

Lease Transfer Basics

What is a Lease?

Car leasing was designed to make cars more affordable to consumers. As prices on cars have risen, the ability for consumers to afford a loan has decreased. Car leasing allows companies to reduce the monthly payments on a car by only requiring the buyer to pay for the cost of the car **during the time they are using it**. It's very similar to renting - you don't own anything, you are just paying for the right to use something.

What is a Lease Transfer?

A lease transfer allows one person to transfer their lease contract to another person. By doing so, the new lessee is responsible for the remainder of the payments per the terms of the original contract.

A vehicle lease transfer could save you thousands of dollars over the traditional means of obtaining a vehicle. Lease transfers have become increasingly popular over the last few years.

In order to initiate a lease transfer, you will need to find someone that is looking to get out of their current lease and the vehicle fits your needs.

You may find a friend, family member, or co-worker that is looking to get out of their current lease. They would enjoy getting out of the lease and you will benefit for not having to put money down to acquire a vehicle.

If that fails you can also find thousands of potential vehicles online through companies like Swapalease.com that specialize in connecting lease buyers and lease sellers.

*It is important to understand that a proper lease transfer is completed within the framework provided by the leasing company that holds the lease. There is no alternative way to actually transfer a lease. **The leasing company holding the original lease contract should never be circumvented when properly transferring a lease.***

How Does the Lease Transfer Process Work?

The basic or overall lease assumption process is the same for all leasing companies.

- First, the individual wishing to assume the lease submits a credit application to the leasing company.
- Next, the leasing company will make a decision on the credit worthiness of the applicant.
- If approved, the lease transfer documents are prepared and sent to the buyer and seller to be signed and returned to the leasing company.
- Once the buyer and seller have signed the lease transfer paperwork, the seller will turn the keys over to the buyer and send the transfer paperwork to the leasing company.
- Within a week or so the leasing company will send both the buyer and the seller confirmation letters and will begin sending the monthly lease statement to the new lessee.

The average amount of time required to properly complete the lease transfer process is approximately two weeks. It is important to stay in communication with the leasing company throughout the process.

Lease Company Policies and Restrictions

As you might expect, every leasing company handles the details associated with the transferring a lease a little differently. Not all leasing companies allow for a lease transfer, and some set certain restrictions upon the seller when transferring a lease. Here are some of the important factors to consider when attempting transferring your vehicle lease:

Transfer Restrictions – Some leasing companies may put certain restrictions on the nature of the lease transfer. For example, some leasing companies may not allow the vehicle to be transferred to an out of state resident. Or they may not allow a transfer within the last 12 months of the lease contract.

Transfer Fees – Most leasing companies will assess some sort of transfer or credit application fee when completing a lease transfer. The transfer fee can be paid by the buyer or the seller, depending on how it was negotiated between the two parties.

The quickest way to obtain lease transfer information on a per leasing company basis is to contact Swapalease.com toll free at 1-866-792-7669 or visit the Swapalease.com web site and research the “Leasing Company Information” link located under the “Learn” column at the bottom of most pages

What are the Costs Associated with Transferring a Lease?

Aside from the fees that we listed previously, you may need to account for the associated cost relating to the transfer of the lease. Here are some to consider:

Shipping – Most cars can be shipped anywhere in the continental U.S. for \$500.00 to \$1,000.00, depending on your carrier. Shipping often requires one week between pickup and delivery, as most services pickup many cars along the way.

Inspection Service- A buyer may require the vehicle be fully inspected by a third party vehicle inspection service prior to assuming the lease.

Swapalease.com has helped more than 50,000 clients get into a lease through the transfer process. We can assist you in every phase of your transfer as well as offer practical advice to get you into your next vehicle.