

Financing My First Car

Characters:

- Big Al, the car salesman
- Jasmine
- Rick, Jasmine's father
- Narrator

Narrator: Jasmine and Rick are walking around Big Al's Super Used Cars lot and Big Al approaches them as they are looking at a blue sports car.

Al: Hello there, folks! How can I help you this beautiful afternoon?

Rick: Well, my daughter here is looking to buy her first car.

Al (looking at Jasmine): Well alright. What type of car are you looking for?

Jasmine: I'd like a car with a stereo, air conditioning, sun roof....

Rick (cutting off Jasmine): She wants the best deal you have on the lot...she's paying for this herself!

Jasmine: Yeah, I know I have to pay for it myself, Dad! I really like this blue one! How much is it?

Al: The sticker here says \$10,000...*(Jasmine sighs and frowns.)*...but I think I could drop that down to \$9,250.

Jasmine: Well, how much would that be per month?

Al: That depends on the financing. It could be \$200 a month for five years with no down payment. Do you have money for a down payment?

Jasmine: Uh, no. I didn't realize I'd need to put money down on it!

Al: Do you have a job?

Jasmine: Yes, I usually make about \$200 a month from babysitting. I don't really have any other expenses, but I don't want to spend everything I make on a car!

Al: I have this nice red car over here. *(Al, Jasmine, and Rick walk towards another car.)* You can finance this one for \$125 a month and then it's yours to own after six years.

Jasmine: I can afford that!!

Rick: Remember, you'll need to pay for insurance, maintenance, gas, and everything else that comes along with owning a car...

Jasmine: I really want this one, Dad, and I can afford it!

Al: Let's just step into my office and we can get this little lady her car. *(Al, Jasmine, and Rick walk into Al's office and all sit down.)* Ok, now will you be co-signing this loan for your daughter?

Rick: Yes, she's only 17, so I will be co-signing. *(Turning to his daughter.)* Now you know I expect you to pay the bill on time every month, right? I expect you to be responsible!

Jasmine: Yes, Dad, I know. I'll make sure I have the money to pay for everything...including fuzzy dice!! *(Everyone laughs.)*

Narrator: *Jasmine ends up financing the car for \$125 per month for six years. She doesn't realize that one reason the payment was lower per month was because the term of the loan was extended – meaning she paid the loan back over a longer time period. This means that she paid more in interest than if the term were shorter. After driving the car for two years, Jasmine went to start the car to go to work one morning and it made a funny noise and wouldn't start. It ended up costing \$2,000 in repairs! Jasmine was disappointed to find out that the \$500 in insurance she paid every year didn't cover the repair. Was financing this car the right idea for Jasmine? What should she have looked out for?*