

AUTOMOBILE LOANS – WHAT DO I NEED TO KNOW?

	Total Points Earned
30	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Directions: Complete the following questions during the PowerPoint presentation.

1. What are the first and second most expensive purchases for consumers? (2 points)
2. What is a common way for consumers to purchase automobiles? (1 point)
3. Is it less expensive in the long run to purchase an automobile with cash or take out a loan? (1 point)
4. Name at least three items which can affect credit rating. (3 points)
5. What is a cosigner? What happens to a cosigner if the original borrower does not make the payments? (1 point)
6. What is a lender? Name at least four lender options. (4 points)
7. What consumer rights act requires clear disclosure of key terms and all costs in lending agreements? (1 point)
8. Name two items lenders are required by law to disclose to consumers. (2 points)
9. Define negotiated price. (1 point)



10. What is usually required to purchase an automobile and paid at the time of purchase? (1 point)
11. What variable is dependent on the down payment and/or trade-in? (1 point)
12. Define the Annual Percentage Rate (APR). (1 point)
13. What measure is the time period of an auto loan usually expressed? (1 point)
14. Define total cost of the loan. (1 point)
15. Define total purchasing cost. (1 point)
16. The larger the down payment on an automobile, the _____ the principle loan amount.
(1 point)
17. The _____ the time period of the loan, the smaller the payments, but more _____ is paid. (2 points)
18. The _____ the APR, the more interest is paid and the _____ the total loan amount. (2 points)
19. List the three variables needed to calculate the cost of a loan. (3 points)

