

Steps to figuring out how much you can afford per month for an auto loan:

(courtesy lesliehaas@hasd.org)

(Note: High School grads don't have enough credit for a bank to approve an auto loan for you. You will have to pay full price on your auto.)

1) What is your **gross** monthly income?

Write it down.

2) Calculate 10%. Write it down. This is how much you will be able to afford every month on your auto loan.

3) Use the answer for #3 to look at the AUTO LOAN chart and find the closest monthly payment (without going over). Look to the left at the "Price of Car" column. This is the highest price that a bank will approve for you for an auto loan. You can purchase a CHEAPER car, but not a more expensive car.

4) Calculate 20%. Write it down. This is how much you will have to pay up front for your auto.

5) No one HAS to take a bank loan. If you have the money up front, you can purchase any car for the full price.

6) Fill out auto loan sheet (EVERYONE does this).

AUTO LOANS

3 years at 7 % AFTER 20% down payment made

Monthly payment can be no more than 10% of monthly gross income. 20% DOWN DUE AT TIME OF APPLICATION!

<u>Price of car</u>	<u>Monthly payment</u>
Under \$2000	No loans accepted
2000	\$ 162.00
2500	\$ 177.50
3000	\$ 193.00
3500	\$209.00
4000	\$225.00
4500	\$240.00
5000	\$255.00
5500	\$270.50
6000	\$286.00
6500	\$ 302.00
7000	\$317.00
8000	\$ 348.00
9000	\$ 379.00
10,000	\$410.00
11,000	\$441.00
12,000	\$472.00
13,000	\$ 502.00
14,000	\$533.00
15,000	\$ 564.00
16,000	\$ 595.00
17,000	\$625.00
18,000	\$ 656.00
19,000	\$ 687.00
20,000	\$720.00
over \$20,000	no loans accepted