



You may have seen **Interim Rent** referred to in our marketing materials, along with evergreen clauses and forced insurance, as one of the ways that unscrupulous lenders bilk extra money from customers. We have briefly explained this scheme in our newsletters, but have noticed that many of our customers and vendors still do not understand this underhanded method of billing.

Here is an example of how interim rent works in a real situation.

Let's assume the following:

- 60 month lease
- Equipment delivery and verbally confirmed on the 5th of September
- First and Last payments in advance

Equipment is delivered and verified on the 5th of the month, say September. The leasing company has paid your vendor for the equipment. The bank or leasing company will then call you to move the start date of the lease to the end of the month. Very customer friendly! (Sometimes they don't even call, they just bill you)

They will also tell you that you will be charged rent for the 'interim period' -- for the remaining 25 days of the month which, makes perfect sense. What they don't tell you is that the lease actually will not start until the first of October which means they are going to bill you again for September at the end of the lease. So they receive almost an extra payment – 25 days worth just for the asking!

We have actually seen a “lesson sheet” from a leasing company passed along to sales reps. on how to take advantage of this system by monkeying around with the fund date. They also offer help in dealing with calls from angry customers when they figure out what is going on.

Obviously Chase Industries does not utilize these tricks to increase profits at the expense of our relationships with our customers and vendors. We prefer to take a straightforward and honest approach to lease financing. We hope you find this information helpful and that you will be better able to spot these tricks when a lender offers “low-low interest”. Of course the rate is low! They don't tell you the real rate, and they get an extra payment!