



Installment Loans

At a Glance

For contractors who want to own their equipment but don't want a huge cash outlay, John Deere Credit offers installment financing. With flexible terms, fixed or variable rates, and creative down payment solutions, our installment loans can be an attractive option for your equipment acquisition plans.

A Closer Look

John Deere Credit offers installment financing with these basic features:

- Flexible terms (generally 12, 24, 36, 48, or 60 months)
- Fast approvals
- Flexible down payment requirements
- Variable or fixed rates (variable rates tend to be lower)
- Flexible payment schedules (annual, semi-annual, quarterly, or monthly)
- Equity alternatives

Sometimes you'll find yourself in a situation where you need new equipment but don't have the cash for a down payment. When that happens, we offer a number of alternatives:

Early Accelerated Payment Plan

A typical installment loan requires a 20% down payment, but with the EAPP, a contractor could put less money down and make higher payments for the first several months. Then the payments would drop to a normal level. This plan can help you build equity quickly, and is ideal for creditworthy customers who want to keep their down payment as low as possible.

Equity Add-On Financing

If you're already financing equipment through John Deere Credit, you can use the equity in that equipment as all or part of your down payment for a new piece of equipment. The balance owed on the first machine can be consolidated into a new loan, so you can finance with no money down and generally find yourself with a lower monthly payment than you'd have with two separate loans.

Equity Financing—Additional Security

This plan lets you use 100% of the wholesale value of paid-for equipment as security for your loan. The value of the machine you own is not added to the finance amount, but rather appears as additional collateral. The advantage, of course, is that contractors can acquire equipment with no money down; a possible downside is that the contractor could forfeit the collateral if the loan isn't paid.

In addition, John Deere Credit offers other options designed to help contractors maximize cash flow and get the equipment they need.

Skip Payment Plans

Skip payments come in handy during times when your equipment use is limited (and when cash flow is slow as a result). With this plan, the terms of your loan will include up to three months when you don't have to make a payment at all. Contractors in the north, for instance, might choose to skip payments in December, January, and February. Payments will be slightly higher in the other months, but they will be better matched to your cash flow.

No Prepayment Fees

Many lenders charge an additional fee when customers pay off their contracts early. This fee is meant to compensate lenders for interest they would have received had the loan not been paid off early. *John Deere Credit has no additional fees or charges on installment loans when paid off early.*

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A Closer Look *(continued)*

Variable Rates

Variable rates are lower than fixed rates for installment loans. That means the payments are lower. This allows the customer to purchase equipment without squeezing cash flow.

Variable rates are based on the prime interest rate. That rate would have to move a lot to impact the overall cost, and it would have to happen early in the loan. If the rate were to go up during the second half of the loan, the impact is surprisingly

small because interest charged in the second half of an installment loan is based on a lower balance. If the rates go up, the monthly payments remain the same until the end of the loan, where applicable adjustments (if any) would be reflected. The variable rate adjustment only affects the final payment. This means predictable cash requirements through the loan.

Variable rate loans provide you the option of dividing your final payment into three.

Choose a lender who's professional, ethical, and easy to deal with.

John Deere Credit has years of experience in construction and forestry, so we understand the needs of contractors and do business in a way that helps you succeed. We're a wholly owned subsidiary of Deere & Company, and we're committed

to building long-lasting, mutually beneficial relationships. For more information about installment loans, contact your local John Deere dealership.

Always discuss your equipment acquisition plans with a qualified accountant.

The information on this sheet is intended only for your general illustration purposes, and is not offered as legal, tax, or accounting advice. This information does not consider taxes, depreciation, the half-year convention, expensing the lease payments, interest deductions, etc. Loan rates, lease charges, and residual values vary based on structure and creditworthiness. Subject to John Deere Credit approval, see dealer for details.