

Financing Your Horse Trailer?



by Therisa Couch

Yes, it would be great if we all were flush enough to pay cash! For most of us however some sort of financing will be needed to purchase a new trailer. There are some options.

- 1) **Your local Credit Union:** Local Credit Unions typically offer members a little lower interest rate than other lenders. They typically have shorter terms such as up to 5 years making for a higher monthly payment in spite of a lower rate.
- 2) **Your local bank:** Local banks do not usually loan on horse trailers though it is possible to get a personal loan to cover the cost. Personal loans usually carry a higher interest than secured loans and are for shorter terms, typically up to 5 years.
- 3) **Lease Purchase Programs:** Lease purchase is typically reserved for commercial or business borrowers. Such as farms. The lease would still be in the individual purchasers name but the leasee must also run a business. Terms are usually up to 6 years. you make a set payment for the term of the lease and own the trailer at the end of the lease outright.
- 4) **Indirect RV Lender:** Most dealers offer financing programs that they have arranged through lenders. Terms can be as long as 10 - 15 years, this depends on the amount borrowed. Down payments are usually required of 10%. Rates can be competitive based on your credit history and income. There should be no prepayment penalty for paying additional principle or paying off early. This loan option has the lowest monthly payment but the longest term, so when you can be sure to pay a little extra to the principal/payoff!

What route to take really boils down to whether desire and are able to pay a higher payment for a shorter term or a lower payment for a longer term.