HVAC Financing Decision Kit

Compare the purchase, the payment and the total cost before you commit.

Use this kit when comparing ways to pay for home heating or cooling repairs and replacement. Start with an itemized project quote, then compare financing for the same work.

Choose the route worth comparing

Cash or savings

Compare the cash price with the financed price. Decide how much savings you need to keep for emergencies.

Contractor financing

Ask who actually provides the credit and whether the product is a loan, credit card or lease. A contractor quote is not a financing approval.

Personal loan

Confirm the permitted purpose, net proceeds after any deducted fees, timing and whether collateral is required.

Home equity loan or HELOC

Your home secures the debt and could be lost if you cannot repay. A HELOC usually has a variable rate and changing payments. Compare closing costs and timing. [3, 4]

Before requesting offers

- ☐ Get comparable written estimates; verify licensing where required and proof of insurance. [5]
- ☐ Set a monthly payment ceiling and an upfront-cash limit that fit your budget.
- ☐ Do not count an expected rebate or incentive as available cash until eligibility and timing are confirmed.

Compare two written offers

Use the same purchase scope. Leave Social Security numbers, account numbers and credit details off this sheet.

Record the written terms	Offer A	Offer B
Contractor / lender / quote date		
Work scope / equipment model		
Labor / permits / removal included?		
Cash out-the-door project price		
Financed project price		
Down payment / other upfront cash		
Credit product / collateral required		
Amount borrowed / net funds received		
Interest rate / fixed or variable / APR		
Payment amount / frequency / count		
Fees paid upfront / financed / deducted		
Total scheduled payments		
Promotion deadline / later terms		
Prepayment / late fee / balloon terms		
Payment release / completion conditions		
Cancellation / refund / warranty terms		

Compare disclosed APRs with APRs, not just interest rates. APR includes interest and certain loan charges; compare total dollars and terms too. [1]

Mark unknown items “needs confirmation” instead of guessing. If an offer is a lease or lease-to-own arrangement, obtain the ownership, return and buyout terms separately; this worksheet is not a complete lease analysis.

Check the total cost

A lower payment can cost more overall. Use the actual written payment schedule, not a headline offer.

Add dollars without counting fees twice

For a simple fixed-payment installment offer: add all scheduled payments, any separate final payment, your down payment and fees paid separately. Do not add a financed fee again if it is already repaid through the schedule. Deducted fees reduce the funds available for your purchase.

Illustration only, not a financing offer
Assume the same purchase, no trade-in, no fees, no balloon payment, no late charges and payments made as scheduled.

Offer A $1,000 down + $240 × 60 months = **$15,400 total**

Offer B $1,000 down + $165 × 96 months = **$16,840 total**

Offer B lowers the monthly payment by $75, but costs $1,440 more and lasts three years longer. These figures demonstrate arithmetic, not a current rate, approval or typical loan.

True 0% and deferred interest are different

A true 0% APR promotion does not retroactively add interest for its 0% period. “No interest if paid in full” can instead mean deferred interest: missing the payoff deadline can trigger interest back to the purchase date. Minimum payments may not clear the balance in time. Confirm the deadline, later APR and payment allocation. [2, 6]

Payoff planning example: $12,000 over 12 months requires $1,000 per month if no interest or fees apply and every payment reduces that balance. Confirm the actual schedule and aim to finish early. This is not the card’s required minimum payment.

Your numbers

Total cost (formula above, plus net trade equity) = $ _____

Cash price = $ _____ Difference = $ _____

Promotion payoff deadline / amount needed each month: _____

Net trade equity is value you give up; add it once, not again as cash down. Variable-rate, revolving-credit and lease costs need a separate scenario. Our fixed-payment calculator does not model retroactive deferred interest.

Make the next decision

Keep the quotes and this worksheet together. Do not sign until the unanswered items are resolved.

- ☐ The quotes cover the same equipment, labor, permits, removal and warranty.
- ☐ I know the actual creditor, credit product and any collateral requirement.
- ☐ I can afford the payment alongside household expenses and a repair reserve.
- ☐ I understand when funds reach the contractor and when payments begin.
- ☐ I have read the cancellation, completion and dispute terms; I have not signed blank documents. [5]

My next step and questions

Use the matching Loan Yard resources

HVAC financing guide

theloanyard.com/cash-vs-financing-calculator/

Online tools are educational estimates, not eligibility checks. Read the calculator’s assumptions before entering your written numbers. No form submission is needed to use this printed kit.

Sources and scope

1 CFPB • Interest rate and APR

2 CFPB • Deferred interest

3 CFPB • Home equity loan

4 CFPB • HELOC

5 FTC • Avoid home improvement scams

6 CFPB • Regulation Z promotional interest definitions

Reviewed October 23, 2026. Sources are linked for verification; government references do not imply endorsement. This kit is general education, not personalized financial, legal or tax advice, a credit offer or an approval prediction. Provider terms and availability can change. The Loan Yard is not your lender.