

Sample Economics

The following example is for discussion purposes only. Data is based on market conditions at the time of publication and is subject to change.

CLIENT SCENARIO:

After years of hard work and sacrifice, Mary and Robert accepted an offer to sell their company. They are anxious to make the move to their new lifestyle but don't yet have the proceeds from the sale, nor do they have quantifiable income as "former" employees of their business. The sale of their company and the discontinuation of regular income during the "quiet period" means Mary and Robert are "unbankable" from a traditional mortgage lender's standpoint - at least until the sale closes in 12-18 months. Fortunately, their agent introduced them to REAL. Since REAL does not require a history of new income and does not restrict source of funds, it is the perfect solution for Mary and Robert.

The following table summarizes a few options - Mary and Robert chose Scenario (B):

CHARACTERISTICS	Credit Score	Property Use	Property Type	Purpose	Notes
Mary and Robert	720-749	FULL-TIME	SFR	PURCHASE	Applicant/Property Details

SCENARIOS	(A)	(B)	(C)	(D)	Notes
Contract Purchase Price	1,600,000	1,600,000	1,600,000	1,600,000	Negotiated by Mary and Robert and Seashine through the agent
Acquisition Premium (\$)	(240,000)	(320,000)	(400,000)	(480,000)	Acquisition Premium (AP) is the option premium paid to acquire the benefits of ownership
Acquisition Premium (%)	15.00%	20.00%	25.00%	30.00%	
Transaction Fee (2.50%)	34,000	32,000	30,000	28,000	Transaction Fee is not paid upfront but added to the Program Balance
Program Balance	1,394,000	1,312,000	1,230,000	1,148,000	The amount paid by Mary and Robert to exercise the option

MONTHLY PAYMENT	(A)	(B)	(C)	(D)	Notes
Base Payment	\$7,291	\$6,004	\$5,147	\$4,827	Excludes taxes, insurance, and HOA dues added to the monthly payment



TIMELINE FOR AMOUNTS DUE FROM MARY & ROBERT

- Mary and Robert applied for REAL with only their photo IDs and by paying **\$25** per applicant (**\$50 total**). Getting approved for REAL is simple and void of the onerous documentation requirements associated with debt financing.
- Within 24 hours of offer acceptance, Mary and Robert wired their earnest money deposit (**\$16,000**) and Due Diligence Fee (**\$1,500**) to the REAL Homeownership Trust.
- Prior to the contract Due Diligence deadline, Mary and Robert wired the remainder of their upfront payment (~**\$304,000**) to the REAL Homeownership Trust. The earnest money deposit counts towards their Acquisition Premium.

EXERCISING THEIR OPTION

- When Mary and Robert decide to exercise their option by either buying or selling the home, the Program Balance of **\$1,312,000** is due to the Trust regardless of the current market value. Mary and Robert will receive 100% of any net price appreciation of the property as there is no equity sharing with REAL.