

“Used Car Financing - Consistent Selling Practices”

Will we ever see used car prices go down? Experts say they may drop some, but not to what used cars used to be. The car market has changed drastically as manufacturers are scrambling to keep up with new-car demand. They have prioritized trucks, SUVs and luxury models. Many automakers have even discontinued “affordable entry-level” models and sedans. They are pushing the average price of new cars past \$48,000+ as automakers are entering the EV (electric vehicle) market. The July Consumer Price Index report stated that, compared to a year ago, used car prices are down 5.6%; however, they still remain persistently high.

These price hikes cause consumers, who need to invest in a vehicle, to consider buying used versus new. As we know, many used vehicles may not come with a warranty. All the changes in the used car market, as well as upcoming automakers events, may create an increased need to invest in a used vehicle and used vehicle protection.

Consumer buying habits are hard to change. Generally speaking, your used car finance member who never purchases a VSC, may not be aware of what is happening in the car market. Changes in the market are creating a greater need for protecting a used vehicle. This provides you with the opportunity, actually an obligation, to educate your member.

Used car financing should always include “consistent selling practices” which include:

1. Offering a VSC 100% of the time.
2. Using your CU Certified sales aides (brochure, sales placemat, etc.).
3. Ask questions during the loan interview, such as; How long are you planning on keeping the vehicle? Will this be your primary vehicle? Who (in the family) will be using the vehicle?
4. Be professionally prepared. Along with your loan documents have your CU Certified sales brochure ready (don't pull it out of your drawer or out of the brochure stand).

Making your selling practices as consistent as your loan process will ensure that each auto loan member is made aware of the value of your CU Certified VSC. We may not be able to change what is happening with the price of used vehicles or what the automakers are providing; however, we can provide the information necessary to ensure your member has a better ownership experience.