

LEASING VS. BUYING QUIZ: WHAT WILL YOU DO WHEN YOUR LEASE RUNS OUT?

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IRVINE, Calif. - Dec. 06, 2001 - Deciding whether to buy or lease a new car is not an easy decision for most people.

Like many, Andrew Campanella is one new car buyer trying to sort through the pros and cons of this often puzzling question.

"I've been thinking a lot about the benefits of buying versus leasing my next car," said Campanella.

Campanella, 21, of Arlington, Va., is a senior at American University but also works full-time for a media relations firm. The new car, which he plans to buy after the New Year, is a reward for putting himself through school.

"I first went to the Internet and found KBB.com where I started to gather all the information I could on the subject," Campanella said. "When I saw the new link to the ACVL Finance vs. Lease Quiz, I thought: that's just what I need."

What Campanella found in taking the quiz was that there were definite benefits to leasing that he never considered.

"Unlike other online tools," he said, "the ACVL quiz fully explained its recommendations. I'm leaning towards leasing now rather than buying based on what I've learned."

Kelley Blue Book (www.kbb.com) and the Association of Consumer Vehicle Lessors and are now offering this new "Leasing vs. Buying Quiz" for all consumers coming to Kelley's KBB.com website for automotive information and advice.

The site is the number one automotive Internet gathering place with more than four million unique visitors a month and 20 million site hits a day.

"We think the Leasing vs. Buying Quiz will be a great source of information for consumers making this decision," said Charlie Vogelheim, Editor of Kelley Blue Book. "Having the Quiz accessible from the 'advice' page of our KBB.com website will give millions of consumers the opportunity to make a more informed decision on buying vs. leasing. We recognize ACVL as the experts in the leasing field and applaud the great job they've done with all the leasing information they've put into their ACVL.com lease site. It's definitely the best on the Web," Vogelheim added.

The "Leasing vs. Buying Quiz" prepared by the Association of Consumer Vehicle Lessors (www.acvl.com) assists consumers with their decision on whether leasing or buying is right for them.

"To make an informed decision whether to lease or buy, the consumer needs to take into consideration what's going to happen at the beginning, during and at the end of the lease," said ACVL President Jesse Bragg. "Our quiz is intended to help the consumer take all the factors important to that individual into consideration before signing any

agreement on a new vehicle," Bragg added.

There are four main issues consumers should consider regarding their trade cycle when deciding whether to lease or buy, according to Bernard de Souza, chairman of the ACVL Customer Satisfaction Committee that developed the quiz.

- The vehicle return/walkaway option applies only if you complete the lease term you choose -- be realistic and select a lease term you expect to complete.
- You can avoid the hassles of negotiating a trade-in value only if you complete the lease term -- shorter lease term increases the likelihood that you'll do so.
- Sales tax in most states is only paid on the lease payments rather than the full price of the vehicle. The shorter the lease term, the more sales tax you save compared with purchasing the vehicle.
- If you want to keep your car more than six years, then leasing the car will probably mean you will have to buy the car at the end of the lease because the maximum lease term generally available is less than 66 months. In that case, you may have to pay a down payment and get financing at a higher interest rate than if you had financed the vehicle originally.

The first three items make it beneficial to lease if you choose a lease term of two to four years.

For trade-in cycles longer than five years, refinancing issues tend to make financing a better option, although it is just one of a number of factors to consider.

Consumers can take the ACVL "Lease vs. Buy Quiz" by visiting the Kelly Blue Book web site (select the advice page and then the Lease vs. Buy Quiz) at KBB.com, or by visiting the ACVL site directly (ACVL.com).

About ACVL

The ACVL, founded in 1993, is an association of the nation's largest vehicle lessors. Based in Nashville, Tennessee, the ACVL is a national trade association for the largest manufacturer and import distributor captive finance companies, banks and independent leasing companies. Its primary goals include increasing consumer understanding of lease benefits and responsibilities through improved disclosure. Further Information about the ACVL and consumer vehicle leasing may be found on the Association's web site: ACVL.com. The association has been very active in many areas of consumer lease education. The ACVL has contributed significantly to the Federal Reserve Board web site on lease education (bog.frb.fed.us/pubs/leasing) and has often been asked to comment on both federal and state legislation designed to improve consumer disclosures on leases.

About Kelley Blue Book (www.kbb.com)

Since 1926, Kelley Blue Book, The Trusted Resource®, has provided vehicle buyers and sellers with the new and used vehicle information they need to accomplish their goals with confidence. The company's top-rated Web site, www.kbb.com, provides the most up-to-date pricing and values, including the New Car Blue Book® Value, which reveals what people actually are paying for new cars. The company also reports vehicle pricing and values via products and services, including software products and the famous Blue Book® Official Guide. Kbb.com is rated the No. 1 automotive information Web site among both new and used vehicle shoppers, and half of online vehicle shoppers visit kbb.com. Kbb.com is a leading provider of [new car prices](#), [car reviews](#) and [news](#), [used car blue book values](#), [auto classifieds](#) and [car dealer](#) locations. No other medium reaches more in-market vehicle shoppers than kbb.com.

