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Community News

Tips to get a good deal on your auto loan

Securing a good deal on your auto loan requires research — but the more you do now, the better off your finances will be later.

Preparing to buy a car is likely one of the most stressful experiences out there. With so many factors to consider about the actual car, the loan can fall to the wayside. Don't let it. These tips can help make your auto loan more affordable.

Be Honest With Your Budget

The biggest concern when buying a car should be the cost. Weigh how much you will pay each month and the overall interest paid to your lender. But you should also consider the total cost of ownership — expected maintenance, insurance and fuel all factor into how much you spend.

Experts recommend spending no more than 10% of your income on a car. Use an auto loan calculator to estimate monthly payments and total interest paid. Then check resources like Edmunds and Kelley Blue Book to see what you can expect to pay for the vehicles you are interested in buying.

Visit westerlyccu.com/car-loan-calculator to see how much much car you can afford.

Have a Big Down Payment

Once you know how much you can spend, start saving for a down payment that's at least 20% of the vehicle's total cost. If you can't afford this amount, aim for a down payment of at least 10% — or whatever you can afford.

It may be tempting to get a more expensive car, but car buyers should use a down payment to reduce the amount they need to finance. A larger down payment improves your chances of a good interest rate, reduces your monthly payment and shrinks the interest you'll pay over the loan's course.

Longer Terms Mean a Higher Cost

Once The average car loan length is rising. It's not hard to find a loan that lasts six or seven years, but they come with a big downside.

A longer loan term does mean a lower monthly payment — which could be helpful if you are on a tight budget — but it results in more interest paid overall. Even if you buy an inexpensive car, you can quickly become upside down on your car loan, or owe more than it's worth.

For your auto loan, choose the shortest term you can reasonably afford each month. It may mean you have to cut back in other areas, but it is by far the safest choice to protect yourself from owing more on your car than it is worth.

Review Your Credit Report & Score

Your credit score is the most important factor lenders consider when determining your interest rate. To get a good deal, you will need good credit. You will also need a history of on-time payments.

If you haven't had the chance to build your credit score and history, you'll have a harder time finding a good deal. You may have to use in-house financing from a dealership — which means a higher interest rate.

But if you can wait on your car loan, try to improve your credit score and build a history of on-time payments. A low debt-to-income ratio also shows lenders you can handle your finances. Paint a good financial picture for your lenders to score a good deal.

Get Preapproved

When you request preapproval, the lender generates a soft inquiry that won't impact your credit score. You'll have time to visit dealers and test drive cars without the pressure of needing to secure financing.

Getting preapproved gives you the upper hand in negotiations. Dealer financing is typically expensive since dealers mark up their rates to make a profit.

The key to getting a good deal on an auto loan is to stay patient and shop around. You can walk away with a competitive rate by comparing lenders, saving up a down payment, and working on your credit score.

WCCU offers competitive Auto loans for new, used and refinancing. Visit westerlyccu.com/auto to view our current low rates and call 401.596.7000 to get preapproved.



What's New at WCCU!

Welcome to #TeamWCCU

Timothy Dyl has joined WCCU as Chief Financial Officer & Sr. Vice President of Finance. He has over 11 years of experience in the banking industry.



WCCU Celebrates a Promotion

Laura Donohue has been promoted to Controller. She has been with WCCU since 2011, most recently serving as a Staff Accountant.



The WCCU Staff and Board of Directors congratulate Tim and Laura on their new positions.

#TeamWCCU in the Community

WCCU Cares: WCCU is a proud sponsor of the American Cancer Society's Relay for Life of Southern Rhode Island, Alzheimer's Association Walk to End Alzheimer's®, and the Belly Button 5K to support the Global Gastroschisis Foundation.

Well done #TeamWCCU! A big shout-out of appreciation to Michelle Johnston, Director of Operations; Meg Sisco, CMO & SVP of Retail & Experience; and Kevin Gervasini, Lending Manager for their efforts in organizing these walks.

Visit westerlyccu.com/events for a schedule of upcoming events.



Relay for Life



Alzheimer's Walk



Belly Button Walk

Thank You For Voting Us The Best!



"We are very proud to have been voted the Best Credit Union, Mortgage Company, and Financial Advisor by the people within the communities we serve. This great honor belongs to our devoted staff for their dedication to the financial well-being of our Members."

Stephen White, WCCU President/CEO

Complimentary Virtual Seminars

WCCU members have unlimited access to complimentary seminars covering a variety of topics to increase financial awareness. Below is a schedule of upcoming topics:

- Tuesday, Oct. 6:** How to Weather a Bear Market
- Tuesday, Oct 17:** Social Security & Your Retirement
- Tuesday, Oct 27:** Understanding Medicare
- Tuesday, Nov 1:** Conservative Investing

Register at westerlyccu.com/seminars

Dates to Remember

- Monday, Oct. 10:** Closed for Columbus Day
- Monday, Oct. 31:** Teacher Grant Application Deadline
 - Apply at westerlyccu.com/teacher-grant

**Westerly
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