

# Did you know?

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## CAR LEASING

In the past few years, car leasing has become a popular option among consumers. But is it better to lease or purchase a vehicle? Government legislation now requires that businesses leasing vehicles disclose all relevant information in a plain language contract. This will let you make an informed decision.

### To Lease or Purchase?

The monthly lease payment is usually lower than it would be if you purchased the vehicle. There is a lower down payment and taxes are spread over the payment period instead of up front as with a new vehicle purchase. However, lease payments are calculated based on the vehicle's initial value, the anticipated value of the vehicle at the end of the lease, and interest charges.

Don't forget the administration fees, down payments and insurance coverage. At the end of the lease you probably will have no equity in the vehicle. (The car will not belong to you.)

Finally, if at the end of the lease the car is not worth as much as it was expected to be, you could end up having to pay up to three additional monthly payments.

**Note: You have a one-day cooling off period to cancel a lease as long as the car remains with the dealer during that period.**

### The Lease Contract

The written contract terms of the lease must be in plain language. This means that it must be in language that is easy to understand. The following information must be disclosed:

- what it would cost to buy the vehicle retail
- all consumer costs
- details of periodic payments
- all end-of-lease costs
- total cost of the lease
- details of any option to purchase
- warranties and guarantees
- your responsibilities to maintain and service the vehicle
- conditions attached to buy-out options
- penalties and restrictions on use, and
- a complete description of the vehicle

### For More Information

Business Practices and Consumer Protection                      604-320-1667  
Toll free:    1-888-564-9963

BC Automobile Associations - Consumer Information Service.....604-298-2122