

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: clearlegaltips.com/equipment-lease-to-own-agreement-template/

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 clearlegaltips.com/equipment-lease-to-own-agreement-template/