

## Know Your Budget and Use an Auto Loan Calculator

Car makers in this country have fallen on difficult times. Both Chrysler and General Motors received a \$4 billion low interest loan from the federal government recently. And this past week, the federal government infused GMAC with a large amount of aid in an effort to help spur the auto manufacturers. GMAC is the financing arm of General Motors. The government provided GMAC with enough monetary assistance to be categorized as a holding company, which means it can now qualify for aid through the Trouble Asset Relief Program. GM now plans to offer low financing rates for customers purchasing new car models. Along with those rates, it will loosen some lending standards for credit scores. GMAC will ease the requisite credit score to 621, veering from the standard 700.

Many consumers have been hesitant to take on a new car loan in the midst of a recession, regardless of the results of hours of pouring over their budget and an auto loan calculator. Some also are just not comfortable buying a car from a company that may or may not be around in a couple years. If you are in the market for a new automobile, though, you could profit from the fantastic offers right now. The car companies in this country are trying to entice consumers to buy new cars from them, in the hopes that it will get the auto sector moving again. The interest and finance rates are incredibly low, with some companies even offering 0 percent. In addition, they have cut the prices of many models. You can walk into a dealer and easily find markdowns and obtain a low rate loan. If you do not plan to pay cash, then shop around for deals and utilize an auto loan calculator to help determine what you can afford.

Keep in mind that dealers are there to make money. A dealer will always try to convince you to get a better model or more accessories to bump up the price. Know what you can afford before you even step onto a car lot. Examine your budget, then plug in some numbers using an online auto loan calculator. An auto loan calculator lets you input different loan amounts, terms and financing rates. Be sure to analyze the results from the auto loan calculator along with your budget. You are the one who has to pay your bills. An auto loan calculator will not tell you what your budget can handle, but will help you figure out what the monthly costs for that new car will be. After you are confident about what you can afford, shop around and do not be convinced into buying something that costs more than that.

## About the Author

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