



Equipment and Vehicle Leasing Course: Lease Pricing, Residual Value and Lessor Operations



Equipment and Vehicle Leasing Course: Lease Pricing, Residual Value and Lessor Operations

Introduction:

Equipment and vehicle leasing, covering lease pricing, residual value and lessor operations, is a 5-day course for credit, pricing, asset and portfolio teams in leasing companies and bank leasing units that ends with a Lessor Product and Pricing Plan for a case leasing company. Lessors lose margin when rentals ignore funding cost and residual exposure, lessees are underwritten on thin evidence, repossessed assets sit unsold and arrears grow unchecked. Nominees already originate, price or administer lease contracts and work through a modelling build on rental, resale and arrears data. CoreConcept Training Center delivers this equipment and vehicle leasing course.

Course Objectives:

- Compare captive, bank-owned and independent lessor models and the origination channels, asset classes and income drivers each relies on
- Structure finance lease, operating lease, hire purchase and Ijarah products, including ownership transfer options, to fit the asset type and lessee need
- Calculate rentals and lessor yield from asset cost, funding rate, fees, expected credit cost and residual assumptions
- Underwrite lessees and set residual values, deposits and return conditions from credit evidence and resale history
- Manage arrears, repossession and remarketing of returned equipment and vehicles to limit recovery losses
- Build a Lessor Product and Pricing Plan with portfolio concentration limits and funding match for a case leasing company

Target Audience:

- Credit teams responsible for underwriting lessees, vendors and guarantors in leasing businesses
 - Pricing and product teams responsible for rental quotes, yield targets and lease product design
 - Asset and residual value teams responsible for setting residual tables and tracking resale outcomes
 - Collections and remarketing teams responsible for arrears, repossession and disposal of returned assets
 - Portfolio and treasury teams responsible for book concentration, funding lines and asset-liability match
 - Bank leasing unit teams responsible for originating and administering equipment and vehicle lease contracts
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Course Outline:

Day 1: Leasing Market Structure, Lessor Business Models and Book Review

- Captive, Bank-Owned and Independent Lessor Business Model Comparison
- Equipment and Vehicle Asset Classes by Resale Liquidity
- Vendor Programme and Dealer Origination Channel Economics
- Lessor Income Statement Drivers From Spread to Remarketing Gain
- Case Lessor Book Snapshot by Asset, Term and Lessee Segment

Day 2: Lease Product Structures, Ijarah Variants and Rental Pricing Models

- Full-Payout and Non-Payout Lease Product Term Sheet Design
- Hire Purchase and Balloon Rental Schedule Construction
- Ijarah and Ijarah Muntahia Bittamleek Ownership Transfer Options
- Rental Calculation From Asset Cost, Funding Rate and Residual
- Lessor Yield Waterfall With Fees, Credit Cost and Servicing Expense

Day 3: Lessee Underwriting, Residual Setting and Contract Administration

- Lessee Credit Scorecard for Small Business and Corporate Applicants
- Guarantor, Down Payment and Security Deposit Sizing Rules
- Residual Value Table Setting From Historical Resale Curves
- Mileage, Usage Hours and Wear Return Condition Schedules
- Lease Administration Workflow From Booking to End-of-Term Notice

Day 4: Arrears, Repossession, Remarketing and Portfolio Risk

- Early Arrears Roll Rate Monitoring and Collections Escalation Ladder
- Asset Repossession, Storage and Recovery Cost Procedure
- Remarketing Channel Choice Across Auction, Dealer and Retail Resale
- Residual Value Loss Analysis by Make, Model Age and Seasonality
- Portfolio Concentration Limits and Asset-Liability Funding Match

Day 5: Modelling Build: Lessor Product and Pricing Plan

- Case Leasing Company Data Pack of Rentals, Resale and Arrears
 - Product Range Selection Memo by Asset Class and Lessee Segment
 - Rental Pricing Model With Residual and Credit Loss Sensitivities
 - Portfolio Limit Framework and Remarketing Recovery Targets
 - Lessor Product and Pricing Plan Completion and Defence
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Skills You Will Gain:

- Lessor Business Model Analysis
- Lease Rental Pricing
- Lessor Yield Analysis
- Lessee Credit Underwriting
- Residual Value Setting
- Ijarah Product Structuring
- Repossession and Remarketing Management
- Lease Portfolio Monitoring

Why Attend This Course:

- Deliver a Lessor Product and Pricing Plan for a case leasing company to the general manager, credit committee or asset-liability committee for approval
- Decide which rental, residual percentage, deposit and term to offer for a given asset and lessee using modelled evidence
- Avoid rentals that fail to cover funding and credit cost, residual write-downs at end of term and recovery losses on repossessed assets
- Share rental pricing, residual table and arrears roll rate templates with credit, product and collections colleagues

Conclusion:

Once back at work, the participant presents the Lessor Product and Pricing Plan to the general manager, credit committee or asset-liability committee of the leasing business. Decision makers use it to approve the product range, rental pricing rules, residual tables, underwriting criteria and portfolio limits for equipment and vehicle leases, while collections and remarketing teams adopt its recovery targets. After the first quarter of new bookings priced on this basis, the unit should compare actual yields, early arrears and resale outcomes with the plan and recalibrate its residual tables.

Frequently Asked Questions FAQ:

What should participants know before an equipment and vehicle leasing course?

Participants should already work in a leasing company, bank leasing unit or finance house and be comfortable with present value and basic credit analysis. Bringing an anonymised rental quote, residual table or arrears report helps them apply the modelling build to their own book.

How does equipment and vehicle leasing differ from a lease accounting or fleet management course?

It takes the lessor's commercial view: product design, rental pricing, lessee underwriting, residual setting, collections, remarketing and portfolio limits. Lease accounting courses cover measurement and disclosure entries, and fleet management courses cover how a user organisation runs and maintains its own vehicles.

Why does residual value matter so much in equipment and vehicle leasing?

Residual value decides how much of the asset cost the rentals must recover and how much the lessor expects to regain on resale. A residual set too high lowers rentals but leaves a loss when the returned asset sells below its booked value.

What do participants take back from the equipment and vehicle leasing course?

Participants take back a Lessor Product and Pricing Plan for a case leasing company, with a rental pricing model, yield waterfall, lessee scorecard, residual table, arrears roll rate tracker and portfolio limit framework they can adapt to their own book.