

Leasing Vs. Financing

	Lease	Finance
Ownership	You do not own the vehicle. The vehicle remains under the name of the Leaser. However, if you decide not to purchase, you must return the vehicle at the end of the lease.	You own the vehicle and ownership is under your name. The finance company may have a line on car until it's paid in full.
Term	Lease terms are usually around 2 to 4 years.	Loan contracts are usually signed for 4 to 6 years.
Type of Vehicle	The shorter term and lower monthly payment of a lease agreement allow you to drive a new or more expensive vehicle every 2 to 4 years.	Higher monthly payments make driving a new or expensive vehicle every 2 to 4 years impossible.
Up-front costs	Up-front costs include a refundable security deposit, down payment, first month's payment, taxes, license and registration fees, and other fees	Up-front cost include down payment, taxes, license, registration fees and other fees
Mileage	Most leases apply a vehicle mileage limit. You will be charged extra if mileage exceeds the contract limit when the vehicle is returned.	Unlimited mileage
Monthly payments	Monthly payments are calculated based on the vehicle's depreciation during the lease term. Payments are usually lower.	Monthly payments are based on total amount of the purchase price including interest charges, taxes and other fees.
Insurance	The insurance premiums are usually higher	The insurance premiums are lower
Maintenance	Lessee is responsible for the maintenance of the vehicle during the lease term.	Borrower is responsible for the maintenance of the vehicle.
Future Value	The lessee faces the risk of the future market value of the vehicle.	Borrower has the risk of the vehicle's market value when you trade or sell it.
Vehicle return	Lessee will need to return vehicle at the end of the lease. There may be some end of lease charges.	You keep the car.
Early termination	You are responsible for early termination charges and penalties as stipulated in the lease contract. *Will affect your credit rating if you do not meet the lease agreement	You are responsible for paying of the loan. * Will affect your credit rating if you do not meet the loan agreement.
Excess wear	You might need to pay extra charges when you return the vehicle if the lesser determines that vehicle wear and tear is over the contract limit	No Limit, however, more wear and tear equals lower resale or trade in value for your vehicle
End of term	At the end of lease, you can return the vehicle and walk away, or purchase it for the residual value.	The vehicle is yours, the finance company removes lien.

Overall

Benefits

- A new vehicle more often
- Pay taxes only on your monthly payments , not the full purchase price
- Affordable monthly payments
- Option to purchase at end of lease
- Pride of Ownership
- Unlimited usage
- Registration under your name
- Availability of longer terms