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## Hawker Beechcraft Sees Aviation Financing Becoming Increasingly Available to Business Aircraft Buyers



BY TEXTRON AVIATION

During a recent corporate jet finance conference, Hawker Beechcraft Corporation (HBC) announced that it has seen the overall cost of aircraft financing decrease throughout the past 24 months compared to prices seen during the economic downturn, with buyers seeing greater access to aviation financing. The company says these trends have been aided by a number of factors including the global economic recovery, an increase in knowledge and sophistication of the key players in aircraft asset-based financing, growing competition among local institutions expanding into the global marketplace, and the increasingly active role of manufacturers in helping potential clients find financing.

“Over the past 12-24 months, we have seen a gradual, yet consistent thaw in the aviation finance sector as a number of lenders have gained an increasing appetite for this business,” said Kirsten Bartok, HBC vice president, Global Aircraft Financing. “A number of large commercial banks are looking to offer aviation finance in a growing number of countries outside of Western Europe and North America, and some smaller indigenous banks are looking to enter or grow their footprint in this market within their own countries, and in some cases beyond this.”

One of the reasons for this growing interest is that HBC, along with other aircraft manufacturers, is playing a more proactive role in helping financial institutions develop a better understanding of the aircraft industry by providing information on future product developments and life cycle plans, for example. These efforts have helped in reducing the asset-associated risk in transactions and created an environment that allows for lending to a wider customer base.

In addition, HBC is doing more to assist potential customers with gathering the relevant material needed to secure financing and making recommendations on potential banks for loans or leases. Financing costs are reduced when customers position themselves in the most transparent way and structure their purchase correctly in terms of registration and operation.

As private banks increase their knowledge and understanding of the aviation industry, HBC has seen them take a more proactive role in not only assisting their clients with their aircraft purchase, but also in educating them on the range of aviation products. Further, HBC has seen an increased role on the part of export credit agencies (ECA) in the business aviation sector, especially in emerging market countries where financing is often harder to secure. ECA financing has historically been very supportive of commercial aircraft purchases and their success in this sector is fueling their involvement in business aircraft purchases as well.

Greater involvement on the part of aircraft manufacturers in providing more industry data and playing a larger role in introducing customers to financial institutions has also led to further interest in post-transaction financing (also known as cash-out or re-financing transactions). Through assisting in building relationships between customers and banks at an early stage, customers are becoming better positioned to purchase an aircraft at a highly competitive price with a temporary line of credit or cash, and then work with the bank to procure more long term financing after the sale.

“Over the past year, the aviation finance sector has grown and become more sophisticated,” Bartok said. “We expect the availability of financing to continue increasing as well.”

Hawker Beechcraft Corporation is a world-leading manufacturer of business, special mission and trainer aircraft – designing, marketing and supporting aviation products and services for businesses, governments and individuals worldwide. The company’s headquarters and major facilities are located in Wichita, Kan., with operations in Salina, Kan.; Little Rock, Ark.; Chester, England, U.K.; and Chihuahua, Mexico. The company leads the industry with a global network of more than 100 factory-owned and authorized service centers. For more information, visit [www.hawkerbeechcraft.com](http://www.hawkerbeechcraft.com).

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