

ACVL WEB SITE

SAMPLE TERMS FOUND IN LEASE ADVERTISEMENTS

The following lease text is a comprehensive list of the terms that you may find in lease advertisements with an explanation of each. Since most of these are not required disclosures, many ads will have less information.

1. Lease a New Neptune XL!

This lease ad, like most lease ads with a specific monthly payment, applies to a unique model.

2. \$349 / Month for 36-Month Lease

This is a 3-year lease term; if you wanted a different term (for example, a 2-year lease), the monthly payments would be different.

3. \$999 Down Payment (Capitalized Cost Reduction)

An initial cash payment that reduces the capitalized cost or is applied to other amounts due at lease signing. If you didn't pay the \$999 down payment up front, you'd have to pay it as part of the monthly lease payment. That would add an extra \$27.75 to your monthly payments ($\$999 / 36$) plus rent charges on that amount. However, this may be a special offer, and you may be required to pay the entire \$999 up-front to qualify. This amount does not include other amounts you may have to pay when you sign the lease, such as the first month's rent and a security deposit.

4. \$375 Security Deposit

A cash payment that may be used by the lessor in the event of default or at the end of the lease to offset any amounts you owe under the lease. Any remaining amount will be refunded to you.

5. \$349 First Month's Payment

In leasing, monthly payments are made in advance rather than in arrears as in purchase financing, so you will owe the first month's payment at the time you sign the lease.

6. \$1,723 Due at Lease Signing

The down payment of \$999 plus the \$375 security deposit plus the \$349 monthly payment. You can cover this amount by paying \$1,723 in cash or trading a vehicle that has equity. If you don't pay the full \$999 down payment (capitalized cost reduction), your monthly payment and probably your security deposit will be higher.

7. Tax, title, license and registration are extra.

Taxes and registration fees vary between states and even counties. Since these ads are often placed in media covering multi-state regions or the whole country, the lessor typically does not include dollar amounts in the ad for taxes, registration or title fees. Check with your local dealer to see what fees and other charges apply.

8. Closed-end lease with approved credit.

This is a closed-end lease, which means that at the end of the lease you can return the vehicle, pay any end-of-lease charges, and walk away. Just as with a finance contract, if you apply for a lease, the dealer or leasing company usually will have to review your credit in order to decide whether to approve your lease application.

9. Offered to qualified customers by participating dealers.

The qualification refers to credit approval. Just as with a finance contract, if you apply for a lease, the dealer or leasing company usually will have to review your credit in order to decide whether to approve your lease application. Manufacturers often place ads in media covering multi-state regions or the whole country, but not all dealers may choose to participate.

10. Payments are based on a 2001 Neptune XL model with an MSRP of \$25,500.

This lease is for the 2001 Neptune XL model equipped to have a MSRP of \$25,500. A different model or the same model with a different MSRP would have a different lease payment.

11. Includes: convenience package, leather and destination charge.

This ad describes some optional equipment on the vehicle, but doesn't tell you all the features and options the XL model has. If there are additional options you want on the vehicle, you should expect to pay more. If the MSRP increases above \$25,500, you should expect that additional amount to be added to your monthly payments unless you paid it up front.

12. Requires dealer participation that could affect monthly payment or other terms.

This payment requires a specific price discount from the dealer. If the dealer chooses not to offer the full discount, your price would be higher.

13. Lessee responsible for insurance.

You are required to purchase and maintain vehicle insurance over the life of the lease.

14. Option to purchase at lease end for \$12,888.60.

This lease includes a purchase option at the end of the lease for a fixed price of \$12,888.60. There may be a fee required to exercise your purchase option.

15. 36 monthly payments total \$12,564.

This is simply the \$349 monthly payment multiplied by 36 payments. Additionally, in most states, you'll also pay sales/use tax on the monthly payment. If this were 5%, your monthly payment would be \$349 + \$17.45, or a total of \$366.45.

16. You must take retail delivery from participating dealer stock by 12/31/2001.

You will not be able to order a vehicle from the factory to get this particular lease deal. You need to select a vehicle already on the dealer's lot, unless the dealer is willing to work with other dealers in your area to "trade" vehicles for the vehicle you want.

Manufacturers often place ads in media covering multi-state regions or the whole country, but not all dealers may choose to participate. This lease offer is available for a limited time.

17. 12,000 miles per year.

This lease allows you to drive a total of 36,000 miles for the 3 years (an average of 12,000 miles per year). If you expect to drive more, request a lease permitting more mileage.

18. You may have some financial liability at lease end.

You may have responsibility for excess mileage charges, excess wear charges and/or a disposition fee if you return the vehicle at lease end.

19. Mileage charge of \$.15/mile over 36,000 miles.

If you return the vehicle at lease end, any mileage over the standard allowed in your lease will be billed at the rate per mile stated in your lease. If you think you're going to drive more than the mileage limit in the lease, it's usually a good idea to request that those extra miles be included in the lease. Miles paid over the term are usually less expensive than the excess mileage charge.

20. Lessee pays for excess wear.

You will have responsibility for excess wear charges if you return the vehicle at lease end. See the definition in your lease since lessors have different standards.

21. \$300 disposition fee if vehicle is returned.

Disposition fees are often charged to defray the cost of preparing for sale and selling the vehicle at the end of the lease if the vehicle is returned to the lessor.

22. Different vehicle options, capitalized cost reduction or term may affect monthly payments.

The terms in the ad apply only to the exact vehicle, equipment options and 36-month term advertised. Any change is likely to affect the monthly payments or other lease costs.

23. Payments may be higher in some states.

State laws or other requirements may affect lease costs causing higher monthly payments.

24. All rebates to dealer in lieu of any other manufacturer subsidized rates.
[Reflects all manufacturer [factory] rebates and incentives.]

The terms in the ad are based on all rebates and incentives available from the manufacturer (the “factory”) being applied to the lease. If you negotiate, the advertised terms and conditions may no longer apply to the deal.

25. Not available with customer cash or rebate offers.

All rebates and incentives available from the manufacturer are included in the lease. Other cash or rebate offers cannot be added to it.

26. Not available with other Neptune Finance Company finance or lease offers.

This lease applies all rebates and incentives available from the manufacturer and the manufacturer-affiliated finance company and it cannot be combined with any other offers or discounts.

27. See participating local dealer for details.

Since advertising space is limited, there are other details and costs not mentioned.