

Bank Authorized  
Equipment Leasing and Financing Agents



Since 1986

- \* Healthcare
- \* High Technology
- \* Broadcasting
- \* Colleges
- \* Industry
- \* Municipal / Govt.

## LEASE VS. BANK LOAN

### EQUIPMENT, SOFTWARE, & COMMERCIAL VEHICLE ACQUISITION AVAILABLE FEATURE CHECKLIST

	<u>EQUIPMENT LEASE</u>	<u>BANK LOAN</u>
<b>EFFECTIVE RATE AND PAYMENTS – OPERATING LEASE</b>	MUCH LOWER RATE AND PAYMENTS OVER THE YEARS (OPTIONAL PURCHASE OPTION AT THE END OF THE LEASE)	HIGHER RATE AND PAYMENTS DUE TO BEING A FULLY AMORTIZED LOAN
<b>EFFECTIVE RATE- LEASE WITH PURCHASE OPTION 10% CAP</b>	LOWER RATE AND PAYMENTS OVER THE YEARS (OPTIONAL FIXED MODEST PURCHASE OPTION AT THE END OF LEASE)	HIGHER RATE AND PAYMENTS ALMOST ALWAYS DUE TO BEING A FULLY AMORTIZED LOAN
<b>EFFECTIVE RATE – FINANCE LEASE WITH \$1 OUT</b>	EQUAL TO OR EVEN LOWER THAN A BANK LOAN NORMALLY	EQUAL TO OR LOWER POSSIBLY
<b>CREATIVE PAYMENT OPTIONS</b>	YES, ONLY \$100 TO START AND \$100 PER MONTH FOR 6 MONTHS UP TO \$75K, SEASONAL PAYMENTS, AND 9 OTHER OPTIONS	ONE SIZE FITS ALL
<b>RETURN ON INVESTMENT (ROI) FROM THE USE OF THE EQUIPMENT FROM LABOR &amp; OTHER COST SAVINGS &amp; ADDITIONAL RELATED INCOME</b>	ROI & CASH FLOW MAKES RATE IRRELEVANT EVEN IF A HIGHER RATE THEN A BANK DUE TO THE VALUE OF THE ROI & CASH FLOW FROM EQUIPMENT ITSELF	ROI & CASH FLOW MAKES RATE IRRELEVANT EVEN IF LOWER THAN A LEASING CO.
<b>ROI CAN SAVE THOUSANDS COMPARED WITH A RATE THAN CAN VARY BY JUST TENS OR HUNDREDS</b>	ROI HIGHER WITH LEASING DUE TO UNLIMITED BORROWING POWER EVEN IF AT A HIGHER RATE	VERY LIMITED BORROWING POWER LIMITS ROI FROM MORE AND MORE EARNING ASSETS THAN CAN BE ADDED
<b>100% FINANCING (NO DOWN PAYMENT)</b>	YES	NORMALLY NOT-OFTEN 10-20% DOWN IS NEEDED
<b>LONG LENGTH OF TERM 60 MOS</b>	YES	NORMALLY LIMITED TO 36, SOMETIMES LONGER OK
<b>SOFTWARE FINANCING</b>	YES, EVEN A 100% SOFTWARE LEASE	DON'T LIKE TO NORMALLY
<b>INSTALLATION &amp; DELIVERY FINANCING</b>	YES	DON'T LIKE TO NORMALLY
<b>*****VERY IMPORTANT***** USING AN EQUIPMENT LEASE FOR YOUR EQUIPMENT KEEPS AVAILABLE BANK CREDIT LINES OPEN FOR CASH NEEDS</b>	YES, USING LEASING LEAVES BANK LINE OPEN TO GET CASH FOR BUSINESS EMERGENCIES OR PROBLEMS, OR JUST BUYING RAW MATERIALS AND GENERAL OPERATING EXPENSES	MANY BUSINESSES USE THEIR BANK FOR LINES OF CREDIT AND USE LEASING COMPANIES FOR EQUIPMENT SINCE MOST BANKS WILL LEND YOU JUST SO MUCH OVERALL
<b>80% OF AMERICAN BUSINESSES LEASE ACCORDING TO EXCELLENT SOURCES</b>	SHOWS IT IS A GREAT OPTION	BANKS ARE BEST FOR REVOLVING LINES OF CREDIT NOT WHAT THEY CONSIDER "HIGH RISK" EQUIPMENT
<b>CAN PRE-PAY SUPPLIER</b>	YES	YES
<b>EASE OF BORROWING</b>	VERY EASY	NOT AS EASY- ESPECIALLY LARGE BANKS DON'T WANT TO BOTHER WITH LITTLE LOANS AND ARE MUCH MORE CONSERVATIVE
<b>SPEED OF APPROVAL</b>	4 HOURS GENERALLY, POSSIBLY 1-2 DAYS	A WEEK OR TWO GENERALLY
<b>NEED CORP. FINANCIALS</b>	NO, NOT NEEDED IF QUALIFIED	YES, NORMALLY

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NEED CORP. TAX RETURNS	NO, NOT NEEDED IF QUALIFIED	YES, NORMALLY
NEED PERSONAL FINANCIAL	NO, NOT NEEDED IF QUALIFIED	YES, NORMALLY
NEED PERSONAL FINANCIALS	NO, NOT NEEDED IF QUALIFIED	YES, NORMALLY
NO PERSONAL GUARANTEE OPTION	YES, IF QUALIFIED	NO, IN ALL PROBABILITY
NEED PERSONAL GUARANTEES OF ALL OWNERS	NO, SOME OR ALL CAN BE EXCLUDED IF QUALIFIED	YES, NORMALLY
USE OF BUSINESS REAL ESTATE AS SECURITY	NO	YES, NORMALLY
SPOUSES PERSONAL GUARANTEE	NO	YES, NORMALLY
USE PERSONAL HOME FOR SECURITY	NO	YES POSSIBLY AND THAT MIXES BUSINESS AND PERSONAL FINANCIAL AFFAIRS
ACCOUNTING	NORMALLY NOT SHOWN AS DEBT, JUST A MONTHLY RENTAL	YES, SHOW AS DEBT ON FINANCIALS
ACCOUNTING PROCEDURES	NORMALLY WRITE OFF ENTIRE PAYMENT MONTHLY	NORMALLY IT IS CAPITALIZED AS A DEPRECIATING ASSET OVER 5 YEARS ON THE FINANCIALS WHICH COMPLICATES BOOKEEPING AND TAX RETURNS
INCOME STATEMENT SIMPLE	YES - MOST BUSINESSES DEDUCT THE ENTIRE PAYMENT	NO, THE ACCOUNTANT NORMALLY NEEDS TO SEPARATE THE PRINCIPAL AND INTEREST AND LET YOU WRITE OFF ONLY THE INTEREST
BLANKET LIEN ON ALL BUSINESS ASSETS	NO	YES
ACCOUNTING	IN BUSINESS NAME	PERSONAL NAME, AND MUCH TOUGHER TO QUALIFY TO HAVE IN BUSINESS NAME
RETURN EQUIPMENT AT END OF LEASE OPTION	YES	NO
ASSISTANCE IF YOU WANT SOMEONE TO ASSUME THE EQUIPMENT LEASE	YES	NO
HOLD UP PAYMENT TO SUPPLIER UNTIL YOU ARE 100% SATISFIED	YES	NORMALLY PAY ALL UP FRONT OR COULD GIVE TO YOU TO GIVE TO THEM
FIXED RATE YOU CAN COUNT ON	YES	NORMALLY A FLOATING RATE THAT COULD GO UP WHEN THE ECONOMY IS DOING POORLY
FIXED RATE TIED TO TERM	WE CAN DO 60 MONTHS AND HAVE A FIXED RATE	A BANK DOESN'T LIKE TO GIVE A LONG TERM AND FIXED RATE - PREFER VARIABLE
EAT UP HOME EQUITY	NO	YES IF USING HOME
SECTION 179 FULL TAX WITE OFF ALL THIS YEAR	YES	YES
CONVENIENT	YES, VERY	UNKNOWN
LEASE OTHER EQUIPMENT SUCH AS POINT OF SALE, SIGNS, TV EQUIPMENT, PHONE SYSTEMS, AIR CONDITIONING SYSTEMS	YES	NORMALLY ONLY EXCELLENT COLLATERAL
MUST SEND FINANCIALS AND TAX RETURNRS ANNUALY EVERY YEAR	NO	YES
FLEXIBLE OPTION TO DO LOANS ALSO	YES, WE DO LEASES AND LOANS	NOT ABLE TO DO LEASES NORMALLY
USING OUR SERVICES IS USING A BANK!	YES, WE USE ACTUAL BANKS TO FUND	A BANK LOAN ONLY

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THAT IS BECAUSE OUR LEASES ARE FUNDED PRIMARILY BY BANKS	OUR LEASES AND OTHER TYPES OF LENDERS	
OUR SELECTED LENDER BANK IS ONE OF 20+ SO WE SHOP FOR THE LOWEST PAYMENTS THAT CORRESPONDS WITH YOUR FIRM'S CREDIT	YES	NO – ONLY 1 WAY OF THINKING
TERM OF LEASE FROM 1-7 YEARS	YES	NO, PREFERS 5 YEARS OR LESS
EASILY FINANCE SERVICE CONTRACTS, INSTALLATION, SOFTWARE, FF&I (FURNITURE FIXTURES AND IMPROVEMENTS), AND USED ITEMS	YES	SOME POSSILBY
SALE LEASE-BACK FINANCING	YES	NO
RELATIONSHIP OF OUR CO. WITH YOURS	WE WORK AS YOUR <b>ADVOCATE</b> TO SHOP FOR THE LOWES COST LENDER	<b>ADVERSARIAL</b> OFTEN, JUDGING IF YOU DESERVE THE FUNDS OR REALLY NEED
PRE-APPROVED LEASE LINE OF CREDIT	YES	YES
“TEAM LENDING” BY BOTH YOUR LEASING CO. AND BANK IS GOOD BUSINESS	FINANCE EQUIPMENT, SOFTWARE, VEHICLES ETC.	FINANCE ACCOUNTS RECEIVABLES, COMMERCIAL REAL ESTATE ETC.
BANKERS EXPECT YOU TO USE A LEASING CO.,	80% OF BUSINESES LEASE IT IS ESTIMATED & ADVANTAGES ARE WEWELL KNOWN TO BANKERS	YOUR LOCAL BANKER KNOWS WHAT HE IS GOOD AT AND WHAT WE ARE GOOD AT AND UNDERSTANDS THEIR LIMITATIONS & YOUR FIRM'S NEEDS.

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