

Tips for Leasing Used Equipment

One misconception of equipment leasing or financing is that it's more difficult to lease or finance an older or used piece of equipment. With Beacon Funding, that is not the case. Most of our financing programs do not have set age restrictions. We will finance new and used equipment as long as the equipment is in good condition and being sold at a fair price.

Rather than deterring clients from considering used equipment, we allow clients to choose the equipment that works best for their business. Our strong understanding of the equipment you are looking to acquire — whether used or new — is a big advantage that may result in a more favorable credit approval and more options for financing.

Below we offer some helpful tips that will allow you to make a more informed decision on used equipment leasing and financing.

Look for a niche, knowledgeable lender.

It is better to use a lender that is familiar with the equipment you are buying, especially if it is used. A niche lender, or "equipment specialist" lender that understands the value of the equipment, why you need the equipment and how the equipment will help your business will increase your chances of being approved. Not only is a niche lender more likely to approve you, but their knowledge of your industry allows them to offer more competitive financing terms and conditions for qualified buyers.

Lease used equipment that holds value for the life of its lease.

Leasing or financing used equipment that will hold its value for an entire lease term is more advantageous to a business owner. Generally speaking, the longer equipment holds its value, the easier it is to get approved. Lenders structure their terms based on the length of a lease and the likely value of the equipment throughout the course of the lease. If the equipment you pick has a short lifespan and weak re-sale values, it is more difficult to get approved. Many times a lender will shorten the length of the lease, giving you less time to pay. Whereas strong, long-lasting equipment values will allow your purchase to be easily approved with more favorable terms.

Do your research. Look for prices in line with fair market value.

When buying new equipment, it is fairly simple to determine if you are paying a fair price. Typically, new equipment markets are more efficient and it is easy to research comparable pricing from different sellers. Often times, it is much more difficult to determine a "market" price for used equipment. No one wants to over pay for equipment! Unfortunately, it can happen if you don't know the selling price of other similar used units. Working with a niche lender who is a specialist in the type of equipment you are buying — used or new — is a great way to confirm you are not overpaying for your equipment. Having underwritten thousands of pieces of used equipment, "equipment specialist"

lenders will typically recommend what they feel are market-comparable prices for the used equipment you are evaluating.

Consider your need for maintenance support and warranty coverage.

One key thing to think about is the amount of warranty or support you get once you buy your used equipment. Typically, new equipment sales come with an ample amount of maintenance support and warranty coverage. While used equipment prices often attract more buyers, they also carry some risk — dealerships or private-party sellers may not offer as much or any post-sale support and service. Therefore, it is important you evaluate your equipment service options prior to leasing or financing used equipment. If you are mechanically inclined and familiar with the used equipment you are acquiring, used equipment may offer a great value. However, if you are a first time buyer of a particular piece of equipment, perhaps the support and service that comes with a new equipment purchase may be what you need to more effectively produce profit with your equipment acquisition.



Business Credit Application



BUSINESS INFORMATION

FULL LEGAL NAME (INCLUDE DBA IF APPLICABLE)			PHONE #		FAX #				
BILLING STREET ADDRESS			CITY		COUNTY	STATE		ZIP	
EQUIPMENT LOCATION - STREET ADDRESS (IF DIFFERENT THAN ABOVE)			CITY		COUNTY	STATE		ZIP	
LEGAL BUSINESS STRUCTURE <input type="checkbox"/> PROPRIETORSHIP <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> CORPORATION <input type="checkbox"/> LLC <input type="checkbox"/> LLP					TAX ID#				
BUSINESS START DATE (MM/YYYY)		INDUSTRY START DATE (MM/YYYY)		BUSINESS DESCRIPTION			SALES LAST YEAR \$		PROJECTED NEXT YEAR SALES \$
HOW DID YOU HEAR ABOUT US?			WEBSITE ADDRESS			AGERO PROVIDER #			

OWNER INFORMATION

APPLICANT NAME (PRINCIPAL/PARTNER/OFFICER)					% BUSINESS OWNED		SOCIAL SECURITY #		
PHONE #		MOBILE PHONE #			EMAIL ADDRESS				
HOME STREET ADDRESS					CITY		STATE	ZIP	
CONTINUED EMPLOYMENT? <input type="checkbox"/> YES <input type="checkbox"/> NO		OWNS HOME? <input type="checkbox"/> YES <input type="checkbox"/> NO		HOME VALUE \$		MORTGAGE BALANCE \$			
CO-APPLICANT NAME					% BUSINESS OWNED		SOCIAL SECURITY #		
PHONE #		MOBILE PHONE #			EMAIL ADDRESS				
HOME STREET ADDRESS					CITY		STATE	ZIP	
CONTINUED EMPLOYMENT? <input type="checkbox"/> YES <input type="checkbox"/> NO		OWNS HOME? <input type="checkbox"/> YES <input type="checkbox"/> NO		HOME VALUE \$		MORTGAGE BALANCE \$			

EQUIPMENT INFORMATION

TOTAL ESTIMATED COST OF EQUIPMENT \$		EQUIPMENT MAKE			EQUIPMENT MODEL		ADDITIONAL EQUIPMENT DESCRIPTION		
SUPPLIER/VENDOR COMPANY NAME				SUPPLIER/VENDOR SALESPERSON		PHONE #		EMAIL ADDRESS	

DESIRED FINANCING TERMS

DOWN PAYMENT \$			LENGTH OF TERM (# OF MONTHS)			MONTHLY PAYMENT AMOUNT \$		
ADDITIONAL COLLATERAL								

CERTIFICATION

The applicant(s) certify that all information contained in this application, and all attachments hereto, are true and complete to the best of the applicant(s) knowledge, and are made for the purpose of obtaining credit for business purposes, and not for personal or family use. The applicant(s) hereby authorizes Beacon Funding and any assignee, lender or funding service that may be utilized to obtain and use a consumer credit report on the undersigned, now, from time to time, and at any time in the future, as may be needed in the credit evaluation and review process and waives any right or claim the applicant(s) would otherwise have under the Fair Credit Reporting Act in absence of this continuing consent. The applicant(s) further authorizes any bank, financial institution or trade reference to release credit information on the applicant(s) account(s) to Beacon Funding and/or its assigns. If applicable, applicant hereby authorizes Agero to share with Beacon Funding pertinent relationship and activity information relating to applicant's Agero relationship. The applicant(s) hereby authorizes Beacon Funding to request and obtain individual or business tax transcript(s) from the IRS via IRS Form 4506-T and confirms that all declarations made within the 4506-T "Signature of taxpayer(s)" section are true and accurate. An electronic, photocopy or facsimile copy of this authorization with a copied, electronic or facsimile signature shall be deemed to be binding, valid, genuine and authentic as an original-signature document for all purposes. A non-refundable documentation fee will be required for the preparation and distribution of contract documents.

APPLICANT NAME (PLEASE PRINT)			DATE			CO-APPLICANT NAME (PLEASE PRINT)			DATE		
APPLICANT SIGNATURE						CO-APPLICANT SIGNATURE					