CREDIT UNION LEASING of AMERICA

Understanding your lease-end options

Your vehicle lease is about to end, but your options and opportunities are just beginning.

cula.com

CULA thanks you

Before this lease ends, we at CULA and your credit union want to say thank you for leasing with us. We hope you have enjoyed your leased vehicle and that your leasing experience has exceeded your expectations. If you are in the market for another leased automobile, please consider CULA in partnership with your credit union.

This brochure has been designed to help you identify your lease-end options and guide you through the decisions you will be making and the action items that will result from those choices.

Your Lease-End Options

As your vehicle lease comes to a close, you will have to make some decisions relating to what you want to do with your car. You have three options available to you.

Option 1: Prior to your lease ending, you can trade your car in on a new one.
Option 2: If you are happy with your car, you can buy it!
Option 3: At lease-end, you can return the vehicle.

Option 1: Trade In

A trade-in means the dealer is purchasing the vehicle from the credit union. A dealer making your remaining payments is not purchasing the vehicle, and therefore it is not considered a trade-in but is a turn-in, which means you remain responsible for the vehicle and all remaining lease obligations. You should receive documentation from the dealer that the vehicle was traded and that they will be paying off your lease balance with your credit union.

It is important to note that should you choose this option, you are responsible for completing your lease pay off obligation at the credit union, even though the dealer will be doing this on your behalf, and to inform CULA that you have traded in your vehicle.

Option 2: Purchase

Your CULA Closed End Vehicle Lease Agreement contains provisions for you to purchase the vehicle. Your credit union will be happy to review this option with you and provide you with the full pay off balance. This could be a great choice in those circumstances when the car is worth more than your pay off balance.

Option 3: Turn In the Vehicle

To ensure a smooth and efficient turn-in process, we strongly recommend that you work closely with your CULA Customer Service Representative (CSR). The CSR can guide you through the steps necessary to avoid many of the possible surprises and costs associated with returning your vehicle.

Your CULA Closed End Vehicle Lease Agreement provides for charges that you may be responsible for when you return your car; for example, excess wear and use charges. The lease agreement also provides for possible charges in the event of excess mileage and costs to restore the normal wholesale value of the vehicle in the event of damage and neglect.

By identifying your turn-in costs early in the process, you allow yourself the opportunity to make decisions that could save you money. For these reasons you will be asked to have your vehicle inspected 60 days prior to your termination date. Your CULA CSR is here to help!

Frequently asked questions

Why am I being contacted by CULA?

CULA is the lessor, or owner, of your vehicle. The credit union is the lender, or the lien holder, of your vehicle until such time as all your lease payments have been made. Since CULA is responsible for the vehicle at lease-end, our CSRs will be in touch with you to guide you through your options as your lease approaches its end.

You may also contact us at 800-878-5400 or at turnin@cula.com.

I want to purchase my vehicle at lease end. What price will I pay and what is the process?

Your lease agreement specifies the terms under which you may purchase your vehicle. The purchase price includes a purchase option fee, the outstanding principal balance, accrued interest, any applicable late charges, and any fees or taxes imposed by the transaction. (Paragraph 16 of the lease agreement.) Contact your credit union for the pay-off amount.

My lease agreement shows a disposition fee. What is that fee and can it be waived?

In accordance with your lease agreement, a disposition fee is charged at the end of your lease if you do not purchase the vehicle. The fee cannot be waived. (Paragraphs 15 and 18 of the lease agreement.)

What is excessive wear and use (wear and tear)?

When you signed your lease agreement, you agreed to maintain your vehicle in accordance with the requirements set by the manufacturer. CULA does not expect your vehicle to be in the exact condition it was in when you first leased it. Reasonable wear and tear is expected. Refer to page 8 (Mileage, Wear and Tear) for more information on charges that might be imposed for excessive wear and tear.

Can I pay for the excess mileage and wear and use charges over time?

Please contact your credit union to discuss your options.

Who do I talk to if I do not agree with an item or the repair costs on my final bill?

CULA and your credit union want your leasing experience to be a positive one. Your CULA CSR will work with you to ensure that you thoroughly understand your bill and resolve your questions.

If I have not driven my allotted miles, can I get a refund?

No. It is important to structure your lease for the number of miles you will drive throughout the lease term so you will not owe money for excessive mileage or feel disappointed for not using all of your miles.

Why do I have to make the remaining payments if I turn my vehicle in early?

When you signed your lease agreement you agreed to pay your credit union a specific number of monthly payments. Returning your vehicle early does not relieve you of this obligation.

At what point can I drop the vehicle from my insurance policy?

When CULA has accepted delivery of the vehicle from you, you can drop your insurance coverage on the vehicle. In order for CULA to accept delivery of your vehicle, the following items must be complete:

- Our vehicle inspection must be complete and results provided to you
- All monthly payments must be posted by your credit union
- You will have delivered the vehicle to the location specified by your CULA CSR
- You will have completed and returned our vehicle turn-in receipt

I am ready to return my vehicle, where do I return it and when?

After your vehicle has been inspected and all payments made, you may return your vehicle to the place specified by your CULA CSR. Your vehicle must be turned in by your termination date.

The inspection process

So that your end-of-lease costs can be properly determined, CULA and your credit union require you to submit your vehicle to an inspection process. CULA has contracted with an independent vehicle inspection service to perform this service at no cost to you.

The inspection service will call you to coordinate and schedule your inspection at a time and place convenient to you, but not later than 30 days prior to the end of your lease. This allows you time to evaluate options available to you based upon the results of the inspection. For example, you may want to have the vehicle repaired prior to turning it in or you may decide that you would rather purchase the vehicle than pay for the necessary repairs. All we ask is that you have your car washed so that the inspector can review clean surfaces on the car.

We strongly encourage you to be present at the inspection. By being present at the inspection you will receive a copy of the report from the inspector. Please note that the inspector will document all discrepancies observed during the inspection. It is likely that you will not be charged for all the items listed in the report.

After the inspection has been completed, your CULA CSR will receive the inspection report and review it with you along with your options. Your vehicle must be inspected prior to you turning in your vehicle.

Inspected items

- Inoperative mechanical parts including power accessories
- Dents, scratches, chips, or rusted areas on the body (including truck beds)
- Mismatched paint or any mark left by special identification
- Cracks, scratches, pits or chips in the windshield
- Broken windows or inoperative window mechanisms
- Broken headlight lenses or sealed beams
- Bumper dents or scratches through the chrome, paint or plastic
- Broken grills or dents in the grills
- Dents on other trim parts, including headlight and taillight bezels
- Seats, seat belts, headlining, door panels or carpeting which are torn, damaged, stained or burned
- Mismatched tires or tires with less than 1/8 inch of tread—including spare
- Cuts or damage of any kind to any of the tires
- Scratches, peeling, dents, gouges, corrosion or rust on rims/wheels
- Missing parts, accessories and adornments, including bumpers, ornaments, aerials, hubcaps, chrome stripping, rear view mirrors, radio and stereo components and spare tire
- Vehicle Identification number and odometer reading and operation
- Fluid levels
- Stickers
- Vehicle modifications such as lift kits, lowered vehicles, exhaust systems

Your CULA CSR will ask you these questions:

- Have you maintained your vehicle in accordance with the requirements of the manufacturer?
- Has the vehicle been in an accident?
- Has the vehicle been repainted?
- Is there anything mechanically wrong with the vehicle?
- Are there any broken or non-operating devices on the vehicle?

Mileage, wear and tear

CULA does not expect your vehicle to be in the exact condition it was in when you first leased it. Reasonable wear and tear is expected. The criteria for reasonable wear and tear depends on the length of your lease. Usually, the shorter the lease, the better condition your car is expected to be in.

Mileage: Refer to your CULA Closed End Vehicle Lease Agreement for the amount of miles authorized and the charges for exceeding allowed mileage.

Wear and tear: According to your lease agreement, you can be charged for any item that will detract from the vehicle's wholesale value. The most common items of repair or replacement are listed for you in your lease agreement as well as on page 7 (Inspected Items) of this pamphlet. To assist you in identifying some of these items, a Vehicle Inspection Template has been included and is described below.

**As per the lease agreement, CULA covers up to $1,000 in applicable excess wear and tear charges. Any single item with a charge of $1,000 or more is excluded from coverage and we suggest you send to your insurance carrier for coverage.

The vehicle inspection template

Use the template to identify areas where potential excessive wear and use might exist on your vehicle.

- Dents: Use the 1 inch diameter circle
- Scratches: Use the ruler to identify scratches longer than 5 inches
- Windshields: Use the dime size diameter
- Tires: Use the Tire Depth Gauge

What happens next

1. Please make sure that you keep this brochure and the Vehicle Inspection Template in a safe and easily accessible place. We recommend the glove compartment of the leased vehicle itself. Having these items available during the lease-end process will answer many questions you might have.

2. Contact us immediately to let us know if you will be returning, trading in or purchasing your vehicle.

Online

- Go to www.cula.com
- Click on "Lessees" at the top of the screen
- Under "Lease End" click on "Checklist Form"
- Fill in the form and submit it. We will call or email you after receiving your information to review your lease-end options in detail.

By phone

Call us at 800-878-5400, ext. 0. Our hours are Monday-Friday, 7 a.m. to 4 p.m. Pacific Time.

3. If you choose to return your vehicle and not purchase it, a CULA CSR will assist you with the inspection process, any additional charges related to disposition fees (where applicable), excess mileage, wear and tear and the turn-in process.

4. A CULA CSR will work with you to schedule a location and time for you to return your vehicle. (See page 10 for a checklist for returning your vehicle.)

Please do not return your vehicle to a dealership without contacting us first. This will save you time and money.

5. After turn in, your vehicle will go through a final inspection. The vehicle will be put up on a lift, checking for frame/unibody damage, mechanical issues, etc. that cannot be found on a preliminary inspection. Should anything be found during this inspection you will be notified immediately.

Checklist for returning a leased vehicle

Before turn-in

- Vehicle will be inspected
- Inspection results reviewed with you
- You will have made all lease payments
- Check with credit union on status of payments
- Remove personal belongings from vehicle

At turn-in

- Provide all keys and keyless entry remotes
- Complete Vehicle turn-in receipt and Federal Odometer Disclosure Statement
- Both you and the dealer must sign this receipt
- Fax receipt to CULA on day of turn in
- If unable to fax on day of turn in please call us with
- your odometer reading and mail the receipt to us.
- Your vehicle is not considered turned in until we have the receipt back.

For information about your lease, contact CULA:
(800) 878-5400
turnin@cula.com

CULA
CREDIT UNION LEASING of AMERICA

www.cula.com

800.878.5400
9665 Granite Ridge Drive, Suite 400,
San Diego, CA 92123

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