Availing Private Party Auto Loans is As Easy As Pie

by Rock Watson

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The car has become... an article of dress without which we feel uncertain, unclad, and incomplete. - Marshall McLuhan

Cars are undeniably an important part of the American culture! Every person needs a car of his own. But can everyone really afford a car? Sadly, the answer is no.

The auto industry has suffered the most in the current economic crisis. Lenders have become more rigid in giving out loans. Tighter lending norms, large number of defaults and bad credit scores is the harsh reality. But all these problems have given a new breathing space to the private party auto lenders.

Private party lending is very useful when an individual buys a car from another and no dealer is involved.

Let me give you an example.

You decide to buy a car from your friend, family, or anyone off the Craigslist or eBay. Now you may not have enough money to buy a car on your own. So, the only option left with you is availing auto loans.

Getting approval of auto loans isn't easy, is it?

Lenders want to have nothing but an excellent credit score. They won't even touch the application if it doesn't mention a pristine credit history. They will not trust a private sale.

Amidst all the clouds of rejection and despair, private party auto loans are a silver lining.

The loan rates are obviously a tad higher because of the higher risk of default involved. But the great thing is you don't have to deal with sly salesmen and devious dealers. You also save on the commission which was supposed to go straight in the dealer's pocket.

There are a few private party lenders who may not even ask for a down payment. But it is always advisable to put down 20 % of the amount. It will definitely benefit you in availing auto loans at lower interest rates.

Know Your Onions

Your credit score is of prime importance. Your credit score and the loan approval chances are almost joined at the hip. So get a free credit report and ensure that your information is 100 % accurate.

Regular payments are a must for every loan. So, it is important that you decide on a budget. You must accurately calculate your income and expenses and estimate how much you can afford to pay.

Once you are through this, get first- hand information about the car. You can easily talk to the current owner about car history. You will be able to get all the information about previous accidents, damages and even minor blips.

Trust None, but Facts

Even though the owner (your family/friend) told you all about the car, it is always better to check the facts twice. Several websites will help you get the Vehicle History Report. You only need to have car's VIN (Vehicle Identification Number) for this. This will make you more confident about your decision.

REQUIREMENT for Private Party Auto Loans

>> You must be at least 18 years old

>> You must have a Valid SSN

>> Most lenders want you to earn at least $418 per week or $21,736 annually

>> You should be with your current employer for at least six months

>> You should be living at your current residence for at least six months

>> No bankruptcies and foreclosure

Where Can You Find Private Party Lenders?

Well, several financial institutions offer private party auto loans. But, internet is the easiest and quickest way to find it. Many websites offer you to generate free quotes and also give an option to compare them. With increasing number of such websites, you can easily get competitive quotes.

When you take the online road, it is important to do a thorough research.

Internet is full of swindlers and tricksters trying to steal your information. So you must only deal with reputed websites. You must be ensured about the company's credibility. Google the company's name and try to know more about it.

To ensure safety, share your information with websites that have a secured connection. Usually HTTPS in the URL and a security certificate on the website will do the job.

Once you are through it, apply by filling up the application form. If the website doesn't provide with an online application form, seek quotes through e-mail.

It is important to know that any false information can ruin all your chances of getting the loan. So, share correct information only.

When you avail private party loans, the lender might be interested in some requirements such as the make and model, mileage, maintenance, car insurance policy, etc.

As you fill the application, it is sent to local lenders of your area. The lenders compete for your application and this is how you get the best quote.

Don't sign the agreement without comparing quotes. Know everything about the loan terms. Compare not only quotes, but also the pros and cons associated with every quote. Only when you compare, you will have the utmost satisfaction of making a favorable deal.

Private party lending is an affordable option of buying a used car. It helps you to buy a GOOD car without any dealer intervention.

So, what are you waiting for? Avail a private party auto loan and drive your very own car.

Best of luck!

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