

## THE TRUTH ABOUT LEASING A CAR

Many people choose to lease a vehicle because of the low affordable payments. However, did you know that in the long run, it can take up **96 months** to pay off the car? You will pay for the initial 36 month lease term and then an additional 60 months if you decide to purchase the car at the end of the lease. At this time, the car will have depreciated significantly.

### **Excess Wear and Tear Fees**

One important factor to consider before leasing a vehicle is the amount of miles you expect to drive the car each year. Most leases limit the number of miles you may drive, often 12,000 to 15,000 per year. You will have to pay a penalty of .20 to .30 cents per mile for exceeding your limits. For example, if you exceed your mileage limit by 9000 miles, you will pay  $9000 \times .20 = \$1800$ . This amount would be due at the end of the lease.

In addition, if there are scratches, minor dents or stains on the seats, you will be required to pay an additional cost to repair these damages.

Most dealerships are willing to “waive” these extra fees *only if you purchase the car or a different car* with that dealership. Either way, you will start over with a new purchase or financing the residual balance of the lease.

\*APR = Annual Percentage Rate. Information in the chart above is for financing comparison purposes only. Actual rate may vary and is subject to credit approval and all First Financial Credit Union policies and procedures. Loan rates are based on credit history, collateral criteria and term of loan. Other terms and conditions subject to change without notice. Other restrictions may apply. Call for complete details. All information correct as of September 2017. Federally insured by NCUA.