



Home Loans
Investment Loans
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Asset Finance



Fact Sheet: Leasing

What is a Finance Lease?

A **Finance Lease** or **Car Lease** is a commercial finance product which enables the customer to have the use of a car or commercial vehicle and the benefits of ownership, while the financier retains actual ownership of the vehicle. A Finance Lease can also be known as an *Asset Lease* or *Vehicle Lease*.

How does a Car Lease work?

The financier purchases the vehicle on behalf of the customer, who then leases the vehicle back from the financier and pays a fixed monthly lease rental for the term of the lease.

At the end of the lease the customer can either pay a residual value (final instalment) on the lease and take ownership of the car, trade it in or re-finance the residual and continue the lease.

Benefits of a Car Lease

- Flexible contract terms ranging from 24 to 60 months (two to five years)
- Fixed interest rate
- Fixed monthly lease rentals
- Costs are known in advance
- A residual can be applied to a lease, lowering monthly payments
- Tax deductions are available when the vehicle is used for business purposes
- As the GST contained in the car's purchase price is claimed back by the financier, only the vehicle's price exclusive of GST is financed, lowering monthly payments
- Ability to make advance lease payments for tax deduction or cash-flow purposes
- The lease is secured against the vehicle, allowing lower interest rates

Who does a Car Lease Suit?

Car Leasing is suitable for companies, partnerships, sole traders and individuals where the leased vehicle is used for income producing purposes. It is also ideal for employees who want to salary package a vehicle through a Novated Lease as part of their remuneration.

Tax Implications of a Car Lease

GST is charged on the monthly lease rental and on the residual value at the end of the lease. Where the customer is registered for GST, they can claim some or all of the GST contained in the lease rental and the residual value as an input credit on their next Business Activity Statement.

Where the amount financed is below the Depreciation Limit the customer claims the lease rental as a tax deduction. Above the Depreciation Limit, interest charges on the lease and depreciation up to the value of the Depreciation Limit can be claimed.



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So why choose a Professional Lending Specialist over dealership lending?

- **We specialise in Lending – That is all we do!**
- **Significant experience in the position.**
- **You the client are the boss, not the bank.**
- **You can build a long term relationship with the same specialist**
- **We have access to all of the asset and equipment funding options from most lenders in the country.**
- **Flexible, we can work in with you to make it happen.**
- **We own our own business, so we need to make sure you have a great experience.**

Remember, we are professionals with many years experience in the finance industry, and our business is all about giving you total satisfaction. We understand how banks think, and therefore take the stress out of dealing with them directly. We become your personal advocate with the lender to ensure that your experience is a great one.

We are also here for you when you need to ask a question. Anytime!

What our clients say:

"I have used Jon personally for my lending requirements.... I can highly recommend him and his associates.....I particularly like that he is local and understands the local market, but brings professionalism and expertise that he has developed over his career. Jon is an expert in his field having worked for one of the big four banks for numerous years.... I have no hesitation in recommending Jon for your lending requirements" **Wayne Staal - Noosa**

"I have known Tammy for over five years both on a professional and personal basis. I have always found Tammy to be competent, ethical and personable. She is highly qualified in her field and if you are looking for a loan broker who will look after you, then I highly recommend Tammy." **Sharee Miller, Business Owner**

"It is evident as soon as you start talking to Jayne that her experience is vast. Once we explained our needs and plans for our business, Jayne advised us of the products that were available to us and which ones would be most beneficial." **Christine Lomas, Coolum**

An informed decision is always the best decision.

If you would like more Details on Leases or would like to speak to a Professional Mortgage Specialist about your personal circumstances, please phone Loan Wize for an appointment.