



**12 NUMBERS TO KNOW BEFORE  
APPLYING FOR AN AUTO LOAN**



Are you trying to determine the best plan to purchase your next car? We want to make the process as simple as possible. This workbook is designed to help you gather up all the information you'll need to have a pleasant buying experience.

## 1. CREDIT SCORE

Knowing your credit score can give you a better idea of the interest rate you can expect on your loan. If you have any errors on your credit score, reach out to the 3 reporting bureaus and begin the resolution process. Start this process months before you apply for an auto loan so you can correct errors and build your credit if you find it is lower than you expected.

Go to [annualcreditreport.com](https://annualcreditreport.com) for your annual free credit report from all 3 reporting bureaus.

**Equifax** \_\_\_\_\_

**Experian** \_\_\_\_\_

**Transunion** \_\_\_\_\_

## 2. WHAT IS YOUR HOUSEHOLD BUDGET?

Start finding out where your money is going every month. Payments on collateral backed loans are priorities followed by your utilities. In this exercise, assume the most expensive month you can imagine, with the highest utility and grocery bills, and the lowest take home pay.

Add up all your expenses and subtract that number from your take home pay to get your remaining amount.

**What is your income after taxes and insurance?** \_\_\_\_\_

**Rent/Mortgage** \_\_\_\_\_

**Current Auto Loan** \_\_\_\_\_

**Utilities** \_\_\_\_\_

**Insurance** \_\_\_\_\_

**Groceries** \_\_\_\_\_

**Phone/Internet** \_\_\_\_\_

**Entertainment** \_\_\_\_\_

**Savings** \_\_\_\_\_

**Other** \_\_\_\_\_

**Other** \_\_\_\_\_

**Remaining** \_\_\_\_\_

### 3. WHAT CAN YOU AFFORD?

As a rule of thumb, a new vehicle should not be more than 15% of your take-home pay each month. Based on the number from the above exercise, you don't want to commit the entirety of your remaining budget to a new vehicle either. Write down a number you are comfortable with, circle or highlight it, and stick to this number.

\$ \_\_\_\_\_

### 4. DO YOU HAVE A SAVINGS ACCOUNT?

You need to have some money set back in a savings account. Unplanned events can happen that could set you back hundreds or even thousands of dollars. You need to have a rainy-day fund apart from your savings for a down payment on a car. WEOKIE has great rates on several savings accounts. Contact us today for more information.

If you can, start saving back additional money each paycheck to build your savings account. Another strategy is to start making a monthly car payment to a savings account before you're ready to purchase.

**How much is in your rainy-day fund?** \_\_\_\_\_

**How much do you have saved for a down payment?** \_\_\_\_\_

**How much can you save starting today?** \_\_\_\_\_

**How many months do you need to save to make a down payment?** \_\_\_\_\_

### 5. WHAT ABOUT THE CAR?

What car do you want? Do your research and choose make, model and year of car that you want. Maybe choose a couple of options. Figure out what national review sites have rated that particular car and see if there are any alternatives that are better suited for your needs. Write down at least 3 ratings from 3 different reviewers and consider if that is good enough for you.

Example: Toyota Camry 2018, 3.5/5 – 9.3/10 – 4.7/5 Versus Honda Accord 2018, 4.4/5 – 9.1/10 – 4.9/5. Good review pages: Edmunds.com, US News, Cars.com

#### OPTION 1:

**Make** \_\_\_\_\_

**Model** \_\_\_\_\_

**Year** \_\_\_\_\_

**MSRP** \_\_\_\_\_

As a rule of thumb, a new vehicle should not be more than 15% of your take-home pay each month. Based on the number from the above exercise, you don't want to commit the entirety of your remaining budget to a new vehicle either. Write down a number you are comfortable with, circle or highlight it, and stick to this number.

**Average Ratings (e.g. 3.5 out of 5)** \_\_\_\_\_

## OPTION 2:

**Make** \_\_\_\_\_

**Model** \_\_\_\_\_

**Year** \_\_\_\_\_

**MSRP** \_\_\_\_\_

**Average Ratings (e.g. 3.5 out of 5)** \_\_\_\_\_

## 6. INVOICE PRICE

Once you have the car picked out begin your, search online for the invoice price. You can also call various dealerships and ask for the invoice price on the car. This price is not the MSRP of the car, specify that you want the invoice price only.

\$ \_\_\_\_\_

## 7. MANUFACTURERS REBATES

Go to the manufacturers website and find out what offers they have for your specific make, model, and year. Knowing these options before you visit a dealer can give you leverage when negotiating the price. Don't mention these numbers up front to the salesperson.

Example: Military Members Rebate, Recent Graduate Rebate, Dealer Financing APR, Cash Back, etc.

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## 8. HOW MANY DEALERS ARE IN THE AREA WITH YOUR PREFERRED

### MAKE, MODEL, AND YEAR?

You aren't just shopping for a car, you are shopping for a dealership. How many dealers in your area sell the specific vehicle? You may want to expand your search to include dealerships in cities several hours away to get the best deal.

Find the reviews and ratings for each dealership and find one that has resonated best with customers. If you can, go visit the dealerships and browse their selection for yourself.

### DO NOT BUY A CAR ON YOUR FIRST VISIT

**How Many Dealers are there for the car you are looking for?** \_\_\_\_\_

**Dealership Rating (E.g. John Doe Dealer – 3.9/5 stars)** \_\_\_\_\_

**Dealership 1** \_\_\_\_\_

**Dealership 2** \_\_\_\_\_

**Dealership 3** \_\_\_\_\_

## 9. QUOTES

Get quotes from multiple dealers in your area. You can email the dealership and ask, or you can call, or even stop in. Emailing them gives you a chance to avoid a hard sales pitch.

You could even email several dealers, saying that you are wanting to come in and buy a specific make, model, and year of a car from the dealer that offers the best price.

**Quote 1** \_\_\_\_\_ **Dealer** \_\_\_\_\_

**Quote 2** \_\_\_\_\_ **Dealer** \_\_\_\_\_

**Quote 3** \_\_\_\_\_ **Dealer** \_\_\_\_\_

## 10. YOUR CURRENT CAR

If you have a car already, you need to consider if you are going to keep it, sell it yourself, or trade it in. Regardless, you need to know what it is currently worth. This can give you some extra bargaining room, unless you are going to keep it.

**What is its current value \$** \_\_\_\_\_

## 11. INSURANCE COSTS

Once you have narrowed down your choice of vehicle, you can call your insurance agent for a cost estimate on that vehicle.

\$ \_\_\_\_\_ per month.

**Will you need GAP Insurance? (Y/N)**

**If so, how much will it cost you up front or each month \$\_\_\_\_\_**

## 12. FINANCING

Here is a checklist of everything you'll need to know or have on hand before you start talking to lenders. Once you begin looking at financing options, you may see some hard credit checks. You will see a dip in your credit score.

Rest assured, rate shopping for the best auto loan typically doesn't affect your score more than a single check, as long as you shop around within a 2 week window. Once you begin this part of the process, you need to do it all at once.

**How many lenders are in your area with low rates? \_\_\_\_\_**

**What are their advertised rates (Do not give out your information yet)**

**Example: BANK - Rate 4.9 % - Term 60 months**

Lender 1 \_\_\_\_\_ - Rate \_\_\_\_\_ % - Term \_\_\_\_\_ months

Lender 1 \_\_\_\_\_ - Rate \_\_\_\_\_ % - Term \_\_\_\_\_ months

Lender 1 \_\_\_\_\_ - Rate \_\_\_\_\_ % - Term \_\_\_\_\_ months

## DO YOU HAVE:

### PROOF OF INCOME

Save several of your most recent pay stubs

### PROOF OF INSURANCE

Talk with your agent beforehand. Knowing Make, Model, and year will help. If you already have insurance, call and confirm it carries over, it usually does.



## ❑ **PROOF OF IDENTITY**

New accounts will need proof of identity. Save bills and bank statements with your name and address as they appear on your driver's license.

## ❑ **PROOF OF RESIDENCE**

Use saved utility bills as your proof of residence.

Now you can begin the process of finding the best auto loan that fits your needs. Call or visit the dealer, WEOKIE, and a third option and find out exactly what rate you will get.

**Dealer APR** \_\_\_\_\_

**WEOKIE APR** \_\_\_\_\_

**Other Lender APR** \_\_\_\_\_

**Contact one of our trusted financial advisors today and set up your consultation by calling us at 405-235-3030 or 1(800) 678-5363.**

