

PRIORITY CAPITAL

The Franchise Group



DAI Approved Lender

Equipment Finance Agreement (EFA)

In addition to standard leasing options, Priority Capital also offers a finance option unique to the leasing world by structuring the transaction as an EFA. You can use the EFA to finance an entire store or a single piece of equipment. There is no application fee to apply for an EFA and there is no obligation to use the funds you are approved for. We do not ask for any collateral other than the store or equipment you want to finance. There is no requirement for a 20% or 25% down payment. The only advance payment is the first and last payment on the loan.

With an EFA there is no end of lease buyout option like a \$1 buyout or a Fair Market Value (FMV) buyout. Also, you have the option of an early payoff where you are only responsible for the remaining principle plus 5% and any accrued charges such as excise tax or property tax. Most customers choose to exercise the full term of the financing but it is not required.

Another benefit of an EFA is the tax savings. You will not be double taxed on an EFA, which is common with a standard lease. With an EFA you are only taxed on the actual Edit List from DAI, you will not be taxed on the financing. With regards to ownership, with an EFA, once you commit to the financing, you own the equipment, not the finance company.

The EFA can be structured to fit your needs with different programs and options. For example if you have a slow time of year, you can choose 3 concurrent months where your payment is only \$99/month to keep your expenses down during that time. Options for the length of the EFA are from 24 months to 84 months.

If you have any questions, please give me a call at 800-761-2118 x24.

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