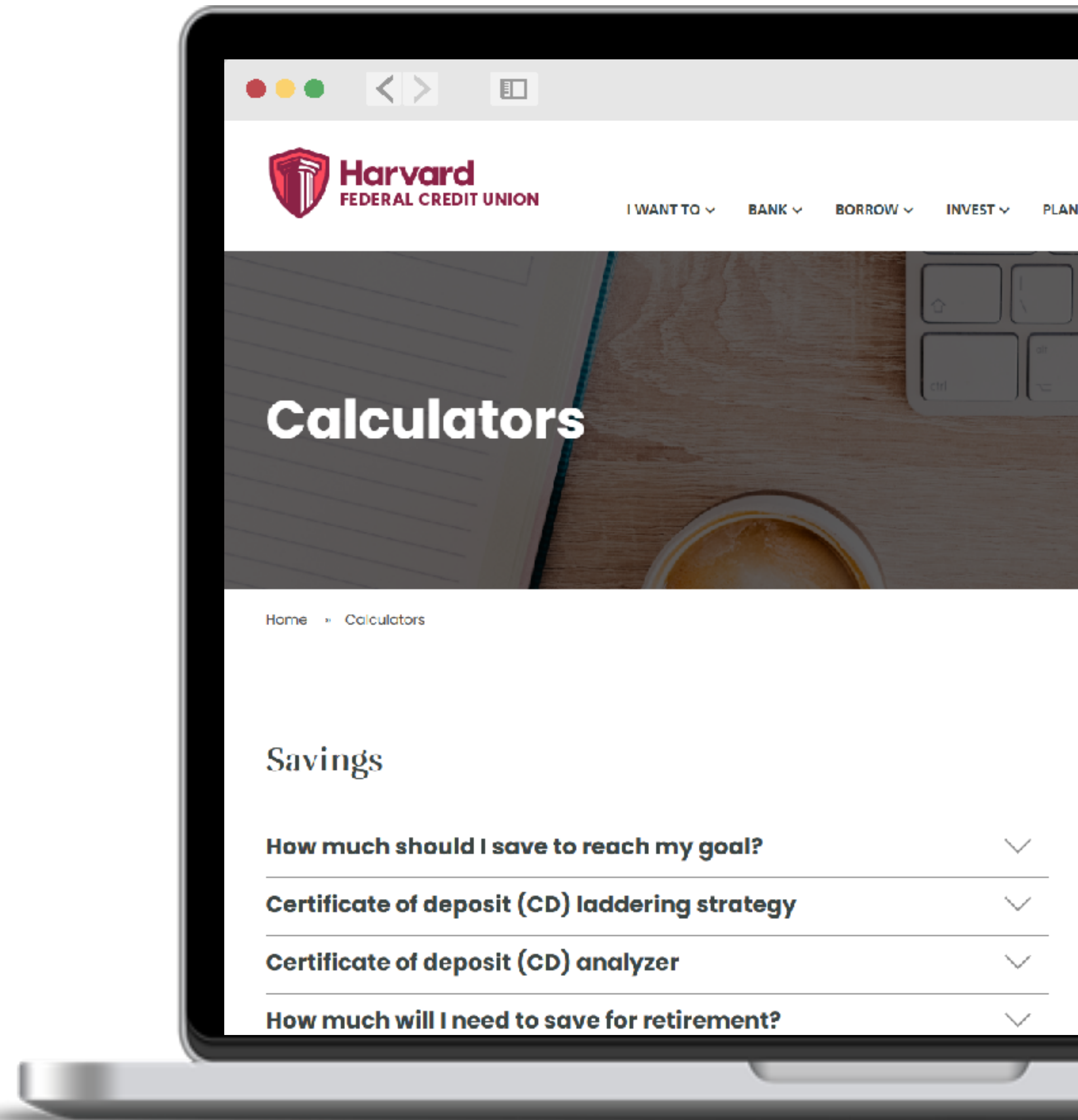


# Effects of Down Payment

<b>PURCHASE PRICE</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>
DOWN PAYMENT	-\$0	-\$5,000	-\$10,000
LOAN AMOUNT	\$25,000	\$20,000	\$15,000
MONTHLY PAYMENT 5 years @ 7.99%	\$507	\$405	\$304
<b>TOTAL INTEREST PAID</b>	<b>\$5,407</b>	<b>\$4,325</b>	<b>\$3,244</b>
<b>TOTAL VEHICLE COST</b>	<b>\$30,407</b>	<b>\$29,325</b>	<b>\$28,244</b>

# Harvard FCU Calculators

[HARVARDFCU.ORG/CALCULATORS](https://HARVARDFCU.ORG/CALCULATORS)



# Credit Score Impact

CREDIT SCORE	790 at 7.99%	670 at 12%	520 at 16%
LOAN AMOUNT	\$20,000	\$20,000	\$20,000
MONTHLY PAYMENT 5 Year Loan	\$405	\$444	\$486
TOTAL INTEREST PAID	\$5,325	\$6,693	\$9,182
<b>TOTAL VEHICLE COST</b>	<b>\$25,325</b>	<b>\$26,693</b>	<b>\$29,182</b>



# Do You Need A Co-signer?

## Lender may require co-signer if:

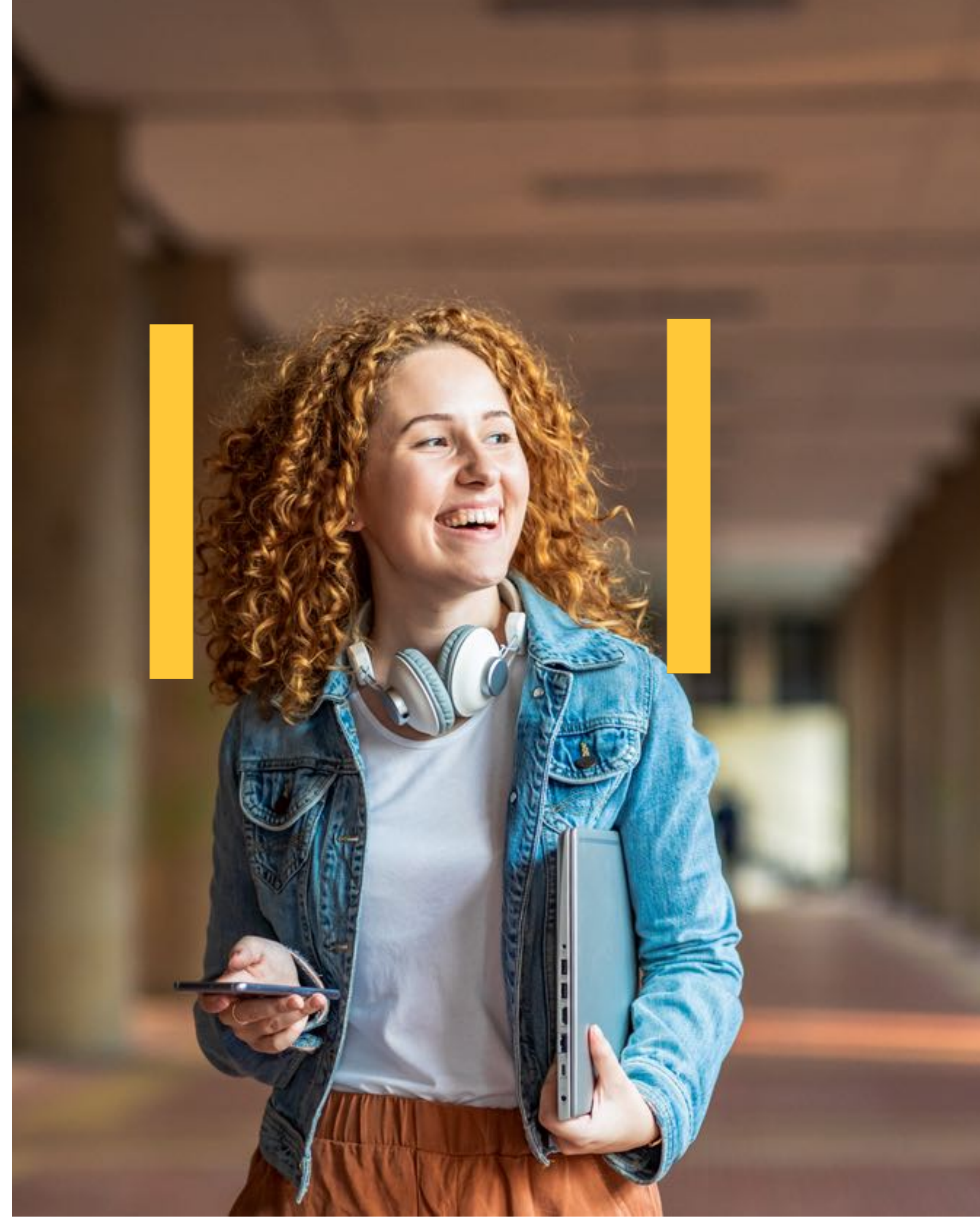
Little or poor credit history

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First-time buyers

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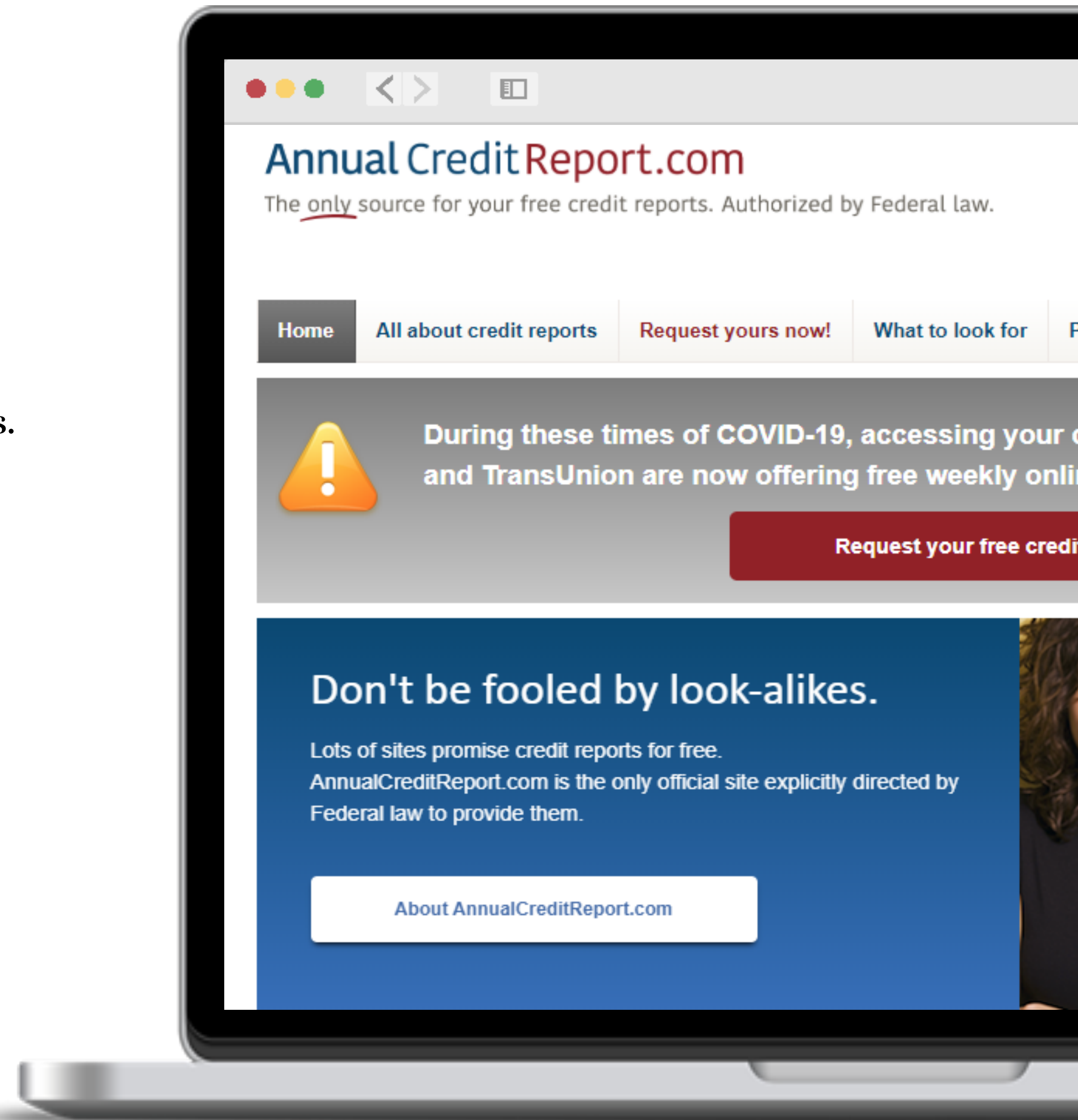
Co-signer is legally responsible for debt. Car loan may have negative impact on their credit score.



# Free Credit Report

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

[ANNUALCREDITREPORT.COM](http://ANNUALCREDITREPORT.COM)



# Financing Strategy



# Loan Terms

TERMS	4 YEAR	6 YEAR	7 YEAR
LOAN AMOUNT	\$20,000	\$20,000	\$20,000
MONTHLY PAYMENT AT 8%	\$488	\$350	\$311
TOTAL INTEREST PAID	\$3,436	\$5,247	\$6,184
TOTAL VEHICLE COST	\$23,436	\$25,247	\$26,184

## ITEMS TO CONSIDER

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

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How will that monthly payment impact your future goals?

# Shop Around For Financing

## Finance Options

Car Dealers

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Banks

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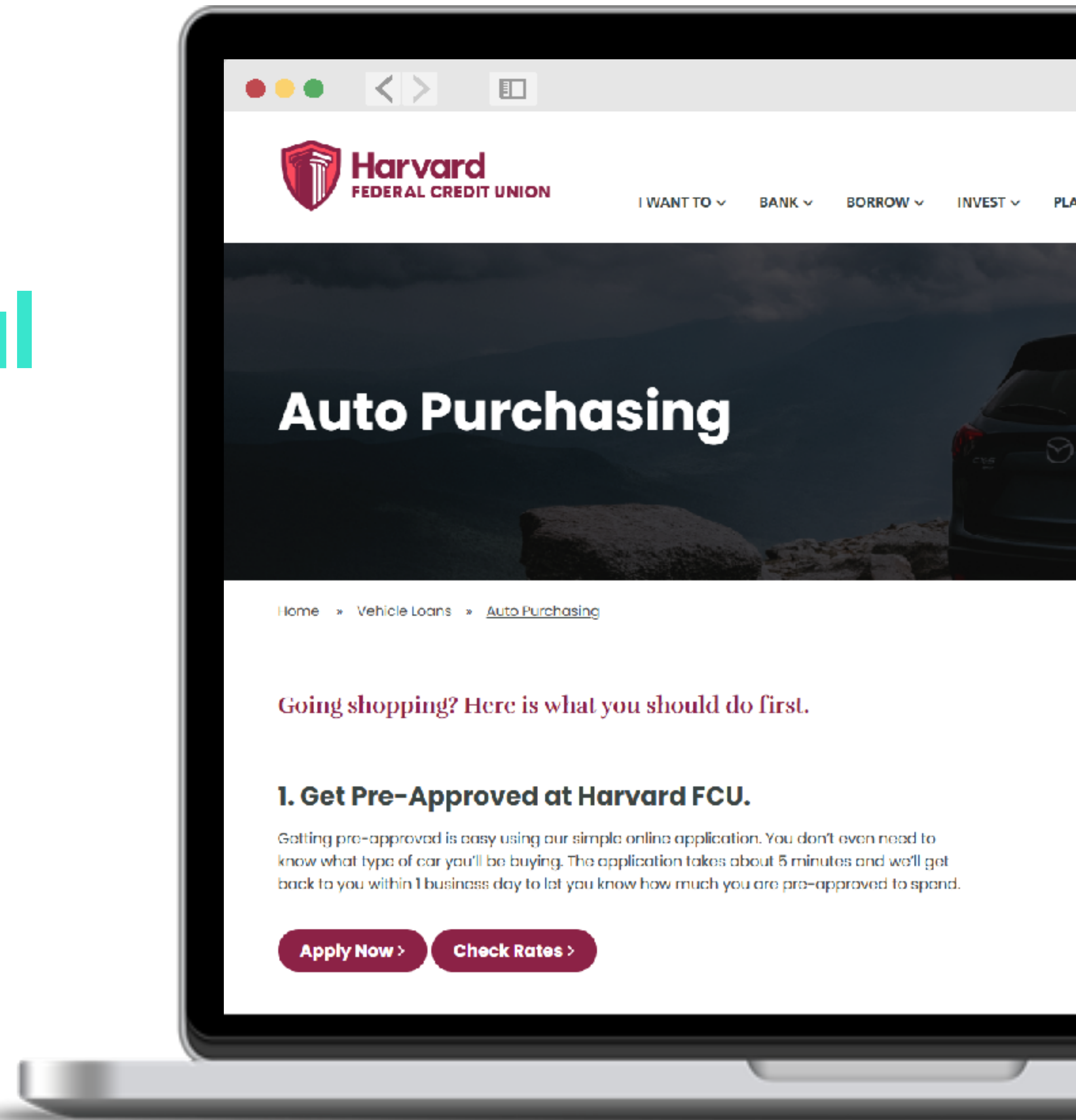
Credit Unions

Harvard FCU AUTO LOANS NEW OR USED – UP TO 110% FINANCING <sup>1</sup>		
APR <sup>2</sup>	MAXIMUM TERM	MAXIMUM AMOUNT
AS LOW AS 7.99% <sup>3</sup>	UP TO 72 MONTHS	\$75,000 (NEW) \$50,000 (USED)

<sup>1,2,3</sup> Visit [www.harvardfcu.org](http://www.harvardfcu.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)



Dealership provides institution with NEW Registration and Title Application



Sign final loan documents



Funds available for auto purchase

## CAR DEALER

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

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Process usually occurs at car dealership





# 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

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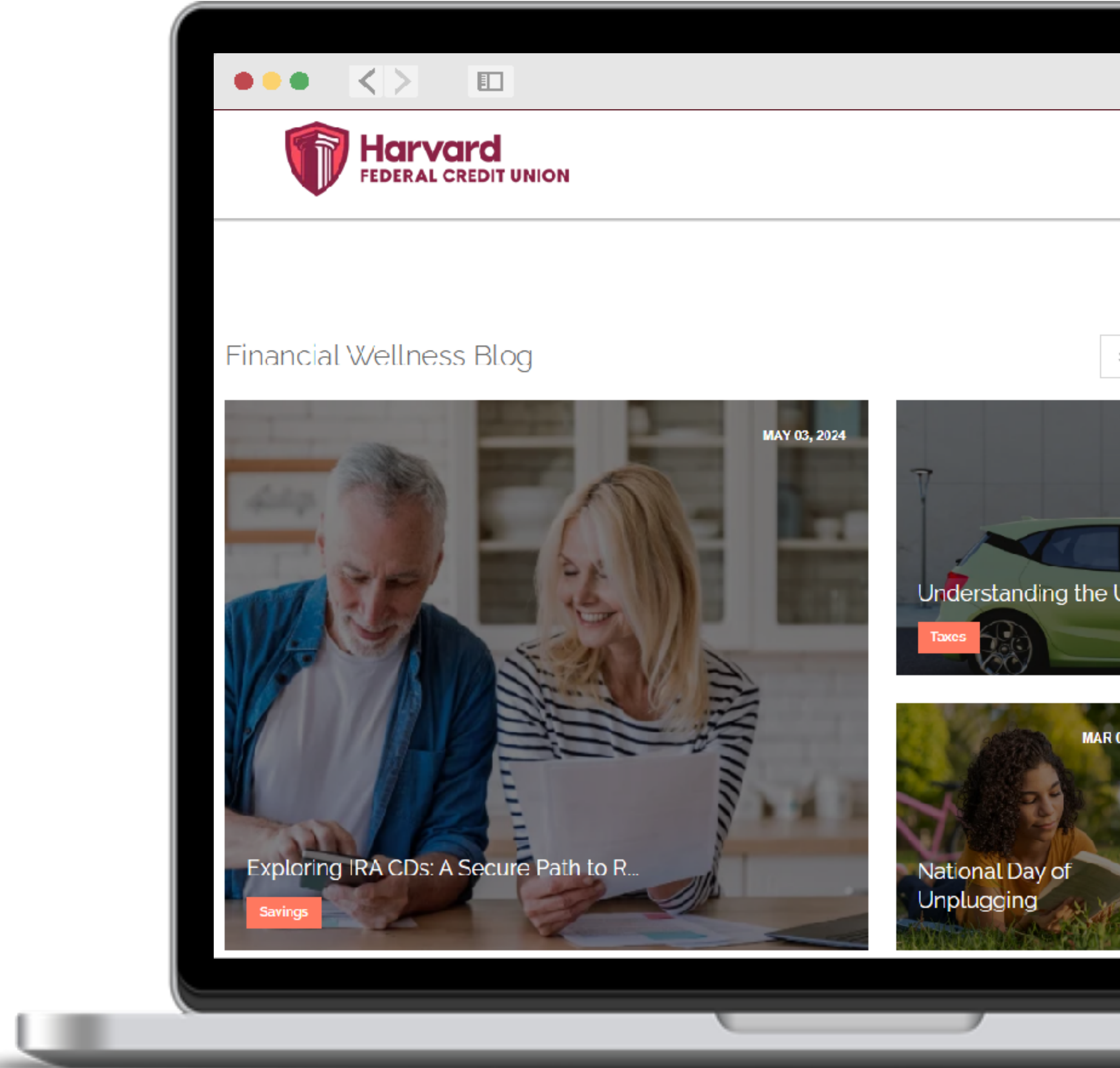
Usually only applies to new cars



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# Learning Lab+

A free online education portal by GreenPath Financial Wellness with courses that are interactive and easy to use.

## Courses include:

**Making the Most of Your Money**

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**AI Credit Tool**

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**Paying Down Your Credit Card**

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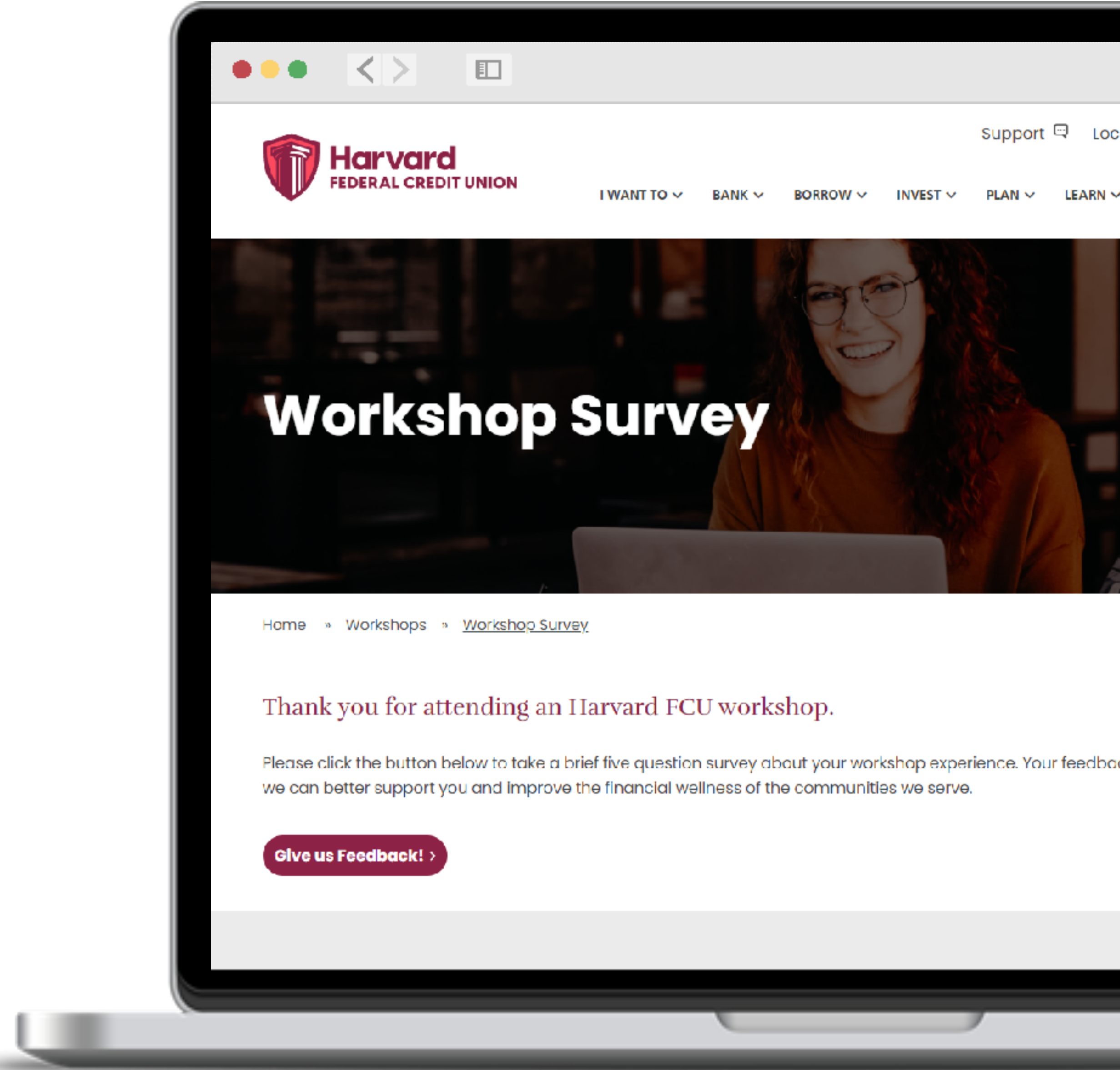
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# Survey Says

Let us know how you liked this webinar.

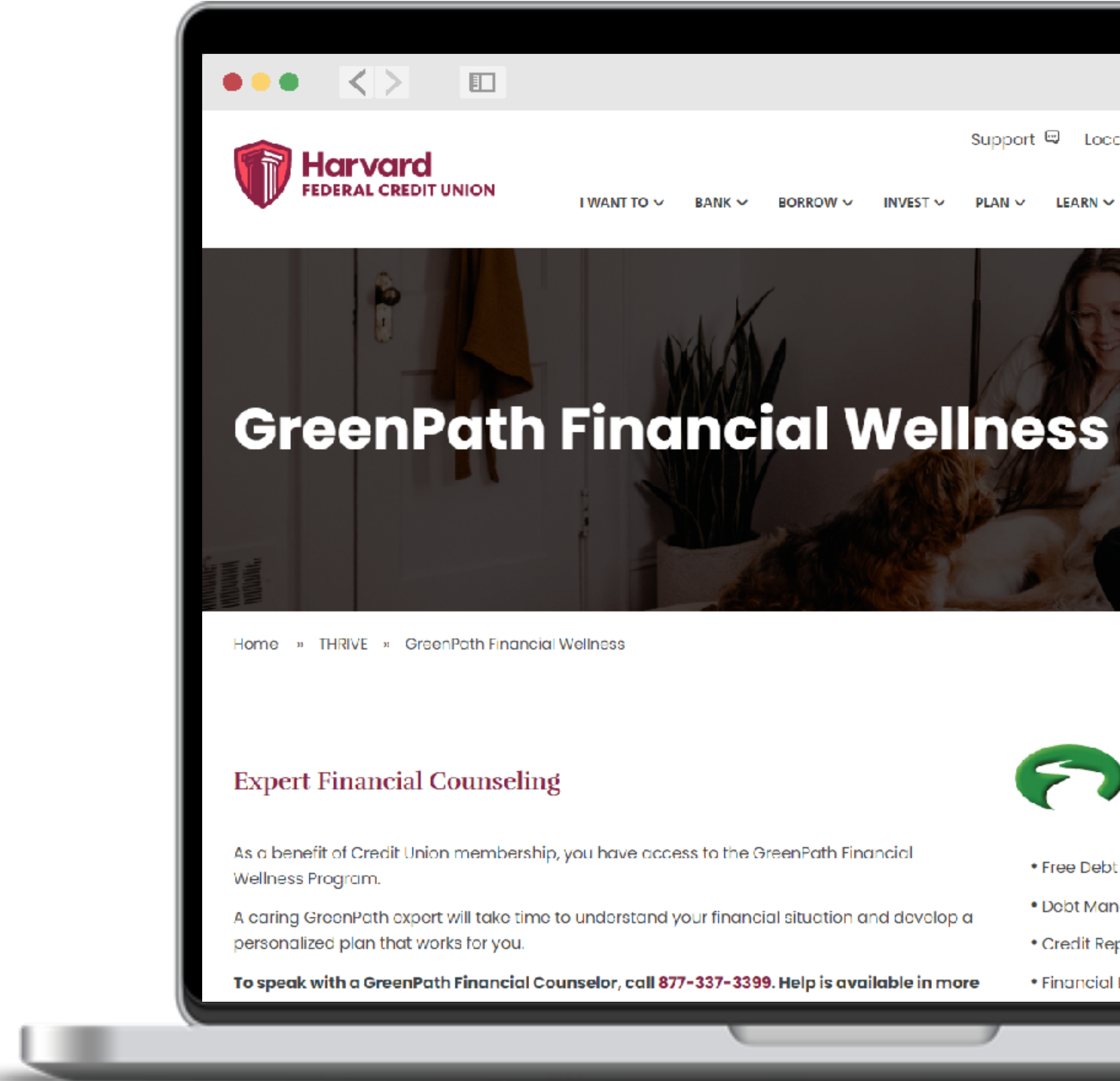
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# GreenPath

GreenPath Financial Wellness offers free credit, budget and housing counseling.

[HarvardFCU.ORG/GREENPATH](https://HarvardFCU.ORG/GREENPATH)



Support Local   
I WANT TO BANK BORROW INVEST PLAN LEARN



## GreenPath Financial Wellness

Home » THRIVE » GreenPath Financial Wellness

### Expert Financial Counseling

As a benefit of Credit Union membership, you have access to the GreenPath Financial Wellness Program.

A caring GreenPath expert will take time to understand your financial situation and develop a personalized plan that works for you.

To speak with a GreenPath Financial Counselor, call **877-337-3399**. Help is available in more



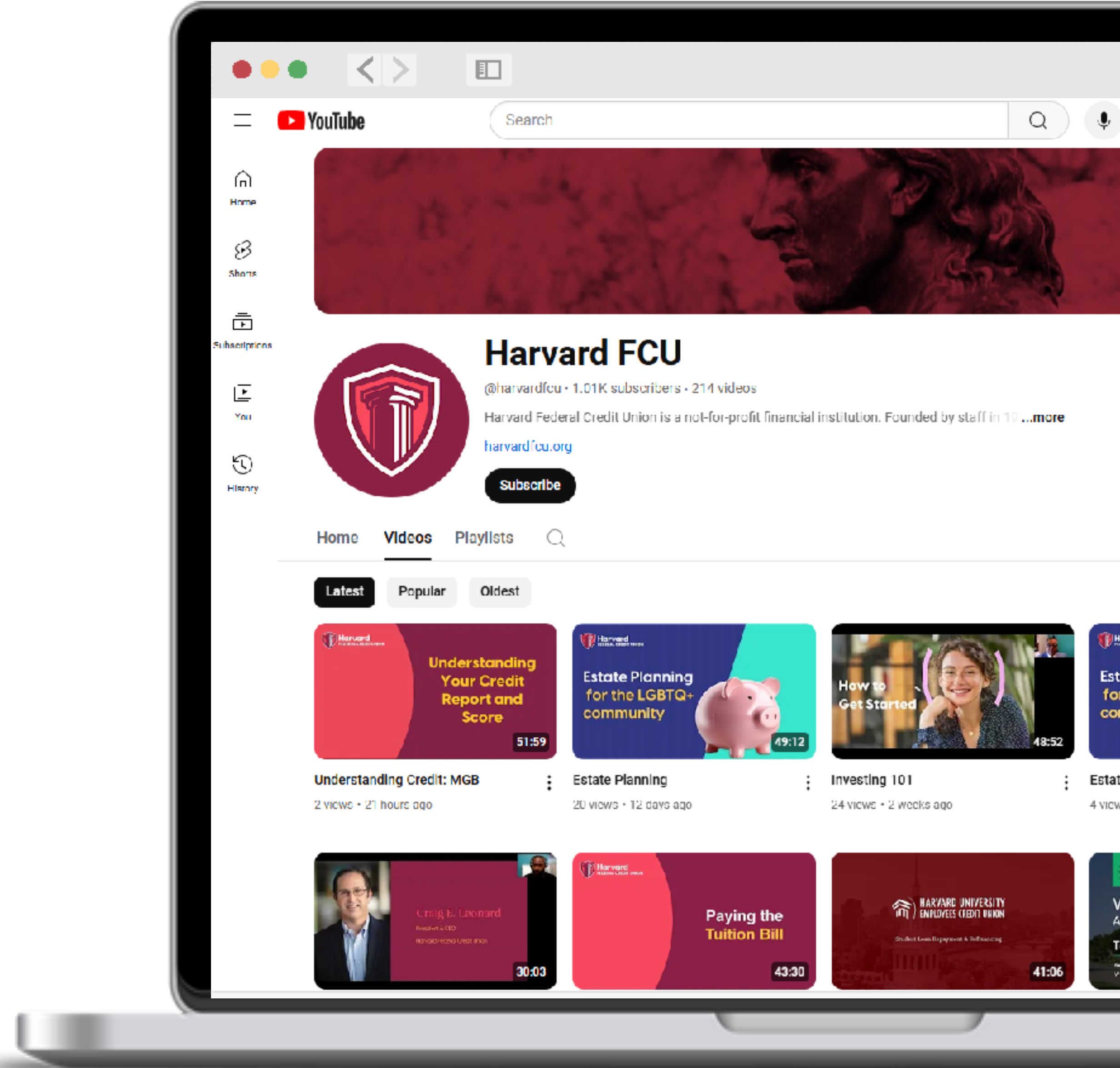
- Free Debt
- Debt Man
- Credit Rep
- Financial

# Check out our recent webinars.

Learn more about:

- Estate Planning
- Budgeting
- Credit

[youtube.com/@harvardfcu](https://youtube.com/@harvardfcu)



# 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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