

Seller Mortgage Services

Over the past few years our market has seen an incredible run in sales and double digit percentage increases in average sales prices year over year. However, our market is undergoing a very fast change due to inflation and the corresponding financial policies that have caused mortgage rates to increase faster than ever before. Rising mortgage rates is the primary reason sales are slowing. Inventories of properties for sale are increasing. With fewer buyers and increasing seller inventory, seller competition for buyers ramps up. When sellers compete for buyers, they either have to make their property stand out by:

- Option 1 - Better curb appeal,
- Option 2 - Including more features,
- Option 3 - Lowering the price.

We believe there is a better Option 4. Option 4 is to make the cost of buying the property cheaper than it would be for any competing property.

Through this service, our clients can eliminate the stressful higher costs of buying through traditional mortgages. Our clients can sell their properties at top of the market prices even when average sales prices are beginning to decline.

If you want to discuss whether or not this option is good for you, please call anytime.

Brad Abernathy

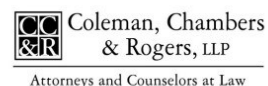
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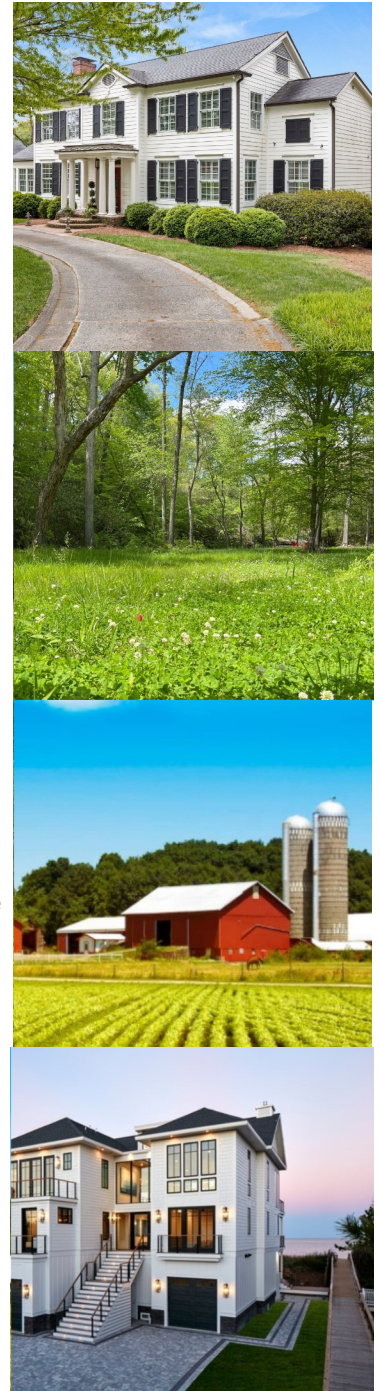
Example One | \$500,000 Home

Seller has a home that should be priced at \$500,000. There are 10 comparable houses on the market for the same price. Seller decides to market his home for sale with seller financing terms of 20% down, 5% interest, 30 year amortization, and a 10 year balloon payment. At the same time, the typical rate for this loan in a traditional mortgage happens to be 7%.

Buyers looking at these 10 houses would automatically have more interest in our Seller's home. Buying our home would cost much less in closing costs, less in the mortgage payment, would be an easier loan application process, would not require an appraisal, and be a faster closing. We are able to secure a faster sale for a higher price because buyers would be much less likely to negotiate the price since all the other homes out there at \$500,000 would cost them more to buy (exactly \$514 more per month in principal and interest using those same two rates above).

Our seller would receive: \$100,000 down payment at closing; \$257,640 in total monthly payments over 10 years (\$180,000 of which is interest); and a balloon payment at the end of year 10 for \$325,368. The total this seller receives over 10 years is \$683,000. The seller mortgage he provided was a first position security deed on the property he once owned, so his investment was secured by his former home.

The seller's note would also be paid in full prior to the 10 year balloon if the buyer ever refinanced or resold the home. This example was an enormously beneficial arrangement for our seller and our buyer.



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Example Two | \$600,000 Land Tract of 40 Acres

Seller has an acreage tract of 40 acres. It is beautiful land in a great area. Recent sales have fluctuated between \$11,000 per acre and \$14,000 per acre. I believe with a financing package offered our Seller can sell for \$15,000 per acre.

Seller decides to market his land for sale with seller financing terms of 20% down, 5% interest, 30 year amortization, and a 10 year balloon payment. At the same time, the typical rate for this loan is non-existent. Land loans are almost impossible to find. A bank will want to do a fixed rate or adjustable rate commercial loan for 3 years at the most. AgGeorgia Farm Credit will do a 20 year fixed rate loan for 9.25% today. Our financing package makes this property and even its higher price extremely attractive.

A buyer buying this would pay \$120,000 down payment and monthly payments of \$2,576 for this property through seller financing. The payment from the AgGeorgia loan would be \$4,396 per month.

Our seller would receive: \$120,000 down payment at closing; \$309,209 in total monthly payments over 10 years (\$202,611 of which is interest); and a balloon payment at the end of year 10 for \$390,441. The total this seller receives over 10 years is \$819,650. The seller mortgage provided was a first position security deed on the property they once owned, so the investment was secured by their former property the seller knows very well.

The seller's note would also be paid in full prior to the 10 year balloon, if the buyer ever refinanced or resold the property. This example was an enormously beneficial arrangement for our seller and our buyer.



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