



## **Insights into Equipment Financing for Convenience Store Owners - commonly asked financing questions answered by Jason Raffensperger, Regional Manager - NorthEast, Patriot Capital**

Patriot Capital's Jason Raffensperger addressed the most common questions C-store owners have about equipment financing options for new fueling dispensers, EMV upgrade kits, and other fuel equipment financing.

### **Why should a retailer consider equipment financing?**

Equipment financing provides several benefits when compared to other sources of borrowing or financing for C-stores.

1. Speed and ease. Equipment financing requires in most cases only a one-page application and approvals are issued within days if not hours.
2. Limited encumbrances. Equipment financing doesn't require the filing of blanket liens nor a second mortgage.
3. Financing flexibility. Loans can be structured with a term that the customer is most comfortable with.
4. Fixed interest rates. Unlike lines of credit, credit cards and other financing options, equipment financing is done at a fixed interest rate and doesn't change throughout the term.
5. Limited up front costs. Patriot Capital requires only the first and last months' payment up-front, nothing beyond that – there's no large down-payment required when purchasing equipment.

### **What interest rates can Patriot Capital customers expect to pay for their financing?**

Just like any financing or borrowing, the interest rate is determined by a range of variables, including among them the personal and business credit scores, time in business, the type of equipment to be financed, previous financing history and the term of the loan.

### **Can Patriot Capital help with EMV upgrades on gas pumps?**

Most gas pumps need to be upgraded to enable credit card transactions to be performed with EMV chip technology. Patriot Capital is able to provide financing for EMV gas pumps. Financing can be for either a new EMV pump or an EMV retrofit kit. The EMV liability shift for fuel dispensers, also known as UPT's or unattended payment terminals, is October, 2017. Patriot finances new dispensers including Gilbarco Encore and Wayne Ovation, and EMV retrofit kits for these dispensers as well as Gilbarco Advantage and Wayne Vista dispensers.

We are also very experienced and have financed a large number of point of sale (POS) EMV upgrades, including Gilbarco Passports and VeriFone Commander systems.

### **What are the benefits to securing financing and upgrading gas pumps before the EMV gas pump deadline in October, 2017?**

There are many reasons for customers to start looking at getting their equipment upgraded sooner rather than later

1. Rising equipment costs for gas pumps.
2. Technician availability. There are a limited number of installers and technicians that can perform the work of installing and retrofitting dispensers. This will create a backlog in having site surveys conducted and a longer than average time to have installations scheduled and completed. It's likely that installation costs are also going to increase because the demand is going to be so high.
3. Rising interest rates. It is highly probable that we will see several increases in borrowing costs over the next year.
4. Customer experience. As your customers become familiar with using EMV for payment in other retail formats, such as for their groceries and clothes and at restaurants, they will start looking for gas stations that offer what they perceive as a more secure way of paying.

### **Does Patriot Capital finance all brands of equipment?**

Patriot Capital finances all major equipment brands in the petroleum industry, including Gilbarco, Wayne, VeriFone, Bennett and OPW. We also finance LED's by all major manufacturers, including LSI, Cree and Acuity. Financing is available on new, refurbished and retrofit equipment.

### **What convenience store equipment does Patriot Capital finance?**

In addition to fuel-related equipment, Patriot Capital offers financing for point-of-sale (POS) systems, canopies, LED lighting, store price signs, and everything inside the store such as refrigeration cases, coolers, kitchen equipment, display shelving and more. We finance brand image upgrades, such as the Exxon Mobil Synergy image program.

### **What financing terms are offered by Patriot Capital? How long can I borrow for?**

The term of a loan is designed to fit the individual customer's needs, whether that is to minimize interest over the course of the loan by shortening the term, or stretching the term to a longer time period to make monthly payments fit within their budget. Our shortest terms are typically 12 months, and our typical maximum term is 60 months. For larger financing transactions, the majority of customers choose a 60-month term.

### **Does Patriot Capital offer financing on used equipment?**

We will finance used, refurbished equipment, as well as retrofits for newer equipment such as gas pumps.

### **Why should I finance my c-store equipment with Patriot Capital?**

Patriot Capital has been recognized by the PMAA (Petroleum Marketers Association of America) as Best in US for the service we give our customers. This includes:

1. We know the industry nationally. Patriot works with more c-store retailers and fuel jobbers than most, if not all, banks.
2. We have the largest advisory team in the industry. Our team is industry specific and understand the unique needs of the convenience store and fueling industry.
3. We have the most relationships with equipment manufacturers, distributors and major oil company brands. These partnerships provide a range of effective programs for dealers for gas pump financing, LED financing, and brand image upgrades.
4. We are very actively involved in the industry; there is no other company in the United States that has the knowledge, experience and expertise that we do. Patriot Capital is a leading provider of capital equipment financing and leasing to NACS (National Association of Convenience Stores), PMAA, (Petroleum Marketers Association of America) and SIGMA (Society of Independent Gasoline Marketers of America) members. We also work closely with PEI (Petroleum Equipment Institute) members, regional and state trade associations and many other groups across the petroleum and convenience store industries.

### **What is Patriot Capital's mission?**

We help entrepreneurs succeed. We are a financing resource available to retailers that is solely dedicated to the petroleum and c-store retail and commercial fueling industries. Our full team, from our financing advisors to our internal documentation team, our credit team and our support staff – have decades of experience, not only in equipment financing, but within the petroleum and c-store equipment financing environment. We have the specialized knowledge and expertise in our industry that you're not going to find outside of a firm that has this fueling industry focus.

### **What type of equipment will Patriot Capital finance?**

Patriot Capital will finance virtually any equipment that you would see at a commercial or retail petroleum service facility (C-store). The simplest way to state it is if it's not bricks-and-mortar or land, we will generally be interested in financing it. Specifically, Patriot Capital provides financing for fuel dispensers, POS (point-of-sale) systems, canopies, LED lighting, store price signs, and everything inside the store such as a POS system, beer case, coolers, kitchen equipment, almost any equipment required to run a convenience store.

### **Does Patriot Capital offer financing for underground storage tanks?**

In many cases, traditional bank financing is not available for underground storage tanks (UST's). UST's involve environmental laws and regulations, causing many banks to shy away from

financing them and the related work. There is also a large amount of ‘soft’ costs involved with an underground storage tank project, including excavation, concrete work, labor, backfill, soil removal, and soil remediation. It’s highly labor-intensive and does not have a lot of equipment that’s truly associated with that type of transaction.

A traditional bank will typically only do 70- or 80-percent loan-to-value on a transaction like that. An example would be a transaction that’s \$100,000 for all of the work, a bank will typically only lend \$70,000 toward that \$100,000 project because they don’t want to have so much of their funds being tied up in labor, construction and excavation work that, in the case of a default, could not be repossessed. Because petroleum equipment is our specialty at Patriot Capital, we can finance more of the transaction, often financing the entire transaction for our customers.

### **How long does it take to get a loan or financing from Patriot Capital?**

Our financing approval process is extremely simple and quick. For equipment under \$150,000, once we receive an application and an equipment quote, typically we can secure financing within several days at the most. Other forms of financing may require not only an application, but also several years’ financial statements and tax returns, and the underwriting process could take several weeks to several months, depending upon the size of your project. We are much quicker than many other forms of borrowing for equipment.

### **What kind of collateral is required for Patriot Capital financing?**

We don’t put blanket liens on the business, on the land, on the inventory, on the receivables, or all the assets; we file a simple UCC-1\* against the specific equipment that we finance. Our process is not only quicker but easier, and certainly less time-consuming for our customers than traditional borrowing or financing.

*\*A UCC-1 financing statement (an abbreviation for Uniform Commercial Code-1) is a legal form that a creditor files to give notice that it has or may have an interest in the personal property of a debtor (a person who owes a debt to the creditor as typically specified in the agreement creating the debt).*

### **Does Patriot Capital support the fueling and convenience store industry?**

Absolutely. We are involved at all levels in the industry; participating in a wide range of educational events annually. Patriot Capital is a leading provider of capital equipment financing and leasing to NACS (National Association of Convenience Stores), PMAA, (Petroleum Marketers Association of America) and SIGMA (Society of Independent Gasoline Marketers of America) members, the BTL Club and other industry share groups, and works closely with PEI (Petroleum Equipment Institute), regional and state trade associations and many other groups across the petroleum and convenience store industries. You will find us supporting groups such as NASM, BPAMA, CTPMA and many other trade associations.