Follow These Quick Tips and Avail a Pre-Owned Car Loan

by Rock Watson

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Everyone wants to buy their own car. Congestion in public transport system and complete freedom with a personal car are the reasons why we absolutely need cars.

For buying a car, you need to have sufficient resources. Don't worry if you aren't born with a silver spoon, you can still own a car. There are several lending companies who will give you an auto loan.

There is no harm in going for used cars / pre-owned cars, if you do a thorough research. They are easily available with car dealers, leasing companies, auctioneers and private parties. You can get a plethora of information about pre-owned cars from classifieds in newspapers or you can also use the web.

Are you apprehensive of buying a pre-owned car? Are you worried whether the car was involved in a severe accident or not? Do you doubt that it was flooded?

Don't worry about all these things. There are several sites that offer appraisals for used cars. You can know the complete history of a car with the help of Vehicle History Report. You will get to know about the car's title records, insurance, salvage records and accident history. Make sure that the vehicle has a clean title and no bank loan on it.

You should also confirm the Vehicle Identification Number (VIN) to know about the year, model and odometer records.

If you are still not sure about a pre-owned car, then you should buy a CPO (Certified Pre-Owned) car. Manufacturers certify that the car has passed all the essential inspection and also provide an extended warranty. This means you get a used car which is almost new and that too for a lesser price.

But be wary of dealers who issue their own brands of certification. When compared to manufacturer/factory certification, they seem to be a charade. This is so because you will be charged higher for the certification and there won't be much significant difference than a non-certified car.

When the dealer offers you a price, you must compare it with the market value. You can use the Kelly Blue Book value. The company is a pioneer in providing authentic information about car pricing and information. This will ensure that you are not paying more than its real value.

CRITERIA

When you decide to avail auto loans, your lending company will want you to fulfill certain criteria. So when you choose a car, make sure it does fulfill them.

Three to five years old cars are excellent when it comes to car loans. Your car shouldn't be older than 8 years. If it's older than that, there is no point in buying a car that goes the way of dinosaurs.

Your car shouldn't be driven for more than 65,000 miles. The lenders set a limit to determine whether the car is too old or not. Generally, a car more than 65,000 miles means the car is used for more time and its value has also depreciated.

Few lenders would also want you to have a stable job and a constant place of residence. You should be going for the same job for approximately 2 years. The same is required for your residence. Your income is also considered when you buy an auto loan.

Your credit score is also important as it shows your credit history and details about your debts and payments. A credit score less than 540 indicates that you will be paying higher interest rates.

Purchasing a car is an important decision. So, it is necessary that you accurately decide on the car and the lender. You can make use of the internet to search for lending companies. Do compare the quotes and select someone who offers you comfortable loan terms.

Hope you soon get a car of your own. All the best!

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