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Financial New Year Resolutions from GE Motor

Now is the time to make your financial New Year resolutions, and according to GE Money Motor Division, the next 12 months will require some careful attention to avoid costly mistakes.

Managing Director of GE Money Motor Division, Mr. Greg O'Callaghan, said the likelihood of a tougher economic climate for the 08/09 financial year means car owners need to be prudent.

"The main issues for car owners this next year will be the higher cost of fuel, increasing interest rates and tightening household income," said O'Callaghan, "but there are things you can do to soften the effects of a weaker economy."

GE Money Motor Division has a top ten financial new years resolutions aimed at assisting car owners, and Australians who are financing motor vehicles.

Top Ten Motor Vehicle Financial New Year Resolutions

1. Beware of the temptation to finance your car on your home loan as it may cost you much more in the long term. If you decide to go down this route, ensure you put in place a system to make extra payments each month to cover the extra interest.
2. With petrol prices on the rise, look for cars with the best fuel consumption. Selecting a vehicle with low fuel consumption will make a huge difference to your budget.
3. If you are at the end of your lease or loan this year and you have a balloon payment, consider re-financing for another one or two years. This will reduce the long term costs of owning a car, plus maintenance and loan costs will be lower in these final one or two years.
4. If you are taking out new motor finance, try to contain repayments to between 15% to 25% of household income, and no more. Be conservative this year.
5. If you are at the end of your lease or loan this year, consider trading down rather than trading up. Manufacturers such as Hyundai offer excellent lower price vehicles that can cut down your monthly repayments and with low running costs reduce the cost of car ownership.
6. Watch carefully over your kilometres. It is more difficult to trade in or sell vehicles with over 80,000kms on the clock. This is especially the case for luxury vehicles. If you have gone over the 80,000km, consider keeping the car for as long as you can otherwise trade your vehicle before 80,000 kilometres.
7. Check the insurance rating of the car you are considering buying. Insurance costs are never a welcome expense, so keeping these as low as possible will make a significant difference.

8. Make your repayments on time, and if you get into difficulty, make contact with your lender as soon as possible before the due date.

9. Consider making extra payments on your vehicle finance loan – even \$100 per month can make a difference.

10. When considering new finance arrangements, consider a short term arrangement as this will provide significant savings. But make sure you can afford the monthly payments over the shorter term in which you are entering.

- Media Release ends -

For further information in relation to this release and an interview with GE Money Motor Division's Greg O'Callaghan contact:

Geoff Lynch
Corporate Affairs Manager, GE Money Australia & New Zealand
E: geoff.lynch@ge.com
PH: 03 9921 6675
M: 0405 319 819

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