

MONEYWISE

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The 8 Year Car Loan

In 2007, nearly 82 percent of auto loans were for 5 to 6-1/2 years. Some were for 7 to 7-1/2 years, and a few were actually for 8 years or more, according to the Power Information Network, a unit of J.D. Power and Associates.

The long term loans allow lower payments. But most people like to trade up in three or four years. With a five year contract, the vehicle might be worth more than the loan balance, giving them a down payment on the new car.

With a seven year contract, the loan balance at the end of three years is more than the car is worth. Then that balance is rolled into a new loan, making it difficult to have equity in the new vehicle.

Keeping Track of Mileage

This year, it's more important than ever to keep accurate figures on the business miles you drive.

The standard mileage deduction for business related driving is 50.5 cents a mile for 2008. That's up from 48.5 cents per mile last year and 44.5 cents per mile in 2006.

