



## **Frequently Asked Questions – Private Vehicle Purchase**

Thank you for choosing Patriot Federal Credit Union to assist you with the purchase your new vehicle. This guide was designed to help with some of the most frequently asked questions when purchasing a vehicle privately. We have also provided a checklist on the last page so you know exactly what will be required to complete your financing as quickly as possible.

### **Q. What is the difference between purchasing a vehicle at a dealership versus from a private individual?**

A. When you purchase a vehicle from a dealership they complete all paperwork necessary related to taxes, tags registration/title and inspection. When you purchase a vehicle privately you and the seller need to meet at a notary authorized to conduct title work transactions and pay all applicable fees; taxes, tags, registration/title, to transfer the vehicle from the seller to you, the purchaser.

### **Q. What paperwork do I need from the seller?**

A. We will request a purchase agreement with the vehicle information and the purchase price agreed upon. This must be signed by all current vehicle owners and all parties purchasing the vehicle. We will ask for a title and/or registration from the current owner to validate all owners have agreed to the purchase.

### **Q. Can the fees and taxes be included in the amount I borrow to purchase the vehicle?**

A. If you do not have the funds to cover the taxes and fees, you may qualify to include them in your loan amount. Call the notary you plan to use for your title work to obtain the amount you need to include in your loan application, and notify your loan officer you would like to borrow additional funds for this purpose.

### **Q. What if the vehicle I'm purchasing is financed elsewhere?**

A. You can still complete the purchase of the vehicle. Once your loan is approved, ask the seller to provide a 15 day payoff including the name and mailing address of the current lienholder. Patriot will mail the payoff directly to the lienholder. Any amount above the payoff will be made payable to the seller and provided to you to give to the seller when the title work is completed. Once the current lienholder is paid, the title will be mailed to the seller. You will then visit the notary of your choice to pay any taxes and fees and complete the transaction. Funds for the title work and fees will be provided in a check payable to the notary.

### **Q. What are my insurance requirements?**

A. Patriot requires full coverage insurance on vehicles held as collateral. The maximum deductibles are \$1,000 for comprehensive and \$1,000 for collision. Patriot needs to be listed as lienholder on the policy. Coverage must be in effect when you complete your loan closing.

### **Q. What if the title is salvage or branded in some way?**

A. Patriot is not able to finance vehicles that have a branded title. You may wish to explore other loan options if you wish to proceed with the vehicle purchase.

**Q. What happens if I purchase a car out of state?**

A. You will need to visit a notary in the state it will be titled in to pay all taxes and fees. Keep in mind your state may require an inspection to register and title the vehicle. Please consult with the notary and/or a garage licensed to conduct inspections in your state for any requirements specific to your state and county of residence.

**Q. Am I able to purchase a warranty if I purchase a vehicle privately?**

A. Yes, Patriot offers Mechanical Repair Coverage issued by CUNA Mutual. Ask your loan officer for a quote and coverage options.

**Q. Is GAP Insurance available to cover my vehicle?**

A. Yes, Patriot offers Guaranteed Asset Protection (GAP) Insurance through CUNA Mutual. GAP pays the difference between your vehicle insurance company's settlement and the remaining loan balance (up to the maximums allowed) in the event your vehicle is stolen or damaged beyond repair. Ask your loan officer for a quote and coverage information.

**Q. Is Payment Protection available?**

A. Yes, Payment Protection options are available to cover the loan, to help provide relief from the financial burden of potential delinquency, default or foreclosure caused by certain unexpected life events. Ask your loan officer about coverage you may qualify for.

**Q. What are my payment options?**

A. You may have your payments transferred from a Patriot account using our convenient auto transfer method, have the payment come directly from another financial institution, or elect a coupon payment.

**Q. Does it have to be a monthly payment schedule?**

A. No, Patriot offers payment schedules of weekly, bi-weekly, semi-monthly and monthly to help you, best suit your budget.

**Q. Can I choose my due date?**

A. Yes, you can choose your due date up to 45 days from the date you sign your loan agreement.

*This may not be a comprehensive list of documentation you are asked to provide. More documentation or information may be requested depending on your specific loan application.*



## Checklist for Private Vehicle Purchases

*This may not be a comprehensive list of documentation you are asked to provide. More documentation or information may be requested depending on your specific loan application.*

- Copy of completed and signed purchase agreement.
- Copy of Title and/or current vehicle registration.
- 15 Day Payoff and mailing address of the current lien holder if applicable
- Insurance  
Please provide a declarations page from your insurance policy showing deductibles not to exceed \$1,000. Patriot must be listed as loss payee on the insurance policy. Please provide your agent with the following loss payee information:

**Patriot Federal Credit Union**  
**PO Box 778**  
**Chambersburg, PA 17201**

*Failure to obtain continuous proper coverage with Patriot listed as loss payee may result in Patriot adding collateral protection insurance to your loan and increasing your payment*

- Copy of Government Issued photo identification for all borrowers.
- Warranty/GAP/Payment Protection election given to your loan officer.
- Due date, payment method and payment frequency discussed with your loan officer.
- Four digit access codes for all borrowers if signing via DocuSign. Please provide these to your loan officer.

Additional items we may request:

- Recent paystubs or tax returns
- References to include name, phone number and relationship
- Collateral inspection or photos