



Getting Out of a Vehicle Lease Agreement

If you are in an auto lease agreement, getting out early can be costly. Compare the remaining costs you'd have to pay if you keep your lease instead of terminating early.

Exiting the agreement early should be spelled out in the lease documents. Should you decide to stop making lease payments, the vehicle could be repossessed with a negative impact on your credit score.

There are generally four options to exit the lease early:

1. In Early Termination, you have to turn in the car and pay the balance due, including any costs, fees and penalties associated with early termination.
2. If spelled out as an option in the contract, you could transfer the lease to someone else willing to take it. This may involve paying a transfer fee.
3. A lease buyout means you purchase the vehicle outright prior to the end of the lease agreement.
4. Roll over the amount owed in your current lease into the amount financed for a new car purchase or into a new lease. However, this makes the new deal much more expensive!

The bottom line is to read through the lease contract carefully. If you want out of the lease because you no longer like the vehicle but can afford the payments, you may want to tough it out until the lease expires and vow not to lease again. After leasing, consider purchasing a reliable 3 to 5-year-old vehicle with plenty of miles left in its future and keep it until the wheels fall off, hopefully well after it is paid in full!

Lance Cothorn, "How can I get out of a lease early?" Credit Karma, July 16, 2020,
<https://www.creditkarma.com/auto/i/how-to-get-out-of-a-car-lease-early>