

Welcome!

Buying a car can be an exciting and fun, or challenging and frustrating, or maybe all of the above! Whether you are buying your tenth vehicle or your first, this document will provide you with some helpful tips and information to keep in mind as you move through the process.

Know that at Valley Oak Credit Union, we are here to serve YOU so if you have any questions about your options or the car-buying process, just let us know. We're here to help you find the best solution for your individual situation.

Contents:

[What kind of car can I afford?](#)

[What are my funding options?](#)

[Are you a first-time buyer?](#)

[Car-buying tips](#)

[Purchasing resources](#)

[Application checklist](#)

[Credit report information](#)

[Protect your purchase](#)

[Glossary of terms](#)

Helpful links:

[Apply for a vehicle loan](#)

[Get pre-approved](#)

[Loan calculator](#)

[Compare loan options](#)

[Research Kelley Blue Book values](#)

[Direct Auto Sales & Lease](#)

[AutoSMART](#)

[Get your free annual credit report](#)

Contacts:

Visalia

600 W Main St
Visalia, CA 93291
559.636.3084

Three Rivers

40870 Sierra Dr
PO Box 279
Three Rivers, CA 93271
559.561.4471

Tulare

255 E King Ave
Tulare, CA 93274
559.688.5996

ValleyOak.org

¡Se habla español!



“This year I was able to purchase a vehicle for my mother. Over the years she had sacrificed so much for me and my family that it was time I returned the favor. She happily drives her Lincoln SUV, which Valley Oak graciously allowed me to finance. The smile on my Mother’s face when I handed her the keys is a memory I will cherish for the rest of my life.”

—Mom of Jennifer S., member since 2011

What kind of car can I afford?

While looking at your income and monthly budget are two key steps, make sure to also consider the following when figuring out what car you can afford:



Make and model: When determining the make and model of your next vehicle, think about your lifestyle needs, wants and must-haves. This will help you figure out the type of car that will best fit your lifestyle.

New or used: While a new car comes with the latest technology and bells and whistles, you may be more comfortable with the price of a used version of your dream car. Make sure to consider your budget in this case—what can you afford now, and what are your essential needs when it comes to driving and feeling comfortable on the road.

Trade-in value: If you are trading in your current car, you can factor your trade-in value towards the purchase price of your new vehicle.

Rebate: The dealership may be offering a rebate on certain vehicles. Do your research to find out if you should be expecting one (which you can apply to your loan as a down payment).

Tax, title and registration fees: Make sure to factor these into your budget! These fees depend on where you live, the type of car, year and model. Generally this is about 10% of the purchase price.

Vehicle insurance: Be sure to contact your insurance company to get a quote for the vehicle you want to purchase. Proof of insurance is required to fund the loan.

Your budget: Make room in your budget so that you can feel comfortable with your monthly payment and the other expenses that accompany owning a car. This doesn't mean completely limiting yourself on how often you go out for dinner or enjoy a treat at your local café - it just means finding places you can save money that can go toward your auto loan payments. Ideally, you do not want your vehicle expenses to be over 20% of your monthly budget.

Additional costs: It's important to keep in mind some of the costs you may not have factored into your car-buying experience, too.

You may be so focused on the actual price of the vehicle that you forget about sales tax, which varies from state to state; vehicle registration, which will take place after purchasing the car; or a potential dealer rebate that can save you money.

With a Valley Oak Auto Loan, your low rate and flexible terms will help you feel comfortable with your monthly payment.

Valley Oak offers several online financial calculators that can help you explore your options. [Calculate how much you loan payments will be](#) or [compare up to three loan options](#).

What are my funding options?

Once you've figured out your ideal car, the next step is to decide where to finance your auto loan. Here are your options:



“Valley Oak Credit Union has financed at least 10 cars and or trucks for us some more than once to purchase our Sundowner Living Quarters Horse trailer, Camper and Motorhome for my family’s hobbies (team roping, junior and high school rodeo and barrel racing).” —Tammy S. member since 1991

Dealership financing

Dealerships are a convenient option since you can secure your loan and purchase your car at the same location. Dealerships will most likely have partnered with other lending institutions, so there may be options to choose from, as well as options for those with lower credit scores. And while dealerships may offer cash back or incentive programs, they are typically the middle-man between you and the actual lender. This means that in the long run, you will be working more with the lender and not the dealer who you met and worked with to buy your car.

Credit Union Direct Lending

For your convenience, Valley Oak participates in the Credit Union Direct Lending (CUDL) Network through which you can apply for a Valley Oak loan while at an auto dealership. The CUDL Network allows you to work directly with a dealer while choosing from several financial institutions that may finance your loan. [Find a CUDL Dealer](#) near you.

Direct lending

In direct lending, you get a loan directly from a bank, credit union, or finance company separate from the dealer. Credit unions are known to offer lower rates than other lending institutions due to being not-for-profit and member-owned.

Before you start car shopping, you may want to make an appointment at your credit union or bank to discuss your borrowing options. Allow yourself time to make sure you discuss all of your loan options and receive answers to your questions and other information you might need. Be sure to ask the Dealer for an “option contract” if you want to finance directly with your local credit union or financial institution.

At Valley Oak Credit Union, we are *Rooted In Your Growth* and we will work with you to find the best borrowing option for your individual situation. If you don't qualify for a traditional car loan, we may be able to have other solutions that will work for you.

Should I get pre-approved?

Many car buyers find it helpful to get pre-approved for a loan by the credit union before going to the car lot. Pre-approval involves applying for and getting approved for a loan of a particular amount before you have a specific vehicle picked out.

Getting preapproved is a big advantage when shopping for a vehicle as it shows car sales staff that you're a serious buyer and helps you stay focused on options you can afford. Shop with confidence, knowing that you are already approved. Focus on finding the right vehicle and negotiating a good price while reducing haggling and sales tricks.

Pre-approval also removes the pressure of blindly negotiating financing contracts at the dealership on the spur of the moment. When faced with the an offer from a dealer, you have an approved loan to compare it with and can choose the option that's best for you.

You can get pre-approved in the branch or [apply online here](#).

Are you a first-time buyer?

Whether you're looking for a new or used car, we have the experience and services to help guide you through what you need to consider when embarking on finding the right vehicle for you.



"I've always loved my cars, naming them, taking good care of them and keeping them for quite a while...When I turned 40 it was time...for another brand spanking new car. I looked around for loans and sure enough the VOCU had the best rate and with my long-standing history, they gave me a loan in a matter of minutes—well, maybe hours—but it was quick....Thanks for being there when I need you."
—Adrienne, member since 1979

Picking the right vehicle:

As a first-time car buyer, you most likely have a car in mind already—just be sure that car lines up with your budget and your lifestyle needs. One way that you can figure out what your ideal car is retailing for before even setting foot into a dealership or beginning your online search is to look up the [Kelley Blue Book](#) value of the car make and model you have in mind. Kelley Blue Book offers new and used car prices that can easily be categorized into make and model, price and year, as well as car reviews so you can read current owners' experiences and vehicle overview.

If you are looking for a new car and want particular features that are not available in the model you desire, visit the manufacturer's website to see if you can build your dream car.

After figuring out how much the car you've been researching costs, your next step is to determine how much car you can afford. Compare prices on new or used vehicles to ensure the car you are interested in is priced within the average range for that vehicle.

Calculating your costs:

Next, it's time to sit down with your budget and a loan calculator. Besides asking for loan information, this calculator also serves as a reminder of other costs, like title and registration costs that are based on a number of factors, including where you live and the type of car you plan on purchasing, and rebate opportunities depending on where you decide to purchase your car.

Valley Oak offers several online financial calculators that can help you explore your options. [Calculate how much you loan payments will be](#) or [compare up to three loan options](#).

What is a co-signer and do you need one? A co-signer is another person who also signs the loan agreement and is equally responsible for the loan amount owed. While you are still the primary party responsible for payments, your co-signer will have to pay the agreed monthly payments if you become delinquent or unable to pay the loan—including any late fees or collection costs that may arise.

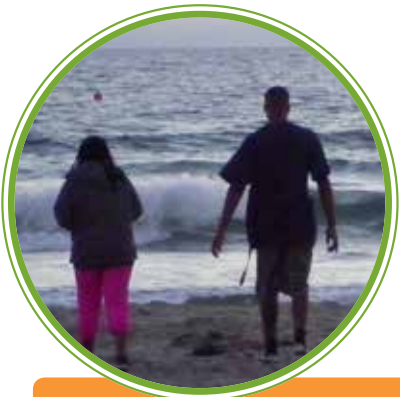
If you have no credit history or are rebuilding your credit, a co-signer might be a good option for you. A co-signer with a strong credit report could make up for any deficiencies in your own credit history.

Keep in mind that the loan's payment history will show up on both of your credit reports, so making your monthly payments on time is important and will impact you and your co-signer's credit score.

Car-buying tips

We've covered a lot of information throughout our guide to get you on the road for your car-buying adventure!

Before you buckle up and apply for your car loan or drive to the dealership, keep these car loan tips in mind:



"After many years of saving money through my Savings Account at Valley Oak Credit Union, at 17 years old I was able to take my grandparents and my little cousin on two-week long vacation. We had a great bonding time as a family. Getting closer, and by God's grace it was possible along with the outstanding assistance of Valley Oak Credit Union."

—Patrick B., member since 2011

The best time to buy a car?

If you're looking for a new car, the end of a model year—usually in the summer—is a fantastic time to make a deal. Dealerships may have a lot of new vehicles on their lots, so older models may be priced to move. And just like other holiday shopping, you can expect to find amazing deals during the last week of the year. Be certain to research your car must-haves and keep an eye out for dealership specials and promotional deals that may come up during the year, too.

Know your trade-in value

By knowing the value of your current car, you can make sure you get what it's worth when you trade it in for your new car. Check websites like [Kelley Blue Book](#) or take your car to several dealers with used car departments to get an appraisal of what your car is worth.

Calculate your costs

Be sure that you know how much you can afford, what additional costs—or rebates—are involved, what your car loan payments will be, and whether you should accelerate your payments. To help answer questions about buying and financing your car, [use our online loan calculators](#).

Go CPO

"CPO" stands for "certified pre-owned" vehicle, and applies to used cars. CPO cars come with significant benefits, like an extended warranty.

Take a test drive

Your new car should drive the way you imagined it would: smooth, comfortable and offering you everything you need to feel safe on the road. Make sure to drive city streets and highways, and check for noise, braking and handling. You may even schedule a time at the dealership to ensure you can properly test drive your potential new or used car for at least 30 minutes. Consider taking it to a trusted mechanic for an inspection as well.

Check your insurance

While it's important to shop around for your auto loan rate, you need to keep your auto insurance in mind, too. Before you commit to your new car, call your insurance company to find out about any potential rate changes.

Read the fine print

Also known as your disclosure statement at the bottom of your loan document, the fine print details everything you need to expect about your payments, including when your payments are due. Make sure you read and understand everything prior to signing your agreement.

Ready to get on the road to the new or used car of your dreams?

Let Valley Oak help get you in the driver's seat with a Valley Oak Auto Loan. We finance cars and light trucks, motorcycles, RVs and boat loans. All of our vehicle loans include flexible terms and easy payment options. [Check out our current terms and rates here](#).

Purchasing resources

Looking for help with researching and buying your next vehicle?

We have the partner for you! Direct Auto Sales & Lease offers a great service to Valley Oak members in the market for a vehicle. Buying a vehicle is typically the second biggest purchase in most people's lives, and it should not be a stressful or intimidating experience. Rather, a car buyer should be treated with respect, honesty, dignity, and with no pressure or games.

Contact Dan Del Campo at 559.304.8749 or at danmdelcampo@yahoo.com or learn about [Direct Auto Sales & Lease here](#).

AutoSmart Direct Lending

Although many members contact us to get pre-approved before shopping for a car, others go shopping on the spur of the moment and make a quick decision to buy. When that happens, Valley Oak can still provide the financing, thanks to our relationship with Credit Union Direct Lending® (CUDL).

More than 900 participating dealerships across the nation can approve your auto loan on site. To find a list of participating dealers, go online to [AutoSMART](#) or call the dealership locator at 877.744.CUDL (2835).

"I opened my VOCU savings account in 1979 when I was a mere 10 years old. My mother wanted to educate me on how important it was to have a savings account. I remember when the two of us went to VOCU to open up my account with the money taken from my piggy bank...."

"When I turned 16 years old, I took out my first loan at the VOCU. For my birthday we bought an old MGB convertible without a top or engine! The deal was, I would take out a loan with my mom as a co-signer and each month I would pay half the payment and my mother the other half. My mom wanted me to know the importance of getting a loan, making timely payments and building up good credit. We got a loan big enough to buy the car, get an engine, and pay a local mechanic to get my "new" little car running. I didn't have enough money to get a convertible soft-top, but I didn't care. It was summer and I would drive with the sun beating down on my head and the wind running through my hair...."

"For my birthday, all my friends pitched in and got me a soft-top cover, so I was set for the winter. And by the next year, I had saved up enough money to paint my little car bright turquoise at Ivan's Body Shop in Visalia off of Hwy 198."

—Adrienne, member since 1979



What do I need to apply?

You may apply for a vehicle loan online or in the branch. Either way, you will want to have the following information with you. If you'd like to apply in person at the branch, you might want to schedule an appointment with a lending officer.

- Driver's License
- Social Security number
- Date of birth
- Your current address
- Bank and/or credit union account numbers
- Personal references (contact information for non-family members you have known for two years or more)
- Including information regarding your current employer(s) and how long you've been employed there or with them
- Pay stubs or other proof of income or monthly gross income (before taxes or deductions)
- Financial information on all current loans e.g. mortgage, credit cards, personal loans, etc.
- **If refinancing a vehicle loan from a different financial institution:**
 - Payoff amount, account number and mailing address
 - Proof of insurance
- **If at current residence less than two years**, previous address(es) and length of residence
- **If at current employer less than two years**, previous employer(s) and length of employment

Credit report information

When you apply for a loan, Valley Oak will need permission to obtain a copy of your credit report(s) as well as confirm any information you submitted. Ahead of this process, it's a good idea to get a copy of your credit report(s) and review it for any errors to avoid surprises in the auto-buying process.

You can receive a FREE copy of your credit report every 12 months from each of the three nationwide reporting agencies. To receive your free copy, call 877.322.8228, visit AnnualCreditReport.com, or contact any of the following nationwide credit reporting agencies:

- Equifax Credit Information Services: 800.685.1111
- Experian: 888.397.3742
- TransUnion Corporation: 800.916.8800

Protect your purchase

Once you're behind the wheel, we want to make sure you feel safe and protected on the road, too. Valley Oak offers a variety of insurance-related products, including the following:

Guaranteed Asset Protection (GAP) Advantage

Let's say you finance a car with Valley Oak and it's totaled in an accident or stolen and never recovered. It's possible that the insurance value of your car is LESS than you owe on your loan. If that's the case, Our GAP Protection plan will pay off the balance of your car and give you \$1,000 toward the purchase of a new car if you finance it with Valley Oak.

Compare our prices! Most dealers charge \$700–\$800 for GAP insurance when you purchase your car. Valley Oak's price starts at just \$395.

Payment/Debt Protection

When the unexpected happens in life, like disability or involuntary unemployment, Payment Protection can make payments on your loan, up to the agreement maximum. In the event of death, Payment Protection can pay off your loan, up to the agreement maximum. We are pleased to offer this protection whenever you obtain a loan with us. [Learn more about this program here.](#)

Auto Liability & Collision Insurance:

Exclusively for credit union members like you, the TruStage Auto & Home Insurance Program¹ provides affordable top-quality protection. You could enjoy discounted rates combined with online convenience and 24/7 claims service. [Get your free quote today](#) or call 855.483.2149.

Mechanical Repair Coverage

MEMBER'S CHOICE® [Mechanical Repair Coverage](#)² can help deflect some risk of costly repairs, keeping your vehicle running extra miles and extra years. With different coverage levels and deductibles to choose, there's a plan to fit your family's budget.

Whether you depend on your vehicle for work or getting your family to school and activities, you need transportation that's safe and reliable. The older your vehicle, the more it takes to keep it in good working order. Not making small repairs can lead to even more expensive repairs and ignoring other repairs can be dangerous.

Benefits of the program:³

- Good at any authorized repair facility in the U.S. or Canada
- Rental Reimbursement: Up to \$35 per day for 5 days (or 10 days for a parts delay) from day one
- 24-hour Emergency Roadside Assistance: Up to \$100 per occurrence. Includes towing, battery jump start, fluid delivery, flat tire assistance and lock-out service.
- Travel Expense Reimbursement: Up to \$500 for lodging, food and rental expense when a covered breakdown occurs more than 100 miles from home
- Transferable: If you sell your vehicle privately, the coverage can be transferred for a fee, adding resale value and appeal
- Cancelable: Receive a full refund within the first 60 days or a pro-rated refund thereafter less an administrative fee
- No out of pocket expense at time of mechanical repair: Except for any deductible and any repairs not covered by the policy, the covered repair is paid directly to the authorized repair facility by the plan.

¹ TruStage™ Auto and Home Insurance program is offered by TruStage Insurance Agency, LLC and issued by leading insurance companies. Discounts are not available in all states and discounts vary by state. The insurance offered is not a deposit and is not federally insured. This coverage is not sold or guaranteed by your credit union.

² MEMBER'S CHOICE® Mechanical Repair Coverage is administered by Consumer Program Administrators, Inc. in all states except AK and CA, where coverage is administered by Virginia Surety Company, Inc., in WA, where coverage is administered by Automotive Warranty Services, Inc., in FL, LA, OK and WI, where coverage is administered by Automotive Warranty Services of Florida, Inc. (Florida License #60023) and in AZ, where the Obligor and Administrator is Consumer Program Administrators, Inc., all located at 175 West Jackson Blvd., Chicago Illinois 60604, 1-800-752-6265. This coverage is made available to you by CUNA Mutual Insurance Agency, Inc. In those states where MEMBER'S CHOICE® Mechanical Repair Coverage is offered as insurance (form MCCU-001-MBI) it is underwritten by Virginia Surety Company, Inc.

³ Program details may vary by state. Ask a Member Services Representative for details or receive a quote by calling 888.751.2709.

Glossary of terms

Down payment: This is the initial amount you pay to reduce the amount of your loan before any interest is accrued. A down payment may be required to obtain a loan.

Annual Percentage Rate (APR): This is the yearly cost of the loan to the borrower. This is similar to the interest rate, but the APR also includes other fees and charges to reflect the loan's total cost.

Term: The term of a loan, commonly called the life of the loan, is how many months you have to pay the loan back. Typical auto loan terms run anywhere from 36 to 72 months.

Amount financed: This is your loan amount.

Lender: The lender is the finance company, bank or credit union that either finances your loan directly or buys the loan contract from the dealer if you finance your car loan through a dealership.

Credit Life & Disability Insurance: In case something happens where you become disabled, insurance can cover some of your monthly auto loan payment while you heal. If you pass away, your outstanding loan balance will be reduced or eliminated for your loved ones.

Credit report: Credit reports are used to evaluate your auto loan

application, as well as applications for credit, insurance, home loans and employment. Credit reports include information such as where you live and your credit history, including payment history to lenders and how much debt you owe, whether you have been sued or filed for bankruptcy.

Credit score: Your credit score is a number that represents your credit risk based on your credit file, including how often you pay your bills on time and how many lines of credit you have. The higher the score, the better your history of credit. This score may be factored in to decide your loan's rate and term.

Extended warranty contract: This optional protection on some of your vehicle's specific components supplements any warranty coverage provided with the vehicle. Generally offered at the dealer.

Finance charge: The amount that represents the cost of credit/borrowing or how much the loan will cost you.

Fixed rate financing: A loan where the interest rate stays the same over the life of the loan.

Guaranteed Asset Protection (GAP) Advantage: In case your vehicle is stolen or damaged beyond repair before paying off your loan and you owe more than your insurance company will pay,

GAP Advantage will reduce or eliminate your remaining loan balance, and generally there is a maximum percentage of the Retail Book amount.

Monthly payment amount: This is the amount due each month to your lender on the auto loan. This payment combines both your principal balance due and the monthly interest accrued on your loan.

Option contract: Allows a buyer and seller to enter into a contract for the sale of goods or real property, but the sale is contingent upon certain terms, like a time-frame or an action, such as securing financing for your new car.

Negative equity: This is the amount owed above a vehicle's trade in value or the amount the dealer is paying you for the trade in. If your vehicle's trade in value is \$16,000 and your credit payoff (loan balance) is \$20,000, your negative equity would be \$4,000.

Negotiated price of the vehicle or cash price: The agreed-upon purchase price between the buyer and seller, which includes any rebates, discounts or special offers from the seller.

Total of payments: This is the total amount you have paid after all your scheduled loan payments, which is disclosed in your auto loan agreement.

