Our guide to car loans and asset finance | Natloans

Canonical: https://www.natloans.com.au/your-guide-to-smarter-car-loans-and-asset-finance-with-natloans/

Details:

We arrange finance for personal cars, business vehicles, equipment and lifestyle purchases such as boats and caravans. We start with the asset, how you will use it and what fits your budget, then compare suitable options from our panel of banks and non-bank lenders.

This guide covers the main loan types we arrange, what to weigh up between them, and how to prepare before you apply. It's general information, not a quote or eligibility assessment — your actual rate and terms will depend on lender assessment of your circumstances.

Personal Car Loans: Secured or Unsecured?

For most personal car purchases, the first decision is whether to go secured or unsecured. Both can work well depending on what you're buying and what matters most to you.

Secured car loans

A secured loan uses the vehicle as collateral. Because the lender has recourse to the asset if repayments aren't maintained, secured loans typically come with lower interest rates than unsecured alternatives — though the actual rate you're offered will depend on your credit profile, the loan term, and the vehicle itself.

The practical trade-off is clear: if you stop making repayments, the lender can repossess and sell the vehicle to recover the debt. Lenders also apply criteria to the car's age and condition, so an older or high-kilometre vehicle may not qualify as acceptable security.

Unsecured car loans

An unsecured loan doesn't pledge the vehicle as collateral, which gives you more flexibility over what you finance. The interest rate is generally higher to reflect the greater risk the lender carries. Borrowing limits may also be lower than on a secured equivalent.

One point worth understanding clearly: an unsecured loan doesn't protect you from the consequences of not repaying. The vehicle isn't pledged as security, but a lender can still pursue debt recovery through the courts if repayments aren't met. ASIC's Moneysmart notes this directly — unpaid unsecured debt can still result in a court ordering sale of your property.

When comparing offers, look at the comparison rate (which includes the interest rate and most fees in a single figure), the total amount repayable over the full term, and any fees for early repayment. A lower monthly repayment achieved by extending the loan term can cost you more overall.

Business Car Loans: Low-Doc and Full-Doc Options

Business borrowers have different financing needs, and the documentation you can provide often shapes which lenders and structures are available to you.

Full-doc business car loans

If your business has complete financial records — tax returns, profit-and-loss statements, and similar — a full-doc application typically opens up a broader range of lenders and may support more competitive terms. The preparation involved is real: you'll need to gather and present those records, and lender assessment takes time.

Low-doc business car loans

Low-doc means an alternative documentation pathway, not no assessment. Lenders may require evidence such as trading history, ABN and GST registration, bank statements or other financial information. New businesses do not automatically qualify. We check the actual requirements against the evidence you can provide.

We can help you work out which path suits your business and structure the application accordingly — whether you need finance for a single vehicle or an entire fleet.

Beyond Cars: Lifestyle and Business Asset Finance

Our finance arrangements extend well beyond motor vehicles. For lifestyle purchases, we can help with finance for boats, jet skis, caravans and motorbikes. For businesses, we also arrange equipment and machinery finance, as well as transport vehicles — with both full-doc and low-doc options available depending on your circumstances.

The right structure for a business asset purchase — whether that's a chattel mortgage, finance lease, or another product — will depend on how you use the asset, your business structure, and your accountant's advice on tax treatment. We can talk through the options, but we'd always recommend confirming the tax implications with your accountant before deciding.

What to Compare Before You Commit

ASIC's Moneysmart guidance on car loans is straightforward and worth keeping in mind: compare loans before you shop for the asset, not after. Once you're at a dealership or have found the boat you want, the pressure to move quickly can work against you.

A few things to check across any offers you receive:

Comparison rate: This combines the interest rate and most fees into a single figure. Compare it on the same loan amount and term — otherwise you're not comparing like for like.

Total repayable: The headline repayment figure is easier to read than the total cost over the life of the loan. Make sure you know both.

Fees: Establishment fees, monthly service fees, and early repayment fees all affect the real cost. Ask what applies.

Balloon payments: Some loans offer a lower regular repayment by deferring a lump sum to the end of the term. That final payment is a real obligation — be confident you can meet it before choosing this structure.

Fixed vs variable rate: A fixed rate gives you certainty over repayments for the term. A variable rate may allow extra repayments without penalty, which can reduce your total interest if your budget allows.

We'll clarify applicable fees and how we're remunerated before you proceed, so there are no surprises.

A Note on Interest Rates and Timing

In February 2025, the RBA reduced the cash rate target to 4.10 per cent. That's a central bank rate, not a lending rate — and whether a particular lender passed on any reduction, and by how much, varies. The right time to review your finance is when your circumstances make it worthwhile, not simply because of a rate announcement. If you're unsure whether your current loan is still competitive, a conversation with us is a good starting point.

Preparing Your Application

A little preparation before you apply makes the process smoother. Think through:

Whether the purchase is for personal or business use, and who the borrowing entity will be.

The exact asset — make, model, age, condition, seller, and full purchase price including any on-road or delivery costs.

What financial records you have available, and whether full-doc or low-doc is more realistic for your situation.

The deposit or trade-in, if any, and how that affects the amount you need to borrow.

Ongoing costs — insurance, registration, maintenance, fuel — to make sure the repayments fit your actual budget.

Approval and loan terms depend on lender assessment. We don't guarantee a particular outcome, but we do work to present your application clearly and match you to lenders whose criteria suit your profile.

Ready to Talk Through Your Options?

If you're considering a car loan, business vehicle finance, or any other asset finance, the best starting point is a conversation about your specific situation. Call us on 1300 955 791 , text 0419 348 152 , or get in touch online — we're available Monday to Friday, 9am to 5.30pm.

Further reading

Interest Rate Cuts in 2025? Here's What They Mean for Home, Car & Business Loans

What are Offset Accounts and How Do They Work