

Auto Leasing

Leasing is a good idea if:

- You want low monthly payments and more car. Leasing covers only that portion of a vehicle's life that you'll actually use.
- You're able to put the savings from lower monthly lease payments to better use. Determine the difference between the monthly lease payment and loan payment on the same vehicle. Put that money toward a college education, investments, a vacation or pay off high-interest-rate credit cards. You won't pay sales tax either when you lease through Navy Federal.
- You drive less than 20,000 miles a year.
- You like new vehicles. With leasing, you can get a new vehicle as frequently as every two years.
- You don't like paying for repairs. With two- and three-year leases, you do little more than the routine maintenance required to keep the warranty intact before trading the vehicle in on a new model.
- You like choices. Under many lease programs, you can drive away after paying the first monthly payment. You also have the option to lower your monthly lease payment by trading in

your old vehicle or putting money down to reduce the capitalized cost. If you don't like making monthly payments, you can pay the full lease amount in advance (single payment). At the end of the lease, you can buy the vehicle for the residual value, trade the vehicle in for a new vehicle, sell the vehicle or turn the vehicle in and walk away. **If you return the vehicle, however, you may owe additional charges for unrepaired damages, extra mileage, excessive wear and use and a disposition fee of \$350.**

- You usually sell or trade in your vehicle before the loan is paid off and you are used to continuing monthly payments.

What we do:

- Help you find the vehicle you want at a monthly payment that fits your budget.
- Tell you how much it will cost for you to lease AND how much it will cost for you to purchase the vehicle.
- Submit your lease or loan application for approval if you have not yet been approved for financing.
- Refer you to a dealership that has agreed to competitive prices (certain areas only).

Credit Union Leasing

The example below compares a 3-year vehicle lease with a 3-year vehicle purchase (financed). The stated finance rates and vehicle cost are for illustrative purposes only.

	3-yr Lease	3-yr Purchase	3-yr Single-Payment Lease
Cost of Vehicle	\$20,414.00	\$20,414.00	\$20,414.00
Residual Value	\$9,068.00	N/A	\$9,068.00
Term Months	36 months	36 months	36 months
Lease Rate	7.90%	N/A	7.90%
Interest Rate	N/A	7.90% APR	N/A
Monthly Payment	\$412.00	\$610.00	N/A
Total All Payments	\$14,832.00	\$21,943.00	\$12,583.44

This percentage may not measure the overall cost of financing this lease.

Navy Federal's leasing program requires no security deposit.

Apply by phone
1-888-842-NFCU(6328)

For toll-free numbers
when overseas, visit
navyfederal.org/overseas/

Collect internationally
1-703-255-8837

TDD for the
hearing impaired
1-888-869-5863

Online at
navyfederal.org

Or visit a branch

Benefits of Navy Federal's leasing program:

- Navy Federal Credit Union offers low competitive rates.
- Standard 24-, 36-, 48- and 60-month lease terms.
- Single-payment leases available.
- Standard 15,000 yearly mileage allowance, or variable from 12,000 to 20,000 miles to fit your lifestyle. Mileage adjustment included in the monthly lease payment.
- Fully disclosed closed-end lease with a guaranteed purchase option for the residual value at the end of the lease.
- NO purchase option fee. You can purchase the vehicle at any time, not just at the end of the lease.
- Most vehicles eligible for leasing—cars, minivans, vans, light trucks and sport/utility vehicles. No motorcycles, big trucks, specialty, commercial or agricultural/farm-use vehicles.
- GAP protection included.
- Registration fees and Navy Federal's origination fee are included in the capitalized cost of the vehicle.
- No security deposit.
- No early termination fee.

Prequalify for Navy Federal financing:

If you prequalify for a Navy Federal vehicle loan, you're eligible to lease. You must be able to afford the vehicle lease payment, vehicle taxes and the necessary insurance for the vehicle you select.

Terms you need to know:

Manufacturer's suggested retail price (MSRP)—the window "sticker price" that by law must be placed on a vehicle. It is the benchmark price typically used to determine the residual value of a leased vehicle.

Residual value—the estimated value of a leased vehicle at the end of the lease period, based on the contracted mileage and no excess wear and use. The residual value is the vehicle's purchase option price.

Capitalized cost—the full cost of the leased vehicle at the beginning of the lease, less any cash paid up front.

Money factor/rent charge rate—a rate, comparable to interest on a loan, which determines your monthly lease payment.

GAP protection—commonly called GAP insurance. It covers the difference between what your insurance company pays you for the vehicle if it's stolen or damaged beyond repair, and any remaining balance on your lease.

Purchase option price—an amount, stated in your lease, for which you can purchase the vehicle at the end of the lease.

Closed-end lease—this lease allows you to return the vehicle at lease end with no further obligation, other than abnormal wear and use and excess mileage.

Early termination fee—a penalty fee you pay when you end your lease early, either intentionally or because the vehicle was destroyed or stolen.

Excess mileage fees—an amount you're assessed, per mile, if you turn in the vehicle and you've exceeded the mileage allowed in your lease.

Disposition fee—a fee you pay upon returning your vehicle to cover the disposal of the vehicle.

Some frequently asked questions:

Q. Who is eligible to lease?

A. Only persons over the age of 18 who are members. By law, Navy Federal cannot lease to organizations, companies or professional corporations.

Q. Who owns the vehicle?

A. Navy Federal.

Q. Who's responsible for maintenance and repairs?

A. The person leasing the vehicle.

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Q. Who is responsible for taxes and tags?

A. The person leasing the vehicle handles tags and registration. Use taxes, if applicable, are included in your monthly lease payment.

Q. Can someone else drive the vehicle?

A. Yes, you can permit a licensed, insured person to operate the vehicle in a safe manner.

Q. What if the vehicle is in an accident?

A. An accident is handled the same as if you owned the vehicle. You should contact your insurance company immediately and arrange for repairs.

You are responsible for making your regular monthly payments during the time your vehicle is being repaired. If your vehicle is a total loss, your insurance company will make a settlement. Should the settlement not cover the remaining balance on your lease, the GAP protection provided by Navy Federal will.

Q. What if I move to another state?

A. Your payment amount may change, due to use and personal property tax differences. In most cases, you will need to reregister the vehicle.

Q. What if I drive more than 15,000 miles a year?

A. People need to be realistic about their driving habits when they negotiate a lease. By doing so, you can avoid charges that may result from excess mileage at lease end. Leases can be tailored to meet anticipated mileage requirements above standard mileage allowances. This additional mileage is negotiated before the lease is signed.

Q. What constitutes excess wear and use at the end of the lease?

A. Basically, the vehicle must be able to pass inspection and not be in a condition that would detract from its disposal value. Here's a list of rough guidelines:

- No dents and scratches.
- No cracked or broken lights, windows or lenses.
- No missing parts.
- No rips, tears, burns, soiling, excessive wear of carpet, seats, doors, headlining or dash.
- Tires must have 1/4 inch of tread remaining. Replacements must match and be the same as original equipment.
- Routine maintenance must have been performed, in keeping with new-vehicle warranty requirements.

Q. How much do I owe "out of pocket" when I take delivery of the vehicle?

A. You will need to provide your first month's lease payment. Additional money may be due if the amount financed is to exceed 110% of the MSRP. Origination fee (commonly known as acquisition fee), use and personal property taxes and tags are financed into the lease.



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