

The Ultimate Guide to **Buying a Car from a Buy Here Pay Here Dealership**



Prepared by:

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CAR LOAN
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Do you need a reliable car, but can't seem to get a loan? Choose a Buy Here Pay Here (BHPH) dealership instead! This guide provides you with everything you need to know about buying a car from a BHPH dealership. What are the benefits? What are the myths? After reading this ultimate guide you will know the answers to these questions as well as what mistakes to avoid and which questions to ask when you buy a car from a BHPH dealership.

WHY CHOOSE A BHPH DEALERSHIP?

You may be asking yourself why you should choose a BHPH dealership as opposed to a traditional dealership. There are numerous answers to this question. However, the most common reason to choose a BHPH dealership is if you're struggling with a loan approval from a traditional dealership or third party auto financing company. We're here to help those who need a car, but are having trouble with the purchasing process.

CREDIT ACCEPTANCE

The staple of a BHPH dealership is providing a reliable, quality vehicle to individuals who have been turned down by other dealerships because of their poor credit ratings and limited finances. At Car Loan Unlimited, we understand that this can be frustrating. In many cases, a car is the only thing standing between an individual and the financial stability they're seeking. We believe that our customers should still have the chance to drive away with a good car that fits their needs and wishes.

FAST APPROVALS

At Car Loan Unlimited, we know that other BHPH dealerships can take a while to perform a credit check. All we ask is 60 seconds of our customers' time to let them know if they've been approved and are eligible to purchase a car from our lot. We respect the time of our customers and understand that no one has time to wait around for an answer on their credit application.

MONETARY FLEXIBILITY

We know that our customers are often limited by resources such as time and finances. That's why we will sit down with each customer to create a customized payment plan that suits his or her unique financial situation. We will examine the customer's current and projected finances, alongside credit scores and ratings, to calculate a payment plan that allows the customer to drive home in a reliable vehicle.

FLEXIBILITY WITH TRADE-INS

BHPH dealerships are typically more flexible when it comes to trade-ins. Customers who find that it's time for a newer or more reliable vehicle can discuss any trade-in options that they may wish to pursue. Based on certain considerations, we can offer trade-in credit that can be used towards a vehicle on our lot. We understand that just because a vehicle is older, it doesn't mean that it's no longer valuable. This is a significant advantage over traditional dealerships which may offer very little or nothing for an older vehicle.



BUSTED: **5** COMMON MYTHS ABOUT BHPH DEALERSHIPS

Now that you know what the benefits are, it's time to dispel the myths surrounding BHPH dealerships. Like most myths, these views are founded on perceptions and aren't true. Buying a car can be a stressful experience and we want to address some of these common myths so you can be better informed. Below are the top 5 concerns consumers have about BHPH dealerships.

1. ALL LEASE INTEREST RATES ARE SKY HIGH

It's just something that's assumed when conversations about BHPH dealerships occur: the loans have high interest rates. Due to the nature of financing and lending, interest rates may be higher for those with poor credit. This is also true with traditional dealerships and lending institutions. However, the idea that a BHPH dealership will always charge excessively high interest rates is simply not true.

Some individuals think that a BHPH lot will charge 30% APR or higher. On average, BHPH dealers may charge between 10% and 20% APR. This depends on a number of factors, but primarily on the purchaser's credit. At Car Loan Unlimited, we work one-on-one with our customers to create a financial plan that all parties can agree on.

2. WARRANTY ISSUES

Another common myth is that cars purchased through BHPH dealerships don't come with warranty guarantees. This generally makes people uncomfortable with purchasing a vehicle as they are afraid they have no protection against lemons. In reality, many BHPH dealerships offer 30-day guarantees and 1,000 mile warranties to ease the customer's mind.

3. INVENTORY SHORTAGE

There may not be the vast selection that is at the dealerships which rely on bank funding, but there is no shortage of inventory at BHPH dealerships. Since the cars are purchased on dealership credit, there is not a feasible way for the selection to be as broad. The cash flow simply doesn't allow it. That being said, there will always be plenty of vehicles in every price range at BHPH dealerships.

4. THE INDUSTRY IS NOT REGULATED

This myth could not be farther from the truth. Just as with traditional dealerships and other consumer-oriented businesses, the BHPH industry operates on a significant number of laws and regulations. These regulations exist at both a federal and state level, just as with traditional dealerships. They work to protect several aspects of the purchasing process such as ensuring operational ethics and quality of a consumer's purchase.

The following are just a few of the regulations by which the BHPH industry operates:

- Truth in Lending Act
- State Usury Laws
- Deceptive & Unfair Practices Laws
- Used Car Rule
- Safeguards Rule
- Red Flags Rule
- Fair Debt Collections Practices Act

5. BHPH DEALERS CHARGE LATE FEES AND ORDER REPOSSESSIONS WHILE BANKS DO NOT

It is a common myth that BHPH dealerships are the only types of dealerships that will enforce extra charges or repossessions for late payments. While BHPH dealerships may implement these rules, they are not exclusive to BHPH dealerships. Any financial institution is permitted to enforce these policies and a vast majority of them will. It is also a myth that BHPH dealerships will charge late fees at a significantly higher rate than other lending companies.

The fact remains that purchasing a car from a BHPH dealer is a great way to get a car. It's a reasonable and viable alternative to financing a vehicle from a bank, and it's a particularly excellent choice for individuals with credit challenges. By dispelling these myths, you now understand how the BHPH industry really works.

What NOT to Do When Buying from a BHPH Dealership

In 1946, Jimmy Stewart starred as George Bailey in the Academy Award nominated film, "It's a Wonderful Life." Throughout the movie, George dreams of traveling to destinations like Florida, but sacrifices his dream for his family and friends. Instead he works at a building and loan office where he helps good people into decent houses. He helps his family and friends improve their lives, saying, "They do most of the working and paying and living and dying in this community. Well, is it too much to have them work and pay and live and die in a couple of decent rooms and a bath?"

BHPH dealerships have similar ideals. They don't believe customers should have to live their whole lives on bad credit driving run-down cars. They want to help good people purchase good vehicles and live wonderful lives. Now that you know what the common BHPH industry myths are, here are the top three mistakes to avoid when buying a car from a BHPH dealer.

1. DON'T EXPECT TO GET YOUR DREAM CAR

You may not drive away to your Florida home in a '96 Mustang or 2015 Corolla, but you can own a reliable vehicle that will get you where you need to go. This doesn't mean you should compromise and get a car you don't really want. BHPH dealerships have a variety of cars to choose from. Find the car that is right for you.

2. DON'T MAKE RASH DECISIONS.

The first impression is not always the right impression even if you feel pressured to take a deal. Make sure you wait for the deal that is right for your circumstances. Each BHPH dealership is different. The dealerships in Florida may be different from those in Utah. If possible, discuss your choices with a trusted family member or friend.

3. DON'T LOSE CONTROL OF THE DEAL

George Baily never let himself be bullied and neither should you. If you feel uncomfortable with any part of the BHPH process, voice your concerns and don't be afraid to walk away.

A BHPH dealer is ready to help you improve your life. Don't "work and pay and live and die" in an old, broken down car. Enjoy driving through the beautiful Florida country in a car you can afford and appreciate. BHPH dealers, like Car Loan Unlimited, will help you have a wonderful life.

Questions to Ask a BHPH Dealership

You now know the benefits, common myths, and mistakes to avoid, but what questions should you ask the BHPH dealership? When it comes to the important milestone of purchasing a car, it's important for new customers to be fully informed before they make their final decision. Customers should understand all aspects of the purchasing process from the initial screening to the last payment. We encourage potential BHPH customers to ask a few critical questions before purchasing their vehicles to make sure they're educated and aware of their agreements.

WHAT IS THE PURCHASE TIMELINE?

It's no secret that those who come to any car dealership, let alone a BHPH dealership, are looking to drive away in their purchase as soon as possible. Especially for those who are in dire need of transportation, it's important for customers to be aware of the dealership's policy when it comes to approvals and final agreements. Before the process begins, customers should make sure that the transaction will suit their time constraints and needs. A number of BHPH dealerships will cater to a customer's needs. These dealerships will allow the customer to finalize all the details and drive home the same day that he or she is approved.

WHAT IS YOUR POLICY ON EARLY LOAN PAYMENT?

A critical question to ask a BHPH dealership pertains to their policy on early payments toward their auto loan. Customers should never purchase from a BHPH dealership that charges fees for early payment. At Car Loan Unlimited, we believe that individuals shouldn't be penalized for the desire to take



care of their financial obligations as quickly as possible. That's why we will never charge any fees for early payment on loans. We strive to provide our customers with an opportunity to regain their financial independence, not add financial burden for being responsible consumers.

WHAT ARE ALL OF THE DETAILS REGARDING MY PAYMENT PLAN?

Perhaps the most important question for potential customers to ask is for all of the details regarding the payment plan and process for the purchase. At Car Loan Unlimited, we're focused on constructing a payment plan that's catered to each customer so that everyone is happy with the transaction. We'll sit down with our customers to look at factors like current and projected finances to calculate a payment plan that suits their financial situation. Payment plans are structured so that buyers can own their cars in as little as two years without all the complicated terms that some dealerships may impose.

By understanding what is and isn't true about BHPH dealerships, you don't have to feel trapped when your loan isn't approved at a traditional dealership. You also know what mistakes to avoid and what questions to ask when you go into a BHPH dealership. The next step is to find a BHPH dealership that works for you.

Car Loan Unlimited is dedicated to getting car loans for good people with bad credit. We know that life happens, but that shouldn't stop you from buying a reliable car and achieving the financial stability you're seeking. By choosing Car Loan Unlimited, you are choosing a BHPH dealership that works for you.



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