Lease vs. Loan

Leases do not require down payments and allows Infrancing of 100% of the equipment cast. The lease the read of the lease for the purhase the equipment at the lease end of the lease for its remaining value.

Lease usually require a down payment of 10 to 20% from the out of the lease of the remaining amount of the equipment cost.

The leased equipment is typically all that is required as collaters.

The lessor bears all of the risk for the obsolescence of the equipment, since the end user has no obligation to purchase the equipment afthe end of the lesse.

Leases can be structured so that the lessee may be able to claim the entire lease payment as a tax-deductible loan payment as interest, and for the borrower to to claim the entire lease payment as interest, and for the borrower to lease term, which can be shorter than the IRS depreciation schedules, the deductible expense can be greater each trackfully as the depreciation is not an allowable operation.

Lesses on equipment that qualify as operating lesses do not appear on the balance sheet, which can improve infancial afactorist that is owned to appear on the financial ratios.

More of the cash flow of a lease, especially the option to purchase the equipment, occurs in the future with cheaper dollars due to Infation.