

	Buying	Leasing
<b>Ownership</b>	You own the vehicle and get to keep it as long as you want.	You don't own the vehicle. You get to use it, but you must return it at the end of the lease, unless you decide to buy it.
<b>Up-Front Costs</b>	These include the cash price or a down payment, taxes, registration, and other fees.	These typically include the first month's payment, a refundable security deposit, a down payment, taxes, registration, and other fees.
<b>Monthly Payments</b>	Loan payments are usually higher than lease payments because you're paying for the entire purchase price of the vehicle, plus interest. Once the vehicle is paid off, the monthly payments come to an end.	Lease payments are almost always lower because you're only paying for the vehicle's depreciation during the lease term. If you get into the habit of leasing, you will always have a monthly payment.
<b>Early Termination</b>	You can sell or trade in your vehicle at any time. Money from the sale can be used to payoff any loan balance or go towards your next vehicle purchase.	If you end the lease early, early-termination fees can be almost as costly as sticking with the contract.
<b>Future Value</b>	The vehicle will depreciate, but its cash value is yours to use as you'd like.	The future value doesn't affect you financially; however you don't have any equity in the vehicle.
<b>Mileage</b>	You are free to drive as many miles as you want, but higher mileage will lower the vehicle's resale or trade in value.	Most leases limit the number of miles you may drive; often 12,000 to 15,000 per year. (You can negotiate a higher mileage limit for an additional charge.) If you exceed your limit, you will have to pay additional charges.
<b>Wear &amp; Tear</b>	You don't have to worry about wear and tear, but it could lower the vehicle's resale or trade in value	Most leases hold you responsible. You will have to pay extra charges for exceeding what is considered normal wear and tear.
<b>End of Term</b>	At the end of the loan term (typically 4 to 5 years) you have no further payments and you have built equity to help pay for your next vehicle.	At the end of the lease (typically 2 to 4 years) you will have to finance the purchase of the vehicle or lease another vehicle.