You can compare different lease offers and negotiate some terms. Consider . . .

- the agreed-upon value of the vehicle—a lower value can reduce your monthly payment
- up-front payments, including the capitalized cost reduction
- the length of the lease
- the monthly lease payment
- any end-of-lease fees and charges
- the mileage allowed and per-mile charges for excess miles
- the option to purchase either at lease end or earlier
- whether your lease includes “gap” coverage, which protects you if the vehicle is stolen or totaled in an accident.

Ask for alternatives to advertised specials and other lease offerings.

Know your rights and responsibilities

When you lease a vehicle, you have the right to

- use it for an agreed-upon number of months and miles
- turn it in at lease end, pay any end-of-lease fees and charges, and “walk away”
- buy the vehicle if you have a purchase option
- take advantage of any warranties, recalls, or other services that apply to the vehicle.

You may be responsible for

- excess mileage charges when you return the vehicle. Your lease agreement will tell you how many miles you can drive before you must pay for extra miles and how much the per-mile charge will be.
- excess wear charges when you return the vehicle. The standards for excess wear, such as for body damage or worn tires, are in your lease agreement.
- substantial payments if you end the lease early. The earlier you end the lease, the greater these charges are likely to be.

For more information . . .

Contact your dealer, manufacturer, leasing company, or financial institution for more information.

The federal Consumer Leasing Act and some state laws may provide you with additional consumer rights not covered in your lease agreement. For information on these laws, contact your state’s consumer protection agency or Attorney General’s office.
Leasing

You do not own the vehicle. You get to use it but must return it at the end of the lease unless you choose to buy it.

Up-front costs may include the first month's payment, a refundable security deposit, a capitalized cost reduction (like a down payment), taxes, registration and other fees, and other charges.

Monthly lease payments are usually lower than monthly loan payments because you are paying only for the vehicle's depreciation during the lease term, plus rent charges (like interest), taxes, and fees.

You are responsible for any early termination charges if you end the lease early.

You may return the vehicle at lease end, pay any end-of-lease costs, and "walk away."

The lessor has the risk of the future market value of the vehicle.

Most leases limit the number of miles you may drive (often 12,000–15,000 per year). You can negotiate a higher mileage limit and pay a higher monthly payment. You will likely have to pay charges for exceeding those limits if you return the vehicle.

Most leases limit wear to the vehicle during the lease term. You will likely have to pay extra charges for exceeding those limits if you return the vehicle.

At the end of the lease (typically 2–4 years), you may have a new payment either to finance the purchase of the existing vehicle or to lease another vehicle.

Buying

You own the vehicle and get to keep it at the end of the financing term.

Up-front costs include the cash price or a down payment, taxes, registration and other fees, and other charges.

Monthly loan payments are usually higher than monthly lease payments because you are paying for the entire purchase price of the vehicle, plus interest and other finance charges, taxes, and fees.

You are responsible for any pay-off amount if you end the loan early.

You may have to sell or trade the vehicle when you decide you want a different vehicle.

You have the risk of the vehicle's market value when you trade or sell it.

You may drive as many miles as you want, but higher mileage will lower the vehicle's trade-in or resale value.

There are no limits or charges for excessive wear to the vehicle, but excessive wear will lower the vehicle's trade-in or resale value.

At the end of the loan term (typically 4–6 years), you have no further loan payments.
Vehicle lessors are required by federal law to provide you with leasing information on a form like this. This sample is for a closed-end lease—the most common type of lease. An open-end lease has slightly different requirements. Lessors also are required to tell you about:

- fees, taxes, and insurance requirements
- standards for wear and use, maintenance responsibilities, and warranties
- early termination charges, security interests, and late payment charges
- your option to purchase the vehicle.

This information, along with other important details, may be in other places in your lease agreement, so be sure to read it carefully.

### Federal Consumer Leasing Act Disclosures

#### Date: 01/01/00

**Lease(e) Period:**

<table>
<thead>
<tr>
<th>Amount Due at Lease Signing or Delivery</th>
<th>Monthly Payments</th>
<th>Other Charges (not part of your monthly payment)</th>
<th>Total of Payments (The amount you will have paid by the end of the lease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Hornet below) $4,241.94</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Monthly Payments:**

- Your first monthly payment of $256.94
- Should the lease be terminated after the 12th month of the lease term, your lease payments will be $2,386.12

**Other Charges:**

- Disposition fee or (if you do not purchase the vehicle) $400.00
- Total: $400.00

#### Itemization of Amount Due at Lease Signing or Delivery

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitalized cost reduction</td>
<td>$3,500.00</td>
</tr>
<tr>
<td>First monthly payment</td>
<td>$256.94</td>
</tr>
<tr>
<td>Refundable security deposit</td>
<td>$22.00</td>
</tr>
<tr>
<td>Title fees</td>
<td>$75.00</td>
</tr>
<tr>
<td>Registration fees</td>
<td>$60.00</td>
</tr>
<tr>
<td>Total</td>
<td>$4,241.94</td>
</tr>
</tbody>
</table>

#### How the Amount Due at Lease Signing or Delivery will be paid:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross capitalized cost</td>
<td>$12,333.12</td>
</tr>
<tr>
<td>Net trade-in allowance</td>
<td>$2,386.12</td>
</tr>
<tr>
<td>Rebate and noncash credits</td>
<td>$5,295.00</td>
</tr>
<tr>
<td>Amount to be paid in cash</td>
<td>$4,241.94</td>
</tr>
<tr>
<td>Total</td>
<td>$22,300.00</td>
</tr>
</tbody>
</table>

#### Your monthly payment is determined as shown below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Termination. You may have to pay a substantial charge if you end this lease early. The charge may be up to several thousand dollars. The actual charge will depend on when the lease is terminated. The earlier you end the lease, the greater this charge is likely to be.</td>
<td></td>
</tr>
<tr>
<td>Excessive Wear and Use. You may be charged for excessive wear based on our standards for normal use and for mileage in excess of 15,000 miles per year at the rate of $0.12 per mile.</td>
<td></td>
</tr>
<tr>
<td>Purchase Option at End of Lease Term. You have an option to purchase the vehicle at the end of the lease term for $12,385.00 and a purchase option fee of $256.94</td>
<td></td>
</tr>
</tbody>
</table>

### Other Important Terms

- See your lease documents for additional information on early termination, purchase options and maintenance responsibilities, warranties, late and default charges, insurance, and any security interest, if applicable.

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1. You are the lessee.
2. This is the amount you must pay up-front to take delivery of the vehicle. See 8 for an itemization.
3. Your monthly payment includes depreciation, the rent charge, taxes, and other fees that are capitalized. See 7 for the way your monthly payment is calculated.
4. These charges are in addition to your monthly payment: A disposition fee, if any, is paid at the end of the lease and covers the lessor's costs of selling the vehicle. These charges do not include amounts that may be due if you end the lease early or exceed wear or mileage limits.
5. Refundable amounts such as a security deposit are not included. The total also does not include amounts that may be due if you end the lease early or exceed wear or mileage limits. In this example 5 = (7 + 4 + 5) = (payments due at lease signing + security deposit).
6. Totals of columns 6 and 7 should equal one another.
7. If you want an itemization of this amount, please check this box.
8. Like the purchase price when you buy a vehicle, the gross capitalized cost is negotiable. If you want an explanation of what this amount includes, ask for an itemization.
9. Like the down payment when you buy a vehicle, this amount is deducted from the gross capitalized cost.
10. This amount is like the interest or finance charge on a loan or credit agreement.
11. Like the down payment when you buy a vehicle, this amount is included in the gross capitalized cost.
12. The lease term may also be disclosed on this line. Generally, the number of payments and the number of months in the lease term are the same. However, there are some leases where the numbers may be different, such as a single payment lease that would disclose "1" as the number of payments and may disclose "24 months" as the lease term.
13. These are taxes added to your base monthly payment that are not included in the gross capitalized cost.
14. Read your contract carefully to understand how early termination charges will be calculated.
15. Try to have the mileage limits in the lease match your driving needs. It may be less expensive to increase the mileage limit at the beginning than to pay for extra miles at the end of the contract.