



The How-Tos of Financing

from Key Equipment Finance

Is your business bound by cash-flow constraints? Key Equipment Finance can give you access to the equipment financing required to help you realize the full potential of your business. From computers and office furniture, to food service equipment and commercial vehicles, Key Equipment Finance allows you to break down large equipment acquisitions into fixed, monthly payments. By providing fast, dependable equipment financing that's easy to access, we can help you free up your cash flow, making it work harder for you in many ways.

The Benefits

Equipment financing can be an essential tool for business success. Financing traditionally provides businesses with more control and more flexibility. Key offers a variety of lease terms and end-of-lease options to meet your financing needs. Plus, upgrading is easier, and, if you prefer, you can purchase the product outright at the end of your lease.

Key Equipment Finance professionals will work with you to customize the right solution. Here are some ways your business can benefit:

Improved cash-flow management

- Conserve capital for reinvesting in your business
- Improve budgeting accuracy through fixed monthly payments and no floating rates

Protection from owning outdated technology

- Match the length of the lease to the expected useful life of the equipment
- Easily upgrade your equipment solution

100% financing

- Qualified applicants can finance 100% of the cost and may include delivery, installation, service, and maintenance

Savings on down payments

- Avoid large payments with two payments down

Easier financing than loans

- Avoid such requirements as compensating balances, large down payments, client list reviews, cash-flow projections, and the like

Potential tax benefits

- Some businesses are able to deduct monthly lease payments as an operating expense, thus reducing the net cost of the lease (consult your tax advisor for details)

FAQs about Financing

What is a lease? A lease, or an equipment-financing contract with Key Equipment Finance, allows you to acquire the business equipment you need by making fixed monthly payments to Key Equipment Finance for the term of the lease. This affords you full use of the product without spending all of your capital by purchasing it outright. With leases you generally make only the first and last payments at the start of the lease.

Financing your equipment in this manner allows you to choose the term of your lease – we offer flexible terms to qualified customers. Additionally, you can choose a flexible end-of-lease purchase option. Some of the benefits of financing include: better cash management, potential tax benefits, and the ability to avoid owning equipment that might quickly become outdated.

FAQs continued

How do I qualify? Equipment financing provided by Key Equipment Finance is available to business customers through participating vendors and preferred vendors. Credit standards may require the owner(s) to personally guarantee the lease. We do not offer financing to individuals for equipment intended for personal use.

How do I apply? If you are a new or existing lessee of Key Equipment Finance, you can apply directly by contacting our Information Technology Team at 800-745-9292 Ext. 3204.

What information will I need to provide on the lease application? You will be asked to provide the following:

- Information for the vendor who is supplying your equipment, including: vendor name, address, phone, and contact information.
- Your general business information, including: legal business name and address, contact name for the person executing the lease, guarantor information, estimated equipment cost or total estimated lease amount, and the equipment location.

What kind of equipment can I finance? You can finance a broad range of equipment, including business software, hardware, seat licenses, maintenance, and training.

What terms are available? Key offers lease terms of 24,36,48 or 60 months. Other options and customized terms are available to qualified applicants.

What purchase options are available?

- Our Fair Market Value, or "FMV," lease allows you to use the equipment for the term of the lease and then have the option of either returning or purchasing the equipment, or extending the lease term. This purchase option is based on the Fair Market Value of the equipment at the end of the lease term.
- Our \$1.00 Purchase Option lease allows you to purchase the equipment at the end of the term for the nominal charge of \$1.00.
- Our 10% Purchase Option lease allows you to purchase the equipment at the end of the lease term for 10% of the original equipment cost.

Can I include soft costs and services on a lease? Key Equipment Finance will finance 100% of the soft costs up to 20% of the total amount being financed. These soft costs and services might include: delivery, installation, service, and maintenance.

What is the difference between a lease and a loan? A lease is a contract wherein a financial provider lends a lessee the use of the equipment, and the lessee pays the lessor a fee for this usage. Financing equipment, in this manner provides such benefits as: better cash management, potential tax benefits, and the ability to avoid owning equipment that might quickly become outdated.

Business loans are used to acquire and access cash for major purchases or business expenditures. As with leases, loans are paid back with fixed payments over a fixed period of time. Banks offer customers various loan products, but applicants are often required to provide compensating balances, large down payments, client list reviews, and cash-flow projections. Such loans are required to be secured by collateral, such as a house, a car, stocks, or bonds.

Are advance payments required? A nominal documentation fee and two advanced payments are required for most leases.

What will my rate be? Your rate will be based on a number of factors, including: equipment type and cost, length of the lease, and the end-of-lease option that you select. Once your rate is determined, it will be fixed for the term of the lease.