BUSINESS JET FINANCING

The business jet buyer's guide

Acquisition, financing and the complete ownership picture. Now includes refinancing, maintenance and downtime reserves, and pre-buy findings.



AI-generated editorial illustration. Not an aircraft offered for sale.

A practical planning resource from Jaken Aviation. Use the worked examples, worksheets and source notes to prepare a better conversation with your acquisition team.

Hypothetical financial inputs are not offers, valuations or operating-cost benchmarks. Jaken Aviation is a brokerage, not a direct lender.

Business jet loan terms, amortization & balloon payments

The amortization period sets the scheduled payment. The loan term sets the date the debt must be repaid. When maturity arrives before amortization is complete, the remaining principal is a balloon payment. Compare both dates and the remaining balance-not just the monthly amount.

Online companion: /guides/jet-loan-terms-and-balloon-payments

Read the offer as a set of obligations

A jet financing proposal should tell you the amount advanced, how interest is calculated, the payment schedule, the final maturity and the conditions that must be satisfied. A single percentage and monthly amount cannot establish the complete obligation. Start with the actual draft term sheet, not an advertisement or an informal conversation.

Record whether the rate is fixed throughout the note, fixed for an initial period or subject to a reset. Ask whether the quoted rate is indicative, conditionally offered or locked, and obtain the date and requirements attached to that status. A payment modeled using one unchanging rate does not describe a variable-rate contract.

AOPA Finance's explanation distinguishes amortization from term. Its examples help explain the structure, but they do not establish which structures a particular lender will offer your aircraft or borrower. Use the actual proposal as the input to your comparison.

A worked five-year maturity example

Assume, solely for illustration, that a buyer borrows $4,000,000 at a fixed 6.5% nominal annual rate. Payments are monthly in arrears, calculated over 120 months, with maturity immediately after payment 60. No fees, taxes, extra payments, irregular first period or payoff charges are included. These are invented modeling inputs, not available financing terms.

Measure	Illustrative result
Monthly principal and interest	$45,419.19
Payments made through month 60	$2,725,151.45
Interest paid through month 60	$1,046,466.33
Remaining principal after payment 60	$2,321,314.87

The payments do not reduce principal dollar for dollar: part of each pays interest. Subtracting sixty whole payments from the opening principal would therefore understate the balloon. The schedule must separate interest and principal for each period. Reproduce this case in the linked calculator and inspect the export before changing the assumptions.

Compare structures at the same ownership horizon

Choose the date at which you intend to sell, pay off or refinance. Compare every proposal through that date, adding the initial cash contribution, cash-paid fees, scheduled payments and the remaining payoff amount. If the horizon exceeds a contractual maturity, stop and add an explicit, separate future financing assumption rather than silently extending the old terms.

A longer amortization can reduce the payment while leaving more principal at your planned exit. A shorter schedule may require more recurring cash but reduce that remaining obligation. Neither result alone establishes suitability: available liquidity, operating needs, guarantees, covenants and acceptable downside exposure also matter.

Keep the comparison's definition consistent. Interest through month 60 is different from interest over a full 120-month amortization. A five-year holding scenario should not present full-ten-year interest as cash already incurred. Equally, a low monthly payment should not omit the principal due at year five.

Build an exit plan before choosing the payment

At maturity the balloon must be settled even if your preferred sale or refinance has not occurred. Test a sale value below your base assumption, higher future borrowing costs and additional time on market. Deduct selling costs from the assumed sale proceeds before comparing the result with the debt balance.

Suppose the modeled balloon is $2.32 million and your own downside net-sale assumption is $2 million. That scenario creates a cash gap; it does not prove the aircraft will sell for that amount. The useful result is the size of the exposure and a plan for how it could be met. Maintain enough separation between the purchase decision and an optimistic exit forecast to see that risk clearly.

Refinancing depends on the lender, borrower, aircraft, valuation and market conditions available then. A favorable conversation today is not a future approval. If the purchase only works when a later refinance succeeds on substantially better terms, identify that dependency explicitly.

Use the online companion for the complete guide, related tools and source scope.

Jet down payments, appraisal gaps & cash to close

Cash required at closing is the purchase price less actual loan proceeds, plus costs paid in cash, less deposits already paid and credited. A separate ownership reserve is additional liquidity. When the lender accepts a value below the purchase price, the buyer's contribution may rise even if the stated LTV is unchanged.

Online companion: /guides/jet-down-payment-and-cash-to-close

Start with three separate numbers

The negotiated price is what buyer and seller agree for the transaction. The accepted collateral value is the value basis the lender will use. The loan amount is what the lender actually agrees to advance, subject to its conditions. Those numbers can differ, and a preliminary percentage does not resolve the differences.

AOPA Finance's historical explanation describes how aircraft characteristics and valuation can affect terms. It is a reason to ask about the actual proposal's value basis, not authority to assume that all providers use the same pricing digest, advance percentage or lower-of rule. Record what your lender says in writing.

If a discussion says "80% financing," ask 80% of what: agreed price, appraised value, the lower of specified values or another contractual basis. Also ask whether the figure is a maximum program limit or the amount offered for this borrower and candidate. An advertised ceiling is not an approval.

Calculate the value gap before committing the deposit

Consider an invented $10 million purchase with a $9 million accepted value and an illustrative 80% advance on that accepted value. The modeled loan is $7.2 million. The buyer contributes $2.8 million toward price before closing costs. If the same 80% were instead applied to the $10 million price, it would imply an $8 million loan-a difference of $800,000 in buyer cash.

The $1 million price/value gap is not itself the additional cash caused by this particular LTV structure. The difference between the two modeled advances is $800,000. Showing price, accepted value, LTV and actual loan together prevents those measures being conflated.

An appraisal is also different from a condition inspection. A favorable condition report does not obligate the lender to accept the purchase price, and a value estimate does not replace independent technical diligence. Ask each adviser which question their work answers and which conditions remain.

Build an itemized paid-now cost list

Request estimates for inspection and related positioning, appraisal, escrow/title work, lender/documentation charges, applicable tax and registration work, professional advice and other transaction-specific costs. Availability and responsibility vary by contract and circumstances. Use the actual arrangement rather than a universal percentage.

Give every line a payer, expected timing, source/date and status. Some costs arise before a final loan approval or before a decision to accept the aircraft. A closing-only total can hide earlier cash at risk. Ask advisers what remains payable if the candidate fails inspection or the transaction stops.

Distinguish financed charges from cash-paid charges. A lender may not permit every cost to be added to principal, and an approved financed amount can still be constrained by an overall cap. The basic cash-to-close tool treats all entered transaction costs as cash-paid; discuss another structure separately if a written proposal permits it.

Credit deposits once and only when supported

A deposit already paid is part of the buyer's funds, not a discount to price. If the closing statement credits it, subtract it from the amount still to be supplied. Keep the evidence of payment, holder and contractual treatment with the file. Ask counsel and escrow to resolve refundability and release conditions rather than inferring them from the word "deposit."

In our example, add $200,000 of hypothetical cash-paid transaction costs to the $2.8 million price contribution, then subtract a $100,000 deposit credited at closing. The remaining cash is $2.9 million. The total buyer funds for price and those costs remain $3 million; $100,000 has simply already been paid.

If entered credits exceed the modeled cash obligation, stop and reconcile the statement. Do not silently clamp a negative amount to zero: it may reveal duplicate deposit entries, a misunderstanding of cost responsibility or a real adjustment that requires a different model.

Keep the ownership reserve separate

Reserves may support operating expenses, known upcoming events or personal liquidity objectives. They are not automatically closing expenses or lender requirements. Establish what the lender actually requires and what you choose to retain for ownership. Do not invent a universal number of months or percentage.

Adding a separately selected $300,000 reserve to the example's $2.9 million remaining closing cash produces a $3.2 million remaining liquidity plan. That does not mean $3.2 million is all wired to the seller. The closing statement and account movements should identify the actual recipients and amounts.

Check timing as well as total. Cash used for the deposit, diligence or a separate financial obligation may no longer be available for closing. A funding plan should show when resources become available and what must remain available after completion. Do not assume a later refinance will replenish cash on a convenient date.

Use the online companion for the complete guide, related tools and source scope.

Business jet ownership costs: build the complete budget

A useful jet ownership budget separates fixed annual costs, usage-driven costs, specific maintenance events and financing cash flows. The purchase price or hourly fuel bill alone cannot describe ownership. Use aircraft-specific quotes and show operating cost, cash requirements and resale assumptions separately.

Online companion: /guides/business-jet-ownership-costs

Use three views of the same ownership plan

The operating budget answers what it costs to keep and operate the aircraft over a stated period. The cash-flow view adds when the owner pays for the aircraft and its debt. The economic-cost view asks how much capital is consumed after allowing for an assumed resale outcome. All three are useful; adding their totals together would double count the purchase.

For example, loan principal repayment is a cash outflow that reduces debt. It is not an extra operating expense on top of the purchase price. Economic depreciation is the difference between purchase and sale assumptions in the model; tax depreciation is a separate legal/accounting calculation. Keep those meanings distinct in the workbook.

AOPA's light-jet financing discussion describes fixed and variable ownership costs. The framework is a useful starting point, but its examples do not establish the cost of a particular aircraft, home airport, operator or year. Your budget needs its own current supporting quotes.

Build fixed costs from an operating plan

Start with crew, benefits and related employment or contract costs; recurrent training; hangar; insurance; management and administrative services; subscriptions; and any other expense that continues when flying slows. Enter each in annual USD, with the quote date, coverage period and exclusions beside it.

Ask whether the quoted management fee includes accounting, crew administration, scheduling and maintenance coordination or whether some services are additional. Ask the insurer which named pilots, training, territories and intended operations underlie the premium. A budget for one crew arrangement should not be reused for another without checking the staffing assumptions.

Distinguish a known zero from a missing quote. If a hangar fee is not yet available, the budget is incomplete rather than free. Reserve a clear line for that missing input and show which results depend on it. Do not present a precise all-in figure while material categories remain unknown.

Use consistent units for variable costs

Fuel cost per flight hour is fuel burn in US gallons per hour multiplied by price in USD per US gallon. Multiplying that amount by annual flight hours produces an annual fuel budget. A pounds-based fuel capacity figure cannot be substituted for gallons per hour; fuel carried and fuel consumed are also different measures.

List airframe maintenance reserve, engine/APU program charges or reserves, trip-related expenses, catering and other usage-driven items separately. Some charges follow cycles, calendar time or minimum annual commitments

rather than flight hours. Model those drivers explicitly when material instead of forcing every expense into an hourly rate.

Review coverage before adding reserves. If an engine program charge already funds an item in a quoted maintenance plan, adding the same reserve again overstates cost. Conversely, an enrolled program does not establish that every event, component, transfer cost or minimum is covered. Obtain the actual agreement and current status for the candidate.

Test utilization with a reproducible example

Assume an invented budget of $600,000 fixed annually and $3,000 per flight hour variable, with no additional event costs. At 200 annual hours the operating budget is $1.2 million, or $100,000 per month and $6,000 per flight hour. These figures demonstrate the arithmetic only; they are not a light-, midsize- or large-cabin benchmark.

Hours/year	Annual operating cost	Cost/flight hour
0	$600,000	Not applicable
150	$1,050,000	$7,000
200	$1,200,000	$6,000
250	$1,350,000	$5,400

Average hourly cost falls as fixed cost is spread across more hours, while total annual spending rises. The lower hourly result therefore does not mean that additional flying saves cash. Check whether extra use also changes maintenance timing, staffing or program minimums.

Add financing and an explicit resale assumption

For owner cash planning, show the down payment, closing costs, recurring operating cash, scheduled debt payments and any balance due at exit. Do not confuse the recurring monthly amount with the full cash needed to buy, hold and sell. Deposits already paid should be credited once.

For economic ownership cost, the basic pre-tax model adds purchase price less assumed sale value, sale costs, operating expenses across the hold, financing interest and financing fees. Loan principal is not added again. A sale value above the purchase price can reduce the modeled economic cost; it remains your uncertain scenario, not a forecast.

Do not treat anticipated charter revenue or tax savings as a guaranteed offset. Commercial use introduces its own operating, contractual and financing questions. IRS Publication 946 describes qualification and substantiation issues for business-aircraft depreciation, including use tests and recapture. Have the relevant advisers assess your actual facts before using a tax outcome in a commitment decision.

Use the online companion for the complete guide, related tools and source scope.

Pre-owned business jet acquisition & due-diligence checklist

A pre-owned jet purchase needs coordinated technical, legal, financial and operational diligence. Identify the exact aircraft, agree each adviser's scope, record the evidence required for acceptance and funding, and keep unresolved conditions visible. A financing discussion or registration search alone does not complete the purchase review.

Online companion: /guides/pre-owned-business-jet-checklist

Define the mission and assign the work

Write a short requirements brief before comparing listings: typical passenger and baggage needs, frequent routes, occasional long missions, airport constraints, scheduling flexibility, anticipated utilization, cabin needs and budget. Distinguish an essential requirement from an occasional preference. Ask the operator to validate operational suitability for the actual missions.

Identify who represents the buyer for aircraft selection, technical review, transaction law/title, tax, insurance, financing and operation. Name the person responsible for each deliverable and the person who accepts it. A broad instruction to "handle the purchase" leaves gaps when scope, authority or timing is unclear.

NBAA's public transaction overview describes preliminary planning, contract/title, closing and post-closing stages. This checklist turns those workstreams into an owner-visible file. It does not substitute for the members-only guide or claim that a technical, legal or tax professional has reviewed your particular aircraft.

Establish the candidate's identity and record set

Record the manufacturer, marketing model, certificated identity, year, serial number, registration and actual configuration. Confirm that the quoted aircraft, records, appraisal, insurance and loan documents refer to the same candidate. Similar model names and interior updates do not establish identical equipment or capability.

Ask the technical adviser what records are needed to assess continuity, maintenance status, damage/repair history, modifications and compliance applicable to that aircraft. Record which materials were received, which were missing and what additional work is needed. A seller's summary or generic model specification cannot close a records gap.

For engine and maintenance programs, obtain current enrollment, payment/status information, coverage, exclusions, minimum charges and transfer requirements. Treat transfer assumptions as unresolved until the relevant program provider confirms them. Enrollment can help organize costs but does not by itself prove every future expense is covered.

Agree inspection scope and acceptance decisions

Have an appropriately qualified independent adviser define the pre-purchase evaluation scope for the candidate, intended operation and agreement. Clarify access to records, inspection facility, expected duration, test/positioning work, responsibility for costs and how findings are reported. A small scope chosen to meet a deadline may leave material questions unanswered.

Keep a discrepancy list with the finding, evidence, proposed resolution, responsible party and acceptance status. Separate items to be corrected before closing, price adjustments, deferred owner work and unresolved disagreements. A generic statement that the aircraft is "inspection complete" does not explain those choices.

After findings arrive, update the operating budget, accepted-value discussion and financing timeline. A significant event can affect all three. The purchase agreement and advisers should establish acceptance rights and notice deadlines; this checklist does not prescribe legal contract language or authorize acceptance.

Coordinate title and funding conditions

Ask transaction counsel and the title/escrow provider to define the required searches, document chain, lien releases, ownership/entity work and any international-interest questions. Distinguish a registration result from proof that all interests are resolved. Use transaction-specific professional review rather than relying on a public lookup alone.

Give the finance provider the actual aircraft identity, intended use, ownership structure, purchase terms and diligence status. Record the amount, accepted value basis, rate status, amortization, maturity, guarantees, fees and conditions still needed for funding. A pre-qualification conversation is different from a final credit decision and from funds being available to close.

Reconcile closing dates with inspection, document, insurance and rate-lock timelines. Ask what happens if a condition changes or expires. Do not treat an email discussing possible terms as an extension of a written commitment or approval period.

Use an evidence-based closing checklist

Workstream	Evidence to identify	Question before completion
Technical	Agreed scope, report, discrepancies and acceptance	Who accepted each unresolved item?
Title / legal	Searches, required releases and executed documents	Has counsel confirmed the transaction requirements?
Financing	Final terms and satisfied funding conditions	What remains before funds can be released?
Operations	Insurance, crew, delivery and maintenance plan	Is the intended operation actually ready?
Cash	Reconciled settlement and source-of-funds timing	Are deposit and costs credited once?

The download adds columns for responsible party, evidence location, status and open questions. Keep original documents in the appropriate private system. A checked box should refer to evidence and an authorized decision, not simply to the passage of a target date.

Use the online companion for the complete guide, related tools and source scope.

Pay cash or finance a business jet?

Compare cash and financing over the same purchase, holding period and exit assumptions. Financing preserves some cash initially but creates interest, fees, contractual obligations and a remaining payoff balance. The better fit depends on your liquidity objectives and actual terms, not a general claim that invested cash will outperform the loan.

Online companion: /guides/cash-vs-finance-business-jet

State the capital objective before comparing rates

Write down why you are considering debt: retaining liquidity, coordinating a larger capital plan, matching the intended hold, or evaluating an existing borrowing. Then identify which resources must remain available for other commitments. A financing proposal can be attractive on payment while conflicting with a buyer's required liquidity or contractual flexibility.

A cash purchase avoids the modeled debt service but commits funds to an aircraft. It does not eliminate operating expenses, transaction costs, market-value uncertainty or the time and cost of a later sale. Compare those obligations under both structures rather than treating cash ownership as costless after closing.

Keep the aircraft decision and the capital-structure decision linked but distinct. A loan's availability does not establish that the aircraft suits the mission or that the total ownership budget fits. AOPA's light-jet discussion provides useful financing context; the particular structure offered still depends on the actual transaction.

Use the same dates and cash-flow definitions

Choose a holding period and a common candidate price. In the cash case, show the initial price and acquisition costs. In the debt case, show the down payment, cash-paid fees, monthly principal/interest and any payoff at exit. Use the same operating budget and sale-value assumptions unless the structure itself changes those costs and you can explain why.

Do not compare a cash purchase price with only five years of monthly payments while omitting the loan balance still due. Conversely, do not add the full purchase price to loan principal repayments in the financed case. That would count the same capital twice.

The timing of cash matters. Present value can compare amounts paid at different dates if you enter an explicit discount rate and convention. The discount rate is your analytic assumption, not a promised return on retained funds. An undiscounted comparison at 0% is a useful starting point.

Make the tradeoff visible with a simple example

Assume an invented $5 million aircraft price. Compare paying it entirely in cash with a $1 million down payment and $4 million loan at 6.5% nominal annual interest, ten-year amortization and five-year maturity. Ignore operating costs, taxes, fees, selling costs and investment returns for this isolated capital example.

The loan case requires about $45,419.19 monthly, approximately $2,725,151.45 in scheduled payments across sixty months, and approximately $2,321,314.87 principal at maturity. Including the $1 million initial contribution, modeled cash paid through payoff is approximately $6,046,466.33. The additional $1,046,466.33 relative to the $5 million cash purchase is the modeled interest.

That calculation does not settle which structure is preferable. The financed buyer initially retains $4 million of cash, but its eventual use, risk and return are unspecified. Both cases also own an aircraft whose resale value is uncertain. Add actual fees and contractual conditions before treating the numbers as an offer comparison.

Compare obligations that a rate cannot capture

Ask about guarantees, covenants, required financial reporting, permitted operations, insurance, transfer restrictions, extra-payment treatment, early-payoff charges and events that could require action. Record unresolved conditions beside each quote. A smaller interest figure does not compensate automatically for a contractual obligation the buyer cannot accept.

Check whether an attractive rate depends on an additional banking relationship, pledged assets or another commitment. Include only actual documented requirements; do not assume that all aviation lenders require the same relationships. Ask how the structure changes if the aircraft, borrower entity or use changes.

If the rate resets or floats, model an explicit path and adverse scenarios. A constant-rate calculator cannot forecast that contract accurately from the opening rate alone. Before selecting the structure, reconcile the model with the documents and the provider's own payment/payoff schedule.

Use the online companion for the complete guide, related tools and source scope.

Whole jet ownership, charter or fractional access?

Compare the access you need before comparing aircraft prices. Whole ownership, charter and fractional programs allocate capital, scheduling rights, operating responsibility and exit obligations differently. There is no universal flight-hour threshold that makes one option right for every buyer.

Online companion: /guides/jet-ownership-vs-charter-and-fractional

Write a mission brief you can test against each option

List actual recurring routes, passenger and baggage needs, travel dates, notice periods, peak-day requirements and acceptable flexibility. Note which trips must use the same cabin or equipment and which can use a different aircraft. Include repositioning, multi-day travel and substitute lift if those affect the experience or cost.

A high annual-hour total can hide very different access needs. Predictable short trips may be served differently from irregular international travel or a small number of highly time-sensitive missions. The useful question is not only how many hours you expect, but what availability and control the schedule requires.

Test each proposal against that same brief. When a provider's illustrative hour or day assumptions differ, normalize them or record why they cannot be directly compared. A headline hourly price is not a complete access plan.

Understand the responsibility attached to control

Whole ownership gives the owner an aircraft and a larger role in decisions about its configuration, availability and operation. It also requires capital, an operating arrangement, maintenance planning and an exit strategy. NBAA's ownership overview describes these responsibilities and the possibility of in-house or outsourced management.

Outsourcing management does not make the owner's economic exposure disappear. Review the agreement, service scope, authority, accounting, maintenance coordination, scheduling and use provisions. Establish which costs are fixed, usage-driven or event-specific and who approves significant expenditures.

Ownership may suit a buyer who values control even at relatively modest utilization. It may be unsuitable where the capital commitment, operating responsibility or unpredictable resale exposure conflicts with the buyer's objectives. Treat published utilization guidelines as context rather than automatic approval to buy.

Evaluate charter against real trip requirements

For charter, request proposals for representative actual missions rather than multiplying a generic hourly rate by annual hours. Ask what aircraft, routing, positioning, daily minimums, overnight/crew costs, taxes and other charges are included. Record availability, cancellation and substitution terms from the specific provider agreement.

Compare service under the conditions that matter to you: short-notice departures, busy days, remote airports, multi-leg itineraries, international handling or specific cabin requirements. If a different aircraft can be substituted, ask how that affects seating, baggage, connectivity and other essential requirements.

Repeated access to business aviation does not itself require ownership. If the access plan meets the actual mission without an unacceptable capital or operating commitment, charter can remain part or all of the solution. The financial comparison needs actual bids and contract terms.

Read fractional and program access as contracts

Fractional arrangements and other access programs differ. Identify the acquisition or membership payment, ongoing management charges, occupied-hour charges, allotted use, overage rules, peak-day restrictions, scheduling rights, aircraft interchange and exit mechanism. Do not assume two programs use the same definitions.

For any ownership interest, examine the resale or repurchase provision, timing, deductions, minimum hold and what determines the eventual proceeds. For a deposit or membership arrangement, clarify refundability and restrictions. Ask advisers to distinguish the economic interest actually acquired from the marketing description.

Use the written program to build a dated cash-flow model. A fixed advertised monthly amount may omit variable charges, taxes or the value at exit. Keep those missing amounts visible rather than using zero to make a convenient total.

Build the financial comparison without a universal threshold

Use a common period and representative travel pattern. For whole ownership, combine acquisition/financing, operating cash and an explicit net-sale assumption. For program access, use the initial payment, recurring charges, actual mission costs and documented exit proceeds/charges. Apply the same timing and discount convention if using present value.

Run low and high usage cases, but also test changed mission mix and availability. An option with a favorable cost at one hour total may be unsuitable when passenger count or long-distance travel changes. Taxes and operational structures require their own qualified review rather than a generic savings percentage.

If considering co-ownership, ask advisers to examine scheduling, governance, cost sharing, transfer, default and operating responsibilities. NBAA distinguishes co-ownership from other joint arrangements; a casual agreement to split an aircraft is not a complete operating or legal plan.

The next useful deliverable is a requirements brief and comparable proposals, not an ownership decision based on an arbitrary hour count. Once the mission and responsibilities are clear, evaluate whether acquisition financing belongs in the plan.

Use the online companion for the complete guide, related tools and source scope.

Refinance versus keep: compare the same exit

A lower payment is not proof of a saving. Compare cash-paid fees, payments and debt remaining at the same exit date. A longer amortization can improve monthly liquidity while increasing the total cash needed to clear the loan.

Start with a dated payoff and the current note

Reconcile outstanding principal, accrued interest and settlement charges separately. Record the existing rate, payment, remaining amortization, contractual maturity and payoff provisions. For the proposed loan, identify fees paid now, fees explicitly approved for financing, new principal, maturity, guarantees and conditions. AOPA describes refinancing as a fresh financing process with costs, rather than an automatic rate exchange [R1, R2].

Same debt, common horizon

The Refinance worksheet and online calculator use fixed nominal annual rates, monthly payments in arrears and an exit after a scheduled payment, within both contractual maturities. New principal equals current principal plus approved financed fees. Upfront cash is new cash-paid fees plus existing settlement costs beyond principal. Each total includes payments through exit, remaining debt and the entered exit charge. Financed fees are repaid through the loan; do not add them a second time.

Invented example: zero rates	Keep	Refinance
Current principal / new principal	$1,000,000	$1,000,000
Amortization / maturity / exit, months	24 / 24 / 12	48 / 24 / 12
Monthly payment, rounded	$41,666.67	$20,833.33
Debt after payment 12	$500,000	$750,000
Cash-paid new fees; other charges zero	$0	$10,000
Payments + remaining debt + fees	$1,000,000	$1,010,000

The payment halves, yet refinancing costs $10,000 more at month 12. The example isolates amortization; zero rates are not available offers. No cash-out, variable rates, tax benefits or future refinancing approval are assumed.

Read break-even carefully

Positive nominal savings means keep-loan total less refinance total. Sustained nominal break-even is the earliest modeled exit with no negative savings at any later exit through the chosen horizon. It is not simply fees divided by payment reduction. Optional present value uses the same cash flows and converts an effective annual discount assumption to a monthly rate; it is not an investment-return forecast or regulatory APR.

Full refinance guide | Online refinance calculator | Excel v1.1: Refinance

Maintenance reserves: cash must arrive before the invoice

An annual surplus can hide a cash shortfall in an earlier month. Build an event calendar using the actual aircraft records, qualified maintenance advice, dated quotes and verified program terms. This is a cash plan, not an inspection schedule or airworthiness determination [R3, R4].

One row for each payment date

Record event, invoice month, gross quote, confirmed funding available by that date, additional cash costs and downtime. Net event cash = gross quote - confirmed by-due funding + additional costs. Split staged invoices into separate rows without duplicating the quote. A reimbursement received later cannot fund an earlier invoice. Program enrollment alone does not establish coverage, a transferable benefit or a payable claim; verify contract, enrollment status, exclusions, buy-in/pro-rata obligations and payment timing [R5].

Invented 12-month reserve case	Amount / timing
Opening reserve; monthly contribution	$100,000; $20,000 at each month start
Event A: month 3	$200,000 quote - $50,000 confirmed funding + $10,000 additional = $160,000
Event B: month 8	$120,000 net cash
Month 3 / month 8 / month 12 reserve	$0 / -$20,000 / $60,000
Alternative 1: constant monthly funding	$22,500, with the original $100,000 opening
Alternative 2: extra opening reserve	$20,000, keeping $20,000 monthly

The two funding remedies are alternatives, not amounts that must both be added. Contributions enter before that month's invoices. No interest earnings, inflation, borrowing or later reimbursements are modeled. Figures are hypothetical, not aircraft-specific maintenance estimates.

Count overlapping downtime once

If event A occupies months 3-4 and a second event occupies months 4-5, the union is three months, not four. At an invented $30,000 monthly continuing fixed/debt cash, exposure is $90,000. The planner shows this separately unless you elect to draw it from the reserve. Do not fund the same cost again in the operating budget. Replacement lift and ferry costs need their own dated estimates.

The workbook supports 30 event rows and up to 120 monthly periods. Required constant monthly contribution is the largest positive value of (cumulative draws through month m - opening reserve) / m. Alternative extra opening reserve is the largest deficit under the entered monthly contribution.

Full maintenance and downtime guide | Online reserve planner | Excel v1.1: Maintenance Reserve

Pre-buy findings: reconcile remedy, value and cash

A finding does not tell you who pays or when. Keep a register linking each discrepancy to the aircraft serial, report and inspection scope, estimate, contractual remedy, responsible party, payment date, lender response and completion evidence. Agree the inspection scope and acceptance process with the qualified technical and legal team [R6, R7].

Proposed remedy	What still needs evidence
Seller repairs before delivery	Scope, facility, completion date, records and acceptance; who bears delay risk?
Purchase-price reduction	Signed price change, lender-accepted value and revised proceeds; who funds the later repair?
Closing credit	Contract, escrow treatment and lender acceptance; it is not automatically additional loan proceeds.
Restricted holdback	Custodian, permitted uses, release conditions, beneficiary, deadline and lender/legal approval. It is not unrestricted cash.

A $100,000 price cut may free only $20,000

Invented purchase: $5,000,000 price and accepted value, assumed 80% advance, $4,000,000 requested/approved proceeds, $100,000 closing costs and $250,000 deposit already credited. Remaining cash = $5,000,000 + $100,000 - $4,000,000 - $250,000 = $850,000. If price and accepted value both fall to $4,900,000, loan proceeds at that same assumed advance fall to $3,920,000. Remaining closing cash becomes $830,000, a $20,000 improvement. A separate $100,000 repair reserve brings the remaining liquidity plan to $930,000. The assumed advance is not a lender program.

Separate three dates and three decisions

Identify money already paid, additional closing cash and later ownership/reserve cash. Credit deposits once. Reconfirm actual approved proceeds after any change in condition, price, ownership or intended use. Technical acceptance, legal/title clearance and lender funding approval are separate workstreams; a completed inspection alone does not complete the other two. FAA aircraft records help identify recorded interests, but are not a guarantee that every possible claim is recorded [R8].

Full pre-buy findings guide | Cash-to-close planner | Excel v1.1: Cash to Close and Maintenance Reserve

Before requesting lender interest

Use the 15-question loan prequalification checklist to summarize the buyer, aircraft, use, loan request, cash capacity and unresolved issues. Estimates and unknowns should be labeled. The worksheet prepares a conversation; it is not an application, credit authorization, preapproval or commitment.

Sources, scope and next steps

Sources reviewed October 23, 2026. Professional interpretation is transaction-specific; no individual legal, tax, maintenance or operational review is claimed. The public NBAA overview is cited; its members-only guide is not represented as reviewed.

AOPA Finance: Understanding Loan Terms

2024-02-12. Educational distinction between maturity and amortization. Not a rate sheet or a universal program.
Read source

AOPA Finance Team: Before you buy: financing a light jet

2025-10-22. Light-jet financing and ownership-cost considerations; provider context, not every lender's conditions.
Read source

AOPA Finance: Factors that affect aircraft financing terms

Page displays 2018-09-06. Historical explanation of aircraft identity, use and collateral value. Confirm actual value basis and terms with the provider.
Read source

NBAA: Aircraft Transactions Guide: public overview

Public overview reviewed 2026-10-23. Public transaction-stage overview. The members-only guide is not reproduced or represented as reviewed.
Read source

AirFleet Capital: Aircraft financing questions

Reviewed 2026-10-23. One provider's published process and usage distinctions; not a representation of Jaken lender availability or terms.
Read source

Internal Revenue Service: Publication 946: How To Depreciate Property

2025 publication, including 2026 updates. Federal depreciation framework and business-aircraft use tests. A tax adviser must establish applicable eligibility, dates and state treatment.
Read source

Federal Aviation Administration: Register an aircraft

Reviewed 2026-10-23. U.S. registration instructions. Registration does not replace transaction-specific title and legal review.
Read source

NBAA: Full Ownership and Co-Ownership

Reviewed 2026-10-23. Ownership responsibility and structural distinctions. Utilization guidelines are context, not an individual break-even calculation.
Read source

Sources and scope

Reviewed October 23, 2026. These original planning worksheets combine the sources below with the site's disclosed cash-flow methods. Illustrations are invented. Lender requirements, contracts and qualified adviser conclusions control.

[R1] AOPA Finance, Should You Refinance After the Fed's Rate Drop? (2024-11-01)
Historical process/cost discussion; no current rate or universal refinance threshold adopted.
Read source

[R2] AOPA Finance, What Fees are Involved in Aircraft Loans (2026-09-11)
Fee categories only; provider pricing and fee-financing policies are not generalized.
Read source

[R3] FAA, AC 43-9D (2025-09-22), especially sections 8.1-8.7
Maintenance record guidance; not a candidate inspection. Except for Form 8130-3 information, it excludes air carrier maintenance programs under 121.367 and 135.425.
Read source

[R4] eCFR, 14 CFR 91.409, especially (e)-(f)
Qualified advisers determine applicable inspection programs and life-limited requirements for the aircraft and operation.
Read source

[R5] JSSI, Engine Maintenance Programs (reviewed 2026-10-23)
Public program overview. Actual contract, enrollment, coverage, transfer and payment timing require verification.
Read source

[R6] NBAA Flight Plan, Pre-Purchase Inspections (2022-02-07)
Public written summary only; podcast audio not reviewed. Historical inventory statements are not current market claims.
Read source

[R7] AOPA Legal Services Plan, Sample Aircraft Purchase/Sales Agreement (2018)
Illustrates inspection/deposit alternatives; counsel must tailor the actual jet purchase agreement.
Read source

[R8] FAA, Aircraft Registration: Clear Title (updated 2023-11-08)
Recorded security interests and releases; does not guarantee all possible claims are recorded.
Read source

Continue your planning

Download the Excel planner and checklists at businessjetfinancing.com/downloads. Discuss the aircraft and objectives with Jaken Aviation at 833.264.7776 or jason@jakenaviation.com. Use the appropriate secure process for private financial documents.