

LAW OFFICES OF
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**IS LHPH BETTER? A 30,000-FOOT LEVEL VIEW
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Is LHPH a better alternative?



building
for a
better
future

Leasing advantages

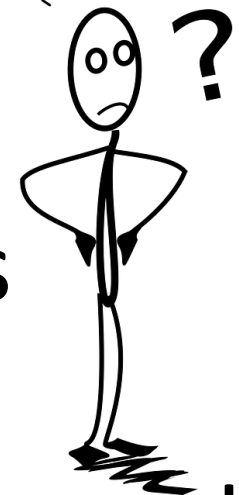
- Can make for lower payments
- Better treatment in bankruptcy
- More favorable tax treatment



Leasing advantages (continued)

- No state usury cap
- Less regulation (in some respects)
- Not as much on the CFPB's radar (for now)

Leasing disadvantages



- More difficult for consumers to understand
- Potential liability for property and other taxes
- Potential problems with traffic tickets, tolls, etc.



Leasing disadvantages (continued)

- Concerns about vicarious liability and negligent entrustment
- More difficult to find financing
- Must be structured to avoid “recharacterization”

Neither advantages nor disadvantages – just different

- Federal and state disclosures
- Specific terms and conditions – NSF fees, late charges, collection letters and other terms may be regulated differently
- Accounting – typical retail installment sales accounting won't do



Neither advantages nor disadvantages – just different (continued)

- Licensing – some states require a license to buy leases from dealers or to lease directly to consumers
- Some states license lease collection activities
- Advertising



Questions?



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