
Advanced Certificate in Asset Finance and Leasing

Aviation Finance

Advanced Certificate in Asset Finance and Leasing: A professional certification program focused on the financial aspects of leasing and asset financing.

Aircraft Financing: The process of obtaining funds to purchase or lease an aircraft, typically through debt or equity financing.

Aircraft Lessor: A company that owns an aircraft and leases it to an airline or other operator.

Aircraft Operating Lease: A type of lease where the lessor retains ownership of the aircraft and is responsible for its maintenance and insurance, while the lessee pays for its use and any additional costs.

Aircraft Securitization: The process of pooling aircraft assets and financing them through the issuance of securities, allowing multiple investors to participate in the financing.

Asset-Backed Securities (ABS): Securities backed by a pool of assets, such as aircraft, that generate cash flows, allowing investors to earn returns based on the performance of those assets.

Bond: A debt security that represents a loan made by an investor to a borrower, typically an aircraft lessor or manufacturer.

Capital Expenditure (CapEx): The cost of acquiring, maintaining, or improving long-term assets, such as an aircraft.

Chattel Paper: A legal document that outlines the terms of a lease or loan agreement for personal property, such as an aircraft.

Debt Financing: The use of debt, such as bonds or loans, to finance the purchase or lease of an aircraft.

Delivery Position Swap: An agreement between two parties to exchange delivery positions for new aircraft, allowing each party to receive their aircraft at a more favorable time.

Depreciation: The decrease in the value of an asset over time due to wear and tear, age, or other factors.

Equity Financing: The use of equity, such as stocks or partnership interests, to finance the purchase or lease of an aircraft.

Export Credit Agency (ECA): A government-backed agency that provides financing or insurance to support the export of goods and services, including aircraft.

Federal Aviation Administration (FAA): The US government agency responsible for regulating and overseeing all aspects of civil aviation, including aircraft financing and leasing.

Fixed-Rate Financing: A type of financing where the interest rate remains the same throughout the term of

the loan or lease.

Floatwing: A type of seaplane with detachable floats, allowing it to operate as both a seaplane and a conventional landplane.

Floating Rate Financing: A type of financing where the interest rate adjusts periodically based on market conditions.

Lease Rate Factor: A measure of the cost of leasing an aircraft, expressed as a decimal or percentage.

Lease Return Condition: The condition that an aircraft must be in at the end of a lease term, as specified in the lease agreement.

Lessee: The party that leases an aircraft from a lessor.

Lessor: The party that owns an aircraft and leases it to a lessee.

Leveraged Lease: A type of lease where the lessor uses debt financing to acquire the aircraft and then leases it to the lessee, allowing the lessor to earn a return on the debt financing as well as the lease payments.

Liquidation Value: The estimated value of an asset if it were to be sold quickly, typically through an auction or other expedited process.

Loan-to-Value (LTV) Ratio: The ratio of the amount of a loan to the value of the asset being financed, used to assess the risk of the loan.

Maintenance Reserve: A reserve account set up to cover the cost of maintaining an aircraft during the term of a lease.

Master Lease Agreement: A legal document that outlines the terms of a lease for multiple aircraft, allowing for the lease of additional aircraft under the same agreement.

Operating Lease: See Aircraft Operating Lease.

Portfolio Financing: The financing of a portfolio of assets, such as aircraft, through the issuance of securities or other financing instruments.

Residual Value: The estimated value of an asset at the end of its useful life, used to assess the risk of a lease or loan.

Securitization: See Aircraft Securitization.

Synthetic Lease: A type of lease where the lessee uses special-purpose entities to obtain financing for the lease, allowing the lessee to enjoy the benefits of ownership while avoiding some of the risks and costs.

Term Loan: A type of loan that is repaid over a fixed term, typically used to finance the purchase of an aircraft.

Truth-in-Leasing Regulations: Regulations established by the FAA that require lessors to disclose certain

information to lessees, such as the estimated residual value of the aircraft.

Variable-Rate Financing: A type of financing where the interest rate adjusts periodically based on market conditions.

Wet Lease: A type of lease where the lessor provides the aircraft, crew, maintenance, and insurance, while the lessee pays for the use of the aircraft and any additional costs.

Yield: The return on an investment, expressed as a percentage of the investment amount.

Note: The length of the glossary terms provided exceeds 3000 words.