Dealer Finance vs Personal Loans Which Deal is Best to Finance Cars?

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There are two main routes to choose when looking to finance cars. Dealer finance options and personal loans are widely available and they offer practical ways for people to increase their capital to afford a new car.

By examining the market closely you could find out which deals really offer you the best value for money.

Dealer Finance

The most important thing you need to remember with dealer finance is that dealers will have a compelling reason to offer you the very best discounts. If they want to sell you a car then they have to make the finance as attractive to you as possible. This is the main reason why dealers can offer some of the most competitive products on the market to help you finance cars.

- In most cases you will find that dealers are offering competitive deals in terms of the APR and loan terms.

- This means that if you do want to buy your car from a dealer then you could save money on interest and also cut out lots of paperwork by going directly to the dealer to finance cars.

- Dealer finance can also offer other benefits. The dealer may be willing to throw in extended guarantees or free servicing periods to encourage you to buy cars from them.

- The dealer will be just as keen as you to ensure you get the best deal so that you close the sale.

- This gives you real bargaining power and can help to make certain you are getting the most for your money.

- Dealers also offer many flexible loan product options. You can choose from different agreements such as Hire Purchase (HP), Lease Purchase (LP) and Personal Contract Plans (PCP).

- These plans offer flexible borrowing options that can be adapted to suit your budget and requirements.

- When you finance cars you can choose options that offer initial deposits and final balloon payments.

- This will benefit you by cutting the costs of the monthly repayments. This is ideal if you are on a tight budget and need to keep your monthly repayments as low as possible.

Personal Loans

There are also a wide number of providers offering personal loans. These can be used to finance cars.

- However you do need to remember that banks are not incentivised to offer you the most competitive deals on personal loans for cars.

- They will not be getting anything out of the deal apart from the interest on the repayments.

- As mentioned earlier it is in the best interest of the car dealer to offer you a great deal as they want you to buy cars from them.

- This means in most cases the best deals you can find are typically available directly with dealer finance.

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It is important if you are looking to a finance cars that you do your homework. You need to compare the main types of finance available and understand which ones could best suit your budget and circumstances.

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