THE OWNER FINANCE CONSULTANT –

STATED JUMBO PURCHASE PROGRAM (SJPP Guidelines)

This is a non-loan real estate purchase program designed for purchasers that can't qualify for conventional loans associated with the purchase of real estate – residential or commercial – within the 50 states. No matter the reason – poor credit, non documentable income, self employed, cash income or need of a discrete acquisition – if the purchaser has the required downpayment amount and attest they can afford the property - they are approved.

The structure of the transaction is as follows. Once purchaser applies using correct protocol and is approved we place the purchase with a sourced investor. The investor purchases the property with cash. The property is placed into a trust and the purchaser receives first option on the trust via the trust agreement. The term of the trust is 7 years and the applicant can cash out of the trust any time prior to then. After 7 years the trust must be settled or re-initiated.

Since the property is being purchased all cash this alleviates the applicant from having to qualify via traditional methods. The property being placed into a trust eliminates risk to the investor that any liens/judgments against the applicant will not affect title.

Program Details

Investor and applicant are placed in a trust. Each transaction is facilitated in this manner and is placed in a separate trust.

By placing the finalized transaction between the investor and the applicant into the trust, the related property is protected from any type of lien(s) against the applicant. This is important, as the sourced investor needs to be protected from any current or potential creditors associated with the applicant.

The applicant receives first option on the trust via the trust agreement and resulting option payment plan. In simple terms, neither the investor nor the applicant actually owns the property. As the property is deeded into the trust, the trust owns the property, and the applicant has first option on the trust. The only way an applicant may lose the property is by defaulting on the monthly trust payments, much in the same way a mortgage loan default would work.

The trust is managed by a duly assigned fiduciary. This is typically the attorney retained by our underwriter to conduct this portion of the transaction.

The monthly payments are amortized much in the same way a mortgage loan is amortized. When the trust is cashed out by the applicant, all payments made are credited to the trust balance in the same way payments are credited to the principle balance of mortgage loan. (Typical rates 7% to 9%)

This type of transaction is not a mortgage loan, but is structured and works in a similar way. It has advantages and disadvantages when compared to a mortgage loan.

Mortgage loans offer tax deductions and are generally less expensive but the applicant must qualify for the loan. The trust transaction does not require qualifying credit or proof of income and employment.

The overall transaction closing timeframe is determined by the investor that is sourced for the transaction. This is a NON-RESPA transaction.

Transaction Costs

Applicants must be agreeable to a higher cost in connection with acquiring their property. Some costs exist even within the framework of a mortgage loan. Yet others are specific to this program.

Cost Factor	Amount
Analysis Fee	$4,950*
Appraisal Fee (if needed)	1K to 6K (depends on type property, paid at the door)
Cash Consideration	15% to 20% Residential O/O and 20% Commercial**
Net Investor Fee	15%
Investor Closing Costs	3% - 5% Estimate (varies from region to region)

*Refundable if loan is denied and rebated back to buyer after closing

**Not payable to program facilitator until after approval is issued.

The analysis fee is charges to locate and place the transaction with a private investor. It serves no other purpose. It is paid directly to the program processor at the same time the application is submitted. Previous to closing it is refundable only in the event that the application is not approved or if the transaction cannot be completed on account of the sourced investor. After closing the buyer is issued a rebate for the entire analysis fee paid.

The appraisal fee is contingent on the willingness of the seller or buyer to carry this expense. If payable it is paid directly to the appraiser. The sourced investor may or may not accept dated appraisal. Properties zoned commercial typically require an MAI appraisal. In any case, it is the sourced investor that has the final word on appraisal issues.

The cash consideration represents the amount of money that the applicant must provide to complete the transaction. These funds must be in the form of cash. Equity in any property may NOT substitute for cash consideration. Lastly, funds located in title escrow must first be released in order to be applied as cash consideration.

The net investor fee is what the investor charges to perform on a non-qualifying transaction. It is a small price to pay for an enormous individual commitment on the part of the sourced investor. The investor fee is not paid out-of-pocket. It is rolled into the transaction similar to rolling it into a loan which is simply added to the top of any actual loan amount. (Further explanation below)

Closing costs incurred by the sourced investor in connection with purchasing the property is passed on to the applicant. It is not possible to itemize the exact costs in advance, though they will be detailed prior to completion of the transaction. *Applicants that need this information prior to applying should not apply.* Closing costs are typically in the 3% to 5% range of the sale price. Closing costs can't be rolled in. Sellers can contribute the closing cost.

Applicants should apply for program approval only if they are agreeable to the potential fees involved, only some of which are known prior to the submission of an application.

Approval Requirements

It is sometimes difficult to adjust to the idea that an applicant will be approved regardless of credit score or income and job status verification. This however, is definitely the case, as our programs are not loans and money is not being borrowed. We do not evaluate the applicant beyond personal character references. Instead, the property and appraisal value are the central focus. As long as minimal requirements are met, the application will, usually be approved by an investor:

- ✓ Required cash consideration available
- ✓ Normal property structure not remotely located
- ✓ 3 character references
- ✓ Stated income indicating that the applicant can afford reasonable monthly trust payments
- ✓ Correct analysis fee submitted with application

For each application resulting in approval, an approval letter will be provided. Approvals expire one (1) year from the date they are issued.

If a property on a pending application is withdrawn for any reason, a new property may be substituted as a replacement during the approval period of one year. In this case a new analysis fee is not required.

Investment properties are compatible with this program.

Consideration Requirements

The property cash consideration requirement is not treated like a fee. The amount is set at 15% to 20% for owner occupied residential and 20% for commercial property and residential non-owner occupied and is calculated on the purchase price. It is credited to the transaction in a similar way that a downpayment is credited on a real estate purchase.

To determine the actual cash consideration amount multiply the sale price to the end Buyer by the appropriate cash consideration percentage.

If it's a residential owner occupied transaction the cash consideration would be 15% to 20% of the sale price.

If it's a commercial property or a non-owner occupied residential transaction the cash consideration would be 20% of the sale price.

The final exact amount of cash consideration required is determined by the investor who approves the transaction.

The property cash consideration is submitted to the program facilitator after an approval is issued.

The total out-of-pocket expense is limited to the analysis fee, cash consideration and closing costs.

Properties needing advanced funds for construction require double the cash consideration. This means that in the event that the sourced investor would normally require 15% consideration the revised requirement would be boosted to 30%.

Cash consideration has only one of two possible final destinations. In the event of a successful closing the funds are released to the sourced investor. If a closing does not take place on account of the investor or due to a cancellation on the applicant side, the funds are returned to the original submitter.

Application Processing

The following steps (in order below) take place in connection with the processing of a transaction:

1. Application and analysis fee is sent
2. Applicant references are verified
3. Investor is sourced
4. Formal approval is issued
5. Approval letter is provided
6. Cash consideration is submitted to program facilitating corporation
7. File is submitted to investor for funding
8. The investor completes pre-funding due diligence – at expense of investor
9. The investor executes the property purchase agreement immediately prior to scheduling a closing date
10. First closing is schedule and property is purchased
11. Second closing follows 24-48 hours later between the investor and the applicant.

While the sourced investor in fact purchases the property and the property is titled to the investor, the actual property is placed in the trust with the applicant receiving the first option.

Analysis Fee Refund Policy

In the event that an applicant is not approved, the associated analysis fee is refundable, proving the applicant signs a general cancellation form release. Equally, if the sourced investor is unwilling or unable to complete the transaction, the analysis fee is also refundable.

The analysis fee is non-refundable in the event that the applicant is approved and the sourced investor is willing to complete the transaction.

This refund policy may not be superseded by a third party or verbal representations of any kind by any party. In the event that a discretionary exception to this refund policy is granted, a 25% cancellation charge applies.

The entire analysis fee paid is rebated to buyer after transaction close by Transamerican East Funding.

Summary

When carefully examined, the program is seamless and easy to convey. The processing of an application is far less complex due to significantly reduced red tape than financing via a mortgage loan. Closing time frame is very similar to any FHA loan which is generally in the 45 to 60 day range after approval and receipt of cash consideration.

The program is not exclusively suitable for individuals with poor credit. Interestingly, many of the applicant's received are of excellent credit standing, but prefer a discreet acquisition process with a minimal paper trail.

Terms, conditions and program availability are subject to change without notice.

This program is designed for those that can't qualify for any other type financing. It is not a product designed to compete with banks or traditional mortgage companies.

Program is available through your Owner Finance Consultant.

Owner Finance and its parent company Transamerican East Funding, is a registered affiliate of the stated jumbo product facilitating corporation based in Atlanta, Georgia that brings this non-loan program to the market. The facilitating corporation was founded on September 1st, 1988 and has been providing innovative multifaceted products and services with impeccable record since its birth. Information pertaining to the facilitating corporation is provided upon receiving formal approval of your transaction.