

Asset Finance Products and Markets

****Account Finance:**** A type of asset finance that involves the funding of a customer's account, allowing them to purchase assets over time. This can be used for a variety of assets, including machinery, vehicles, and IT equipment.

****Asset-Based Lending (ABL):**** A type of loan that is secured by the assets of a company, such as inventory, accounts receivable, or equipment. The amount of the loan is typically based on the value of these assets.

****Chattel Paper:**** A legal term used to describe a document that evidences a debt that is secured by personal property, such as equipment or vehicles.

****Confirming House:**** A financial institution that guarantees payment to a supplier on behalf of a buyer, in exchange for a fee. This is often used in asset finance to reduce the risk for the supplier.

****Consumer Finance:**** A type of finance that is focused on providing loans and credit to individuals for personal use, such as cars, homes, and consumer goods.

****Credit Analysis:**** The process of evaluating a borrower's creditworthiness, including their credit history, income, and debt levels. This is an important step in the asset finance process.

****Debtor Finance:**** A type of asset finance that involves the use of a company's accounts receivable as collateral for a loan. This can provide quick access to cash, allowing the company to grow and expand.

****Finance Lease:**** A type of lease that transfers the ownership of the asset to the lessee at the end of the lease term. This is a common type of lease used in asset finance.

****Factoring:**** A type of finance that involves the sale of a company's accounts receivable to a third party, known as a factor. The factor then collects the payments from the customers, providing the company with immediate access to cash.

****Funding Circle:**** A peer-to-peer lending platform that connects borrowers with investors, providing an alternative source of finance for small businesses.

****Hire Purchase:**** A type of lease that allows a customer to purchase an asset over time, with regular payments. Ownership of the asset is transferred to the customer at the end of the lease term.

****Invoice Financing:**** A type of asset finance that involves the use of a company's invoices as collateral for a loan. This can provide quick access to cash, allowing the company to meet its financial obligations and continue operating.

****Lease:**** A contract between a lessor and a lessee, allowing the lessee to use an asset for a specified period of time in exchange for regular payments.

****Lessor:**** The owner of an asset that is leased to a lessee.

****Lessee:**** The user of an asset that is leased from a lessor.

****Operating Lease:**** A type of lease that does not transfer ownership of the asset to the lessee at the end of the lease term. This is a common type of lease used for assets that have a short useful life, such as vehicles.

****Peer-to-Peer Lending:**** A type of lending that connects borrowers directly with investors, allowing them to bypass traditional financial institutions.

****Securitization:**** The process of pooling together assets, such as loans or mortgages, and selling them as securities to investors. This is often used in asset finance to raise capital.

****SME Finance:**** A type of finance that is focused on providing loans and credit to small and medium-sized enterprises (SMEs).

****Supply Chain Finance:**** A type of finance that involves the use of a company's supply chain as collateral for a loan. This can provide quick access to cash, allowing the company to meet its financial obligations and continue operating.

****Vendor Finance:**** A type of asset finance that is provided by the vendor or supplier of the asset, allowing the customer to purchase the asset over time. This can be a useful option for customers who may not have the upfront capital to purchase the asset outright.

****Working Capital:**** The amount of capital that a company has available to meet its short-term financial obligations, such as paying employees and suppliers. Asset finance can be a useful tool for improving a company's working capital.