

Volkswagen Leasing

Is Leasing Right For You?





You're free to spend or invest in an approved leasing account, instead of tying up your money in a car.

The Financial Benefits Of Leasing

Lower Monthly Payments You'll pay less per month to lease a car than you would to purchase the same car for the same number of months, since your payments are not based on the entire value of the car. Compare the monthly payments for leasing versus purchasing a car with a \$15,000 MSRP.

Compare Payments	Lease	Purchase*
Selling Price (MSRP) (MSRP)	\$15,000	\$15,000
Down Payment	0	0
Monthly Payment	\$322	\$497
Security Deposit	\$325	-
Amount Due at Delivery**	\$847	-
Number of Payments	36	36
Total of Monthly Payments	\$11,576	\$17,172

That adds up to a savings of \$155 per month or \$5,580 over the term of the lease. That's money you're free to spend or invest.

Drive A New Car More Often If you like the idea of driving a new car more often, leasing is for you. You can lease a car for 2 or 3 years and still have an affordable monthly payment. The chart below shows how leasing lets you move into a new vehicle in only 36 months versus 58 months.

Compare Value	Lease	Purchase*
Selling Price (MSRP) (MSRP)	\$15,000	\$15,000
Down Payment	0	0
Monthly Payment	\$322	\$320
Security Deposit	\$325	-
Amount Due at Delivery**	\$747	-
Number of Payments	36	58
Total of Monthly Payments	\$11,576	\$18,560

With leasing, you may pay about the same per month as purchasing – but it is possible to get into a new car more often.

A Smaller Down Payment In many cases, when you purchase a car, a large down payment is required. With leasing, generally you will pay only a security deposit and the first month's payment at lease inception.

Reduced Service Costs When you drive a new car more often, it's likely your car will be under warranty, so if anything goes wrong, chances are it's covered. Older cars require more care, more costly repairs and most important – more of your valuable time without a car when it's in for service.

More Cash On Hand To Spend Or Invest Since leasing typically requires a smaller down payment and offers lower monthly payments, you'll keep more of your money. You're free to spend or invest in an appreciating asset, instead of tying up your money in a car.

Potential Tax Advantage If You Use Your Car For Business There can be significant tax advantages for leasing if you meet certain requirements. Consult your tax advisor for details.

* 9% annual percentage rate financing used to calculate monthly payments.

** This total represents the security deposit and the first month's lease payment, but does not include dealer prep, taxes, registration or insurance costs.



Traditional Leasing Benefits

- Lower Monthly Payments
- Smaller Down Payment
- More Cash To Spend Or Invest
- Potential Tax Advantage
- No Resale Or Trade-In

Is Leasing Right For You?

More and more people are recognizing the advantages of leasing as an alternative to conventional financing. Today, leasing accounts for over 30% of new car sales – and industry analysts predict that percentage will increase to 50% by the end of the decade. Why is leasing so attractive? Because it offers genuine financial advantages and convenience to many car buyers.

This brochure answers some of the most-asked leasing questions and outlines leasing benefits. Take a moment to read it and learn if leasing makes sense for you.

The Basic Advantage Of Leasing

Paying Only For The Part Of The Car's Value That You Use

The financial benefits of leasing all begin with this basic fact: When you lease a car, you pay only for the portion of the car's value you intend to use. Here's what that means. Say you decide you want a car that has a Manufacturer's Suggested Retail Price (MSRP) of \$15,000. If you purchase the car using conventional financing, your down payment and monthly payments will be determined based on the entire \$15,000 price.

If you choose to lease the car for 3 years, you're going to pay only for the amount of the car's value you use. Your monthly payments aren't based on the full \$15,000 value of the car because you won't be using that full value. Instead, the retailer first determines what is called the capitalized cost of the car. To arrive at this "cap cost," the down payment, the trade-in allowance and/or any other deductions are

subtracted from the car's MSRP. Next, the leasing company estimates what the value of the car will be after your 3-year lease is up. This amount is called the car's "residual value." Now the retailer determines how much of the car's value you will actually use – by subtracting the residual value from the cap cost. If the cap cost of the car is \$15,000, minus the residual value of the car – \$6,300 – then the actual amount of the car's value you will use is \$8,700. And your monthly lease payment will be based on \$8,700.

New Car Capitalized Cost:	\$15,000
Residual Value At Lease End:	\$ 6,300
Lease Payment Based On:	\$ 8,700

The Convenience Of Leasing

In addition to the economic benefits of leasing, many people enjoy the convenience.

Leasing Is Flexible Leasing is flexible enough to allow you to tailor the length of your lease contract, your monthly payments and your total mileage to fit your driving needs – and your budget.

Choose a two year lease and drive a new car more often; choose a four year lease and enjoy lower monthly payments.

No Hassles – Simply Return The Car

When The Lease Is Over Trying to dispose of a car you own can be a real problem. If you trade the car in, you may have to haggle with the retailer. If you sell it yourself, you have the time-consuming job of advertising and dealing with potential buyers. Either way, you may not get what you think your car is worth.

When you lease a car, there are none of these hassles. When your lease is up, simply return your car to the retailer. Then you're ready to pick out a new model.

Or Purchase The Car (where an option to purchase is available) At A Price Determined When You Sign The Lease

At the time you sign your lease, the retailer will advise you of how much you can buy the car for at the lease end. When your lease is up, you can decide to purchase your car at this predetermined price, or you can turn the car in without further obligation (except possible charges for both excessive mileage and wear and tear).



Common Leasing Questions

Q. How do I qualify for a new car lease?

A. Qualifying for a lease is really no different from qualifying for a retail loan. You need to meet the lessor's credit requirements and provide the necessary insurance.

Q. What are my insurance responsibilities when I lease?

A. As a lessee, you must carry collision and comprehensive insurance coverage just as you would on a purchased car. You will also need to cover any taxes, title and registration fees applicable in your state.

Q. Who is responsible for the maintenance of the car?

A. You are responsible for routine maintenance, just as you would be if you purchased the car. Keep in mind, however, that new car warranties apply to leased cars, as well as purchased cars.

Q. What if my leased car is stolen or destroyed in an accident or fire?

A. Should theft, accident or fire cause the total loss of your leased car, in most cases your required insurance coverage will cover the majority of the loss. However, there is usually a difference or "gap" between the insurance settlement and your obligation in your lease contract. In this case, you are responsible for the difference.

When you lease through VW Credit, Inc. (VCI), VCI provides gap coverage. So if your car is ever stolen, destroyed or damaged beyond repair, if proper insurance is in place, you will be offered a comparable replacement car (if available) and you'll be protected from any losses associated with the replaced car. It's a strong reason to lease through VCI.

Q. Most leases have a mileage limit. What happens if I exceed my limit?

A. Most leases assume an annual usage of 15,000 miles and carry a surcharge for excess mileage. You know your driving habits and annual mileage best. If you know that you will most likely exceed the allowable mileage and you want to avoid a lump sum surcharge at the end of the lease, you can choose a slightly higher monthly payment to cover the anticipated extra mileage.

Q. In a lease, I'm responsible for excessive wear and tear. What does that really mean?

A. Excessive wear and tear is defined as any damage or wear beyond what is considered normal. It includes, but is not limited to: broken glass; torn, damaged or stained interior; missing parts or equipment; damage to the body or to the trim (minor chips or scratches are usually not considered excessive); and mechanical problems that cause the car to run improperly. Of course, you can help prevent mechanical problems by following the maintenance schedule in the car's owner manual.

Q. What if I decide to end my lease before the contract is up?

A. If you choose to end your lease before the lease agreement is up, you'll need to pay off your lease contract. "Early lease termination" can be expensive, so it's important that you choose a lease term length that fits your needs.

Q. When my lease is up, what are my options?

A. Typically, there are three basic options:

- Turn in your leased car and lease or purchase a new car.
- Buy your leased car for the guaranteed purchase price stated in your lease agreement.
- Simply turn in your car and walk away.



For more information about Volkswagen products, or the name of your nearest Volkswagen retailer, call:

1-800-444-VWUS

**Volkswagen Protection Plus.
No Other Carmaker Offers This
Package Of Protection!**

Now when you lease or buy a Volkswagen passenger car, you'll receive the comprehensive coverage of Protection Plus.

10 Year/100,000 Mile Limited

Powertrain Warranty covers all defects in material and workmanship for engine, transmission and powertrain parts and components.

2 Year/24,000 Mile Comprehensive Limited Warranty

covers all defects in material and workmanship (except tires, warranted by their manufacturer).

6 Year Limited Warranty Against

Corrosion Perforation covers any repair or replacement of body sheet metal parts in the event they are perforated by rust.

2 Year/24,000 Mile No-Charge

Scheduled Maintenance All regularly scheduled maintenance - oil changes to tune-ups - is covered free of charge.

24 Hour Roadside Assistance You're automatically enrolled for 2 years in the United States Auto Club, Motoring Division, Inc. This USAC membership provides you with 24-hour roadside assistance, 365 days a year - and many more benefits.

**Leasing A Volkswagen
Has Never Been Easier**

The most convenient way to lease a Volkswagen is through VW Credit, Inc. (VCI). VCI is a member of the Volkswagen Group and is recognized as one of the leading automotive leasing and financing companies.

You can count on VCI to offer competitive rates. And a VCI lease offers some features other leases don't - like gap protection. You get gap coverage when you lease any Volkswagen from VCI. Gap coverage protects you if your car is ever stolen, destroyed, or damaged beyond repair. If proper insurance is in place, you'll be offered a comparable replacement car, if available, and you'll be protected from any losses associated with the replaced car. It's another reason to lease from VCI. Visit your Volkswagen retailer today, pick out the car of your choice and let your retailer know you want to lease through VCI. You'll be glad you did.

**For more information about
Volkswagen products or for the name
of your nearest Volkswagen retailer
call: 1-800-444-VWUS.**



The New Volkswagens