
Avoid getting stuck in your loan

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AURORA – A woman whose car was covered in ice from the recent storms wants others to avoid making the same costly mistake she did.

Three weeks ago, Shelly Dudley parked her Mercury Sable at the Cottonwood Trail Apartments in Aurora.

For four hours in the freezing temperatures, a nearby broken water main blasted cars with water.

As a result, Dudley's insurance company said the car was destroyed.

“They were just going to deem it a total loss,” said Dudley.

The City of Aurora agreed to pay Dudley what her car is worth, about \$7,000.

However, Dudley is upside down on her loan, which means she owes more than the car was worth, and still owes more than \$4,000.

“I don't have this extra 4,200-hundred dispensable dollars to go out and get another vehicle,” she said.

Dudley did not have gap insurance, which experts say covers the difference.

"Gap insurance is something you may strongly want to consider really to make up that gap between what you paid for the car, which you still owe on it, which many of us do, and what that car is actually worth as a dollar figure," said Carole Walker, executive director for the Rocky Mountain Insurance Information Association. “It's a good peace of mind, it's a good idea, and it's readily available on the marketplace right now. If you can afford it out of pocket, for the money, it's likely a good idea.”

Dudley wishes she would have known about the insurance when she bought her car, and wants others to learn from her.

“Make sure you're covering all your bases,” Dudley said, “because when it comes down to it, you're on your own.”

Gap insurance is usually available for pennies on the dollar compared to the cost of the vehicle, but ultimately varies, depending on the type of loan you have, and the make and model of your car.

While Walker says the intended purpose of gap insurance is to cover the full amount, every policy varies. Make sure you shop around to find the deal that's best for you.
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