



**PARDA**  
FEDERAL CREDIT UNION

JUNE 2018

**InTouch**

## SHOULD I BUY OR LEASE A CAR?



Deciding whether you should buy or lease a car is a very important decision that can have a long-term impact on your budget. It's important you don't end up with a car that you cannot afford down the road. Let's take a look at each option in more detail.

### LEASING A CAR

The concept behind leasing is you are basically renting the vehicle for 2-3 years. Unlike buying, your monthly payment is not determined by the full purchase cost of the vehicle. It's nice to have that new car feeling every few years, isn't it? After a few years, it can be so convenient to just turn the car back in after it starts to age a little. Or, if it's the perfect car, you may decide to keep it and continue to make the payments. Leasing generally results in lower maintenance and repair costs, and you are not investing in something depreciating in value. On top of all that, your down payment and monthly payment will probably be less than if you decide to buy the car. However, leasing comes with mileage restrictions, "wear and tear" policies, and you won't have a tangible asset once your payments end. For some, leasing is a viable option.

### BUYING A CAR

It's also nice to actually own what you're driving and know one day you will have it paid off. If your car lasts long enough, your budget will thank you because you will no longer have

a car payment every month. But wait - assuming you will be financing your vehicle, it's important to understand the terms of the deal. What is the interest rate on the loan you are being offered, and what is the term of the loan? It's very common to focus on only monthly payment, but it will cost you much more in the long run if you finance the vehicle for 60, 72, or 80 months rather than 24 or 36 months. In addition, all cars depreciate in value - which means in 4-5 years, you may still have a car payment but the re-sale value will be modest at best. Also consider the maintenance costs on an older vehicle. It's not uncommon for some major repairs to be necessary at the 100,000 mile mark. However, if your car has been maintained well and has good re-sale value, you might be able to recoup some of your costs if you sell the car.

### SO SHOULD I BUY OR LEASE?

Most experts agree the cost of buying and leasing is about the same for the first few years. There won't be many repair costs and the various fees and insurance costs come out to about the same. The difference starts after the new car is paid off. Will you have your car for a few years after your car loan is paid off? If so, it typically makes sense to buy the car rather than lease. Check with car review publications to make sure the car you want will last beyond the years that you're financing it.

## Hit snooze on your payment.

Skip a payment in June, July or August and enjoy some extra \$\$\$\$\$!

*Push the button!*



## Summer Loan Special

**GET 1% OFF OUR REGULAR  
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# \$1,000 OFF CLOSING COSTS!\*

Get a mortgage loan with PARDA and receive  
**\$1,000 off** your Closing Costs!\*



\*Available to all borrowers using a Conventional loan program on a Purchase or Refinance transaction with PARDA Federal Credit Union (NMLS ID# 658193) and Member First Mortgage (NMLS ID# 149532) only. Your mortgage loan (Purchase or Refinance) application must be submitted between 4/1/2018 and 6/30/2018, and must close by 8/29/2018. This coupon has no cash or trade value and the discount will not be applied until the time of closing on the appropriate closing documents. This promotion may not be combined with any other promotion or discount. PARDA Federal Credit Union reserves the right to cancel this promotion at any time without notice. Additional restrictions may apply.

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It's summer lovin' for **PARDA** members. When you switch to Sprint®, you can get up to \$300 in cash rewards for activating new lines.\* That's Sprint's best plan with unlimited talk, text, data, and HD-streaming including Hulu!

During The Summer of Hundreds, you get:

- Up to **\$300 in cash rewards** for new lines activated with Sprint\*
- **\$50 loyalty cash reward** every year for each line activated or transferred\*
- Current Sprint customers receive a **\$50 cash reward** for lines transferred into the program\*
- **25% discount** on eligible accessories

\*Three lines total, including all activated and transferred lines.

Here's how to sign up for Sprint cash rewards:

1. Become a Sprint customer and mention that you're a credit union member
2. Register at:  
[LoveMyCreditUnion.org/SprintRewards](http://LoveMyCreditUnion.org/SprintRewards)
3. Allow six to eight weeks to see cash rewards directly deposited into your credit union account

Make summer picture-perfect with a new phone and up to **\$300 in cash rewards!** It's just one more benefit of credit union membership.



**We are no longer using our  
P.O. Box address.**

If you are utilizing Bill Pay, please make sure you are using the following address for PARDA Federal Credit Union:

**PARDA Federal Credit Union**  
2601 Cambridge Court  
Suite 210  
Auburn Hills, MI 48326