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Should you lease or buy?

Traditional financing and leasing have their own advantages, but finding the right option for you depends upon your specific situation. First, you need to determine which program works best for you and your business. After that you can dive into the specific options available within your narrowed scope. To help you make the right initial decision, PACCAR Financial has identified and compared the benefits of traditional financing and leasing for you below.

Direct Comparison

	Loan	Lease
Lower initial cash outlay	No	Yes
Lower monthly payment	No	Yes
Own equipment at maturity	Yes	Optional
Off balance sheet financing**	No	No
Mileage or Usage Restrictions	No	Optional
Payments typically tax deductible*	Interest Only	Yes
Depreciation tax benefits to User	Yes	No

* Always consult your tax advisor regarding proper tax treatment.

** Off-balance sheet rule changes expected 6/1/2011

In addition to your specific business circumstances, which will always be the biggest factor in determining which solution is best for you, different payment options should also be considered.

Payment Options Comparison

	Loan	Lease
Sales Price	\$125,000	\$125,000
Term	60 months	60 months
Residual	N/A	20% of Finance Amount*
Down/Advance payment	\$12,500	\$2,032
Finance Amount	\$112,500	\$125,000
Payment	\$2,225	\$2,032

* 60 month TRAC with \$2,032 advance payment and 20% guaranteed residual.

Whatever your decision, PACCAR Financial offers the largest number of financing options, including fixed rate and variable rate loans and leases, skip payments, token payments, and TRAC leases.

Please contact your local Kenworth dealer or call PACCAR Financial at 800-777-8525 to discuss a custom-tailored solution that meets your individual needs.