

The benefits of our COP program include:

- **Fast, efficient financing:** A district can enter into a lease/purchase agreement in an expeditious manner with no bond election requirement. Documentation is simple and flexible.
- **100 percent financing:** The lease/purchase agreement may be structured in such a way that installation, handling, insurance and other initial costs incurred with the project may be included in the payments.
- **Non-bonded debt item:** The tax-exempt lease/purchase agreement is not treated as bonded debt by the school district due to the structure of the transaction.
- **Competitive interest rates:** Participants can finance the cost of the asset at competitive interest rates. The interest portion of the lease payment is exempt from federal income and California state taxation for the investor, resulting in lower interest rates for each participant.
- **Tax-exempt payments:** A tax-exempt lease/purchase agreement generally offers an even repayment schedule - no lump sum, usually no down payment. This conserves capital and enables the district to easily budget and spread out the cost of the asset over multi-year periods. Payments may also be structured to conform to income sources that are not received evenly.
- **Ownership of the asset:** Districts use the asset during the term of the obligation and will ultimately own the asset once the terms of the agreement have been fulfilled.
- **Flexibility in structure:** Given a fixed budget, a participant may structure the agreement in a variety of ways. Lease/purchase financing is a suitable and economical method of financing for capital assets which are too expensive to fund over a one or two year period.
- **Refinancing:** If your district is paying high interest rates on an outstanding lease obligation, our COP program underwriters will review these obligations to determine if they may be refinanced to lower interest rates.

