

AIRCRAFT FINANCING OPTIONS

Thank you for your interest in obtaining aircraft financing through Select Aircraft Sales.

We believe in nearly 50 years of experience, that we've compiled a great line-up of aircraft lenders anxious to help our buyers and even non-buyers (folks who are buying from a private party or even another dealer/broker) obtain affordable aircraft financing at the most competitive rates.

Here are some things that you should know:

100% Financing: When we speak of an assumption of payments we are in reference to obtaining an aircraft loan with no money down and assuming the obligation of a monthly payment usually referenced within the body copy or headline of the ad or listing.

There is a qualification process for every financed aircraft we sell, but we have worked very hard with our lenders to streamline that process to just days (usually 2 or 3) from weeks, as it was just a few years ago. Technology has played a huge role in that and has been a noticeable benefit in our level of closed sales activity. Currently we have in place a fully automated on-line application process where customers can complete their own application with complete safety and security and get automatic notifications for needs, as the approval cycle flows to approval. We are currently working on a Mobile App to further streamline this process from the comfort and convenience of the palm of your hand!

This 100% financing option is primarily a result of the Loan to Value (LTV) of any particular plane. Those planes where 100% financing is an option, usually are priced at or below what the Loan Value would be. This is often due to a low engine time(s), better than average condition, advanced and upgraded avionics and equipment or other factors. And while we may be able to provide such financing most often the customer (buyer) is responsible for their own sales tax, title, escrow and transfer fees. In some cases we procure secondary financing to bridge the gap between required and available down payment. This gap financing is usually available for a limited time with no finance or interest charges and is normally used when an anticipated windfall such as a real estate closing, employment bonus or there is another anticipation of coming into money. Normally speaking creative financing such as this requires a slightly higher interest rate than preferred financing, where the more typical 10 to 20% is used as a down payment.

Conventional Preferred Financing: Normally rates as low as 3.75% with terms up to 20 (or even 25 on higher dollar amounts) years financing). Usually requires 10 to 20% down payment and tier 1 credit.

Financing after the Fact (Purchase): Many of our customers have available funds in liquid assets such as stocks, bonds, municipal funds, or a 401K. They use this money and its Purchasing Power to negotiate the best possible price and terms as a 'Cash Buyer'. But with interest rates currently at an all time low, want to use the plane as collateral for a low interest (3.75% or close to it) loan to invest in other more profitable areas (real estate, stocks and so forth). Unlike real estate loans where it is necessary to wait six months before doing a re-fi (re-finance), airplane loans don't have that waiting time requirement. You can obtain a low interest loan on your plane immediately after your purchase.

Of note: Many retirement accounts and 401Ks have a provision to draw against those funds without penalty so long as the money is returned within a short period of time. This is ideal for what's discussed above. PLEASE consult with your own tax or legal professional prior to tapping into your retirement or 401K funds for any purpose.

Actually Using your Retirement or 401K for Aircraft Investments: Several of our clients have used their Retirement or 401K accounts to purchase an aircraft (most often as an investment to flip or generate revenue on a leaseback). This is commonly known as a 'Self Managed IRA' and you see them used when more savvy investors want more control of their portfolio to invest in more aggressive stocks, Venture Capital deals, flip houses, buy gold, bitcoin or other higher return opportunities.

We have been aligned with a company very familiar with how to structure this for you, for over 20 years. We have never had a single complaint from any of our customers and generally receive words of high praise about Safeguard Systems. We can arrange for a personal introduction to Bryan who will take the time to answer all your questions and address any of your or your accountant's concerns.

What about poor credit: We realize bad things happen to good people and over the years have developed working relationships with groups that are willing to fund more marginal credit. The rate is of course higher and more equity in the plane is required. Usually a down payment closer to 30% or more. These are asset based rather than credit based lending decisions. Approvals when the equity level is met, are very quick and most often you are dealing with the decision maker of the group directly. You can use this avenue for a short while, then pay it off at a lower rate as you begin to re-establish yourself after a financial hardship.

Hopefully the above information has given you some insight as to the various funding options that are available for you regarding your next aircraft purchase. If you would like our help with financing, even if you're not purchasing directly from or through us, just let us know.

You can begin the process with a Pre-Check form found at: www.selectairinc.com/pre-check-credit

No Social Security Number is needed and there is no credit pull if you have an idea of your FICO score. If you need your FICO you can get that at sites such as Credit Karma or Experian, at no cost and only a soft credit inquiry so as not to effect your credit. Remember to take a screen-shot as a permanent reference.

Or contact us at 702-801-0966 (call/txt).