

# The Ultimate Guide To Getting An Auto Pawn Loan

*What out what an auto pawn loan is and how you can get one.*

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/EINPresswire.com/ -- Whether you have an unexpected expense to pay for or need extra dollars to get you to your next payday, auto pawn loans are one of the various financial lending options you can use to get things back on track – even if you have a low credit score. Not only do they take out the unpredictability, stress, and delays of applying for a traditional loan, they are also a less complicated way of getting fast cash for your needs.



212Pawn

### What is an auto pawn loan?

An auto pawn loan is a short-term loan where a borrower uses their car, SUV, truck, or any vehicle as collateral for funds. When you obtain an auto pawn loan, you receive money based on the current market value for your vehicle and drop your car at the pawnshop. Once you repay your loan and the interest, you get your vehicle back without hassle.

People mistake auto pawn loans for car title loans, but the difference between both loans is quite clear. For a car title loan, you use your vehicle's title as collateral for cash. But, in an auto pawn loan, you leave your vehicle with the pawn dealer who keeps it in a secure location pending when you repay the loan.

### How an auto pawn loan works

Car pawn shops usually accept all kinds of vehicles as long as they are in good running condition and have a nice body appearance. Since the amount of your auto pawn loan depends on the current market value of your car, you can either use the pawn shop's valuation meter to know your car's worth or visit them directly and allow them to inspect your car to determine its value.

The inspection takes a few minutes, and the salesperson will give you an offer base on your vehicle's market value and the pawn shop's financial limit.

If you accept the offer, you have to give the pawnshop documents like proof of income, proof of residence and a lien-free vehicle title, and of course, your car. After the application process, you get the money immediately – no waiting periods and no transfer delays.

### Tips For Pawning Your Vehicle

1. Learn The Process: Before pawning your car, you must learn the process first! Take out time to research what an auto pawn loan is all about, how to find out the best pawnbroker in your area, and if your car qualifies for a pawn loan. Usually, some pawnbrokers have a minimum vehicle value requirement before you can apply for a loan. Knowing this value requirement will help you know if your car qualifies for a pawn loan – this mostly applies to older vehicles.

2. Go with the Right ID and Paperwork: New to car pawning and don't know the requirements? Here's a list of them:

- Proof of income
- Lien-free vehicle title
- Valid government-issued ID
- Driver's license
- Proof of insurance coverage
- Your vehicle

You have to be a licensed driver before you can pawn your car. So make sure your driver's license, vehicle registration, and insurance coverage are valid. Finally, you can only pawn a car that has a lien-free title - this shows that you are the rightful owner. So, if you are not the rightful owner of the car or if there is any loan on the vehicle, you can't pawn it.

3. Check the Eligibility Requirements: Once you've got your ID and paperwork in place, the next thing to do is check if you qualify for an auto pawn loan. To qualify for a pawn loan, you need to:

- To be 18 years and older
- Have proof of income
- Have proof of residence

Most pawnshops require you to provide proof of current income – this will help them determine if you can repay the loan. But if you don't have a job, you can provide documents that show unemployment income, disability payments, or retirement income.

To prove your state residency, you have to present a copy of your utility bill with the name that matches your vehicle title and your current address on it.

4. Appearance and Function Matters: Make sure your vehicle has a good running function and clean appearance before taking it to the pawnshop. You have to clean and wash your car thoroughly to take out grime and junk build-up. You can also:

- Remove bumper stickers
- Remove add-on devices
- Fix the headlights and tail light
- Service your tires
- Clean the battery
- And clear out the glove box

A clean car with good functions will increase your chances of getting a higher loan amount.

5. Ask About The Service Charges: Most pawnshops usually charge a service fee when they keep your car in their secure indoor storage. Do ask about the minimum and maximum service fee you will be charged when you keep your car with them for the loan period. Every pawn shop operates differently so the service charges might differ.

6. Ask About Storage Options: Before you give a pawn shop your car, ask if they offer secure indoor storage. The last thing you want is your vehicle to be looted or even damaged while it is in their care.

7. Look for Pawn Shops with Same-Day Funding: If you are pawning your vehicle, chances are you need fat cash – which is why you must go to pawn shops that offer same-day funding. A quality pawn shop will give you the money instantly or within 24hours. So, before you drop your car, ask the pawnbroker if they offer same-day payouts.

If you are looking for a reliable pawn shop, we suggest you use the 212Pawn website to find one. 212Pawn connects you to only the best pawn shops with the best offer for your vehicle. You should try us out!

Mr Pawn

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