

# Lease vs. Loan

**Fair Market Value (FMV):** An FMV lease offers the lowest monthly payment, is the most flexible lease structure, and may give the lessee significant tax advantages. At the end of the term, you have the following options: purchase the equipment for the FMV, return the equipment, or renew the lease based on the FMV Renewal Rate as stated in the contract.

## How an FMV lease can benefit you as a customer:

- Little or no upfront cost and low monthly payments
- 100% financing available
- Ability to bundle costs (hardware, software, services, etc)
- Protection against advancing technology
- Multiple options at the end of the lease term

**\$1 Purchase Option (PO):** In a \$1 PO lease, you as the customer, own the equipment at the end of the lease. The lease is structured so you can purchase the equipment at the end of the term for \$1. The monthly payments are higher than the FMV lease because you are financing 100% of the equipment cost and will own the equipment at lease end.

## How a \$1 PO lease benefits you as a customer:

- Ability to purchase the equipment at the end of the lease term for a fixed price
- Offers the benefits of ownership with the advantage of a lease



Lease		Loan
No	Requires Down Payment...	Yes
Lower	Monthly Payment Size is...	Higher
Many	Structuring and Payment Options...	Few
None	Impact on Credit Lines...	Reduces
Yes	Ability to Bundle Transactions...	No
Lower	Impact on Cash Flows...	Higher
No	Pledge Other Assets as Collateral...	Yes
Leasing Company	Risk of Owning Obsolete Technology Belongs to...	End User
Leasing Company	Assets Tracked By...	End User
Purchase, return or upgrade equipment	End of Term Options...	Keep equipment

**Each customer is unique, and financing can be designed to meet specific needs. In addition to the above structures, we have several other options available:**

- Advanced payments
- Deferred payments for up to 90 days
- Monthly, quarterly, semi-annual, or annual payment structures
- Master lease agreements