# Is It Possible to Secure Bad Credit Auto Loans with Low Interest Rates?

by Robert Watson

Article published on April 26th 2012 | Loans

Bad credit implies the poor credit rating of a person. It happens when a person has a history of late payments, missed payments and filing for bankruptcy. Having a bad credit affects the persons ability to get loans. Lenders are wary of giving loans to persons having a bad credit history because it is presumed that he may default payments again. Securing an auto loan with bad credit is not impossible. The 3 things about bad credit auto loans that works as disadvantages to the person taking the loan are as follows:

* Finding a lender is not easy by a person with poor credit because it is assumed that he has a higher chance of defaulting.

* A person with a bad credit auto loan cannot file for bankruptcy as he can in case of credit cards or other unsecured debts.

* The biggest disadvantage is that a person with bad credit will have to pay a considerably higher rate of interest than a person with good credit rating or no credit history at all. Interest rates depend on a person' responsibility and credibility for loan repayment and his earlier defaulting makes the lender increase it in order to cover his risks.

But what does one do if he has bad credit? Can not he buy a car? Of course he can. A bad credit does in no way imply that buying a car is not possible. The person can get actually get a loan with low interest rates. Getting a poor credit auto loan with low interest rate is possible if you plan well. Following are a few tips on how to do just that.

Repair your credit:

Repairing your credit is a good idea before you apply for the auto loan. Forget all the numerous credit doctor scams on the internet and repair your credit the proper way. Start making timely payments on all your credit liabilities and your credit ratings are bound to improve. You will not only find a loan, you will find one with low interest rate.

Wait for the right time:

Apply for your loan when your rating reaches 600. You will get a much lower interest rate.

Make a down payment:

Try making at least 20% down payment. This is because it saves you from being upside down on your car loan.

Consider buying a used car:

A used car does not imply that it will be a run-down thing you will be ashamed to drive. A used car may not be very old, it may actually be quite new. You can search for one that has done a comparatively low time on the road. You will get a pretty low interest rate.

Find a cosigner:

Request a family member, relative or close friend to cosign with you for your loan. Choose someone who has excellent credit history. Your interest rate will be much lower.

The best place to shop for bad credit auto loan is online. Make sure you research well before applying.

Article Source:
http://www.articleside.com/loans-articles/is-it-possible-to-secure-bad-credit-auto-loans-with-low-interest-rates.htm - Article Side

Robert Watson - About Author:
RapidCarLoans.net offers low rate a bad credit auto loans for people with poor credit or no credit for new or used vehicles with flexible terms such as no money down and no prepayment penalty through the network of a sub-prime auto lenders. Applying for online auto loans eliminates the applications or processing fees that are normally associated with getting a car loan through a bank or automobile dealer.

Article Keywords:
auto loans, bad credit rating, low interest rates, secure, good credit score, no credit history, late payments, bankruptcy, poor credit, down payment, cosigner, upside down, credit cards, unsecured debts, used car, apply, car financing, buying a car, scam

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