



To Buy or Lease...what is the Difference?

Buying and Loans

Buying a vehicle often includes obtaining a loan. Loans finance the entire purchase of a vehicle – you pay for the entire cost, including depreciation, and have ownership.

Leasing

Leasing finances the use of the vehicle – you pay only for the depreciating portion of the vehicle's cost plus an interest equivalent. The result is much lower payments without ownership, though you have the option to purchase at lease-end.

Key Advantages of Buying

Pride of Ownership – Owner of a vehicle can do whatever they want with the vehicle – it is titled in their name.

No Mileage Penalty – Owner can place unlimited miles on their vehicle, although additional depreciation occurs with higher miles, lowering the resale value.

Increased Flexibility – Owner can sell their car whenever they want to, although they are subject to changes in the used car market and the challenge of selling the vehicle.

Key Advantages of Leasing

Lower Payments – Lease payments will always be lower than a conventional loan because you are paying for only a portion of the vehicle's full value over the lease term. This gives you the option of driving a nicer vehicle for the same monthly cost as with a loan.

Lower Up-front Costs – Unless you decide to make a large capitalized cost reduction, initial costs for most leases are limited to the first month's payment, taxes (which can be capitalized in the lease for states where taxes are due upfront), acquisition fee, and title/license fees.

More Vehicle for your Money – You can drive a newer vehicle for less money and do so more often as you renew in the leasing cycle, typically every two to four years.

Fewer Maintenance Headaches – You incur lower costs with a lease term that coincides with the manufacturer's new-vehicle warranty, covering most repair bills.

Gap Waiver Coverage – Every CU Xpress Lease contract includes gap waiver coverage for your protection. In situations where the vehicle is stolen or totaled and there is a difference, or gap, between the balance owing on the lease and the insurance proceeds, gap waiver coverage fills the gap.

Hassle Free Lease-end Options – At the end of the lease you can purchase the vehicle for the residual value that is stated in the lease contract or return the vehicle to Fusion (titled owner), avoiding the effort and expense of selling the vehicle on your own or trying to determine its trade-in value.

For additional information go to www.cuxpresslease.com