

Where can I complain about automobile fraud?

California Department of Consumer Affairs

(800) 952-5210 <http://www.dca.ca.gov>.

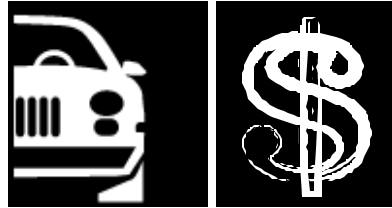
For other states, go to your state government website or look in your phone directory in the government pages.

Better Business Bureau

www.bbb.org or look in your phone directory for the local telephone number.

District Attorney's Office of your city or county. In Los Angeles County:
(213) 580-3273 <http://da.co.la.ca.us>.

NOTES:



WHAT DO I NEED TO KNOW ABOUT LEASING A CAR?

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CONSUMER LAW PROJECT

What Do I Need To Know About Leasing A Car?



**601 S. Ardmore Avenue
Los Angeles, CA 90005**

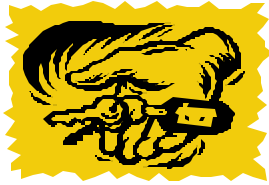
**Phone 213.385.2977
Fax 213.385.9089**

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The low lease payments seem like a good deal in that advertisement. But lease contracts, compared to purchase contracts, are not very clear about the costs and obligations of leasing. Before you lease a car, this is what you should know :

1. You don't "own" a leased vehicle.

Leasing is like renting a car for a few years. The money you pay each month doesn't build ownership equity in the car because at the end of your lease term you won't own it. Although most leases give you an option to purchase the car at the end of the lease, in many cases the amount required is more than the market value of the car. If you're considering a lease, check the "Purchase Option" or "Residual Value" line of the contract.

2. A low lease payment doesn't always mean you're getting a good deal.

Why are lease payments lower? Answer: the dealership doesn't include the car's equity value (its value when you finish paying) in your monthly cost. Lease payments aren't necessarily "cheaper"

than finance payments because you won't own the car at the end of your lease term. And you may be subject to additional costs for excessive mileage and excessive wear and tear at the end of the lease.

3. Can't I just return the car or trade it in before my lease is over?

This is one of the biggest misconceptions about leasing. If you return your car before the end of the lease period, you will probably owe early termination penalties that can be extremely costly. If you think there is a good chance that you won't keep the vehicle for the entire lease term, do not enter into a lease agreement.

4. With a lease, does the dealership take care of the insurance and maintenance?

Generally, no. Most leases require the customer to pay for a minimum level of insurance specified in the contract. And while new cars come with a standard manufacturer's warranty, lease customers are generally responsible for the maintenance of the vehicle.

5. Aren't my lease payments tax-deductible?

Not necessarily. Lease payments may be tax deductible in some circumstances if you can claim the vehicle as a business expense. But this does not apply to everyone. If you have questions, talk to an accountant.



6. Can I have a friend take over my payments?

Generally, no. Most leases prohibit assignment (transfer) of the lease, or subleasing to a third party. Some companies, if requested, will allow the transfer, but you must ask first. Even if it's allowed, you may still be responsible for the payments if the new driver fails to pay.



