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Many car owners try to compare buying and leasing as if the two options play protagonist versus antagonist. The truth is both modes of payment have its own advantages and disadvantages, and although it may sound clichÃ©, the advantages depend on the prospective ownerâ€™s financial capability and choice. Moreover, this decision must be evaluated against the ownerâ€™s personal priorities.

Leasing and purchasing are two different methods of automobile financing. Contrary to popular belief, leasing is not strictly renting a vehicle. To put it in a more appropriate context, car leasing finances the use of a vehicle, while buying finances the total ownership of the vehicle. This article aims to clarify the benefits of both financing options.

When you buy a car, you or a third party shoulders the entire cost of the vehicle along with the complete autonomy of using the car. You can drive the vehicle at any given speed and at an unlimited mileage since the auto is entirely yours. Owners make a down payment, pay tax sales, and roll the rest into their car loan. Furthermore, owners make monthly payments after they sign a contract. Interest rates are added to the carâ€™s value based on their credit score.

When you lease a car, you only pay a portion of the carâ€™s total cost, which includes the part that has been â€œusedâ€• during the time you are driving it. Unlike buying, you have the option of not making a down payment. You pay a financial rate called money factor that is similar to loan interest. You are required to make an advance payment of one month after signing the contract. You can visit the Ford dealers Indianapolis area has and let their financial department help you with leasing.

Buying a car is more appropriate for owners whose family or job is more likely to be permanent in a certain area. Buying the car and paying it on an installation basis is more affordable since long-term priorities and goals are taken into account. Moreover, if a car sells for $24,000 and youâ€™re renting at $7,000 a month, it would only be a matter of time before leasing would be more costly than buying. Consulting the Ford dealers Indianapolis IN families trust can educate you about your car financing options.

On the other hand, leasing is ideal for owners who plan to stay in a place only for a certain period. Aside from low maintenance, owners can lease the car until the carâ€™s warranty has expired. However, selling the car is not an option since owners have to bring back the car to Ford dealers Indianapolis Indiana has when they no longer need the vehicle.

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Erwin Calverley - About Author:
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