

Financing Readiness Guide

Prepare the borrower, the asset and the conversation.



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Prepared by Jaken Finance Group. Editorial and business review: Jason Taken, aviation financing brokerage. Reviewed October 28, 2026. Transaction-specific tax, legal and operational advice requires the responsible qualified adviser.

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A practical guide to the decision

A complete introduction is a map of known facts and missing evidence. Separate documents already available from estimates, and avoid treating a preliminary discussion as a credit decision.

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.

Identify the evidence behind the label

A preliminary conversation may use approximate price, equity and income information. A more developed review may include documents and credit information, while still leaving aircraft and closing conditions. Ask the provider to describe its own process. Do not assume a term used by one finance company has exactly the same meaning at another.

Separate borrower review from aircraft acceptance

Before an aircraft is selected, an indication can help define the search budget. It does not establish that any jet within that price range will be accepted. Age, condition, use, valuation, programs and ownership structure may matter. Ask how substituting a different model or serial number affects the review rather than treating the indication as portable.

Track validity and material changes

Record expiration, rate-lock provisions, documents needing refresh and events requiring a new review. A delayed delivery, changed guarantor, additional debt or different aircraft can matter. The practical solution is a dated conditions register with an owner for every item, not a general assumption that prior discussions stay valid indefinitely.

Keep purchase commitments aligned

Have advisers coordinate financing contingencies and deposit obligations with the actual review stage. A buyer who releases a nonrefundable deposit before aircraft and lender conditions are understood may create a cash exposure not reflected in the payment estimate. Obtain written clarification of who is authorized to communicate any lender decision.

Illustrative decision worksheet

Illustrative only: a preliminary review is based on a proposed \$5 million aircraft, but the buyer later chooses an older model at the same price. Equal price does not prove equal lender acceptance. Ask for the new aircraft to be assessed and confirm existing borrower information remains current before relying on the earlier indication.

Document cash flow and liquidity

Separate cash available without delay from pledged assets, retirement balances, pending sale proceeds and business funds needed elsewhere. Request the lender's definition rather than assuming every balance is eligible. The ownership budget should also reflect taxes and transaction costs arising if assets are sold to fund the purchase; ask advisers to quantify those separately.

List crew, hangar, insurance, subscriptions, management, training and debt service by payment date. Add planned maintenance events and reserve contributions without counting the same expense twice. Some costs continue while the aircraft is grounded or flown less, so an annual variable-cost estimate alone will not reveal cash needed during downtime.

Prepare the aircraft collateral evidence

The lender may specify a valuation method, appraiser, inspection level or information set. Obtain those requirements before commissioning an appraisal that may not meet them. Clarify whether the financing base refers to price, value or the lower of specified amounts. Do not treat a listing, guide number or tax assessment as interchangeable with the lender's accepted value.

Prepare the exact model, year, serial, times, engine and component coverage, maintenance forecast, damage and modification history, cabin and avionics. Condition and configuration differences need explanation rather than blanket dollar adjustments. Asking prices and completed transactions are different evidence, and a larger sample of listings does not turn them into verified sales.

Make intended use explicit

Prepare a simple usage narrative identifying passengers, trip purposes, expected annual hours, payment arrangements and any charter or leasing component. Distinguish owner travel from third-party carriage. Do not classify every flight as business because a company owns the aircraft; classification can depend on actual facts and the rule being considered.

Give the lender, insurance adviser, operator and tax adviser the same planned use. If commercial carriage is contemplated later, ask about required consents and operating arrangements before changing the plan. An offer evaluated for one use cannot be assumed to permit every future revenue activity without review.

Read the offer conditions carefully

Enter identical price, equity, use, borrower structure and assumed closing date. Record each offer's principal, cash-paid and financed fees, rate, amortization, maturity, reset terms and conditions. If a lender uses a different valuation base, display it instead of forcing equal loan amounts that were never proposed.

Choose the same intended sale or review date for all offers. Sum actual cash paid through that date and include remaining principal or payoff. Otherwise a longer amortization can appear artificially cheaper because it postpones principal beyond the comparison. Identify taxes and aircraft operating expenses consistently across all scenarios.

Your decision worksheet

A complete introduction is a map of known facts and missing evidence. Separate documents already available from estimates, and avoid treating a preliminary discussion as a credit decision.

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
Borrower and ownership entity	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Use: personal, business or mixed	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Price, financing request and down payment	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Liquidity remaining after acquisition	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Income/cash-flow evidence to be requested securely	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Aircraft identity, times and records	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Insurance and operating plan	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Open questions for the lender	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

- ☐ Borrower and ownership entity
- ☐ Use: personal, business or mixed
- ☐ Price, financing request and down payment
- ☐ Liquidity remaining after acquisition
- ☐ Income/cash-flow evidence to be requested securely
- ☐ Aircraft identity, times and records
- ☐ Insurance and operating plan
- ☐ Open questions for the lender

Working notes & adviser questions

A complete introduction is a map of known facts and missing evidence. Separate documents already available from estimates, and avoid treating a preliminary discussion as a credit decision.

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 financing process

AOPA original financing-types analysis

AOPA original aircraft loan factors

AOPA original loan-structure context

The complete HTML edition uses the same structured content and is available at </financing/financing-readiness/>. 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