MONEY SMART

MONEY SMART FOR YOUNG ADULTS

MODULE 10

Buying a Car

Instructor Guide

FDIC

FEDERAL DEPOSIT INSURANCE CORPORATION

FDIC-028-2022

The Federal Deposit Insurance Corporation is an independent agency created by Congress to maintain stability and public confidence in the nation's financial system. One way we do that is by providing free, non-biased financial education materials, including this instructor guide. For more information about our family of Money Smart products, visit **fdic.gov/moneysmart**.

Contents

Welcome

Welcome to the FDIC's Money Smart for Young Adults!

This is the instructor guide for **Module 10: Buying a Car**.

Module Purpose

This module helps participants consider options for buying a car. By the end of this module, participants will be able to:

- Identify one-time and ongoing costs of car ownership
- Compare options for buying cars, including leasing
- Describe how car loans work
- List the consequences of not making car loan payments

Module at a Glance

We estimate that you will need one and a half hours to cover the entire module, not including breaks.

SECTION	SUBSECTIONS AND ACTIVITIES	ESTIMATED TIME (MINUTES)
Module Opening	■ Welcome Participants as They Arrive ■ Pre-Training Survey (Optional) ■ Parking Lot and Participant Guide	**10**
Section 1: Car Costs and Options	■ Car Costs ■ Apply It: Taking Stock of Car Costs ■ Leasing ■ Try It: Considering Car Options	**30**
Section 2: Car Loans	■ Car Loan Basics ■ Try It: Comparing Car Loan Offers ■ Credit Scores and Car Loans	**30**
Module Closing	■ Remember the Key Takeaways ■ Take Action ■ Post-Training Survey (Optional)	**10**

The FDIC created Real-Life Money Situations for Young Adults to strengthen the financial knowledge, skills, and self-efficacy of young adults ages 16 to 24. The five scenarios can be used with the Money Smart for Young Adults financial education curriculum, with other financial education curricula, or as stand-alone activities. Each scenario features a young adult facing realistic financial decisions. Young adults reflect on the scenarios and consider how they might respond in similar situations. The scenario titled Jordan Buys a Car features financial decisions that relate to the content of this module. Search fdic.gov for Real-Life Money Situations for Young Adults.

Module Opening

Time estimate for this section: 10 minutes

Welcome Participants as They Arrive

SHOW SLIDE 1

DO

- As participants arrive for the training, use this time to:
  - Welcome them and introduce yourself
  - Ask them to sign in for the training if you are using a sign-in sheet
  - Ensure that any requested reasonable accommodations are in place and make any necessary adjustments

Pre-Training Survey (Optional)

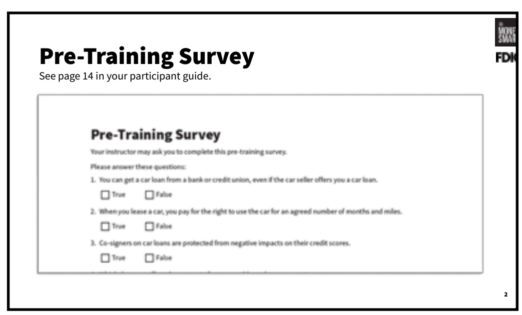
See page 14 in the participant guide.

Note to Instructor: Before training starts, you can ask participants to complete the pre-training survey in the back of the participant guide. Give participants copies of the survey so they do not have to tear pages out of their guides. The questions are repeated in the post-training survey.

The answer key is at the end of this instructor guide, but do not share the answers now.

Using the pre- and post-training surveys allow you to estimate knowledge gains and get other feedback on the training. You may decide to compare pre-training surveys to post-training surveys to estimate knowledge gains of the entire group or for individual participants. To estimate by participant, ask them to write their name or some other unique identifier on both their pre- and their post-training surveys.

SHOW SLIDE 2



SAY

- Thank you for coming to this Money Smart training on "Buying a Car."
- Please complete the pre-training survey on page 14 of your participant guide.
- It should take less than five minutes to complete.

DO

- Collect the completed surveys.

Parking Lot and Participant Guide

SAY

- I will use a parking lot to capture questions, ideas, and other thoughts. We can add items anytime during the training. Time permitting, I will address them during breaks or at the end of training.
- You have a participant guide. You can write in it. It is yours to keep.

Section 1: Car Costs and Options

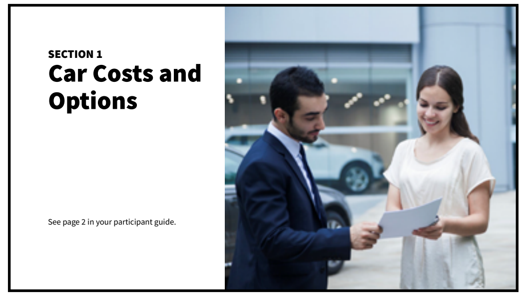
Time estimate for this section: 30 minutes

See page 2 in the participant guide.

Participants will be able to:

- Identify one-time and ongoing costs of car ownership
- Compare options for buying cars, including buying and leasing

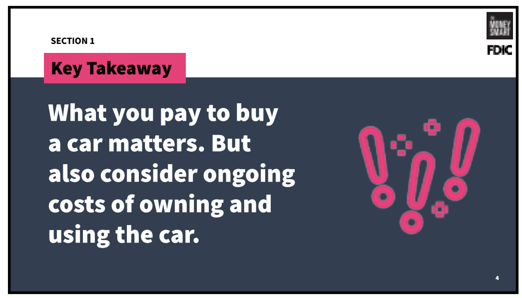
SHOW SLIDE 3



SAY

- We will discuss one-time and ongoing costs of car ownership and compare options for buying cars.

SHOW SLIDE 4



SAY

- The key takeaway for this section is: What you pay to buy a car matters. But also consider ongoing costs of owning and using the car.

Car Costs

Lead discussion (5 minutes)

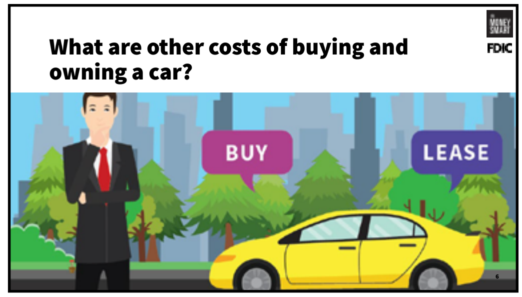
See page 2 in the participant guide.

SHOW SLIDE 5

SAY

- Buying a car is often the first big purchase people make.
- People shop for cars both online and in-person.
- When you think about buying a car, the first cost that might come to mind is the purchase price.

SHOW SLIDE 6



ASK

- What are other costs of buying and owning a car?

DO

- Let participants know they can take notes on this discussion in the area provided on page 2 in their participant guides.
- Write participant responses on a flip chart or whiteboard.
- Add the following if not contributed:
  - Car loan payment, including fees and interest
  - Registration and title fees
  - Sales tax, if collected by your state
  - Other seller fees/dealer fees
  - Extended warranty or service contracts
  - Gas
  - Registration renewals and inspections
  - Maintenance
  - Car insurance
  - Parking
  - Personal property taxes (depending on the state)

SAY

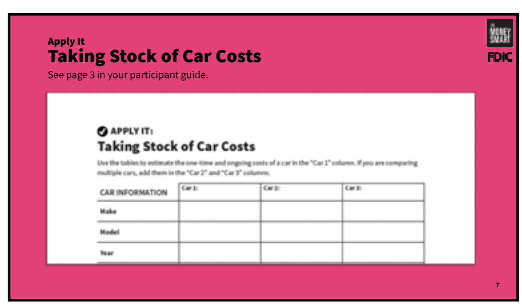
- Some are one-time costs that you might pay when you buy a car. Others are ongoing costs that you might pay while you own the car.

Apply It: Taking Stock of Car Costs

Present information (5 minutes)

See page 3 in the participant guide.

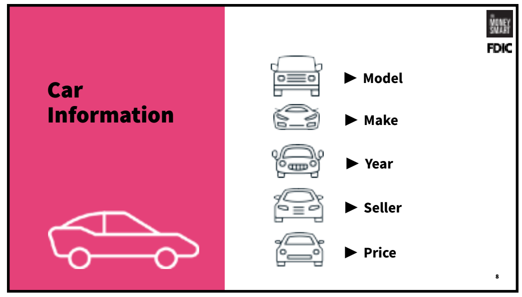
SHOW SLIDE 7



SAY

- Turn to “Apply It: Taking Stock of Car Costs” on page 3 in your participant guide.
- This Apply It helps you estimate one-time and ongoing car costs. Use this Apply It in the future to estimate and compare costs for up to three cars.
- Let’s review the costs so you will be ready to use this tool when you need it.

SHOW SLIDE 8



SAY

- Use the first table to record basic information about the cars you are considering.
- In the header row, label the cars using names that make it easy for you to distinguish between them. For example: “Green Four-Door” or “White Two-Door.”
- There are rows for **make**, **model**, and **year**. That information will be important for your research on the costs for the cars.
- There is also a row for **seller**. Identify who is selling the car. This may be an online car seller or a car dealer at a physical location. You can also buy cars from individuals.
- Finally, there is a row for **price**. Cars for sale have an advertised sticker price, but it is common to negotiate for a lower price. Use this row to record what price the seller is offering. You can update the information if the prices change.

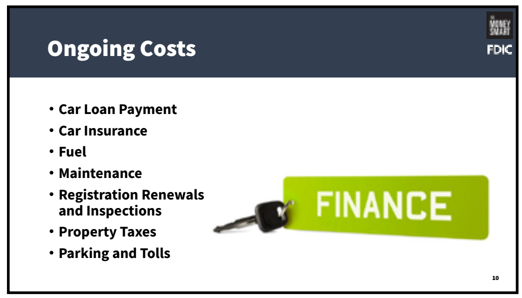
SHOW SLIDE 9

SAY

- Use the second table to estimate and compare the one-time costs of buying the cars.
- The **down payment** is money paid upfront when purchasing a car. When you pay more money upfront the less you have to borrow which lowers the interest owed on your car loan.
- **Registration and title fees** are the amounts your state charges to register new vehicles, assign titles (legal proof of ownership), and issue license plates. These fees may vary by vehicle. Check with the seller to estimate these costs. If there are additional fees, such as a plate transfer fee, you can include those amounts in this row, or use one of the ‘Other’ rows for those fees.
  - Keep track of your registration document and title. Consider keeping your registration document with your driver’s license in case you need to provide it to police or other authorities while you are on the road. Keep your title in a safe place so you can prove your ownership of the car when needed, such as when you want to sell it.
- State and local governments may also charge **sales tax** on car purchases. Check with the online car seller or a car dealer to estimate these costs.
  - If you are buying a car from an individual, contact your state’s department of motor vehicles for information on tax rates. You will pay sales tax directly to that state government organization when you register your car.
- Car sellers charge **documentation fees**, or “doc fees,” to cover the costs of filing paperwork related to car purchases. Some states limit the documentation fees that car sellers can charge.

- Car sellers often charge a variety of **other seller fees**, or "**dealer fees**." Always ask the seller for a complete list of these fees associated with purchasing a car. That will help you avoid being surprised by unexpected fees when finalizing a purchase. Some fees may be for optional services that you can negotiate or decline.
- If you are borrowing to cover a portion of the car purchase, you may have **car loan origination fees**. Fees can be a flat amount or based on a percentage of your loan amount, and may include loan processing fees, document preparation fees, and credit investigation fees.
- Car sellers often offer **extended vehicle warranties and service contracts** that cover repair costs that are not covered by manufacturer warranties. You do not have to purchase these add-ons. If you do, record those costs.
- There are several 'Other' rows for additional one-time costs.
- When you have completed the rows for one-time costs, add them and record the sum in the 'Total One-Time Costs' row.

SHOW SLIDE 10



SAY

- Let's talk about ongoing car costs. Use the final table to record monthly estimates for various ongoing costs.
- People sometimes focus on the one-time costs and give little thought to ongoing costs. However, differences in ongoing costs can end up costing plenty of money.
- Your **car loan payment** is a major ongoing cost. You can estimate your payment after you shop around for a car loan. We will discuss car loans later in this training.
- **Car insurance** covers costs of car accidents. When you are at fault in a car accident, car insurance covers damage to the cars and other property involved in the accident, and medical expenses for people involved in the accident.
  - Some car insurance policies include additional coverage. For example, policies may include coverage for your medical expenses no matter who is at fault in an accident. Other policies may cover your costs from an accident if the other driver's insurance coverage is not enough to pay for the property damage.
  - You pay a premium, often once a year or every six months, in exchange for insurance coverage. Car insurance policies vary in what costs they cover.
  - Almost every state requires that drivers have car insurance. However, states have different requirements for the minimum amount of insurance everyone must have.
  - The cost of car insurance can vary widely so it is smart to consider multiple offers. Review what each policy covers in addition to its cost.

- Also ask insurance companies what discounts may be available.
  - » Insurance companies sometimes offer low-mileage discounts to people who drive less than a set number of miles each year.
  - » Usage-based insurance policies use data from your car to calculate discounts based on how much you drive and your driving habits such as speed and braking.
  - » They may offer other discounts related to using anti-theft devices or other devices, taking driver training courses, and even good grades in school.
- Insurance companies tend to charge higher premiums to young drivers.
- Past speeding tickets and car accidents may cause insurance companies to increase premiums significantly. These types of negative information can affect your insurance premiums for two years or longer, depending on insurance companies' rules, state laws, and the seriousness of the incident. For example, a conviction for driving under the influence of alcohol or drugs can affect your insurance premiums more and for longer than a speeding ticket.
- If an insurance company gives you a quote for an annual or six-month premium, divide it by 12 or six before recording the amount in the 'Car Insurance' row.

■ **Fuel** costs will vary depending on the miles you drive each month. Costs also depend on the fuel efficiency of the car, that is, how many miles the car can go per gallon of gas.

- You can find fuel efficiency estimates for different cars online in units of miles per gallon. Multiply the miles per gallon by the number of miles you will drive per month and the price of gas in your area to estimate fuel costs.
- Visit **fueleconomy.gov** for fuel efficiency estimates for different cars and also average gas prices near you. This site is listed in the "Where to Get More Information or Help" section on page 13 of your participant guide.
- If you are considering hybrid or electric cars, estimate the cost of electricity you will use per month for those cars. You can find out how much you are paying per kilowatt-hour of electricity on your electric bill. Multiply that by your estimate of how many kilowatt-hours you will use each month driving the car.

■ **Maintenance** can include routine services like oil changes or replacing parts of your car that wear out, such as tires, light bulbs, and air filters. You can find estimates of maintenance costs online. Divide any annual estimates by 12 before recording the amounts in the 'Maintenance' row

■ States charge fees for **registration renewals**. Most states also require periodic **inspections** to make sure cars meet safety and emissions standards. Your state's agency for motor vehicle administration will provide information on those requirements, allowing you to estimate costs. These are typically annual costs. You may need to divide by twelve to convert those estimates into monthly estimates.

■ Some states charge annual **property taxes** on cars. The amount typically depends on the value of the car. Search online for information that will help you estimate that cost. If your state charges property tax, the annual amount may depend on the car's value. Divide annual estimates by 12 before recording the amounts in the 'Property Taxes' row.

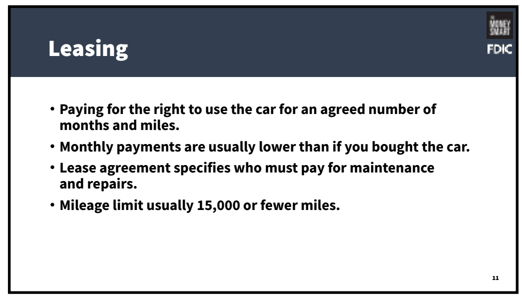
- **Parking** costs may include fees for parking where you live, where you work, and other places you may visit. You may also need to pay tolls depending on which roadways you use.
- There are several 'Other' rows for additional ongoing costs.
- When you have completed the rows for ongoing monthly costs, add them and record the sum in the 'Total Cost per Month' row.
- Multiply the number from your 'Total Cost per Month' row by 12 to calculate the 'Total Cost per Year' cost of your ongoing expenses for each car.

Leasing

Present information (5 minutes)

See page 5 in the participant guide.

SHOW SLIDE 11



SAY

- Leasing is an alternative to buying a car.
- When you lease a car, you pay for the right to use the car for an agreed number of months and miles. You are paying to drive the car, not buy it.
- At the end of a lease, you must return the car unless the lease agreement gives you the option of buying it.
- Monthly lease payments are usually lower than monthly payments if you bought the same car.
- Your lease agreement will specify who must pay for maintenance and repairs during the lease term. Some leasing companies offer no-cost maintenance services, but most leases do not offer this type of protection and you will be responsible for any fuel, maintenance, and repairs.
- You can negotiate the terms of a car leases.

SHOW SLIDE 12

SAY

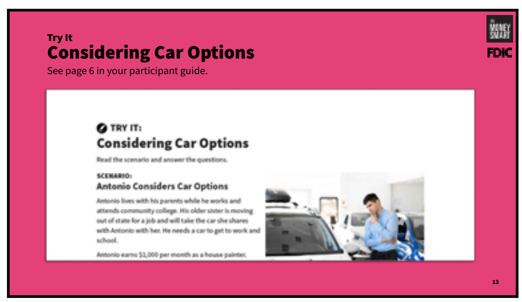
- To figure out if leasing fits your situation:
  - Think about how much you drive. The mileage limit in standard leases is typically 15,000 or fewer miles per year. You can negotiate a higher mileage limit, but that normally increases the monthly payment, because the car depreciates more during the life of the lease. If you go beyond the mileage limit in the lease agreement, you probably will pay an additional charge when you return the car. Most leases charge per mile if you exceed the annual mileage limit.
  - Consider all of the lease terms. When you lease, you are responsible for excess wear and damage and any missing equipment. You also must service the car according to the manufacturer's recommendations and maintain insurance that meets the leasing company's standards. If you end the lease early, you often pay an early termination charge that could be substantial.
  - Might you move during the lease period? Some leases may not let you move the car out of state or out of the country. Find out the rules for the deal you are considering.

Try It: Considering Car Options

Lead activity (15 minutes)—Scenario

See page 6 in the participant guide.

SHOW SLIDE 13



SAY

- Whether you plan on buying or leasing a car, know what you can afford.
- This scenario looks at both the one-time costs and the ongoing costs of owning a car. We reviewed those types of costs when we looked at "Apply It: Taking Stock of Car Costs."
- One-time costs provided in the scenario not only include the down payment, but also various taxes and fees associated with buying a car.
- Ongoing costs are provided in the scenario as average monthly amounts. The ongoing costs not only include the monthly car loan payment, but also costs of car insurance, fuel, maintenance, registration renewals and inspections, property taxes, and parking and tolls.

DO

- Ask participants to turn to "Try It: Considering Car Options" on page 6 in their participant guide.
- Read the scenario to participants or ask for a volunteer to do so.

Scenario: Antonio Considers Car Options

Antonio lives with his parents while he works and attends community college. His older sister is moving out of state for a job and will take the car she shares with Antonio with her. He needs a car to get to work and school.

Antonio earns $1,000 per month as a house painter. Living at home, he has few expenses, about $250 per month. He has saved $4,000.

Antonio shopped for a car online. He also visited car dealers in-person to take some of the cars he found for a test drive. He has narrowed down his choices to these options:

- Buying a used 2019 Culpeo. Antonio estimates the one-time costs to be $2,000 and the total monthly costs of ownership to be $590 on average for the first five years.
- Buying a used 2019 Sechuran. Antonio estimates the one-time costs to be $1,900 and the total monthly costs of ownership to be $600 on average for the first five years.
- Leasing a 2022 Corsac. For $575 per month for 12 months, Antonio can drive the car up to 15,000 miles. This is a newer car than the other options and the model has a reputation for fuel efficiency for the first five years.

DO

- Give participants five minutes in small groups to discuss the questions listed below the scenario.
- After five minutes, review the questions with participants.

Try It: Considering Car Options – Answer Key

What else would you want to know about Antonio's situation before giving him advice on which car to buy or lease?

- How much does he drive? The leasing offer limits the mileage he can drive.
- What may change in Antonio's situation? For example, if Antonio moves out of his parents' home in the coming years, he may have to cover more of his own living expenses. Leasing may give Antonio more flexibility. Antonio should be sure he wants the long-term commitment that comes with buying a car.
- Is public transportation an option for his travel to work and school? Are there other options he could use to get to his destination?

What else should Antonio research and consider about the leasing option?

- How much would the total monthly costs of ownership be? Antonio knows that the car is newer than the others and that it has a reputation for fuel efficiency. But Antonio should calculate what he may need to pay for maintenance and fuel.
- What happens if he drives over 15,000 miles?

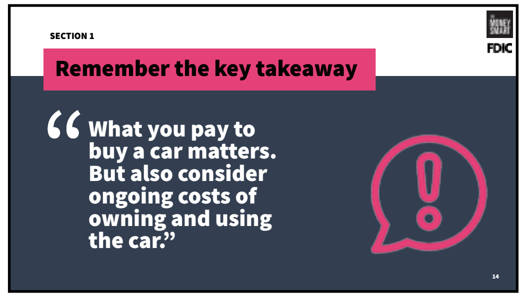
If Antonio buys, rather than leases, would you recommend he buy the Culpeo or Sechuran?

- Based on the information provided, Antonio should buy the Culpeo. In 10 months, the Culpeo's lower monthly costs of ownership will make up for its higher one-time costs.

If Antonio buys a car and later sells it, who receives the money from that sale? Can Antonio sell his car if he leases?

- Antonio receives the money from selling his car. If he still owes money on his car loan, he must pay off what he owes.
- If Antonio leases a car, he does not own it and cannot sell it.

SHOW SLIDE 14



SAY

- Remember the key takeaway: What you pay to buy a car matters. But also consider ongoing costs of owning and using the car.

Section 2: Car Loans

Time estimate for this section: 30 minutes

See page 8 in the participant guide.

Participants will be able to:

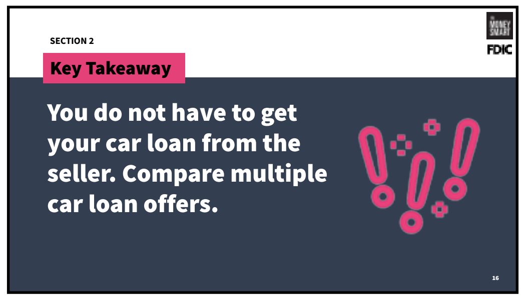
- Describe how car loans work
- List the consequences of not making payments on car loans

SHOW SLIDE 15

SAY

- We will discuss how car loans work and the consequences of not making payments on car loans.

SHOW SLIDE 16



SAY

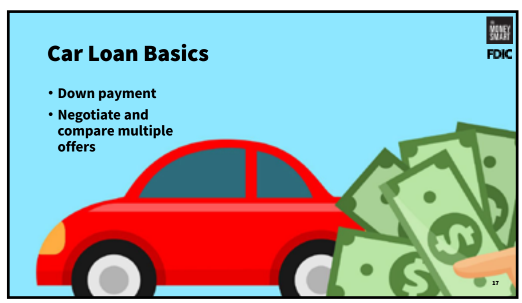
- The key takeaway for this section is: You do not have to get your car loan from whomever is selling you the car. Compare multiple car loan offers.

Car Loan Basics

Lead activity (5 minutes)—Vote

See page 8 in the participant guide.

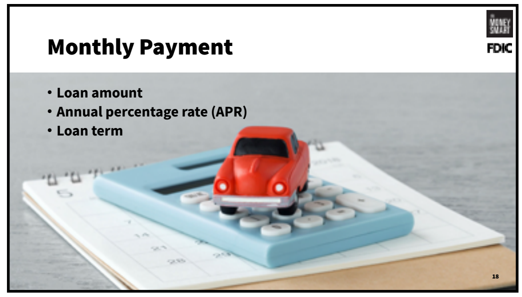
SHOW SLIDE 17



SAY

- Car loans work much the same way as other types of loans.
- Your down payment on a car is the initial, upfront payment you make toward the total cost of the car. Your down payment could be cash, the value of a trade-in, or both. The more you put down, the less you need to borrow.
- Your car loan covers the rest of the cost so you can make the purchase. You agree to pay back the amount you borrowed through monthly payments, plus fees and interest.
- People call this "financing" your car purchase.
- You do not have to get your car loan from the seller. You can get your car loan from another lender, such as a bank or credit union, instead. You are shopping for two products: the car loan and the car. Negotiate and consider several offers.

SHOW SLIDE 18



SAY

- Three factors determine your monthly car payment:
  - Your loan amount is the amount you are borrowing to get the car.
  - Your annual percentage rate (APR) is the total cost you pay each year to borrow money. Here, it includes the car loan interest rate and additional fees. This total is expressed as a percentage.
  - Your loan term is the length of your car loan, generally expressed in months. A shorter loan term (in which you make monthly payments for fewer months) will reduce your total loan cost. A longer loan can reduce your monthly payment, but you pay more interest over the life of the loan.

ASK

- If you make a smaller down payment on a car, you will need to borrow more. Will a larger loan amount make your monthly payment go up or down?

DO

- Use a show of hands, voice vote, or other method and ask how many participants think the monthly payment will go up or down.
- Share that the monthly payment will go up.

ASK

- If you negotiate with the lender and get a lower APR, will your monthly payment go up or down?

DO

- Use a show of hands, voice vote, or other method and ask how many participants think the monthly payment will go up or down.
- Share that the monthly payment will go down.

ASK

- If you choose a longer loan term, will your monthly payment go up or down?

DO

- Use a show of hands, voice vote, or other method and ask how many participants think the monthly payment will go up or down.
- Share that the monthly payment will go down.

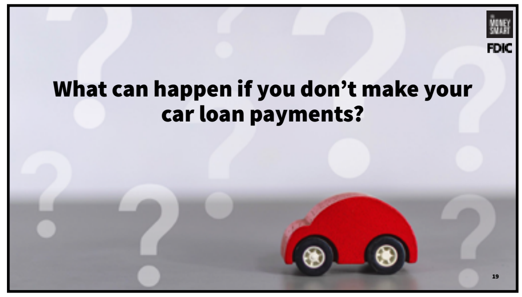
ASK

- If you choose a longer loan term, will the total amount of interest you pay over the life of the loan go up or down?

DO

- Use a show of hands, voice vote, or other method and ask how many participants think the total interest you pay will go up or down.
- Share that the total amount of interest you pay will go up.

SHOW SLIDE 19



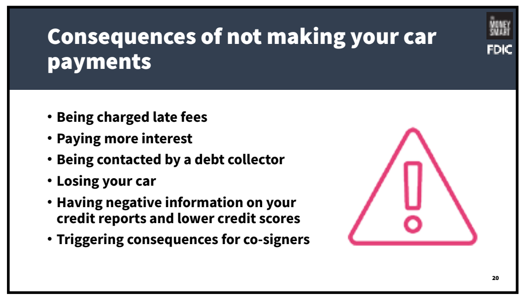
ASK

- It is critical to make your car payments on time and as agreed. What can happen if you do not make your car loan payments?

DO

- Write participant responses on a flip chart or whiteboard.
- Add to participant responses using the answers in the slides and talking points that follow.

SHOW SLIDE 20



SAY

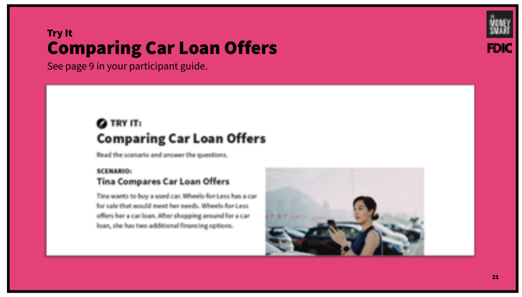
- Several things can happen if you do not make your car payments on time and as agreed, including:
  - Being charged late fees.
  - Paying more interest.
  - Being contacted by a debt collector. While you have rights when a debt collector is trying to seek payment from you, getting calls and letters from debt collectors can still be stressful.
  - Losing your car. Your car is collateral for your car loan. If you do not repay the loan as agreed, the lender can repossess it to get some or all of its money back.
  - Having negative information on your credit reports and lower credit scores. Those negative impacts on your credit can affect future borrowing. Potential employers and landlords may also check your credit before offering you a job or apartment. Negative information stays on your credit report for approximately seven years.
  - Forcing co-signers to pay back the loan. A co-signer is a person—such as a parent, close family member, or friend—who commits to paying back the loan if you do not. We will discuss co-signers in more detail shortly.

Try It: Comparing Car Loan Offers

Lead activity (15 minutes)—Scenario

See page 9 in the participant guide.

SHOW SLIDE 21



DO

- Ask participants to turn to “Try It: Comparing Car Loan Offers” on page 9 in their participant guide.
- Read the scenario to participants or ask for a volunteer to do so.

Scenario: Tina Compares Car Loan Offers

Tina wants to buy a used car. Wheels-for-Less has a car for sale that would meet her needs. Wheels-for-Less offers her a car loan. After shopping around for a car loan, she has two additional financing options.

Car Loan Detail	Wheel-for-Less Used Cars	Skyline City Bank	AutoLoanLine.com
Price	$13,000	$13,000	$13,000
Down Payment	$4,000	$4,000	$4,000
Amount of Car Loan	$9,000	$9,000	$9,000
Term	60 months	52 months	60 months
Annual Percentage Rate (APR)	9.00%	8.00%	8.00%
Monthly Payments	$187	$205	$182
Interest Paid Over the Life of the Loan	$2,210	$1,680	$1,949

Try It: Comparing Car Loan Offers – Answer Key

If Tina wants to keep her monthly payment *as low as possible*, even if she pays more interest over the life of the loan, which loan should she choose?

- The AutoLoanLine.com loan has the lowest monthly payment: $182.

What are ways Tina could lower her monthly payment?

- Make a larger down payment so she borrows less.
- Borrow over a longer period, such as a 72-month term.
- Continue to shop around for a car loan with a lower APR.

If Tina wants to minimize interest over the life of the loan, which loan should she choose?

- The Skyline City Bank loan has the lowest interest paid over the life of the loan: $1,680.

How could Tina pay less interest over the life of the loan?

- Make a larger down payment so she borrows less.
- Borrow over a shorter period, such as a 48-month term. Lenders generally charge lower interest rates for loans with shorter terms. In addition, Tina will pay more of the amount she owes with each payment. That also reduces interest paid over the life of the loan.
- Continue to shop around for a car loan with a lower APR.
- Prepay all or part of the loan. Prepayment is paying more than the monthly payment and having the lender apply the "extra" amount to the amount owed.

Credit Scores and Car Loans

Present information (10 minutes)

See page 9 in the participant guide.

SHOW SLIDE 22

SAY

- Your credit history is your record of paying back what you owe.
- Credit reports are documents that summarize your credit history.
- Credit scores are numbers based on information in your credit reports. They predict the likelihood that you will pay your bills and debt payments as agreed.
- Your credit reports include positive information: the times when you paid your bills and debt payments on time.
- Your credit reports also include negative information: the times when you did not pay your bills and debt payments on time.
- The positive and negative information in your credit reports affects your credit scores, too, along with other considerations.

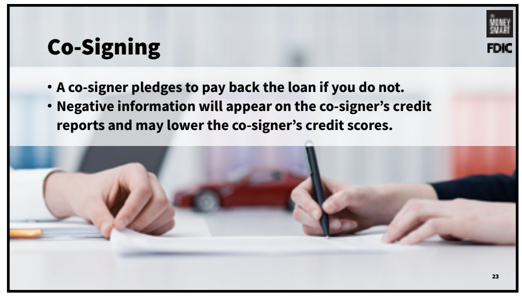
ASK

- Why will lenders review your credit reports and scores when considering offering you a car loan?

SAY

- Lenders review the credit reports and scores of people applying for loans to predict whether they will make payments on their loans on time and as agreed.
- Based on that review and other considerations, lenders decide whether they will offer you a loan and on what terms. For example, they may charge a higher interest rate on loans to people with negative information in their credit history. That higher interest rate makes the loan more expensive for the borrower.

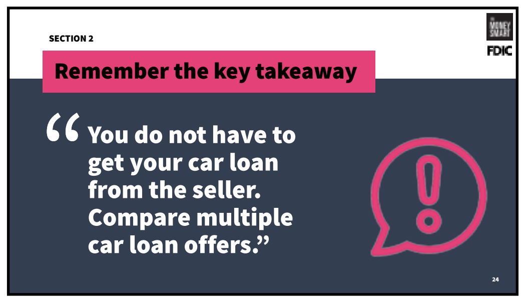
SHOW SLIDE 23



SAY

- A co-signer is a person—such as a parent, close family member, or friend—who commits to paying back the loan if you do not.
- Having a co-signer on your loan gives your lender additional assurance that the loan will be repaid. Lenders may be more willing to offer you a loan and may offer better terms, such as a lower interest rate.
- A co-signer takes full responsibility to pay back the loan. If you do not repay your loan, your co-signer will be responsible for repaying it, even if that person never drove the car. Negative information about missed or late car loan payments will appear on the co-signer's credit reports and may lower the co-signer's credit scores.
- If you are asked to co-sign a loan, consider how it will affect your finances. Will you be willing and able to repay the loan on your own if the borrower stops making payments? When you want to borrow to meet your own goals, lenders will consider what other debts you have committed to repaying. Co-signing has the potential to affect whether lenders offer you loans and on what terms.

SHOW SLIDE 24



SAY

- Remember the key takeaway: You do not have to get your car loan from whomever is selling you the car. Compare multiple car loan offers.

Module Closing

Time estimate for this section: 10 minutes

Remember the Key Takeaways

Note to Instructor: Only mention key takeaways for sections you included in the training.

SAY

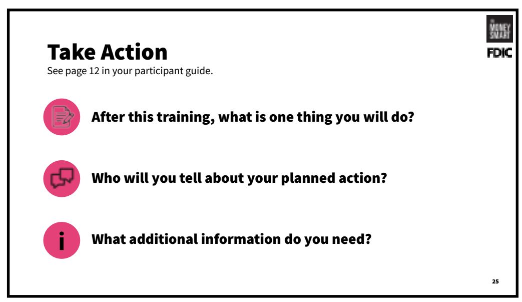
Remember the key takeaways. These are also listed on page 12 in your participant guide. Let me know if you have questions about any of them.

SECTION	KEY TAKEAWAY
1: Car Costs and Options	What you pay to buy a car matters. Also consider ongoing costs of owning and using the car.
2: Car Loans	You do not have to get your car loan from whomever is selling you the car. Compare multiple car loan offers.

Take Action

See page 12 in the participant guide.

SHOW SLIDE 25



SAY

- You are more likely to act if you commit to acting now.
- Consider writing down what you intend to do based on today's training.
- Take a few minutes to answer the questions under "Take Action" on page 12 in your participant guide.

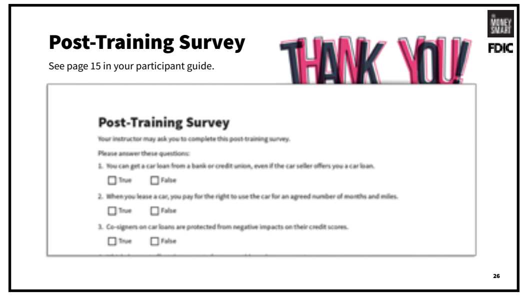
DO

- If time permits, ask a few participants to share what they wrote.
- Remind participants about the activities in their participant guide they can complete after today's training.
- Refer participants to "Where to Get More Information or Help" on page 13 in their participant guide for a list of online resources.
- If this is the end of your training, thank participants for attending and administer the post-training survey.

Post-Training Survey (Optional)

See page 15 in the participant guide.

SHOW SLIDE 26



SAY

- Thank you for coming to this Money Smart training.
- Please complete the post-training survey on page 15 of your participant guide.
- It should take less than five minutes to complete.

DO

- Collect the completed surveys.

Answer Key for the Pre- and Post-Training Survey

1. You can get a car loan from a bank or credit union, even if the car seller offers you a car loan.

   The answer is **true**.

2. When you lease a car, you pay for the right to use the car for an agreed number of months and miles.

   The answer is **true**.

3. Co-signers on car loans are protected from negative impacts on their credit scores.

   The answer is **false**.

4. Which does not affect the amount of your monthly car loan payment:

   a. The loan amount
   b. The annual percentage rate (APR)
   c. The length of the loan
   d. All of the above affect the amount of your monthly car loan payment

   The answer is **d. All of the above affect the amount of your monthly car loan payment.**

Note to Instructor: There are no “right” or “wrong” answers to the remaining questions, which appear in the post-training survey and not in the pre-training survey.