

## WHY IS SELLING YOUR HOUSE TO US “SUBJECT TO” YOUR CURRENT MORTGAGE A GOOD OPTION?

One method we use to purchase houses is known as buying “subject to” the current mortgage. That is, we take title to the property, but the existing mortgage stays in the seller’s name.

So, why would you EVER let someone take over your property while still being responsible for the mortgage? It’s simple – it’s a relatively easy method of avoiding foreclosure and the further ruin of your credit. If you can no longer afford to make the mortgage payment, wouldn’t it be better for us to make the payments rather than you experiencing foreclosure?

This method may be an attractive option even if you aren’t facing foreclosure. We buy the house “as-is,” and don’t ask you to make any repairs. You don’t pay a commission, and you don’t pay closing costs – we do. Finally, you don’t have to worry about staging the house or keeping it in tip-top condition every day while strangers walk through your home, looking at your things.

The following answers will address many of the questions you may have.

*Q. Isn’t it a scam you are trying to pull by getting title to my property while my name stays on the loan?*

A. Not at all. Buying property subject to the current mortgage is not a scam. It’s merely an alternative for selling your property, especially when there may be missed payments and/or other legal encumbrances against the property. Our real estate attorney handles all the legal paperwork, and the closing is done in the associated title company. If the method was a scam, attorneys

wouldn't handle these transactions, and they've been doing it for years.

*Q. The mortgage has a "due on sale" clause. Won't the bank call the mortgage due once I sell the property to you?*

A. This is a valid concern, one we were more concerned with until we had multiple attorneys explain the due on sale clause. The clause gives the bank the *option* to call the mortgage due – not the *requirement*. In other words, the bank is not required to ask for the mortgage to be immediately paid off. Banks rarely call the mortgage due; they are more interested in getting the monthly payments than foreclosing on a loan. Foreclosure is an expensive and time-consuming action for them. Moreover, banks and other lending institutions do not want to be in the real estate business. Can we a guarantee that the mortgage holder won't call the mortgage due? No. No one can make that guarantee. However, if the bank does call the mortgage due, our attorney would handle the situation.

*Q. When does my name come off the mortgage? I may want to buy another house.*

A. Your name will stay on the mortgage until it is paid off, and if you apply for another mortgage, the current mortgage will show up on your credit report. While the fact that your name remains on the mortgage is a valid concern, you should consider your current financial circumstances. If you are facing a dire financial situation, one that may have a disastrous impact on your credit and financial life, then perhaps having your name remain on the mortgage may not be a major issue. If this is a major concern, then selling the property to us subject to the current mortgage

may not be the best option for you. And while we can't guarantee it, but depending on the situation, we may either sell or refinance the house at a later date, thus paying off your mortgage.

*Q. How do we know you will make the payments?*

A. There are two major reasons that we will make the payments timely. First, it's the right thing to do. It would just be wrong to harm those that place their trust in us.

Second, making the payments is crucial to our business model. We have the financial backing to make the payments as long as necessary. Not making the mortgage payments prevents us from accomplishing our own business objectives.

*Q. What will you do with my house?*

We may sell the house to another buyer, rent it, or refinance it after a few years. Whatever we do, this gives you the opportunity to make a fresh start.

*Q. I have equity in my property. I just don't want to give it to you.*

A. Purchasing real estate is a business for us and, like any business, the deal must be profitable to us. If there is no profit, there is no sense in doing the deal. There are several ways you can be compensated for your equity, depending on the amount. This is something to discuss when we speak.

*Q. If I do this, can I stay in my home?*

In some circumstances, we may be able to lease it back to you.

*Q. Looks like selling 'subject to' will improve our financial circumstances, allowing us to get on with our lives. What do we do next?*

A. Call us at 682-583-0535 or 1-800-283-4416 today - so you can move on with your life.