



## 2008 – The Year of the Credit Crunch

### The “Road to Success” in 2008:

*Affinity One Financial Services* believes this is going to be a very exciting year of growth and challenge for our company. With the sub-prime real estate credit crises bleeding into other areas of financing accompanied with a slow down in the economy many banks and bank owned Lessors have tightened their credit approval parameters and reduced staffing.

**“Advantage Affinity One – We are growing!”**

Speed, Ease and Convenience are the cobblestones of customer service that have paved *Affinity One’s* “Road to Success”, however, 2008 will require a firmer understanding of the principles of healthcare equipment financing to close transactions. Success this year will require Knowledge, Skill and Experience if Healthcare Vendors and their Sales Representative plan to travel coast-to-coast to reach their sales goals in 2008.

### Affinity is providing two new keys to help you achieve this success!

*Affinity One* is very proud to announce the following additions to our company – **Scott Soslow VP Eastern Region** and **Laura Osterling – VP Western Region**. Both individuals have won numerous sales awards in their twenty plus year career in healthcare finance. Both have the Knowledge, Skill and Experience that vendors and sales representatives are seeking in a healthcare financing partner. Both are excellent teachers, good listeners and effective communicators.

***They are two keys on your “Road to Success”***

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### Road Construction Ahead:

As this year progresses, Affinity will be expanding and adding to our infrastructure in order to support our vendors and train their sales representatives on the fundamentals of financing as both a marketing and closing tool. Affinity is planning the following:

- Re-introduce our web site and have it operational by July 1, 2008
- Move our offices to accommodate additional staff.
- Increase the number of trade shows we attend to support our vendors and sales representatives.
- Increase our marketing to create greater awareness of the resources and services we provide.

### Present State of Affairs:

When real estate prices were appreciating and credit card companies were offering \$50 to \$100,000 credit limits at low teaser rates many Physicians went against Affinity’s advice and refinanced their homes or borrowed against their credit cards to purchase equipment. Today these physicians are suffering! Many of their homes have dropped in value, the credit card teasers rates are gone and many are now paying 24 to 33% on them. The majority used interest only or 5 year adjustable rate mortgages to finance as

much or more home than they could ever possibly afford. They are now the high income sub-prime debtors that can not afford to pay their mortgage or service their credit card debt. We see it in their credit scores and in their financials. Affinity is sorry to paint a gloomy picture of financially stressed out doctors, however that is today's reality but still there is a positive underlining to all this financial turmoil!

### **Increased Importance of Leasing & Financing:**

Physicians have learned that financing healthcare equipment (that depreciates in value) on 10 or 15 year real estate loans (equipment having a 5-7 year economic life) was a mistake. They also learned that 12-month 0% interest offered by a credit card company can very quickly turn into a 24% + interest rate loan. The safety and sensibility of a fixed rate lease at 8.5% is now very appealing because they know if they are late on a payment the rate stays at 8.5%!

*This means financing new equipment through a home loan or using a credit card will not be a viable option for most physicians in 2008. Physicians will be looking to the sales representative to provide the financing solution needed for them to acquire equipment. Affinity wants to be your partner in providing that solution in 2008!*

Affinity's "**Road-to-Success**" Financing Sales Presentation System is simple for any sales representative to use and empowers the Physician to close the sale themselves by selecting the lease financing option that best suites their needs. Successful Sales Representatives know that providing their customers a turnkey solution of equipment, service, and financing at the point-of-sale is the key to closing.

### **All Aboard! Motivation Straight Ahead!**

As I mentioned, there is a positive side to the financial turmoil occurring in this country. The majority of Physicians are highly motivated and they are always seeking new ways to grow their practice and their incomes and will not want to have their homes foreclosed or default on their credit obligations to finance the growth of their practice. They will be looking to informed Healthcare Sales Representatives to share new ideas on how to grow their practice. New Growth + New Equipment = New Income. They will be motivated to listen, learn and buy in 2008! This is why when they turn to you to help find financing you will have the "**Road-to-Success**" tools right then and there.

### **Good News for 2008:**

- Interest rates are coming down making leasing an even more attractive option for your clients
- Due to the Federal Stimulus Package - IRS Section 179 is increasing to **\$250,000** for 2008
- Affinity One can provide working capital, leasehold improvements and cover other soft costs when providing financing for a new or expanding practice.

### **In Conclusion:**

**Affinity One wants to thank everyone – Vendors, Sales Representatives, Physicians, Family and Friends – for their business, their friendship and support in making 2007 an outstanding year! Let's work and play together to make 2008 an outstanding success!**

**Bruce A. White – President**

**Remember – “Only those who will risk going too far can possibly find out how far one can go”**

**- T. S Eliot, poet.**

