

Rebate vs. 0% Interest

Shopping for vehicle financing can be confusing if you don't do the math. We're all attracted to commercials where 0% financing is flashed across the screen...with fine print restrictions such as: credit scores greater than 750; 24 or 36-month terms; 10-20% downpayment; and selected vehicles only. Instead of all that, here's something very readable and attractive! This example clearly shows how taking the manufacturer's rebate and Credit Union financing can often save you significant dollars over the life of the loan.

EXAMPLE 1	DEALER	CREDIT UNION
Purchase Price	\$25,000	\$25,000
Manufacturer's Rebate	\$0	\$3,000
Amount Financed	\$25,000	\$22,000
Interest Rate	0%	1.90% APR
Term of Loan	60 months	60 months
Monthly Payment	\$416.66	\$384.65

Taking the rebate with Credit Union financing= \$1,920.60 total savings!

EXAMPLE 2	DEALER	CREDIT UNION
Purchase Price	\$20,000	\$20,000
Manufacturer's Rebate	\$0	\$3,000
Amount Financed	\$20,000	\$17,000
Interest Rate	0%	1.90% APR
Term of Loan	60 months	60 months
Monthly Payment	\$333.33	\$297.23

Taking the rebate with Credit Union financing= \$2,166.00 total savings!