



0% Rate vs. the Rebates: What's the best deal?

When it comes to auto loans, you could pay less by choosing ECU for your loan rather than financing through the dealer and passing up a rebate.

Manufacturers often market vehicles by offering a rebate or exceptionally low financing. Should you take the rebate or the special financing? The dealer does not give you both.

For example, you have decided to purchase a vehicle for \$20,000. The dealer is going to give you a rebate of \$3,000 or a finance rate of 0%. Which deal is in your best interest?

Here is a comparison of the loan payments with the dealer's reduced financing and ECU's financing.

	Dealer	ECU
Sale Price	\$20,000	\$20,000
Dealer Rebate	----	\$3,000
Amount Financed	\$20,000	\$17,000
Interest Rate (36 months)	0%	2.75% APR*
Total Interest	-----	730.66
Total Cost	\$20,000	\$17,730.66
Monthly Payment	\$555.56	\$492.51
Total Savings with ECU		\$2,269.34

*Annual Percentage Rate (APR) is based on credit history. Rates subject to change.

Here are a few other things to consider:

- Many consumers will not qualify for the low rate financing. You generally must have near-perfect credit to get the best rates.
- In many cases, special financing is available only on specific models.
- Most often, offers of special financing are for a limited term, generally up to 36 months. This can make the payment considerably higher than most of us would like.
- Large down payments may be required.

What if the dealer only gives you the rebate if you use their financing company? Remember that you can always refinance with ECU. So take the rebate, then bring us your paperwork and we can discuss your refinance options.

We want the best for our members, so talk to us about your options.