



Dimension Funding, LLC
Equipment & Software Financing Made Simple

800 755 0585



Lease Descriptions

When choosing the right lease for you, it is important to consider the end of term options. Here are the options:

The 10% Buyout offers you the lowest possible payments. For business use, the payments are generally tax deductible as a capital lease. At the end of the lease term, you are obligated to purchase the equipment for 10% of the original funding amount. **This option offers low payments and a pre-determined purchase price.**

The Fair Market Value Buyout is the most common type of lease structure. For business use, the payments are 100% tax deductible. At the end of the lease term you may return the equipment, purchase it for its Fair Market Value, or continue to lease it. If you do not wish to purchase the equipment for the price you are quoted, you are under no obligation to purchase it. The payments are higher than the 10% (as you are not obligated to buy), but are much lower than the \$1. **This is the best option for tax purposes and is also beneficial when you are looking at a longer term where the market value is less.**

The \$1 Buyout transfers the ownership of the equipment to you at the end of the lease term. The lease payments must be deducted as a capital expense (depreciable asset). This option protects your cash reserves, helps you manage your cash flow, and simplifies budgeting with fixed monthly payments. The \$1 Buyout has the highest monthly payment of the three options as you own the equipment end of term at no cost. **This option is best for those simply looking to finance their equipment.**

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