

Refinance Your Car Loan

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Refinancing your car loan is an ideal way to lower your interest payments or reduce your monthly payments. By using online auto loan lenders you can be assured that you are finding the lowest rate. To be sure you are getting the best terms, follow these three tips before you refinance your vehicle. While rates and terms are important to compare, also take a look at fees and repayment options. You don't want to get locked into a deal that you can't pay early or refinance.

1. Plan Your Payments

Before you refinance your auto loan, decide what your goal is. Do you want a reduced interest payment or have a smaller monthly payment? With your goal in mind, you can choose terms that will best meet your needs.

To find reduced interest payments, it is best to have improved your credit rating. One easy way to do this is to pay your credit cards down to 50% of their limit. You can also find lower interest rates by choosing a loan shorter than the typical five year period.

To reduce your monthly payments, look for a loan for a longer period. You don't even have to find lower interest rates to lower your monthly payment. However, you will be paying more in interest payments over the course of your loan.

2. Come Prepared

To speed through the refinance process, gather all your financial information ahead of time. If you don't know the current balance on your loan, call to get the exact amount. Also be sure that you have the correct address to mail in the check.

Having a copy of your last tax forms will also make filling out the forms for quotes or a loan application easy.

3. Compare Quotes

When you are ready to find an auto loan, compare quotes before you pick a lender. You can get quotes instantly from online lenders and brokers. Auto loan brokers partner with several lenders to offer you multiple quotes. Auto loan brokers strive to offer the lowest rates, so you may find a better deal through their sites than going to the individual lender's site.