

Using lease calculators

Want to calculate your monthly lease payment? Consider using a lease calculator

If you are considering a car lease, then you might want to know some key figures involved in the deal: the monthly lease payments, the overall cost of the lease and how much savings can be made compared to purchasing the vehicle.

A lease calculator relieves you from the stress of having to know the complex underlying lease formulae used in calculations. You simply plug a number of figures into the calculator and hey presto! You get a detailed rundown of detailed payments, taxes and total lease costs.

Figures you need to get from your dealer about a specific lease you're interested in include: capitalized cost, estimated residual value at the end of the lease, the number of months in your lease and the money factor. Make assumptions and change some of the figures to see how it affects your lease payments. For instance, residual value is an "estimated" value of what the vehicle will be worth at the end of the lease. You can input different estimates to cover different scenarios and assumptions.

As a final note of caution, bear in mind that lease calculators only do calculations and check the accuracy of abstract mathematical formulae. They do not tell you whether a lease is good or bad.

(Word count: 209)

PPPPPP