

Buying a *Car*

A guide to car loans.



Our guide contains our loan process, what documents you'll need, pre-approval, tips and more.

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1 Ready for a new car?

Competitive rates. Fast approvals. Expert support.

Buying a car is a major decision. Whether you're getting your first car, upgrading after years with the same vehicle, or choosing something larger for your growing family, it's an exciting time.

At loans.com.au, we're here to make the process easier. With competitive rates and quick approvals, we help you move forward with confidence so that you can focus on finding the right car.



Get your personalised quote

Complete an online form to get your personalised quote, and then arrange a call with one of our experienced car lending specialists who will walk you through the next steps. We'll help you understand your options and make sure everything goes smoothly.



Why choose a loans.com.au car loan?



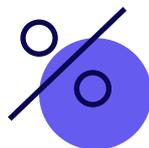
Award-winning

We're so proud to be consistently recognised for our outstanding home and car loan products and exceptional customer service. [See our awards.](#)



Flexible repayments

We offer weekly, fortnightly or monthly repayments to align with your wage cycle.



Variable or fixed rates

The choice is yours. Choose between our competitive rates depending on your requirements.

2 The car buying process explained

1 Doing your research

Before you start searching for a car, you need to narrow down your criteria. Here are some practical considerations to keep in mind:



How many passengers?

This will determine how large the car needs to be. If it is just you and the occasional passenger, you may opt for a small hatchback or even a micro car. If you are driving a family with a couple of kids, you may want a mid-sized hatch or SUV, while six or more and you will need a people mover.



What type of driving?

Will you mainly be driving on highways, suburban streets, or off-road? For highway driving a powerful two-wheel drive would generally be preferred but for off-road you will need an all-wheel drive or a 4WD depending on conditions.



Is fuel economy important?

A fuel-efficient vehicle can help reduce running costs over time, especially if you drive regularly. Alternatively, electric and hybrid cars offer lower fuel expenses and fewer emissions. Plus, they're also a smart choice for the environment.



What safety features matter?

Safety features in cars get more advanced every year and you can often buy safety packs to enhance it even further. The official ANCAP safety rating is one of the best indicators of just how safe a car is.



Will you be towing?

If you plan on towing a boat, trailer or caravan you will need a powerful engine, and a towbar.



How much space do you have?

The size of your garage or parking spot may limit the size of the car you can buy.

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Understanding car financing options

Before you start shopping for a car, it's important to understand what you can afford, as well as financing options that are available. Many buyers choose to take out a car loan to help cover the cost of their vehicle. In this case, your budget will likely be shaped by your borrowing power, which is the amount a lender is willing to offer based on your financial situation.

How much can you borrow?

Your borrowing power is assessed by looking at your monthly income and expenses. This helps determine what you can reasonably afford for loan repayments, to ensure that it is manageable and suited to your lifestyle.

You can choose between a variable or fixed rate car loan, depending on your preferences.

What is the difference between a variable, and a fixed rate car loan?

A variable interest rate changes, meaning loan repayments may increase and decrease with each payment, whereas a fixed interest rate remains the same for the loan term, meaning repayments will always be the same.

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Other costs to consider

As well as loan repayments, there are a few other costs to consider when buying a new car. These can include:

Registration

To drive a car on public roads it must be registered. The cost of registering a motor vehicle varies depending on the state it's registered in, and sometimes on the car's own specifications. A car registration is usually paid every 6 or 12 months.

Insurance

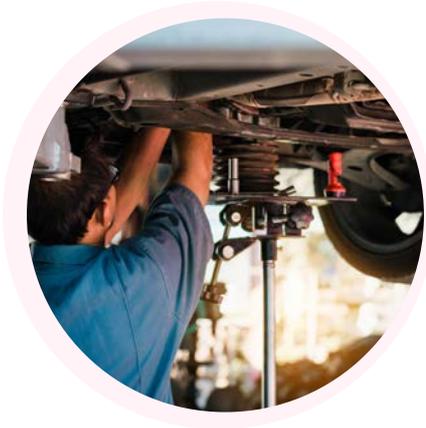
Car insurance is a type of financial protection that covers the cost of damages or injuries that result from car accidents, theft, or other auto incidents. If you are borrowing money, your lender may also require certain insurances.

The different types of insurance coverages are outlined below. In general, the higher the level of coverage, the higher the cost.



| Type | Damage to your car | Damage to other people's property (their cars) | Theft of your car | Injuries or death to other people in an accident |
|--------------------------------------|--------------------|--|-------------------|--|
| Compulsory third party | × | × | × | ✓ |
| Third party property | × | ✓ | × | × |
| Third party property, fire and theft | × | ✓ | ✓ | × |
| Comprehensive | ✓ | ✓ | ✓ | × |

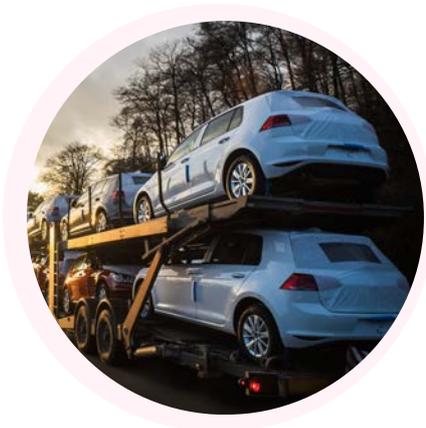




Maintenance costs

One of the major costs of owning a car is the mechanical costs of running it:

- Maintenance - regular services including oil changes, tune-ups, tyres, brakes, exhaust
- Repairs - heating, air conditioning, cooling system, engine, transmission



Depreciation

All cars depreciate over time which means they decrease in value, due to wear and tear. This is often the biggest cost of car ownership and can account for up to 50% of the entire cost. While this isn't a direct out of pocket cost it is an important factor to consider as some cars depreciate faster than others.



Fuel

Petrol is one of the main costs of running a car. The cost will depend upon the size of the engine, its fuel efficiency, and how much you use the vehicle.

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Once you've found your car

Now that you've chosen a vehicle, it's time to focus on the final steps before making it yours. Whether you're buying from a dealership or a private seller, there are several important tasks to complete. These include negotiating the price, arranging inspections, checking the car's history, and finalising your car loan. Each step helps ensure your purchase is secure and well-informed.

Taking the time to work through these details helps you feel confident about your decision.



Independent valuation

The most useful tool you can have is an independent estimate of what the car is worth. These are available from a few different sources, including Redbook and Cars.com.au. In both cases you enter key information about the car – its model, age, mileage and condition, and they will tell you the average price that similar cars have sold for recently.



Preliminary inspection

Thoroughly inspect the vehicle yourself, checking for any external or internal damage. Check that the radio and other accessories work. Take the car on a test drive so you can listen and feel for any obvious mechanical issues.



Agree on a price

Most experts agree that once you know the price you are willing to pay, you should drive the negotiation rather than asking the seller to name their price. Offer a fair price and stick to it. Be prepared to walk away if they don't agree as there are plenty of cars on the market. If you have prequalified for a loan it will help you because you will be confident that you can pay what you offer.



Independent mechanical inspection

If you agree on a price, you will usually give them a small deposit of a few hundred dollars and agree to buy the vehicle subject to an independent inspection by a qualified mechanic. In return for the deposit, they agree not to accept any offers from other buyers, while you arrange for the mechanical inspection. There are many companies which offer onsite presale inspections of motor vehicles. If the inspection reveals significant problems you can use this to negotiate the price down further, or walk away. Many people who buy a brand new vehicle from a car dealer will skip the independent mechanical inspection, although the dealer should allow it if you request it.



Background checks

Check the Personal Property Security Register online or by phoning 1300 007 777 to determine if there is any money owing on the vehicle or if it is listed as stolen or written off. The search certificate will also provide information about the vehicle's features that should be confirmed to ensure it's the correct vehicle. If there is money owing on the vehicle, make sure the amount, or that the owners of the vehicle will be contributing extra to pay off the owed money. If money is owed on the vehicle when you buy it, you will not get a clear title to the car and risk it being repossessed.



Settlement

If you are satisfied with the condition of the vehicle, you can proceed to finalise your car loan and settle the purchase. Insure the car before you drive away.

Compulsory Third Party insurance (CTP) is part of your car's registration in most states, but you should always consider more protection. CTP insurance only covers personal injuries sustained by passengers in your vehicle, not at fault drivers and other users. CTP Insurance does not cover damage caused to or by your vehicle. You should have Comprehensive Motor Vehicle Insurance or Third Party Property insurance as well.

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Our car loan process to settlement

Applying for a car loan with loans.com.au can be completed in a few simple steps. Read on to see just how easy it can be.

- **Start with a quick quote**
Find out what your personalised rate and estimated repayment could be.
[Get My Personalised Quote](#)
- **Speak to your Specialist**
Chat to your car lending specialists to find out your personalised rate and what your repayments will be.
- **Apply online**
You can begin your application
- **Upload & Track**
Submit your documents and monitor your application in real time via our [onTrack portal](#).
- **Approval & Signing**
Review and sign your car loan documents and loan agreement via onTrack.

5



Settlement

After your car loan settles, the funds will be ready and paid directly to the seller.

6



Manage Your Loan

You'll receive your login details to manage your repayments and account details via our [Smart Money](#) app.



3 Why Aussies Choose loans.com.au?



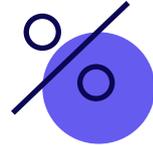
Award winning loans & service



Flexible loan options available



Australian based lending specialist



Save with our low interest rates

At loans.com.au, we believe applying for a car loan should be a hassle-free process. With that in mind, our customers have access to their loan application on-the-go through our secure online portal, **onTrack**. After the loan settles, customers will receive their login details to manage repayments via our **Smart Money app**.



- ✓ Manage and track your application 24/7
- ✓ Book an appointment with your lending specialist at your convenience
- ✓ Upload your documents for approval with ease
- ✓ Get alerts straight to your phone
- ✓ Easy to download mobile app

Download onTrack



4 Car loan terminology

ANCAP

The Australasian New Car Assessment Program (ANCAP) is a car safety performance assessment program. It awards vehicles an ANCAP safety rating of between one and five stars indicating the level of safety they provide in a crash.

DocuSign

An e-signature system which lets you electronically sign your documents on any device.

The onTrack app

Our online portal that allows you to manage your car loan application, from submission to settlement, entirely online or on your mobile device. With live updates and a secure document upload feature, onTrack makes your car loan application simple.

Settlement

Settlement occurs when your loan is approved and finalised, and the funds are used to pay for your new car.

Smart Money

Our online services portal where you can manage your car loan once it settles..



This is a guide only and details are subject to change at any time. Information in this handbook is general only and does not take into account your personal circumstances or objectives and is not a substitute for professional advice. You should consider whether a product is right for you and read the Credit Guide, Terms and Conditions and Financial Services Guide before acquiring.

5 Contact us



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