

Financing Offer Comparison Workbook

Compare the whole structure, not only the payment.



Inside this guide

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A practical guide to the decision

Ask each lender to clarify the same assumptions. A longer amortization can reduce monthly payments while leaving more principal due at maturity or exit.

Use this guide with your transaction team

Mark each assumption as confirmed, provisional or unresolved. Assign a responsible person and a date to every material open item. Revisit the record when the aircraft, ownership entity, operating plan or financing structure changes.

Use this resource with qualified advisers for your transaction. Educational guidance does not replace tax, legal, technical or operational advice specific to the aircraft and facts.

Read both schedules

A payment based on a long amortization period can coexist with a much earlier maturity date. Request the repayment schedule, final due date and treatment of the last ordinary payment. Identify whether the maturity amount is the balance after that payment or includes it, so the closing budget does not count the payment twice.

Compare principal through the intended hold

Use a month-by-month schedule to show the remaining debt at your planned sale date. Comparing only total payments before that date omits principal still owed. If one loan amortizes more slowly, its lower payment may reflect retained debt rather than lower ownership cost. Keep fees and prepayment costs visible alongside both balances.

Plan how maturity will be met

Possible sources include available cash, sale proceeds or a new loan, but none should be silently assumed. Refinancing depends on future borrower, aircraft and market conditions. Selling can take longer than planned. Build a contingency with enough time and liquidity to avoid making a forced sale the only way to discharge the debt.

Align with aircraft maintenance exposure

Put expected major inspections and planned refurbishment on the same timeline as debt maturity. An aircraft approaching expensive work may require cash and downtime just when funds are needed for payoff. Discuss the actual forecast with technical and financial advisers instead of assuming resale value will cover every obligation.

Illustrative decision worksheet

Illustrative only: \$4 million at 7% nominal annual interest, amortized over 180 monthly payments, produces about \$35,953.13 per month. After 60 payments approximately \$3,096,512.08 remains. If maturity occurs then, the 15-year amortization has not granted 15 years to repay: the remaining obligation must be addressed under the contract.

Fixed and variable terms need different questions

Ask whether the rate is fixed through final maturity, for an initial period or only until a stated reset date. Distinguish an indicative quote from a rate commitment. A loan can amortize over a long schedule while its pricing or maturity changes sooner. Record all three dates so a payment calculator uses the right assumptions.

For a floating or resetting offer, request the reference index, spread, reset frequency, observation method, floor, cap and payment treatment. Confirm what happens when the reference changes and whether unpaid interest can arise. Do not assume an index name alone defines the contractual calculation or that the initial payment will remain constant.

Price fees and prepayment conditions

Ask how the documents treat voluntary payoff, sale, refinancing, partial principal payments and ownership changes. Terms can differ. Do not infer that an offer permits an unrestricted exit because a provider advertises products without penalties; confirm the actual proposed agreement and any separate fees.

Find out who issues payoff, required notice, validity dates, accrued interest, payment instructions and release procedure. If closing moves, ask when the figure needs refreshing. A statement balance is a useful reference but not necessarily the amount that discharges every obligation on a particular day.

Understand recourse and borrower obligations

Separate borrower obligations from guarantees and collateral pledges. Ask counsel to identify whether a guarantee is limited or continuing, what obligations it covers and how enforcement, expenses and amendments are treated. Do not infer that a minority owner guarantees only a matching percentage or that the lender must first exhaust the aircraft collateral.

AOPA's original LLC discussion illustrates that member and guarantee requirements can be lender-specific. Request the proposed lender's rules and legal documents rather than importing another provider's member limits or approval thresholds. Explain passive investors, managers and beneficial ownership early enough for the structure to be evaluated before closing pressure develops.

Compare the actual ownership horizon

The amortization period is the schedule used to calculate periodic principal and interest. The contractual maturity can arrive earlier, requiring the remaining balance to be paid. A fully amortizing loan reaches a zero scheduled balance by its maturity if paid as agreed; a balloon structure may not. Obtain the actual contract's treatment of the final regular payment and maturity amount rather than rely on a calculator label.

For each offer, show payments, cash-paid fees and remaining principal at the same planned exit date. Add a case held to contractual maturity and a case sold earlier than expected. This separates payment relief from economic cost and exposes any dependence on a future refinance. Keep illustrative rates distinct from an actual lender offer.

Your decision worksheet

Ask each lender to clarify the same assumptions. A longer amortization can reduce monthly payments while leaving more principal due at maturity or exit.

For each line, record the known facts, the evidence or quote supporting them, who is responsible for confirmation and the next action. Date each entry so that a later reader can distinguish a current quote from an old assumption.

Planning item	Evidence to gather	Decision to record
Common loan amount and comparison horizon	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Nominal rate and any reset mechanism	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Amortization and contractual maturity	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Upfront and financed fees	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Balloon and prepayment terms	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Guarantees and operating covenants	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Remaining debt at the planned exit	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Conditions, validity and required documents	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required

Before you commit

Resolve material unknowns with the professional responsible for that subject before taking the next irreversible step. Keep aircraft technical acceptance, lender requirements, insurance and tax advice distinct in the transaction file.

Use the related calculators to compare a base case with a less favorable case. Bring the complete inputs and assumptions into the next conversation, rather than relying only on the headline result.

Your next-step checklist

- ☐ Common loan amount and comparison horizon
- ☐ Nominal rate and any reset mechanism
- ☐ Amortization and contractual maturity
- ☐ Upfront and financed fees
- ☐ Balloon and prepayment terms
- ☐ Guarantees and operating covenants
- ☐ Remaining debt at the planned exit
- ☐ Conditions, validity and required documents

Working notes & adviser questions

Ask each lender to clarify the same assumptions. A longer amortization can reduce monthly payments while leaving more principal due at maturity or exit.

Record a decision, the supporting evidence, the responsible adviser and the next action. Keep a copy with the dated transaction file.

Before the next commitment

What would change the decision? Which condition could delay closing? What additional cash would be needed in a less favorable case?

Sources & next steps

[AOPA original loan-structure explanation](#)

[AOPA original financing FAQs](#)

[AOPA original LLC guarantee discussion](#)

The complete HTML edition uses the same structured content and is available at </financing/financing-offer-comparison/>. Primary sources support the relevant facts; original planning frameworks and examples remain illustrative.

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Submit a deal or arrange a financing call

Email an initial deal summary to jason@jakenaviation.com or call 833-264-7776. Include the aircraft, purchase price or value, financing request, available equity, intended use, California connection and timing.

Use the appropriate secure channel for sensitive supporting documents. Any lender decision requires separate review, documentation and current terms.

[Request a financing call](#)

[Explore documented program information](#)