

FALL 2021

# PALMETTO CONNECTION

## To lease or not to lease, that is the question.



### Deciding between purchasing or leasing a car is usually a difficult choice to make.

On one hand, it may be intimidating to part with a large sum of money upfront if you choose to buy it off the lot. However, 100% financing is usually an option that helps lessen the financial burden. Additionally, you do end up owning the vehicle as soon as you drive it home.

On the other hand, you have the option to lease. This is when you pay a monthly expense based on your agreement with a lender. Once you've signed all the necessary documents, you get to drive the vehicle home, a vehicle that may have been too expensive for you to buy outright. But, you end up in a cycle of monthly payments just to keep the new car, and will not be the permanent owner.

### Benefits of Buying a Car

The greatest advantage that you get when purchasing a car is that you actually own it from the day you bring it home. This means that, unless you go for an auto loan, you don't have to worry about monthly payments and can choose to sell it at any time.

Even with an auto loan, when you've finished paying it off, you have complete equity in the vehicle. Although initial monthly payments may be higher than leasing, from a long-term financial perspective, buying is a smarter choice.

Buying a new car also means lower insurance premiums compared to when you lease. Additionally, a newly bought car means that you can rack up as much mileage as you want with no excess fees. You can even customize the car as you see fit.

Overall, buying a car usually ends up as a cheaper option than leasing.

### Financial Pitfalls of Leasing a Car

Although the idea of leasing a car may sound appealing, it actually comes with numerous disadvantages compared to simply purchasing a vehicle.

By the end of the lease, you may have actually spent more than you would have by outright paying for the car.

Longer car loan terms, such as six or seven-year deals, may seem attractive but you actually end up paying more based on interest alone.

People who choose to lease one car after the other will have monthly payments that go on for a long time. In the long term, the more cost-effective way to own a car is to buy and keep it until it's no longer economical enough to maintain. Then, it can be sold.

Most auto loan leasing contracts require you to keep within a set number of miles. Going over that limit means you need to pay an extra charge for the mileage penalty. The cost can be as low as 10 cents to as much as 50 cents for each extra mile.

If you decide that you don't want the car anymore, you might be stuck paying thousands of dollars just for termination penalties and fees. These expenses will all be due at the same time.

Although monthly lease payments tend to be cheaper than auto loan payments, you have no equity in the car at the end of the contract.

### Conclusion

As you can see, buying a new car is usually more advantageous than leasing a vehicle. The overall amount you spend when purchasing a new car often ends up significantly less compared to the total you hand over when leasing — keeping in mind the value of the car you get to keep when buying.

Buying offers more flexibility and is the smarter financial choice in the long run. Ready to get pre-approved, ditch those repair bills and enjoy the new to you car smell.

## NOTICE!

Please mark your calendars and join us for our **68<sup>th</sup> Annual Meeting on Thursday, November 18<sup>th</sup> at 5:30pm**. The meeting will once again take place **virtually via zoom**. For more information and to register please visit **[palmettofirst.com/meeting](https://palmettofirst.com/meeting)**.

## Holiday Closings

**Veterans Day**  
Thursday, Nov 11

**Christmas**  
Friday, Dec 24

**Thanksgiving**  
Nov 25-26

**New Year's**  
Friday, Dec 31

## Secret Numbers

There are several account numbers hidden within this newsletter. If you find yours, call the credit union and claim your **\$25 prize!**

## Branch Locations

1722 Gregg Avenue  
Florence, SC 29501

108 Pamplico Highway  
Florence, SC 29505

## Mailing Address

P.O. Box 3989  
Florence, SC 29502

**PALMETTO FIRST**  
FEDERAL CREDIT UNION



843.669.5619

**PALMETTOFIRST.COM**

This credit union is federally insured by the National Credit Union Administration and is an Equal Housing Lender.

*In  
Sympathy*

50118

The Board and Staff of Palmetto First Federal Credit Union, along with our members, would like to extend heartfelt sympathy to the friends and families of...

**Jeanette Bocks, Michael Kelly, Carey Jeffords, Crystal Lisbon**

...all valued members of your family and ours.

*We regret that our updated system no longer notifies us of a member's passing.  
We appreciate your assistance in bringing the names of those who have passed to our attention.*

# DOLLAR DOG

They say you can't teach an old dog new tricks, but our top dog, **Dollar Dog**, is ready to help your kids get started with smart savings habits. **Sign them up for a Dollar Dog Kids Club savings account so they don't miss a minute of the action.**



## BOARD NOMINATIONS

30305

You will have the opportunity to vote to elect our volunteer board of directors. There are two board members up for reelection. If you are interested in serving on the Palmetto First Federal Credit Union Board of Directors, please submit your information and statement of interest either in person at a branch location or by mail to be considered for the board, you must have an active account and be a member in good standing:

**Palmetto First Federal Credit Union**

**Attn: Nominating Committee**

**P.O. Box 3989**

**Florence, SC 29502**

## GRAND PRIZE ENTRY FORM

Complete this form and return it to the Credit Union. The Credit Union must receive the form prior to the Annual Meeting. Registrations will be accepted until **Wednesday November 17, 2021 at 5pm. Only one entry per member.**

NAME: \_\_\_\_\_

ACCOUNT NUMBER: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PHONE NUMBER: \_\_\_\_\_