

***So you just bought a car. What else do you need to buy?***



*It's friends, family and you*

***What's right for you  
and your new vehicle?***

***Service Contracts***



***GAP Insurance***



***Theft Guard / Etching***



***Tire Warranties***



***Maintenance Plans***



***Rust Proofing / Paint  
Sealant / Sound Guard***

**B**uying a vehicle can be exciting or it can be frustrating. There are so many things to take into consideration when making a major purchase.

Once you have decided upon the vehicle that is right for you, there are other decisions to make.

Financing is an important part of the process and Decatur Earthmover Credit Union is here to help you with your borrowing needs.

There are also aftermarket products available for purchase from either the dealership or from your credit union. The following pages list the types of products available with a description and the pros and cons of each.

**Service Contracts** cover mechanical and electrical failures that may occur to your vehicle. Service contracts cover your vehicle up to a specific number of miles and/or for a specific number of months.

Some service contracts cover almost all mechanical or electrical problems you may encounter during the warranty period. These are usually known as “bumper-to-bumper” warranties. Others are more limited in scope. For example, powertrain warranties generally cover the engine, transmission and the drive train.

You can buy a manufacturer’s service contract which is widely accepted by dealers nationwide. You may also purchase a third party service contract, though you may be required to pay for the repairs first and then get reimbursed if the service department you choose to use doesn’t honor the service contract.

Service contracts can be purchased from the dealership when you buy the car or you can buy one from the credit union when you finance your vehicle. Contract prices vary and are usually negotiable.

If you purchase a new vehicle it will be covered by the manufacturer’s warranty initially. Depending upon your driving habits you may not need a service contract. Additionally, you can usually buy a service contract at a later date as long as the vehicle is still covered by the original manufacturer’s warranty.

- Pros:**
- Can cover expensive repair costs.
  - Some provide loaner vehicles while yours is being repaired.
  - Cancellable upon request.

- Cons:**
- Most expensive aftermarket product.
  - Vehicle may not need any major repairs during the warranty period.

**GAP (Guaranteed Asset Protection Insurance)** will help make up the difference between what you owe on your loan and what your insurance will pay you when your vehicle is totaled or stolen.

GAP Insurance can be purchased from the credit union, from the dealership and possibly your insurance agent. The products are generally comparable in coverage, but prices vary so be sure to shop around.

- Pros:**
- Great if you owe more than the vehicle is worth.
  - Some policies will also reimburse your deductible.

- Cons:**
- May not need if you have equity in the vehicle.
  - May not need if you finance your loan over a shorter term.
  - Limited cancel ability.

**Theft Guard/Etching** is a deterrent and additional insurance and will pay a set amount if your vehicle is stolen and not recovered. It will also cover other costs you may incur if your vehicle is stolen such as rental car costs, towing fees, and stolen personal property deductibles.

- Pros:**
- Reduces financial burden if your vehicle is stolen.
  - May deter vehicle theft.

- Cons:**
- Need to weigh the cost of the policy against the rarity of car theft.
  - Generally not cancellable.

**Tire Warranties** are road hazard policies that will cover the cost of replacing your tire and/or rim if they are damaged while driving.

- Pros:**
- Covers the cost of tire and/or rim damage which can be expensive.

- Cons:**
- Need to weigh the cost of the policy against the chance of tire damage.
  - Generally not cancellable.

**Maintenance Plans** are generally plans where you pre-pay for a set amount of services. Usually this covers oil changes and tire rotations.

- Pros:**
- Guards against rising cost of services.
  - You may be more likely to keep up with these maintenance items since you have already paid for them.

- Cons:**
- If you finance the cost, you are paying interest on these items which may negate the price benefit.
  - Make sure the cost per service is reasonable compared to paying for each item individually at the time of service.

**Rust Proofing / Sound Guard / Paint Sealant / Scotch Guard** are all products that can be applied to your vehicle. These products provide lesser benefits on used vehicles than on newer vehicles. None of these products actually add to the value of the vehicle.

Rust Proofing involves a chemical treatment that is applied to the vehicle.

Sound Guard is a treatment applied to the vehicle which is supposed to minimize road noise.

Paint Sealants are applied to the exterior of the vehicle to maintain the look of the paint as well as protect it from UV rays and other external factors.

Scotch Guard is a chemical product applied to the interior of the vehicle to make it more stain resistant and to aid in the clean up of liquids on the protected surfaces.

Some of these items are already designed into the vehicle or have been applied in the manufacturing of the vehicle. You may also purchase and apply some of these products on your own.

- Pros:**
- Additional protection to various parts of the vehicle.

- Cons:**
- Do not add to the overall or loan value of the vehicle.
  - Not recommended by manufacturer.
  - Not cancellable.



*It's friends, family and you*

Loan Line: (217) 872-4190  
Toll Free: 1-800-542-6474 ext. 4190

*This information is provided for the benefit of our members and does not imply our recommendation of the products listed. Loan approvals are not influenced by the addition of any of these products.*