

What is Lease Financing?

Lease Financing is one of the best alternatives to straight-up purchasing if you are seeking the means to obtain necessary business equipment and supplies that have the possibly to endanger your monetary flow and stockpile. British American displays.com and our finance partners will lease finance high-priced equipment to you instead of you having to flat-out buy all of your needs.

According to recent surveys, well over 80% of businesses in the United States lease at minimum one of their large equipment acquisitions and nearly 95% would lease in the future.

So what actually is Lease Financing? Lease financing, or often referred to just as a "lease," is a contractual agreement in which a company, identified on the contract as the lessor grants the individual or group of individuals leasing the product/equipment, identified on the contract as the lessee, the ability to operate the equipment for a given amount of time, identified as the term of leasing, while making specific monthly payments to the lessor or leasing company.

The structure of the lease, however, gives great room for meeting the specialized needs of the customer, in which the customer may return the equipment, continue using the equipment via Lease Financing or purchase the equipment outright once the contract or lease term ends.

What are the Upsides to Lease Financing?

There are many upsides to Lease Financing, such as, at the end of the lease you may often be able to buy the item outright for equal or sometimes below market value.

One of the best upsides to lease financing is that some leases may be able to be counted as "off the balance sheet." That is, leases can be disclosed as balance sheet footnotes or asterisks. Thus, they are not counted as visible company debt despite the fact that the leases signify ongoing company liabilities. At first, this may seem trivial or you may ask, "Where's the catch?" But this upside, upon closer inspection, plays a serious factor in your success. For example, perhaps you are interested in a supplier granting credit to you or you are putting together a proposal for a loan and you know that your debt amount will definitely be a crucial factor in gaining either party's business. Well, your current leases will only play a very limited factor, in terms of your overarching debt, when these professional ventures are considered. Therefore, leases are not held against you like average debt often is.

Also, monthly payments on equipment via lease financing are typically viewed as required operating expenses, thus these expenses give a business or individual significant tax benefits. Another upside is that if you attain your lease financing through a third party, banks will be more likely to grant you loans and additional funding than if you were to only go through that bank. Banks, without a doubt, consider their complete possibility for exposure when lending funds to small businesses. This upside is absolutely crucial and cannot be overly stressed if you run a small business since the majority of banks expect you to only use them for traditional means of lending but frequently do not care if or when you use a different (no banks), third party source for lease financing. The important factor to remember is that you should always maintain a constant, healthy level of communication with your lending bank regarding whatever major leases you might be contemplating well before you sign the dotted line.

Please call or email us for application forms.