

## ***Dealer must tell you certain things before you lease a vehicle***

BC law says your lease agreement should state what payments you must make at the end of the lease. Payments may include balloon, damage, mileage, and residual payments:

- Balloon payments: Large, lump sum payment
- Damage payments: For damages outside of those allowed in the lease beyond normal wear and tear
- Mileage payments: For extra mileage above the agreed lease amount
- Residual payments: For the value of the vehicle if you exercise your right to purchase

At the end of the lease, you may have the option to “buy out” the lease and purchase the vehicle. An end of lease buy-out is a separate deal from the lease. The dealer must declare the vehicle meets the minimum legal standards at the time of this new deal. The dealer does not have to do an inspection. The dealer may rely on other records to make this declaration such as:

- Past services records
- Recent warranty inspection
- Private Vehicle Inspection (PVI)
- Other means

Some dealers decide to have a vehicle inspection at the end of the lease. Inspections have a cost. The lease should say who must pay this cost and for any required repairs.

Question the dealer about the inspection if the dealer:

- Wants to charge an inspection fee when there was a recent warranty inspection
- States that you must pay for repairs when you are not required to
- Requires you to have an inspection done at that dealership if that is not stated in the lease agreement
- Charges you a higher-than-normal price for the vehicle inspection. **TIP:** Ask the service department for the cost of a safety inspection before they do one.

Some helpful tips to keep in mind about end of lease payments:

1. Read the lease agreement carefully.
2. Make sure you understand all the terms and conditions.
3. Ask questions if anything is unclear.
4. Know end of lease terms before you sign a lease agreement.
5. Consider any possible penalties and/or charges that may be added. There may be a penalty for ending the lease early. There may be charges for extra kilometres driven. There may be charges for required repairs beyond normal wear and tear.
6. Consult [VSA Buying Guide](#) (Financing and Leasing section).