

# Program Outline

The principal behind my program is fairly simple. I am a builder with several properties and I'd rather sell them than rent them. Because real estate financing has become all but impossible to get, I had to come up with my own program for making homeownership possible, so here it is

**WE** will sign a mortgage (note) indicating how much you own, what your payments are and what it includes.

**YOU** come up with between \$ 5,000.00 and \$ 7,500.00 down (depending on which unit you want)

I hand you the keys!

## 1. Down Payment:

- a. The down payment is applied toward your purchase price, meaning that if you buy a unit for \$ 300,000 and you put \$ 5,000.00 down, you'll be signing a note for \$ 295,000.

## 2. Monthly Payment:

- a. Each month, you will make an all-inclusive payment to me of between \$ 1950 and \$2,300 – depending on which unit you buy. This payment covers your mortgage, the property taxes, Homeowners dues and your club membership to Los Caballeros.
- b. The note (or mortgage) you sign will mature in 2 years but don't let that scare you. When it matures, you will have two options:
  - i. You can pay it off or refinance it with a conventional lender
  - ii. You can extend it with me, in 2 year increments. If you want to extend:
    1. Your interest rate won't change if you extend.
    2. There is no "extension fee" to extend for another two years.
    3. I will ask that you increase your mortgage payment by \$ 100.00 so that your loan balance starts getting paid off sooner. (e.g. if you were paying \$ 2,300 a month your payment would increase to \$ 2,400 a month for the next 24 months).
    4. The option to extend will be available to you for up to eight more years total.
    5. Just as with any other home purchase, if property taxes, homeowners dues or club fees increase over time (which they eventually will) your monthly payment will be adjusted accordingly – meaning that if you dues go up \$ 15.00 a month, so will your payment.

## 3. Buy-Back Guarantee:

Worried about a job transfer? Concerned that the market may deteriorate & you'll owe more than the place is worth? Want to just simply keep your options open – just in case? We are so confident in our program and it's buyer benefits, we guarantee it!

- a. For the first two years following your purchase, you can cancel at any time, for any reason and we will release you from your contract.
- b. Exercising this option will not hurt your credit or reflect as a foreclosure, default or contract breach. In fact, not only will we let you out, but will actually refund part of your down payment. The refund is based on how long you stayed (the longer you stay, the more \$\$\$ you get back) and you need only return the property in the condition you received in, sign a mutual release and deed the property back to us with no new liens on it.
- c. The refund schedule is as follows: (a) 0-6 months – nothing. (b) 7-12 months – 25%,  
(c) 13-18 months – 50% (d) 19-24 months – 75%.

## 4. Pre-Payment Penalty:

Many loans have what is called a "pre-payment penalty" which means that you have to pay a premium to refinance or pay your loan off ahead of schedule. Not so with this program. In fact, we will actually give you an incentive to refinance by offering you a discount (or credit) of up to 4% or (\$ 15,000.00) on your loan balance for paying it off early. Here's an example.

	Month 0-6	Month 7-12	Month 13-18	Month 19-24	Month 25-36
1 bed (\$300K)	\$ 12,000	\$ 11,250	\$ 10,500	\$ 9,750	\$ 9,000
2 bed (\$ 375K)	\$ 15,000	\$ 14,062	\$ 13,125	\$ 12,187	\$ 11,250