
What is a Money Factor?

Posted by toddbaten - 2009/05/13 16:50

What is a money factor on a lease?

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Re:What is a Money Factor?

Posted by Otto - 2009/05/13 17:15

The money-factor is what the leasing company (bank) uses to calculate the rent charge on the lease. It is similar to an interest rate on a car loan. However, it is not printed on the lease agreement. You can read how to convert a money factor into a interest rate for comparison and how the money factor and the residuals affect the lease in this lease tools article.

If you are negotiating a lease with a car dealer you can discover the money-factor by using our money-factor find calculator.

Also, our glossary has all the definitions for lease terminology.

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Re:What is a Money Factor?

Posted by Scott32 - 2009/06/10 22:08

The factor can be high if the residual is high. all that matters on the lease is the payment and drive off cost. Unless you want to buy the car at the end.

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