

WHY IS COMMERCIAL EQUIPMENT LEASING ATTRACTIVE?

Leasing is the modern tool used by business and industry to gain the use of equipment and furnishings. This method is employed more and more frequently because it eliminates large cash outlays required for outright purchases and allows these funds to be used for other investment purposes.

Ownership of equipment alone will not produce revenue. It is the USE of equipment which is productive. When viewed from this perspective, leasing is frequently less expensive.

1. CONSERVATION OF CAPITAL:
Cash remains untouched and available for other profitable purposes.
2. TAX SAVINGS AND IMPROVED CASH FLOW:
The full cost of leasing can often be treated as an expense deduction for income tax purposes and may result in a larger tax deduction than if you were claiming a depreciation expense. This can mean substantial tax savings and improved cash flow.
3. BETTER TERMS:
Lease payments usually can be extended at fixed rates over a longer period of time than conventional bank financing...and without large downpayments.
4. SIMPLIFIED RECORDKEEPING:
One monthly rental covers the entire cost of the equipment.
5. EASIER ALLOCATION OF COST:
Costs of individual equipment or systems can be better analyzed, controlled and reduced because of direct allocation. No hidden costs.
6. LEAVES BANK LINES UNTOUCHED:
Normally, a lender will not reduce a line of credit when equipment is leased. However, when the equipment is financed, it consumes available credit.
7. CLEANER BALANCE SHEET:
Lease payments may be entered as footnote items on a balance sheet and may not increase your liabilities as a loan does. This is important to obtain additional credit.
8. HELPS OVERCOME BUDGET LIMITS:
Since a lease is generally treated as an expense rather than as a capital expenditure, room can often be created for monthly rentals.
9. MORE LIBERAL CREDIT CRITERIA:
In many cases, U. S. COMMERCE can complete a lease transaction when conventional bank or other financing may not be possible.
10. CONVENIENCE:
Convenience is a surprisingly important part of leasing's appeal - both from the equipment vendor and end user standpoint. What businessman needs the additional hassle of acquiring long term capital financing when U. S. COMMERCE is ready, willing and able to do it for him?