Lease-to-Own Deal Checklist

Get the numbers and the ownership terms right before you sign

Run this list before you sign an equipment lease-to-own, and keep it through the term to the day ownership transfers. It pairs with the Equipment Lease to Own Agreement. Full guide:

BEFORE YOU SIGN

[ ] Write the purchase-option price as an actual number, not 'to be decided'

[ ] Fill in the percent of each payment that credits toward the option price

[ ] Add up every payment over the term, add the option price, and compare that total to buying the machine outright today

[ ] Choose what happens to the payment credits on default: forfeited or refunded

[ ] Confirm the agreement has a title clause: the Owner holds title until the option is exercised and paid

[ ] If the buyout is nominal or a $1 buyout, know the deal may be treated as a sale, not a lease

[ ] Ask a CPA whether your deal is a true lease or a conditional sale before you rely on any tax treatment

[ ] Confirm the total payments are in a signed writing (the UCC generally requires it once payments reach $1,000)

[ ] Both parties sign and date the agreement

DURING THE TERM

[ ] Make every payment on time and keep a dated record of each one

[ ] Track the running total of credits earned toward the option price

[ ] Put any change to the payment, term, or option terms in writing AT EXERCISE (WHEN YOU BUY)

[ ] Pay the option price and get a receipt for the final payment

[ ] Complete a bill of sale or title transfer so ownership is documented

[ ] Keep the signed agreement, the payment records, and the transfer document together

INSTRUCTIONS FOR USE

This checklist is general information, not legal or tax advice. Whether a lease-to-own is a true lease or a conditional sale depends on its terms and your state's law, and the answer affects your taxes, so confirm your situation with a CPA before you rely on it. The full guide and official sources are at