
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Earliest Event Reported: **September 17, 2012**

Willis Lease Finance Corporation
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-15369
(Commission File
Number)

68-0070656
(I.R.S. Employer
Identification Number)

773 San Marin Drive, Suite 2215
Novato, California 94998
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(415) 408-4700**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01: Entry into a Material Definitive Agreement

On September 17, 2012, Willis Lease Finance Corporation (the “Company”) closed an asset-backed securitization (“ABS”) through a newly-created, bankruptcy-remote, Delaware statutory trust, Willis Engine Securitization Trust II (“WEST II”), of which the Company is the sole beneficiary. WEST II issued and sold \$390 million aggregate principal amount of Class 2012-A Term Notes (the “Notes”). The assets and liabilities of WEST II will remain on the Company’s balance sheet.

In connection with this transaction, the Company and WEST II entered into a number of agreements, in addition to the Note Purchase Agreement previously reported on the Company’s 8-K filed September 7, 2012, listed below:

1. Asset Transfer and Liquidation Agreement dated as of September 14, 2012 by and between the Company and Willis Engine Securitization Trust (“WEST”), providing for, among other things, the sale by WEST to the Company of the beneficial ownership interests in WEST Engine Acquisition LLC (“WEST Acquisition”) in order that WEST may redeem all of its issued and outstanding indebtedness and thereafter liquidate and distribute its remaining assets, including WEST Engine Funding LLC (“WEST Funding”), to the Company.
2. Acquisition Transfer Agreement dated as of September 14, 2012 by and among the Company, WEST II, Facility Engine Acquisition LLC (“Facility Acquisition”), WEST Acquisition and WEST Funding, providing for, among other things, the contribution by the Company of its ownership interests in Facility Acquisition and WEST Acquisition to WEST II in consideration for the issuance by WEST II of its beneficial ownership interests to the Company and the payment by WEST II of the cash portion of the purchase price.
3. Indenture dated as of September 14, 2012 among WEST II, Deutsche Bank Trust Company Americas (“DBTCA”), the Company and Crédit Agricole Corporate and Investment Bank, providing for the issuance by WEST II of the Notes.
4. Servicing Agreement dated as of September 17, 2012 among WEST II, the Company, Facility Acquisition, WEST Acquisition, Willis Engine Securitization (Ireland) Limited (“Willis Ireland”) and 79 engine-owning trusts (the “WEST II Trusts”), providing for the appointment of the Company as the servicer of the assets of WEST II, Facility Acquisition, WEST Acquisition, Willis Ireland and the WEST II Trusts.
5. Administrative Agency Agreement dated as of September 17, 2012 among WEST II, the Company, DBTCA, as trustee, Facility Acquisition, WEST Acquisition, Willis Ireland and the WEST II Trusts, providing for the appointment of the Company as the administrative agent of WEST II, Facility Acquisition, WEST Acquisition, Willis Ireland and the WEST II Trusts.

A portfolio of 79 commercial jet aircraft engines and leases thereof (of which 13 will be transferred after the closing) secures the obligations of WEST II under the ABS. The Notes have no fixed amortization and are payable solely from revenue received by WEST II from the engines and the engine leases, after certain expenses of WEST II. The Notes bear interest at 5.50% per annum. The Notes may be accelerated upon the occurrence of certain events, including the failure to pay interest for five business days after the due date thereof. The Notes are expected to be paid in 10 years. The legal final maturity of the Notes is September 15, 2037.

Item 1.02: Termination of a Material Definitive Agreement

In connection with the transactions described above, effective September 17, 2012, the following agreements previously filed by the Company as exhibits to, and described in, its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005 relating to WEST were terminated:

1. Servicing Agreement dated as of August 9, 2005 among WEST, the Company, West Funding and 58 engine-owning trusts (the “WEST Trusts”).
2. Administrative Agency Agreement dated as of August 9, 2005 among WEST, the Company, DBTCA, as trustee, West Funding and the WEST Trusts.

Item 7.01: Regulation FD Disclosure

On September 21, 2012, the Company issued a news release in connection with the matters described above announcing completion of the ABS transaction. A copy of the news release is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, Item 7.01, including Exhibit 99.1, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth in such a filing.

Item 9.01: Financial Statements and Exhibits

(d) Exhibits

The Company hereby furnishes the following exhibit pursuant to Item 7.01, “Regulation FD Disclosure.”

Exhibit No.	Description
99.1	News release by Willis Lease Finance Corporation, dated September 21, 2012

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated September 21, 2012

WILLIS LEASE FINANCE CORPORATION

By: /s/ Bradley S. Forsyth
Bradley S. Forsyth
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	News release by Willis Lease Finance Corporation, dated September 21, 2012



NEWS RELEASE

CONTACT: Brad Forsyth
Chief Financial Officer
(415) 408-4700

Willis Lease Finance Completes \$390 Million ABS Offering

NOVATO, CA — September 21, 2012 — Willis Lease Finance Corporation (NASDAQ: WLFC), the premier lessor of commercial jet engines, reported that its wholly owned subsidiary Willis Engine Securitization Trust II (WEST II), a newly established asset backed securities (ABS) issuer, completed the sale of \$390 million of senior secured notes on September 17, 2012. The proceeds of the notes will be used to repay the existing ABS notes of Willis Lease's subsidiary, Willis Engine Securitization Trust (WEST).

The WEST II ABS securities are a single class of senior notes with a fixed coupon of 5.50%, an expected maturity of 10 years, a weighted average life of 7.3 years and a final maturity of 25 years. The notes are secured by 79 aircraft engines acquired from Willis Lease at a loan to appraised value of approximately 70%.

“The closing of WEST II is a remarkable achievement for Willis Lease and demonstrates our leadership position in the engine leasing marketplace,” said Charles F. Willis, CEO and Chairman. “Access to capital is one of the most important success factors for any asset-based business. Our successful track record as a previous ABS issuer, leadership position in the market, strong platform and solid reputation have all combined to provide continued access to the capital markets at competitive rates. Our access to low-cost, long-term capital is an important competitive advantage for Willis Lease. The completion of this offering, along with our newly upsized revolving credit facility, as well as our successful joint venture with Mitsui & Co. Ltd. places Willis Lease at the forefront of the global aircraft engine leasing market.

WEST II Highlights:

- Locks in fixed interest rate for the life of the notes, providing certainty of future cash flows.
- Significantly reduces principal payments and extends amortization period, improving cash flow.
- Releases significant cash from restricted cash and facilitates leverage on previously unlevered assets.
- Eliminates certain administrative costs for servicing and other third party expenses.
- Provides greater operating flexibility due to elimination of several corporate and portfolio concentration covenants.
- Provides greater flexibility to sell engines and reinvest the proceeds to update the portfolio.

“The WEST II ABS funding, combined with the expansion of the revolving credit facility announced earlier this month, provides us with a substantial amount of new capital to continue building a well-diversified engine portfolio for the most popular aircraft types, including Boeing 737s, Airbus 320s, Boeing 777s, Airbus 330s and Embraer/Bombardier/ATR regional series aircraft, and expand into new generation products such as the Trent 1000 and the GENx—and ultimately the PW-GTF and CFM Leap X,” continued Willis. “We have also begun the leasing of Auxiliary Power Units (APU’s) for the most popular aircraft in service today. Our widely used lease pool programs are being expanded to include APU’s as well as other models of engines. In addition to portfolio expansion, the new capital will allow us to continue our stock repurchase program and to pursue joint venture partnerships or equity investments in our market as well as other aviation equipment investments.”

“The long-term benefits of this transaction including providing capital to expand our portfolio, reducing operating costs and improving cash flow, are partially offset by an increase in our average debt cost and by the \$15 million pre-tax charge that we will record this quarter for unamortized debt issuance costs, note discount and swap termination costs related to the prior WEST debt extinguished,” said Brad Forsyth, Chief Financial Officer. “This one-time charge, a portion of which is non-cash, will cause the company to record a loss for the third quarter. As we deploy the new capital, we anticipate solid contributions to profitability from this transaction.”

For this transaction, Credit Agricole Securities was the Sole Structuring Agent and a Joint Bookrunner along with Goldman, Sachs & Co. Pillsbury Winthrop Shaw Pittman LLP provided legal counsel for WEST II and the Company. Clifford Chance US LLP provided counsel to the underwriters. The WEST II Notes were rated A(sf) by both Standard & Poor’s and Fitch Ratings.

About Willis Lease Finance

Willis Lease Finance Corporation leases spare commercial aircraft engines and aircraft to commercial airlines, aircraft engine manufacturers, air cargo carriers and maintenance, repair and overhaul facilities worldwide. These leasing activities are integrated with the purchase and resale of used and refurbished commercial aircraft engines.

Except for historical information, the matters discussed in this press release contain forward-looking statements that involve risks and uncertainties. Do not unduly rely on forward-looking statements, which give only expectations about the future and are not guarantees. Forward-looking statements speak only as of the date they are made; and we undertake no obligation to update them. Our actual results may differ materially from the results discussed in forward-looking statements. Factors that might cause such a difference include, but are not limited to, the effects on the airline industry and the global economy of events such as terrorist activity, changes in oil prices and other disruptions to the world markets; trends in the airline industry and our ability to capitalize on those trends, including growth rates of markets and other economic factors; risks associated with owning and leasing jet engines and aircraft; our ability to successfully negotiate equipment purchases, sales and leases, to collect outstanding amounts due and to control costs and expenses; changes in interest rates and availability of capital, both to us and our customers; our ability to continue to meet the changing customer demands; regulatory changes affecting airline operations, aircraft maintenance, accounting standards and taxes; the market value of engines and other assets in our portfolio; and risks detailed in the Company’s Annual Report on Form 10-K and other continuing reports filed with the Securities and Exchange Commission.

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Note: Transmitted on Globe Newswire on September 21, 2012, at 1:00 p.m. PT.