

September 2020

6 Things to Consider When Buying a Car

Are you thinking about heading to the dealership to pick up a new ride? Whether you find this prospect exciting or stressful, there is a lot to think about before making such a big investment. Consider these 6 things before buying your new vehicle to make sure that your new purchase is a happy one.

Decide whether to lease or buy

If you're having trouble deciding whether to lease or buy, ask yourself a few questions:

- How many miles do you drive? Most standard lease contracts allow 36,000 miles over 3 years, or 12,000 a year.
- How clean do you keep your car? Leases allow for "average wear and tear." If you are unsure whether or not you could actually meet this requirement after three years, you may not want to lease.
- Do you always need the latest model? Leases are less committal than buying a car, so you can get the newest model more often.
- Are you high on credit but low on cash? Leases allow you to have more cash flow than buying, but you will always have a car payment and leasing is typically more expensive in the long run.

Review your credit score before going to the dealership

Your credit score impacts the interest rate you are able to get on your vehicle loan. Make sure you know what your credit score is so that you can factor that into the monthly payment you can afford. Checking your credit score ahead of time also allows you to see if there are any discrepancies that could be lowering your score and gives you a chance to fix them before locking in an interest rate on an auto loan.

Get an idea of how much your trade-in is worth

If you are planning to trade in your current vehicle to help pay for a new one, make sure you have a good idea of what it is worth. Knowing the value of your trade-in is important so that you know how much money you will still need to purchase your new automobile. Having this information ahead of time ensures that you do not over-estimate the value and end up with a monthly loan payment that is larger than anticipated. Kelly Blue Book is the most widely used source for valuing a used vehicle, so it is a good place to look.

Consider fuel efficiency

When choosing a vehicle model and year, take fuel efficiency into consideration. Newer vehicles are typically better on fuel than older vehicles. Especially consider the fuel efficiency difference if you are switching vehicle models. You may be used to spending \$100 a month on gas in your small car, but switching to a large SUV could triple the cost. Always consider the full cost of ownership of the vehicle.

Know how your insurance costs will change

Another piece of the full cost of ownership of a vehicle is auto insurance. Call your insurance agent to get an insurance quote for your potential new vehicle. Insurance amounts can change pretty drastically, especially if you are going from an older model car that has only partial coverage to a brand new vehicle that is financed, and therefore requires full coverage insurance. Again, be sure to consider this when calculating your ideal monthly payment.

Set a firm budget ahead of time

Preferably, you should have a firm number in mind before you enter the dealership. Know what the maximum amount is that you can pay. Be sure to take into consideration your potential auto loan interest rate, your trade-in value, the difference in fuel efficiency (might even allow you to spend a little more!), and the difference in auto insurance that you will need to pay when you are figuring out your budget.

Also, don't forget about any registration fees, taxes, documentation fees, and other charges you will incur during the buying process.

Consider GAP insurance

If you aren't familiar with GAP insurance, it is an optional insurance coverage that helps pay off your car in the event that it is totaled or stolen and you owe more than the car's value. Since most insurance policies only pay out the car's depreciated value at the time of the incident, and a car's value drops about 20% in the first year, you could be on the line for a decent amount of money if your car is totaled or stolen without GAP insurance. You can typically get GAP insurance from your dealership, the financial institution you have your loan through, or from your auto insurance agency.



HELPFUL TIP If you're ready to purchase a new vehicle and you need auto financing, head to our preferred dealer page, contact one of our lenders, or visit any of our branches to learn more about how Patriot can help you make this investment as simple and stress-free as possible.

Shred Day: Get Rid of Clutter and Help Protect Your Identity!

Join us at our Robinwood branch on **October 3rd** for our “Shred Day.” This is a great opportunity to securely dispose personal documents such as old bills, credit union statements, and other documents containing personal information to reduce clutter and help protect your identity.

When: Saturday, **October 3rd, 9:00 AM – 12:00 PM**

Where: Robinwood Branch – 11067 Robinwood Drive, Hagerstown

Please note: To ensure adequate social distancing in light of the COVID pandemic, we will have mandatory “drive-thru” service, whereby members will remain seated inside their vehicle and open the trunk/hatch for a Patriot team member, wearing protective mask and gloves, who will collect and shred the papers.

Food Drive Update: We will not be collecting food at this event this year. In lieu of food drive please drop off your donation to a local food pantry. Thank you for your understanding.



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Contactless payments using your Patriot VISA credit card

Did you know that your Patriot VISA credit card offers the convenience of “contactless” payments at merchants that offer the option? Making a payment with a “contactless” card is fast, easy, secure and touch-free. Just look for the “contactless” symbol (with four-curved lines) at checkout, then tap or hold your card just above the card reader (usually within 3 inches). The “contactless” payment feature is standard on all Patriot personal credit cards. If a merchant does not offer contactless payments, you can always insert the card for a secure chip transaction or swipe the magnetic stripe.