TRINITY3 TECHNOLOGY
& our leasing partner

Leasing vs Bank Loans

Comparing leasing & bank loans from Trinity3.

	LEASING	BANK LOANS
DOWN PAYMENT	Usually two payments or about five percent	Typically 10-30%
INTEREST RATE	Fixed Rate. Even if the market interest rates go up, your lease payments stay the same	Usually Floating Rate. You take all the risk. If the market interest rates go up, so do your payments
TAXBENEFITS	Often 100% deductible. Makes the effective rate lower	Depreciation must be over five years. Principle is not deductible
EFFECTIVE COST	Lower than prime rate due to tax advantages. No down payment and no required compensating balance	Higher than published interest rates due to hidden costs like compensating balance and other bank fees
OPPORTUNITY COST	Leaves bank lines free for investments that can provide a higher yield	Ties up bank lines, possibly preventing more opportunities in the future
SOFT COSTS	Can include software, maintenance and other soft costs	Will typically only lease/finance hardware
TERM	Up to five years on any equipment over $1,500	Usually only 1-3 years
IMPACT TO FINANCIAL STATEMENT	Footnote to balance sheet. Usually no impact to ratios	Long-term liability. Negatively impacts current and debt ratios

For More Information

Trinity3 Sales Team
Toll Free: 1.855.862.5120
Email: sales@trinity3.com