

## Benefits and Risks of Creative Owner Financed Transactions

Creative owner financed transactions are an excellent alternative method of purchasing or selling a home in today's mortgage and real estate marketplace. If you are in a position where you are unable to sell your home regardless of the reason, or if you are unable to qualify for a mortgage loan or simply don't have the large down payment and or closing costs required, you may wish to consider one of our owner financing options. Listed below are what we perceive to be the Benefits and Risks of buying or selling a home using unconventional methods.

### BENEFITS

- Reduced marketing time
- Good exit strategy regardless of personal or property circumstance
- Minimum or no closing costs
- Stops potential foreclosure since the property is sold and payments are maintained
- Subject to Buyer pay history may improve credit rating
- Quick closings (sometimes in a manner of weeks)

### RISKS

- Violation of Due on Sale clause
- Seller not released from loan liability until the loan is paid off
- Subject to Buyer pay history could impair credit rating
- Even though the property is sold, a portion (25%) of the monthly mtg. payment must be shown as a liability and can affect debt to income ratio calculations when making major purchases

**AGREED AND EXECUTED** on this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Seller

\_\_\_\_\_  
By:  
Its:

Date Executed: \_\_\_\_\_

Seller

\_\_\_\_\_  
By:  
Its:

Date Executed: \_\_\_\_\_