



# Terminal Leasing 101

Terminal leasing will allow you to “sell” a terminal or POS system to a merchant where as you the sales person will earn a well-deserved compensation for your effort, knowledge and service to your client. The lease is a much needed product for sales people.

## **Exactly what is a lease?**

A lease is simply a contractual agreement between the merchant (lessee) and the leasing company (lessor) whereas the merchant will rent the terminal from Northern Leasing Systems Inc. (NLSI) for a fixed term (normally 48 months) and at a fixed price for the entire 48 months.

## **What happens at the end of the lease term? Does the merchant own the terminal?**

At the end of the lease term the merchant does not own the terminal. The terminal remains the property of the NLSI. However, the merchant will be given 3 options at the end of the term. He can return the terminal. He can purchase the terminal from NLSI and thirdly, he can continue renting the terminal on a month to month basis.

## How do I earn money on a lease?

You alone determine how much you profit on a lease. We have provided you a matrix that is used to compute a monthly payment based on what you decide to lease the terminal for.

| <u>Monthly Pmt.</u> | <u>Agent Commission</u> |
|---------------------|-------------------------|
| \$69.00             | \$1,000.00              |
| \$59.00             | \$850.00                |
| \$49.00             | \$700.00                |
| \$39.00             | \$550.00                |
| \$29.00             | \$400.00                |
| \$19.00             | \$250.00                |

After the merchant has agreed to lease the terminal and has been approved, you will be shipped a preprogrammed terminal, install it, and then train the merchant on how to use it utilizing our technical support department. You will then notify the Verbal Verifications Department that the merchant is ready to be verified. This means that we will contact the merchant and verify he understands the terms of the lease. After that is completed, we will add your funds to your weekly bonus report. We pay out lease bonuses each Thursday along with any other bonuses owed.

### **What happens if the merchant does not pay? Am I liable?**

We need to collect the first full months lease payment via ACH on the first of the month following your installation. Once we collect that payment you have no further liability. This is called first month recourse. Some lease companies have 3 months recourse or more. However, if there is any fraud or forgery involved, you may be liable.

### **What are some objections I might hear and how do I overcome them?**

1. **Other companies offer terminals for free. Why should I lease yours?** *Many companies do offer free terminals but most are used/refurbished and/or lacking important items that they will try to upsell you on later. Like EMV capability. Also, “free” is not really “free”. Free terminals often come with higher merchant account fees that can add up to hundreds and even thousands more per month! Our terminals are brand new and come with exceptional merchant processing rates starting at:*
  - a. 1.69% with no transaction fee on all cards including American Express!!!
2. **What if I want to cancel prior to the end of the 48 month term?** *Although the leases are non-cancellable, they are Transferable! Just contact us and let us know that you’d like to have your equipment transferred and we’ll add it to our list that gets emailed to all of our agents at the beginning of the month. These usually don’t last long as other merchants are eager to pick up a shorter lease term.*

- 3. What if I need to upgrade my terminal?** *We provide only brand new, cutting edge equipment to our merchants and if you need something to make it work with some new technology we will usually provide the upgrade for free. Remember, we are losing revenue if you can't accept cards so it's our job to keep you up and running!*
- 4. What if my machine breaks down?** *Give us a call, we do overnight terminal replacement at no charge!*

This "Leasing 101" is meant to provide an overview of terminal leasing and how it pertains to the sales person making an income. More in depth training is available by calling 804-897-3802 to discuss your specific needs and construct a sales strategy around them.

We are dedicated to helping you profit by participating in our lease program.

We provide the following features and benefits to enhance your sales efforts.

- + PDF lease agreements

This allows you to fax, scan and email your applications quickly.

- + E-Sign and tablet lease applications

Merchant signs with a mouse! Quick and easy!

Questions? Contact: [info@vmspayments.com](mailto:info@vmspayments.com)

The following guide can assist you in properly completing the Northern Leasing Systems, Inc., lease application. All of the sections must be filled out accurately and legibly to insure an accurate and prompt lease funding from Northern Leasing Systems, Inc.

## About Your Business

- Line 1 - Lessee (corporate business name), the name of the lessee's business
- Line 2 - Lessee billing address
- Line 3 - Lessee business address, city, state and zip code
- Line 4 - Lessee phone number, start date, type of business and email address

## Equipment Information

Enter the equipment description (i.e., manufacturer's name, model and serial number), quantity and equipment location.

## Schedule of Payments

Enter the basic monthly lease payment and the lease term (12, 24, 36, or 48 months).

## About Your Bank

Enter the bank name, routing number and account number.

## Salesman Code

Enter the vendor name and vendor code that was given to you by Northern Leasing Systems, Inc.

## Payable at Signing of the Lease

Check the appropriate box and enter the amount collected at the time the lease is signed.

## Lease Acceptance

Please include lessee signature, title, printed name, date and lessee initials.

## Personal Guaranty

Please include personal guarantor signature, as well as, printed name, social security number, home address, city, state, zip code and home telephone.

LESSOR HAS ASSIGNED TO WACHOVIA BANK, NATIONAL ASSOCIATION, SUCCESSOR BY MERGER TO CONGRESS FINANCIAL CORPORATION ("WACHOVIA"), AND HAS GRANTED WACHOVIA A SECURITY INTEREST IN ALL RIGHT, TITLE AND INTEREST OF LESSOR IN AND TO THIS LEASE, ALL PRESENT AND FUTURE RENTAL, LEASE AND OTHER PAYMENTS AND CHARGES OWED TO LESSOR HEREUNDER AND ALL PRODUCTS AND PROCEEDS THEREOF, PURSUANT TO THE LOAN AND SECURITY AGREEMENT, DATED MAY 3, 1996, AS AMENDED, BETWEEN WACHOVIA AND LESSOR, AS THE SAME NOW EXISTS AND MAY HEREAFTER BE AMENDED, MODIFIED, SUPPLEMENTED, EXTENDED, RENEWED, RESTATED OR REPLACED.

**NON CANCELABLE EQUIPMENT FINANCE LEASE AGREEMENT**

**Northern Leasing Systems, Inc.** "LESSOR"  
132 West 31-Street, New York, NY 10001 • www.northernleasing.com  
Tel: 800-800-8000 • Fax: 212-442-7170

|   |                 |                  |   |
|---|-----------------|------------------|---|
| VENDOR NAME   |                 | VENDOR CODE      | LEASE NUMBER  |
| LEGAL NAME OF LESSEE ("LESSEE")   |                 | D/B/A NAME       | <input type="checkbox"/> CORPORATION<br><input type="checkbox"/> PROPRIETORSHIP<br><input type="checkbox"/> PARTNERSHIP |
| MAILING ADDRESS   |                 | CITY             | STATE ZIP   |
| BUSINESS ADDRESS (if different from above)  |                 | CITY             | STATE ZIP   |
| LESSEE PHONE NO.  | BUS. START DATE | TYPE OF BUSINESS | E-MAIL ADDR.  |
| EQUIPMENT DESCRIPTION (Manufacturer, Model, Serial Number)                        |                 |                  | QUANTITY  |
| LOCATION OF EQUIPMENT (Address, Street, City, State, Zip) if different from above |                 |                  |   |

|   |  |
|---|--|
| <b>SCHEDULE OF LEASE PAYMENTS</b><br>BASE MONTHLY LEASE PAYMENT \$ _____, plus applicable taxes, and Loss & Damage Waiver fee of \$4.95 per month per unit of equipment, if applicable, as provided in Section 15 of this Lease for a MINIMUM LEASE TERM of _____ Months ("Lease Term") | <b>PAYABLE AT SIGNING OF THE LEASE</b><br><input type="checkbox"/> FIRST & LAST MONTHLY PAYMENT \$ _____<br><input type="checkbox"/> LAST MONTHLY PAYMENT \$ _____ |
|---|--|

BANK NAME \_\_\_\_\_ ROUTING \_\_\_\_\_ ACCOUNT \_\_\_\_\_

**LEASE ACCEPTANCE**

No attempt at oral modification or rescission of this lease or any term thereof will be binding upon the parties. LESSEE'S INITIALS: \_\_\_\_\_

THE UNDERSIGNED HAS READ ALL 4 PAGES OF THIS LEASE WITH ALL TERMS FILLED IN AND AGREES TO BE BOUND BY ALL THE TERMS OF THIS LEASE.

\_\_\_\_\_  
 Lessee's Authorized Signature Title \_\_\_\_\_ Print Name \_\_\_\_\_ Date \_\_\_\_\_

**PERSONAL GUARANTY**

To induce Lessor to enter into this Lease and purchase the Equipment for Lessee and knowing that Lessor is relying on this guaranty as a precondition to entering into this Lease, I, the undersigned, individually, jointly and severally, and unconditionally guaranty to Lessor the prompt payment when due of all Lessee's obligations to Lessor under the Lease. Lessor shall not be required to proceed against Lessee or the Equipment or enforce any other remedy before proceeding against me. I agree to pay all reasonable attorney's fees and other expenses Lessor incurs in enforcing this guaranty and Lease. I consent to any extension or modification granted to Lessee, and the release and/or compromise of any obligation of Lessee or any other obligors and guarantors shall not in any way release me from my obligations under this guaranty. This is a continuing guaranty and shall bind my heirs, successors and assigns, and may be enforced by or for the benefit of any assignee or successor of Lessor. This guaranty shall be governed by the laws of the State of New York. ALL DISPUTES RELATING TO THIS GUARANTY SHALL BE LITIGATED EXCLUSIVELY IN THE FEDERAL OR STATE COURTS LOCATED IN THE STATE AND COUNTY OF NEW YORK notwithstanding that other courts may have jurisdiction over the parties and the subject matter, and I freely consent to the jurisdiction of such courts, including without limitation, the Civil Court of the City of New York. LESSOR MAY PROPERLY SERVE ME WITH LEGAL PROCESS VIA CERTIFIED MAIL TO MY ADDRESS BELOW. I WAIVE, IN SO FAR AS PERMITTED BY LAW, TRIAL BY JURY IN ANY LITIGATION ARISING FROM OR IN ANY WAY RELATING TO THIS LEASE OR GUARANTY. I agree not to pursue a claim against Lessor or its assigns as part of a class action, private attorney general action or other representative action, to the extent permitted by applicable law. I expressly authorize Lessor or its agents or assigns continuing authority to obtain an investigative credit report from a credit bureau or credit reporting agency and conduct credit checks concerning my credit history, and acknowledge that Lessor may furnish information relating to this Lease and guaranty to a credit reporting agency. Disputes or inaccuracies regarding information Lessor furnishes to a credit reporting agency shall be sent to Lessor at its address listed above.

\_\_\_\_\_  
 Guarantor's Signature \_\_\_\_\_ Print Name \_\_\_\_\_ Social Security No. \_\_\_\_\_

Home Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_ Home Phone No. \_\_\_\_\_

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