

## Is Car yard Finance competitive?

Most Dealers now provide car loans at the time of purchase and this is actually where they make a big chunk of their money. While it might seem like you're saving time by sorting everything out at once, proceed with caution.

As most dealerships are only partnered with one or two financial providers, your options will be limited and you might not be getting the best deal, features or benefits for your money. EZ Finance have over 15 different banks and lenders who specialize in car & truck loans, so your chances of getting a good economical loan are improved. What's more, depending on the car dealership and the loan they offer, you might be paying more overall. For example, instead of paying interest on just the car, you could be bundling the cost of the car, registration, insurance, extended warrantee, UV protection, scotch guard and other fees,- and paying interest on the combined total! Low interest rate or NO interest car yard deals are also starting to reappear as car companies attempt to disguise price rises driven by a weaker Aussie Dollar, or *mask* heavy discounting on slow selling models.



Either way it can be confusing for car buyers trying to determine if it is a good deal or not! In many cases it can be better to haggle a sharp price and arrange your own finance outside the dealership. But sometimes the deals in the showroom just don't add up.

***We did some number crunching on one deal.***

At least one leading brand was offering 0 per cent finance on quite a high retail price of \$24,990 drive-away for a small car that has in the recent past limbered to \$19,990 drive-away.

At 0 per cent finance over five years the \$24,990 price would cost \$417 per month, presuming there are no other hidden charges or establishment fees.

But what happens if you buy the car at \$19,990 drive-away and arrange your own finance?

If you have a good credit history, you might be able to get a rate of 5 per cent. According to online calculators, that works out to be \$378.00 per month over five years, paying \$2,690 in interest, bringing the total cost of the car to just \$22,680.

It always pays to get more than one quote. Make sure you find out the total interest and total amount you will repay over the life of the loan. Dealers often make more profit on the finance than they do from the sale of the car itself, which is why many buyers are ushered to the dealers in-house finance guy.

***One more tip:*** don't just look at the monthly repayment figure (finance managers can make this figure look small by stretching the repayment terms, which means you pay more interest for longer). The longer the repayment period, the greater chance the payout figure will be more than what the car is worth at trade-in time.

Make sure you find out the total interest and total amount you will repay over the life of the loan. Call EZ Finance today on 1300 727 909 to get the finance you deserve (Even if you have Bad credit) or , go online and use the enquiry link on our website at [www.ezfinance.com.au](http://www.ezfinance.com.au)

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