**Car Loan Project**



**INTRODUCTION**

It is finally time for you to buy a car! Follow the process below to complete and submit a car loan project.

**PROCESS**

1. Find an advertisement for a car that you would like to purchase. Remember to look at different options and discuss with your parents which car will best suit your needs in your present situation. Look at options as size, gas mileage, safety features, added amenities as well as price. For the cars you consider, use "[Edmunds Car Buying Guide](http://www.edmunds.com/%22%20%5Co%20%22Edmunds%20Car%20Buying%20Guide%22%20%5Ct%20%22_blank) "or "[Kelly Blue Book](http://www.kbb.com/%22%20%5Co%20%22Kelly%20Blue%20Book%22%20%5Ct%20%22_blank) " to learn how the advertised prices compare with market prices generally for cars of the same make, year, and model.
2. Calculate the applicable DMV (Department of Motor Vehicles) fees and taxes on the car you are purchasing. (Teacher website-Econ unit 5) Print what is on the screen when the taxes and fees are calculated. This amount must be added to the cost of your new or used car to determine the total amount you need to borrow in order to buy the car.
3. After finding the ad for the car of your choice, research loan options available. Find at least **two** loan options to compare from possibly the dealer and various banks. Print proof of both loan options. The loan option needs to show the interest rate the lender plans to charge (which is a percent) The loan will be for 5 years.

4. Next fill out the *Enterprise Development Group* car loan application. (on teacher website-Econ unit 5) Decide whether you will have a down payment or a trade-in. Use realistic values. Your job could be the job you have now or a future job. If you can’t answer something on the form just leave it blank (like income, accounts at banks, etc.)

5. Once you have found the automobile of your choice and have determined the amount you will be spending on the car, you need to calculate the monthly payment. Then use the "Payment Calculator" (Teacher website-Econ unit 5) in calculating the monthly payments according to the amount borrowed (also called the principal).

 You must go through all the above steps and afterwards in a packet include the following:Provide a typed summary of your project.

* 1. A title page with a title, your name and a picture of the car you plan to purchase.
* 2. Printed copy of the ad of the car you plan to buy.
* 3. Calculated taxes and fees print out
* 4. Loan option 1 printed
* 5. Loan option 2 printed
* 6. Filled out loan application
* 7. Printed copy of what your monthly payment was calculated to be from the “payment calculator”.
* 8. Typed reflection of your experience. In your reflection make sure to discuss the following, a paragraph for each item.
	+ What car did you decide to buy? Describe it in detail. Why did you choose to buy this car? Give at least three reasons for your choice and explain in detail.
	+ Where did you choose to finance your vehicle and why? Give two reasons for your choice.
	+ Could you buy the car of your choice today or in the near future? Why or why not. Did your car choice change or not throughout the process. What have you learned from this car loan project? Be detailed in your answer.