

Requesting A Proposal

Everything You Always Wanted To Know But Didn't Know Who To Ask

What's My Payment Going To Be ?

This is the most commonly asked question when we are talking to a prospective Applicant. With all of the other really important questions that could and should be asked, this one usually comes out in the first few minutes of contact. Not to belittle the other important questions, which we will touch on later, let's focus on the payment issue for a moment. Yes, you definitely should ask this question, but the answer may be tailored (another word for "misrepresented") to sound like something you want to hear. However, beware, because in tailoring the answer to appeal to you, it may not be entirely accurate. With the somewhat recent emergence in the Leasing industry of leasing companies that are owned and/or operated by "Marketing Types" as opposed to "Leasing Professionals," *slick marketing techniques* are being used by a number of new, very large and successful leasing companies. It is very hard for a reputable, professional leasing company to compete against a *slick* marketing company who has tailored a payment for you that we know they cannot deliver.

What Slick Marketing Techniques ?

When the focus of your decision making process is an unqualified monthly payment, there are all kinds of techniques to make the payment look very low, *temporarily*. By *temporarily* we mean, until you get the final documents or until the time of funding. At that time, things will change. Following are a few examples of some widely used Techniques to artificially lower your payment that you need to watch out for:

Sales Tax

You are quoted a lease payment on the total cost including sales tax, however, at time of funding you are informed that your payment is being adjusted for sales tax because the previous payment was a "mistake" and did not include sales tax.

Transposed Numbers

You are quoted a monthly lease payment of \$301.00 but the lease documents show up with a monthly lease payment of \$310.00.

\$1.00 vs. 10% Residual

You request a \$1.00 residual but you are quoted a monthly lease payment based on a 10% residual (lower Payment).

Residual Letter

You are quoted a residual of \$1.00 but you never get a residual letter documenting this agreement. Another form of this tactic is to have a \$1.00 residual letter in the documentation package but you never get a copy that has been signed by the leasing company; at lease termination you will be billed for 10%.

Extended Term

You want a 5 year lease with the first and last in advance. The lease documents indicate that the lease term is 62 months. The leasing company just made 2 extra payments.

Your Approved

You are told that you are pre-approved, or your Application has been approved (in a matter of minutes or hours) and they will have the documents (probably blank since they do not have an accurate equipment description) right out to you. In actuality, it may not have even been to their credit committee or bank for approval yet. They will do this after you have signed the documents and they have your money.

Vendor Deposit

You gave a 10% deposit to the vendor to hold the equipment but want to finance the total equipment cost. You are quoted a payment on the 90% still due the vendor. At time of funding the vendor is paid the 90% still due and you never get your deposit back.

What Should I Do ?

We prepared this not to scare you but to make you more aware and informed. When seriously talking to a leasing company about financing, you should; (1) Ask probing questions about the leasing company (time in business, etc), (2) Request a proposal in writing that details such issues as residual (if you want a \$1.00, also request 10%), sales tax, term in months, advance rentals, and any special conditions, (3) Do not be rushed into remitting a deposit check and signing lease documents that are incomplete or have blank spaces to be filled in later, or if you have not been advised in writing that your Application has been approved (**there is absolutely no reason to sign documents and pay money to a leasing company if you have not been approved and/or the equipment list has not been finalized**), (4) Read everything and ask questions if you do not understand something, (5) Make sure the documents accurately indicate everything you agreed to, and (6) **Keep a copy of everything you sign**. You're a smart business man; whether you're quoted a payment verbally or in writing, **if it's too good to be true, it isn't**. If the gross payments barely exceed the equipment cost, it can't happen. Please be smart and evaluate what you're being told.

Who Should I Lease From ?

You should deal with a Leasing Company that has a history, and gives you a sense of truth and fair dealing. You should deal with a Leasing Company that gives you the service you are looking for and makes you feel comfortable about what they are telling you, as opposed to giving you that unexplainable uncomfortable feeling. You should deal with a Leasing Company that is trying to help and offer advice as opposed to trying to hustle you into a fast deal. You should deal with a Leasing Company that is trying to build a long lasting relationship and asks questions about your business to try and understand it better. You should deal with a Leasing Company that is willing to put things in writing, as opposed to giving you a "verbal approval" or a "pre-approval."

We are MARKAY LEASING CORPORATION, and we like to think we are all these. Please call us and allow us an opportunity to explain our programs and become your leasing company and finance partner.