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Auto Finance Worksheet

Monthly Spending Plan

1. Complete Column 1 based on your current situation. Start with your monthly take-home pay. This is the amount you have left after taxes and other deductions have been made.

Subtract the amount you need for savings, monthly expenses and monthly creditor payments.

The remaining balance is the maximum amount you can afford to put toward the monthly payment for a vehicle and any new related expenses, like car insurance.

2. Complete Column 2 based on your new situation. This column will show your new vehicle payment and adjustments you've made to expenses and credit obligations. Be sure to adjust any expenses, like vehicle maintenance and insurance expenses, which might go up or down when you get a new vehicle.

The remaining balance in Column 2 will indicate whether you can afford the new vehicle payment and change in expenses projected.

Monthly Income & Savings	CURRENT [1]	REVISED [2]
Monthly Take-Home Pay	\$ _____	\$ _____
Savings	-\$ _____	-\$ _____
Monthly Expenses:		
Mortgage Payment/Rent	-\$ _____	-\$ _____
Utilities	-\$ _____	-\$ _____
Food	-\$ _____	-\$ _____
Transportation	-\$ _____	-\$ _____
Insurance (Home, Vehicle, Life)	-\$ _____	-\$ _____
Taxes	-\$ _____	-\$ _____
Clothing	-\$ _____	-\$ _____
Personal	-\$ _____	-\$ _____
Entertainment	-\$ _____	-\$ _____
Gifts & Contributions	-\$ _____	-\$ _____
Education	-\$ _____	-\$ _____
Credit Card Payments	-\$ _____	-\$ _____
Other Creditor Payments	-\$ _____	-\$ _____
Vehicle Payments	-\$ _____	-\$ _____
Miscellaneous	-\$ _____	-\$ _____
Remaining Balance:	= \$ _____	= \$ _____

Shop for the Best Deal When Financing a Vehicle

Take the time to know and understand all of the terms, conditions and costs to finance a vehicle before you sign the contract. Review and compare the financing terms offered by more than one creditor.

	<u>CREDITOR 1</u>	<u>CREDITOR 2</u>	<u>CREDITOR 3</u>
Negotiated Price of Vehicle	\$ _____	\$ _____	\$ _____
Down Payment	\$ _____	\$ _____	\$ _____
Extended Service Contract (Optional) *	\$ _____	\$ _____	\$ _____
Credit Insurance (Optional)*	\$ _____	\$ _____	\$ _____
Guaranteed Auto Protection (Optional)*	\$ _____	\$ _____	\$ _____
Other Optional* Products _____	\$ _____	\$ _____	\$ _____
Amount Financed	\$ _____	\$ _____	\$ _____
Finance Rate (APR)	_____ %	_____ %	_____ %
Finance Charge	\$ _____	\$ _____	\$ _____
Length of Contract in Months	_____	_____	_____
Number of Payments	_____	_____	_____
Monthly Payment Amount	\$ _____	\$ _____	\$ _____

*Any items that are "optional" are not required for the purchase. If you do not want these items, tell the dealer and do not sign for them.

Sample Comparison

This example will help you compare the difference in the monthly payment amount and the total payment amount for a 3-year and a 5-year credit transaction. Generally, longer terms mean lower monthly payments and higher finance charges. Make sure you have enough income available to make the monthly payment by reviewing your monthly spending plan. You'll also need to factor in the cost of automobile insurance, which may vary depending upon the type of vehicle.

3 years (36 months) 5 years (60 months)

	\$ 20,000	\$ 20,000
Amount Financed	\$ 20,000	\$ 20,000
Contract Rate (APR)	8.00%	8.00%
Finance Charges	\$ 2,562	\$ 4,332
Monthly Payment Amount	\$ 627	\$ 406
Total of Payments	\$ 22,562	\$ 24,332
Down Payment	10%	10%

Note: All dollars have been rounded for this illustration. The numbers in this sample are for example purposes only. Actual finance terms may be different and will depend on many factors, including your credit worthiness.