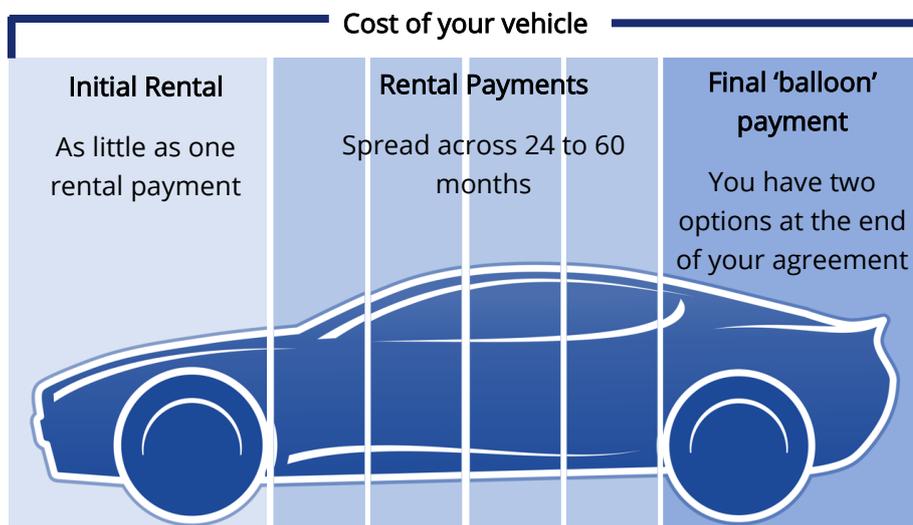


Product Information Guide/Finance Lease

Finance Lease is a rental agreement where you may share the potential rewards of the future resale value.

How does it work?

Finance Lease is a rental agreement that gives you the opportunity to have a share in the sales proceeds at the end of your agreement. There are two types of finance lease agreement – ‘Balloon’ repayment and full pay out. This page explains ‘balloon’ repayment.



‘Balloon’ repayments

This is when you defer a proportion of the value of the vehicle until the end of the agreement generating lower monthly rental payments.

Once you have selected your initial rental, there are **three** decisions to make that will affect your monthly rentals:

Your payment period

Choose any period between 24 and 60 months.

Final ‘balloon’ repayment

Defer an agreed amount until the end of the agreement. This is known as a ‘balloon’ repayment.

Mileage (per annum)

Although the mileage is not critical, an accurate estimate will result in a more realistic calculation of the balloon payment.

FAQ'S

Can I get a Finance Lease agreement?

Finance Lease agreements are available to business customers only.

What benefits does a ‘balloon’ repayment finance lease offer me?

- Lower monthly rental payments than a full pay out agreement
- Opportunity to share in any excess sales proceeds which may settle or contribute to the final ‘balloon’ repayment. The sales proceeds are not guaranteed to cover the final ‘balloon’ payment
- Depending on levels of business use an element of the VAT on rentals may be recoverable but only for VAT registered businesses
- A proportion of rentals may be claimable as an expense against taxable profits

Important information to consider

- It is really important that you keep up to date with your monthly repayments, so please contact us if you are having any difficulties as the vehicle may be at risk if you don't
- You are responsible for the repayment of the final ‘balloon’ repayment, regardless of the vehicle sales proceeds at the time
- It is important you keep the vehicle in good condition and provide your anticipated mileage at the quotation stage as this will affect the vehicle's resale value and your sales proceeds
- If you wish to end your agreement early you can request a settlement quote. Depending on how far into your agreement you are will affect the amount left to pay

What happens at the end of my agreement?

At the end of your agreement you have two options:

- Sell the vehicle on behalf of the leasing company to a selected third party and then settle the final ‘balloon’ repayment. You can then share in any excess sales proceeds
- Settle the ‘balloon’ repayment and enter into a secondary rental period, paying an annual rental and retain the use of your vehicle

Will I own the car?

No, you will not own the vehicle.