



AOPA FINANCE

Demystifying the aircraft loan process

Understanding the elements of an aircraft loan

When a pilot has made the decision to buy an airplane, the first question that needs to be answered is, “*How are you going to pay for it?*” That’s where AOPA Aviation Finance can step in and make the process as painless as possible.

“We work with different lenders and we operate as a broker,” said AOPA Senior Credit Analyst Brian Macbean. “We are here to help you figure out how to pay for that airplane.”

Before you start talking dollars, though, you have some work to do.

- First you need to decide which airplane—and the more specific the better. “*Terms, down payment, and the interest rate all vary depending on what airplane you want to buy,*” said Macbean. If you actually have a particular airplane in mind, call AOPA Aviation Finance and Macbean and his colleagues will walk you through the loan process.
- Second, you need to let us know how you intend to use the aircraft. If it’s going to be leased back to a flying club or there will be some charter usage vs. strictly personal or business usage, it makes a big difference to the lenders.

In terms of paperwork required, Macbean says you must fill out an application—but AOPA makes that easy with its online, simplified application. The lenders will want to see two years of your tax returns and W-2s as well as a current year-to-date income statement (such as your latest paycheck stub). Said Macbean, “Of course, the reason for this is that lenders want to verify your year-to-date income. Even if you don’t have a particular airplane in mind, but are looking at a ‘1990-1995 retractable single,’ you will need the same paperwork. For an unspecified airplane, it helps to have a price range, according to Macbean. Let’s say you do have a particular airplane in mind. You would then submit a spec sheet which AOPA would compare to the value stated in the [aircraft value reference Vref](#) or Aircraft Bluebook (like the automotive Blue Book, but

for airplanes). Macbean says, “Lenders will lend on the purchase price or the Vref/Bluebook value, whichever is less.”

Securing an aircraft loan is unlike a car loan where you can walk into a dealership and get your loan within 30 minutes. An aircraft loan typically takes a couple days for all the approvals. “It can be faster,” says Macbean, “but the lenders need to do a complete credit review.”

Why rely on AOPA Aviation Finance?

“We have over a dozen lenders that specialize in understanding airplanes. They know the market,” Macbean said.

“Every lender is a bit different—some are stricter—so we know where you’ll be approved.”

Compare that potential experience to endlessly calling banks who have no knowledge of GA. In addition to all these reasons to rely on AOPA Aviation Finance, here’s one more: You’re supporting AOPA and protecting your freedom to fly, supporting the GA infrastructure, and helping grow the pilot population. Visit [AOPA Finance’s website](#) to fill out a quick form online to get the process started. You also can telephone 1-800/62-PLANE (75263) to determine which loan works best for you.

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