



## The Power of Preapproved Auto Financing

The Cleveland Auto Show is coming up later this month, and if you're interested in purchasing a vehicle, it's best to get preapproved financing first. An auto loan preapproval is a financing offer or conditional approval that you get from a lender before buying a car. Getting preapproved tells the dealership that you're ready to buy, and it may give you the upper hand in negotiating the best price and financing. Check out these additional benefits to preapproved vehicle financing:

**Discover potential credit issues beforehand.** Most lenders, including us, will pull a credit report as part of the preapproval application process. This will give you the opportunity to correct possible credit issues or errors before committing to any financing. It's important to remember that the better your credit position, the better your financing offer will be.

**Set a realistic budget.** When you get preapproved, you'll know how much you can afford to spend on a new car before you start shopping. With that information, it's easier to set a reasonable monthly budget and avoid overestimating how much car you can buy with your finances. [Calculate an estimated monthly payment](#) for the vehicle(s) you're interested in, to help determine whether the amount fits within your budget.

**Advanced knowledge of financing terms.** In addition to knowing how much car you can comfortably afford, a preapproval will outline the terms of your auto loan. This includes the interest rate, the number of months you'll have for repayment, and the approximate payment amount.

**Simplify your search.** Shopping around and choosing a vehicle is much easier when you know how much you can afford to spend. You'll be able to focus on the cars that fall within your approved price range and budget. Then, you can explore and research each of the vehicles' features to decide which is the best fit your needs.

**Improved negotiating power.** Preapproval makes you a cash buyer. This gives you the upper hand at the dealership, and puts you in a greater position to negotiate the best out-the-door price for your vehicle. The salesperson knows that your preapproval will be accepted at most other dealerships. So, if you aren't satisfied with an offer or price, you can easily take your business elsewhere. Bonus tip: If you have a vehicle to trade, researching the trade-in value will put you in a stronger position at the dealership, as well.

**Avoid dealer markups.** Financing with the dealership may be convenient and hard to pass up – It's like a one stop shop. But, your salesperson probably won't disclose the markups and upsells that will leave you spending considerably more than intended. It might not seem like much at first, but taking their financing offer could result in paying hundreds more over the life of your loan. The preapproval process puts you in the driver seat.

When you're ready for a new vehicle, [apply for preapproved financing](#) first, before you begin shopping around. Contact us, and we'll be happy to start your application!