

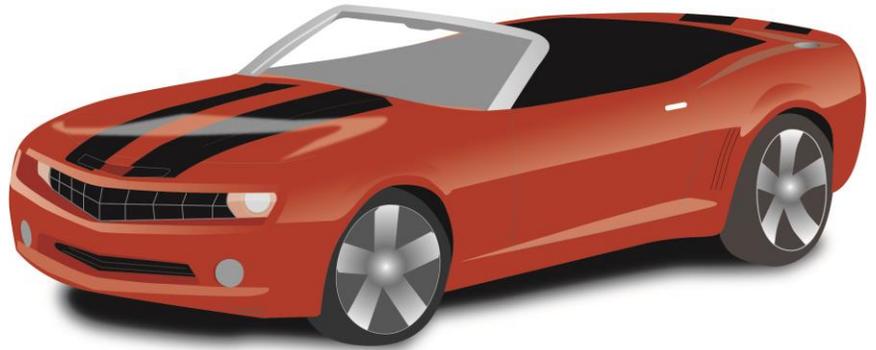
1-2-3 Banking

Strong beginnings to a healthy financial future

Things you should know before getting a car loan

Maybe you've pictured yourself in a shiny red convertible. Or perhaps it's a 1986 hatch back. Whatever it is, buying a vehicle is a big decision and one that many people rush into without thinking through. Yes, you should think about things like safety, gas mileage, condition, color and style, but there are also many financial considerations to purchasing a vehicle.

Your first step should be determining the price range you can afford. Work with your Personal Banker to find out what range might be comfortable for you. It is important to realize that a certain loan amount you are approved for does not mean the payment amount is truly realistic for you. Lenders use your gross monthly income and all your debt payments to decide what they think you can afford. Remember gross income means before taxes, insurance premiums, and retirement savings that are taken out of your paycheck. It also doesn't factor in your budget and lifestyle. You want to be sure that your car payment doesn't get in the way of the financial goals you are saving for, or keep you from paying for other things you need or want. If you can leave yourself financial wiggle room, it will make things less stressful for you.



Once you decide on a payment that makes sense for you, try putting that amount into a savings account each month for a few months. This will help you save for a down payment on a vehicle, and will give you a good idea if that payment amount truly works in your budget.

There are also additional costs to consider well after you have purchased your vehicle. Check with your insurance company to find out what the premium would cost for the different types of vehicles you are considering. Remember that your vehicle will need routine maintenance, new tires, fuel, and repairs. You should be saving each month toward these larger expenses that will come up.

Understand the advertised price of a vehicle is not what you will actually pay. There is usually opportunity to negotiate. If you decide to spend \$15,000 on a vehicle, don't look at vehicles that cost \$15,000. You will still need to consider additional up-front costs like sales tax and registration fees.

Reasons to consider financing with your community bank instead of using dealer financing:

- The Bank offers quick, same day approval.
- If you ever have a question on your loan, someone you know and trust is just a call or visit away. You won't have to call a 1-800 number for help with your loan.
- Titles are held at the Bank. If you need to change the registration, sell, or trade the vehicle, you won't wait several weeks to get the title back.
- If you experience a month where money is tight, we can work with you to defer your monthly payment, so you won't have to worry about late fees or negative effects on your credit report.

Enjoy the journey!