Article Side
All About Car Loans by Yogita Bali

Article published on April 3rd 2012 | Loans

Buying car was never easy. First you had to accumulate fund; then choosing a particular model; then depositing the full value of the car and waiting for delivery to arrive. It used to take months and years before laying your hands on that prized possession.

However, things have changed a lot. You can complete formalities and get the car delivered within weeks today. The key is car loans. Itâ€™s a modern financial wonder that has made cars more affordable.

How car loan works?

In general, you can get your car without paying out the full value upfront in 2 ways â€“ car financing and leasing. In naÃ¯ve lingo we call both of them as car loans, while they are not.

Taking a lease is a complicated matter and not viable for our daily use personal vehicles. Lease option is mainly available for high value ultra-luxury vehicles and commercial automobiles. For us, it is car financing that makes our dream car reality.

How to proceed?

For financing your car, you first have to approach lenders with proof of your income. Proof could be your income tax details that you file with authority. You can also submit your salary statement in required format.

Lending authority will start working on your request. First they will check your credit history. Your past credit records will decide your credibility. Things get tougher if you have no record or bad record. After the credit history audit, lenders will offer you a rate at which they are ready to offer you the loan. For particularly bad credit record they can even deny to lend you.

In case you have a very good credit history, you can negotiate on interest rates. A good bargain often leads to better loan terms. Process completes after you sign all terms and conditions documents. They are quite a few.

Next, the lender transfers the fund and you get the delivery. Throughout the time until you payback loan (and interests on it) amount, car remains pledged to lender as security. Lender can sell your car to recover loaned amount, if you default to pay back.

Types of lenders

There are different types of financers like, dealerships, banks, non-banking financial institutes and private lenders.

Dealership lenders are faster and easier but charge more than commercial banks. Financial institutes often act less stringent at higher interest rate. With a good credit record banks are the best option.

However, if you have real urgency and lack sufficient credibility private lenders are the only option. They donâ€™t come cheap though.

Article Source:
http://www.articleside.com/loans-articles/all-about-car-loans.htm - Article Side

Yogita Bali - About Author:
Authorâ€™s Bio:Yogita has penned down different write-ups on cars.In this article she briefly describes many things concerning a car loan quote .

Article Keywords:
car loan quote,car quote,car loan

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!