Article published on June 29th 2012 | Finance

If you buy and sell cars then you need to know more about the various financing options available. The modern motor industry runs on products such as car loans and these can be an important resource that can help you to boost your business.

Flexible Finance

Car loans account for a massive percentage of the credit market. These types of loans are incredibly popular and the majority of people now use car loans when buying a new vehicle. This means if you are a dealer then you cannot afford not to offer your customers the options of car loans when they are in your showroom.

There are various types of car loans available. It is a good idea to offer your customers a choice of loans so that they can find the best option to suit their budgets and requirements. Here are just a few of the more common types of car loans on the market:

- Hire Purchase (HP) â€“ hire purchase agreements have been around for many years now and are available in a range of formats. These agreements are popular still as they offer a very straightforward structure that is easy to understand and follow. Basically with HP car loans you would offer customers the chance to borrow the money they needed towards a new vehicle. They would then pay a deposit to drive the car away and pay off the remainder of the sales price (plus interest) in monthly instalments.

- Lease Purchase (LP) â€“ this is a slightly more complex twist on HP. The customers would still need to pay a deposit and monthly instalments (plus interest) against the loan for a new car. However with LP there are some additional options available. For example if the customer opted for a final balloon payment then they could benefit from lower monthly payments against the money they owed.

Outsourcing Car Loans

Dealers will need to look to outsourcing car loans to specialist motor finance providers. These third party providers will be able to offer secure, robust borrowing options for dealers.

- Motor finance experts will already have in place the skills, experience and administrative structure to handle lending options for customers.

- This enables dealers to provide the best deals and packages quickly and easily to customers. You will be able to submit customer details for fast loan approval.

- Some motor finance providers may even be able to offer instant online approval for loans and this can ensure you are providing your customers with a fast and efficient service.

- These services ensure that no matter what size dealership you run you can offer your customers with the some of the latest deals and best car loans on the market.

- This will help you to stay competitive in a busy and difficult motor sales industry.

Article Source:

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It is important as a dealer to understand about the car finance options available. This will enable you to offer the most competitive a car loans for your customers and strengthen your position in the marketplace.

Article Keywords:
car finance deals, finance car, car finance

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