

Inception Mileage Program

Chrysler Capital is offering an alternate residual calculation option for vehicles with beginning miles over 500.

Customers can now elect to reduce their allowed mileage at lease end. Or, they can reduce the residual value of the vehicle by the standard \$0.20/\$0.40 per mile on each mile that exceeds 500 on the odometer at inception.

Example

- » Starting mileage is 3,500
- » Terms 36 month/36,000 mile lease (12,000 miles per year)
- » MSRP is \$50,000
- » Residual is 50%
- » Standard vehicle (\$0.20/0.40 per mile residual value reduction for inception miles greater than 500)

Scenario #1 – Standard Residual Calculation

Customer's ending mileage is **39,500** before excess mileage charges begin to accrue

- » Allows customer full usage of 12,000 miles per year for three years
- » Residual value is reduced based on standard policy
 - \$50,000 MSRP * 50% residual = \$25,000 residual value
 - (3,500 beginning mileage – 500 miles = 3,000 miles) * \$0.20 per mile = \$600 residual value reduction
 - \$25,000 residual value - \$600 inception mileage charge = \$24,400 final residual value
- » 36,000 contracted miles + 3,500 existing miles on odometer at inception = 39,500 miles at lease end

7. EXCESSIVE WEAR AND USE. You may be charged for excessive wear based on our standards for normal use and for mileage in excess of your contracted mile amount ("Regular Mileage", plus Additional Miles), at \$ 0.25 per mile. The "Regular Mileage" shall be 12,000 miles per year. You have the option to purchase miles at Lease signing. You hereby agree to purchase N/A miles at \$ N/A per mile ("Additional Miles"). Amounts paid for Additional Miles that are not used upon termination of this Lease shall not be refundable.

☐ If this box is checked, the Vehicle was driven more than 500 miles before the beginning of this Lease and you acknowledge, agree, and understand, that the total permissible miles on the odometer before you begin to incur excessive use charges at scheduled termination is N/A which includes the miles already on the Vehicle at Lease execution.

Scenario #2 – Alternate Residual Calculation **NEW**

Customer's ending mileage is **36,000** before excess mileage charges begin to accrue

- » Allows customer to reduce mileage rather than residual value, resulting in lower payment
- » Residual value is not reduced by \$0.20/0.40 per mile for inception miles greater than 500
 - \$50,000 MSRP * 50% residual = \$25,000 final residual value
 - Checkbox is checked in section 7 of the contract and contracted mileage at lease end is indicated as 36,000 miles
- » Customer can drive 32,500 miles during their three-year least term
 - 36,000 contracted miles – 3,500 inception miles = 32,500 actual miles

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☒ If this box is checked, the Vehicle was driven more than 500 miles before the beginning of this Lease and you acknowledge, agree, and understand, that the total permissible miles on the odometer before you begin to incur excessive use charges at scheduled termination is 36,000 which includes the miles already on the Vehicle at Lease execution.



36,000

If you have any questions about these new program enhancements, please contact your Dealer Relationship Manager.