FINANCING A CAR

ANIMATED NOTEBOOK

I need a car

But I do not have enough savings

So I will probably finance it

Hmm,
How do I do that?

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I need to call several banks and ask for quotes to see how much I can afford

Then I can go car-shopping until I find the car that I want within my price range

Hmm,
How do I do that?

Next, I would come back to the bank that gave me the best offer and ask to finalize financing

Or I could ask the dealership to match that offer (if they cannot give me an even better deal)

But how much will I be paying?

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The car that I want costs $15,000

The best financing conditions that I got are 5.99% interest rate for 60 months (5 years) with $0 down payment

But how much will I be paying?

My payments will be $327 per month

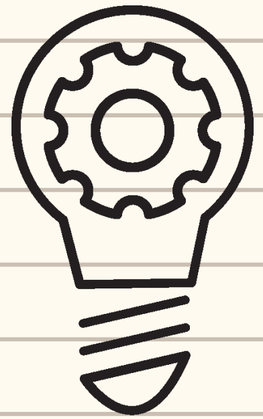
The interest amount (on the $15,000) that I need to pay will be $4,620!

But how much will I be paying?

By the end of 5 years I am expected to repay $19,620

But my car at that time will probably cost less than $12,000

These calculations really make me think

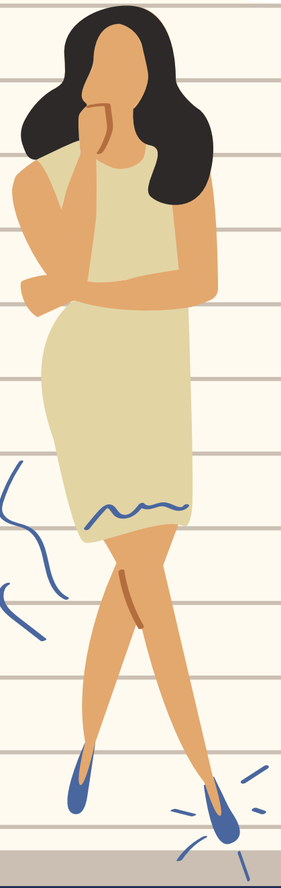


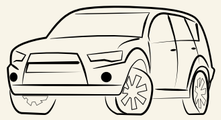
I should really try to budget better

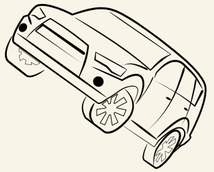
And save up more in the future

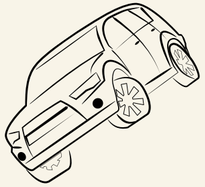
But this time I will have to go with financing

As I am able to make regular payments and need a car









FINANCIAL LITERACY

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