

# Auto Loans

## Discover your options

Get the best deal for your money on a new or used car. A little research and some smart bargaining can shift the deal in your direction. Navy Federal can help you with this important purchase.

## Your 24-hour resource

Day or night, 365 days a year, apply and:

- Get current rates.
- Find out what your monthly payment would be.
- Compare payments and total finance charges at different rates and terms.
- Get your new or used car loan pre-approved.
- GAP insurance for only \$249.

## Take the money and run

New car dealer offering a low interest rate or a hefty cash rebate? The rebate may be only for certain models. And the low interest rate may be conditional—available only for a shorter term—2 years, for example.

Taking the rebate can work in your favor! The less you finance, the less you'll pay in total loan charges.

## Here's an example:

	Dealer	Navy Federal
<b>Interest Rate</b>	2.9% APR	3.75% APR
<b>Loan Amount</b>	\$18,000	\$16,000 (minus \$2,000 dealer rebate)
<b>Term</b>	36 months	36 months
<b>Monthly Payment</b>	\$523.64	\$470.70

(The rates and repayment amounts are examples only, and may not reflect current rates or monthly payments.)

**By financing with Navy Federal, you would save almost \$52.00 a month or \$1,872 over the life of the loan.**

## How to drive a hard bargain

Take control of the bargaining process. You control the deal when you handle it in the following order:

### 1. Get pre-approved

Avoid hassles over financing and focus on prices and rebates by getting your loan pre-approved.

Tell the loan counselor the type of vehicle you want and the amount you want to borrow. Remember that tax, title and tags will add to the price, so factor those costs in.

When your loan is approved, you'll get a "not to exceed" Navy Federal draft you can use just like cash when you go car shopping. The draft is good for up to 60 days.

### 2. Negotiate the purchase price

The "sticker price," otherwise known as the Manufacturer's Suggested Retail Price (MSRP), is not what the dealer paid for the car. Ask to see the invoice price—the cost to the dealer when the car is delivered to the lot. The final cost to the dealer is normally even less than the invoice amount. That's because the dealer gets rebates from the manufacturer of 2% to 3% of the invoice price. Never negotiate down from the MSRP. Always negotiate up from the invoice price. To research MSRP and invoice prices, use our Web Carbook at [navyfederal.org/auto/](http://navyfederal.org/auto/).

Dealer options—extended warranties; undercoating, rustproofing, upholstery and paint protection; insurance; add-ons; and fees for tags, title and taxes—all add to the price. They're high-profit items for the dealer, and their prices are negotiable. Most new cars today don't need undercoating or rustproofing. Extra warranty insurance is usually less expensive if bought from an insurance company rather than the dealer. If at any time you feel pressured, hurried or confused—leave.



Apply by phone  
1-888-842-NFCU(6328)

For toll-free numbers  
when overseas, visit  
[navyfederal.org/overseas/](http://navyfederal.org/overseas/)

Collect internationally  
1-703-255-8837

TDD for the  
hearing impaired  
1-888-869-5863

Online at  
[navyfederal.org](http://navyfederal.org)

Or visit a branch

### 3. Get it in writing

Make your final offer and state that the price includes all of the agreed-upon items. Get it in writing. Now ask if there are any rebates in effect. After you and the salesperson have agreed on the price, only then should you mention your trade-in.

### 4. The trade-in: Do it last

- Determine the real wholesale value of your car in advance. The “Book Price” is an average for trade-in and resale values.
- Clean up your car; drive it to three or four used car dealers; ask them what they’ll pay you for it. Check average figures in the National Automobile Dealers Association (NADA) Official Used Car Guide. Or use the auto pricing guide at [navyfederal.org/auto/](http://navyfederal.org/auto/).
- Don’t talk trade-in when you are negotiating the purchase price of the new car. Only after you’ve reached an agreement on price should you ask the dealer what he’ll give you for your trade.

### Refinancing: A second chance to save

Got financing from the dealer and drove home in your new car...and then realized the payment is too high?

If you’re driving a car, truck or van that you financed at a higher rate with another lender, refinance with a Navy Federal auto loan. It’s a second chance to save.

### Used Cars: A great alternative

There are lots of high-quality “pre-owned” vehicles out there—and you can save by buying one.

A few tips:

- The larger and more “loaded” the car, the higher the repair cost can be.
- The older the car, the sooner repairs may be needed.
- It may be best to avoid “demos” and driver training cars, since they may have been driven hard and carelessly. Repossessed cars may

not be the best deal either, since the owner probably skimmed on servicing (as well as the payments).

- Worn upholstery and brake pedals may indicate the mileage more accurately than the odometer reading.
- A recent paint job and doors that do not close tightly may be a sign of an accident or a bent frame.

Always take the car for a test drive. Make sure all the gauges and lights work; make note of any unusual odors or odd noises. If you have any doubts, take the car to your mechanic or to a diagnostic center. The cost can save you money in the long run.

Note: In the market for a “classic car?” There’s a Navy Federal program to handle it. Recognized “classic cars” are financed at the current rate for loans secured by tangible collateral and are eligible for maturities up to five years regardless of model year or purchase price.

### The Navy Federal advantage

- Low rates.
- A wide range of terms, geared to fit most any budget—payment plans up to 96 months for new vehicles; up to 72 months for used vehicles.
- 100% financing for new and used vehicles, including tags, warranty and taxes.
- No prepayment penalties—pay interest only on the outstanding balance, so you can pay off your loan early and save money on finance charges.
- Convenience—pay by direct deposit or allotment if desired—no check to write and no worry about missed payments.

### Payment Protection Plan

Navy Federal offers three affordable Payment Protection Plan options to:

- Provide for the payment of your Navy Federal loan should you die.
- Cover the monthly payments on your loan should you become disabled or involuntarily unemployed—including being honorably discharged from the military.

To review the Payment Protection Plan options and apply, visit [navyfederal.org/pp3/](http://navyfederal.org/pp3/) or call 1-888-842-NFCU (6328).