

Jet Refinance Decision Guide

Measure savings against time, fees and remaining debt.



Inside this guide

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Use this guide with your transaction team	3
Start with the actual existing debt	3
Define the refinance purpose	3
Compare a common horizon	3
Review new conditions and execution	4
Illustrative decision worksheet	4
Start with a dated payoff and existing terms	4
Compare equal holding periods	4
Revisit the asset and records	5
Preserve liquidity after the transaction	5
Stress the exit and remaining debt	5
Your decision worksheet	6
Before you commit	7
Your next-step checklist	7
Working notes & adviser questions	8
Sources & next steps	9
Submit a deal or arrange a financing call	9

A practical guide to the decision

Payment relief and economic savings answer different questions. Compare both loans over the same period and include the balance that remains at the end.

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.

Start with the actual existing debt

Obtain current principal, payoff quote, interest calculation, remaining schedule, maturity and prepayment conditions. The statement balance may differ from payoff at a future date. Note whether the existing rate is fixed or resetting and include obligations that survive payoff, such as releases or administrative costs, where applicable.

Define the refinance purpose

State whether the goal is payment relief, rate change, maturity extension, upgrade funding, cash out or a different structure. These are different decisions. A lower payment from restarting a longer amortization does not necessarily reduce cost, and extracting cash increases debt even if the rate improves.

Compare a common horizon

Calculate cash fees, financed fees, payments and remaining principal at the same future date. If sale is expected in three years, include both balances then rather than comparing one full loan term to another. Keep cost savings separate from timing relief and cash-out proceeds so the result is understandable.

Review new conditions and execution

Ask how the lender will reassess borrower finances, aircraft value, maintenance, insurance, entity and use. Coordinate releases and new security documents through the closing team. Do not assume an existing relationship guarantees new terms or that a calculator result establishes eligibility for refinancing.

Illustrative decision worksheet

Illustrative only: refinancing reduces monthly payments by \$3,000 but adds \$30,000 in cash fees and leaves \$100,000 more principal after three years. Payment relief alone is \$108,000 over that period; after fees and the larger remaining debt, it is not the same as \$108,000 of economic savings. Include all components before deciding.

Start with a dated payoff and existing terms

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.

Compare equal holding periods

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.

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.

Revisit the asset and records

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.

Preserve liquidity after the transaction

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.

Stress the exit and remaining debt

Ask why the owner expects to sell and what could change that timing. Business changes, mission changes, finance maturity and maintenance events can all influence the decision. Use several possible exit dates rather than one convenient assumption. The purchase should remain supportable if selling takes longer than expected. A projected residual value is not a commitment from a future buyer or a substitute for liquidity.

Preserve complete maintenance and ownership records, major-work documentation and program status. A buyer will need evidence of what aircraft is being purchased and what obligations remain. Manufacturer program transfer conditions and lender releases should be reviewed before a sale becomes urgent. Do not promise a resale premium from a maintenance program, cabin refresh or upgrade without suitable transaction evidence for the actual aircraft.

Your decision worksheet

Payment relief and economic savings answer different questions. Compare both loans over the same period and include the balance that remains at the end.

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
Dated current balance and payoff quote	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Existing payment and months remaining	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Prepayment or release costs	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Proposed rate and amortization	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
New maturity and balloon	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Cash-paid versus financed fees	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Planned holding period	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Cost comparison and downside case	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

- ☐ Dated current balance and payoff quote
- ☐ Existing payment and months remaining
- ☐ Prepayment or release costs
- ☐ Proposed rate and amortization
- ☐ New maturity and balloon
- ☐ Cash-paid versus financed fees
- ☐ Planned holding period
- ☐ Cost comparison and downside case

Working notes & adviser questions

Payment relief and economic savings answer different questions. Compare both loans over the same period and include the balance that remains at the end.

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 FAQs

AOPA original loan-structure explanation

AOPA original LLC guarantee discussion

AOPA original financing-types analysis

Understanding Owner/Mechanic Roles and Responsibilities

Clear Title

ESP Maintenance Program

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