

# EFA

EFA stands for Equipment Finance Agreement. With an EFA, the borrower takes ownership of the equipment up front.

## *EFA Quick Facts:*

- Customer takes title to the equipment at the beginning of the term.
- Qualifies for Section 179 Benefits
- Customer is responsible for sales & property tax
- Customer is responsible for property insurance

With an EFA, the customer owns the equipment from the start and retains ownership at the end of the finance term. Most customers choose this option for financing equipment.

# \$1 Lease

A dollar purchase option lease is also known as a “capital lease,” where the lessee (customer) owns the equipment at the end of the term for just \$1.00.

## *\$1 Lease Quick Facts:*

- Lessor (bank) owns the equipment. Ownership transfers only if lessee (customer) buys the equipment for \$1.00 at the end of the lease term.
- Qualifies for Section 179 Benefits
- Customer is responsible for property & liability insurance

The customer can buy the equipment at the end of the lease term for \$1.00. The dollar purchase option lease is available to meet the requirements of municipal customers or customers with specific accounting needs.

