

Work For Equity Questions and Answers

What are the qualifications? You must have the ability to complete the repairs such as painting, installing cabinets, minor plumbing, replacing rotten wood, etc. You must also pay rent during this process and have credit and income suitable to acquire some kind of permanent financing at a later date. This doesn't mean your credit has to be good but it does mean that not everyone will be approved. Once you're approved for the Work For Equity program, you're automatically approved for permanent financing when the house is repaired unless your circumstances change due to loss of income or non-payment of your current obligations.

How do I pay for repairs? A list of repairs will be presented to you prior to any commitment from you. These will be the repairs needed for permanent funding. You are encouraged to do more than what's on the list, but the list must be completed first. You must fund the cost of material in the first phase. You'll be reimbursed once these materials are properly installed and inspected. You should have at least \$500 to \$1,000 available to begin the process, in addition to the first month's rent. The repair list will be divided into a maximum of four phases. Each inspection will be done at your request after each phase is completed.

How long do I have to get the work completed? The time for repairs will be agreed upon on a case-by-case basis depending on the amount of repairs needed and your personal situation. No repair schedule will exceed three months and most are done in considerably less time.

When will I be given possession? Possession will be delivered immediately. However, the house may be flagged by a utilities company or condemned. In these cases, the house must be repaired before it can be inspected by the city and released for occupancy. The repairs will be your responsibility. We'll handle the inspection. You may not live in the home without prior consent from us and such consent will not be given until the repairs are completed or, in some cases, you may put down a deposit to live in the home while repaired if it doesn't require a city inspection.

Please make sure you're clear on your occupancy rights. In a nutshell, the property must be code compliant in all cases and you will have either completed the repairs before occupying or made arrangements to pay a deposit so you can move in while repairing.

We do not have any homes that you can move into with no money or commitment on your part.

Utilities: You will be responsible for turning on utilities in your name. In those cases where the city must inspect first, we'll handle the details with your assistance.

How much equity will I get? The purchase price will be set up front allowing you more than adequate consideration for your participation. You'll receive a lot more equity in the home than what your labor would cost. The price will be well below the after repaired value, and we'll add our cost of materials to that price before applying for permanent financing. That way you control the final price. The less you spend on repairs, the lower the price. The discount will be determined based on the degree of work the home needs. You must agree on the price in advance, and all facts will be covered in detail and will be in writing. No surprises!

Who pays for insurance? We'll insure the dwelling until you become the owner. Our policy will not cover your contents but it will cover any renovations whether paid for by you or us. You should insure your contents and in some cases you may be required to buy some liability insurance.

Who pays for taxes? We'll pay the property taxes until you purchase the home.

How long will I have to purchase? That's a case-by-case answer. Some folks purchase right away, others take months. It depends on your ability to get permanent financing. Sometimes our buyers must live in the home for 6-12 months to show a pattern of prompt rent payments to the lender. Other times the loan process is started while the work is in progress. Sometimes we finance the home ourselves permanently and no other lenders are needed. We'll look at what your needs are and structure financing to suit. You'll know all these answers up front.

What if I do the repairs and can't get a loan? Our objective is to sell the home, not rent it long term. If you live up to your agreement, complete the repairs, and pay your bills on time, you will be approved for permanent financing. Again, all these details will be discussed up front and agreed upon, in writing by both parties. Since we own the homes, we're very flexible and willing to make it work.

If there's a big problem, we'll know up front. Of course, we can't be responsible for your financial situation after you take possession of the house. A loss of income or future credit problems can prevent you from qualifying for a loan, but even then we'll help you work it out as long as you pay the rent and keep your promises.

What do I do next? If you haven't already, please fill out our short application and fax it to us at XXX-XXX-XXXX.

Once you've found a home you like, call us immediately and let us know. Obviously, when we're offering homes that folks can buy cheap with very little money and built-in financing, they don't take long to sell. Call now to ensure availability.