



Refinancing your car can offer several potential benefits:

1. Lower Interest Rate:

Refinancing your car loan may allow you to secure a lower interest rate, especially if your credit score has improved since you initially obtained the loan or if interest rates have dropped since then. A lower interest rate can result in reduced monthly payments and long-term savings on interest costs.

2. Reduced Monthly Payments:

If you extend the term of your loan when refinancing, you may be able to lower your monthly payments, making them more affordable and manageable within your budget. This can free up cash flow for other expenses or savings goals.

3. Shorten Loan Term:

Conversely, if you're in a better financial position than when you initially took out the loan, you may choose to refinance to shorten the loan term. While this may increase your monthly payments, it can help you pay off the loan faster and save on interest costs over time.

4. Improved Loan Terms:

Refinancing your car loan gives you the opportunity to negotiate improved loan terms, such as flexible repayment options, no prepayment penalties, or better customer service. This can enhance your overall borrowing experience and provide greater financial flexibility.

5. Consolidate Debt:

If you have multiple high-interest debts, such as credit card debt or personal loans, you may choose to refinance your car loan to consolidate debt and secure a lower overall interest rate. This can simplify your finances and potentially save you money on interest charges.

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6. **Change Lenders:**

Refinancing your car loan allows you to switch lenders, which can be beneficial if you're dissatisfied with your current lender's customer service or if you prefer to work with a different financial institution that offers better terms or incentives.

7. **Access Equity:**

If your car's value has increased since you purchased it or if you've made significant payments towards the loan principal, refinancing can allow you to access equity in the vehicle. You can use the cash-out refinance proceeds for other financial needs or investments.

8. **Adjust Loan Structure:**

Refinancing provides an opportunity to adjust the structure of your loan, such as converting from a variable-rate to a fixed-rate loan or vice versa. This can help you manage interest rate risk and stabilize your monthly payments over time.

Before refinancing your car loan, carefully consider your financial goals, compare loan offers from multiple lenders, and evaluate the potential costs and savings associated with refinancing. Additionally, be mindful of any fees or charges associated with refinancing and ensure that the benefits outweigh the costs in the long run.

Remember, UBI Federal Credit Union is local and here for you! Please let us know what we can do to help with your banking and financial needs! 860-747-4152 or find us at www.UBIFCU.com

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