

# The Jumbo Solution

**Are you a Real Estate Professional having a hard time closing luxury residential properties requiring jumbo financing? Is your only strategy to ask the seller to drastically reduce their price?**

***Do you have:***

- A great buyer that can't qualify?
- A listing you can't take?
- A listing getting ready to expire?
- A deal falling out of escrow?

Before you walk away from your clients and all commissions, bring in the Jumbo Solution team for an evaluation.

***We can help you:***

**Resurrect and close a "dead" transaction**

**Resuscitate a marginal deal**

**Achieve customer satisfaction**

**Gain additional referrals in the process!**

***How do we do it? By utilizing:***

- The homeowner's existing equity
- The existing financing already on the property (when attractive)
- Or a combination of the two

to forge a mutually acceptable structured transaction for the Principals. Essentially, we use the same kind of deal-making magic professionally trained RE Exchangors use to accomplish 1031 transactions for their RE investor clients! **And provide similar benefits as well!**

The Jumbo Solution team provides the parties to the transaction with the all of the advantages of a "subject-to," lease-option, installment note, land contract or "wrap" – as well as several elemental estate planning and asset protection benefits built-in – **without** ANY of the disadvantages.

***And . . . YOU GET PAID!!!***

Depending on Seller needs, Buyer available cash and/or market conditions, more transactions are put together and **CLOSED** – **participating Realtors** are PAID relevant commissions through:

1. Escrow at the inception of the transaction;
2. Escrow at the termination of the trust;
3. Periodic installments;
4. Any combination of the above

\*NOTE – the **Jumbo Solution** is NOT a loan program and NO new financing is involved in the transaction (though the property owner may elect to refinance the property through a third-party Lender prior to trust inception if it makes sense).

## The Jumbo Solution Platform

The Jumbo Solution uses the “Illinois type” title-holding land trust (a *revocable inter-vivos* Beneficiary-directed trust), coupled with our proprietary documentation system to allow the property owner (Settlor) to vest both the legal and equitable title of the property with the trustee of a land trust to be created...

and then to subsequently transfer a *Beneficial Interest* in that land trust to a **Resident Co-Beneficiary** – upon the mutually agreed terms and conditions of the Principals.

The **Jumbo Solution** results in a personal property interest in the Trust being conveyed to a Resident Beneficiary *without an unauthorized transfer of the real estate title*, and **without a violation of an existing mortgage lender’s “due-on-sale” clause, or other “alienation” clauses** (FDIRA 12USC1702j-3 aka Garn – St. Germain).

### Before You Start Rolling Your Eyes . . .

Forget what you don’t know, and most of what you may have heard: Fannie and Freddie have had loan programs for Land Trusts in the MFR commercial lending sector for years, and the IRS even grants Land Trusts special and potent benefits in several code sections!

Though many real estate agents, lenders, and even attorneys are not entirely familiar with them, Land Trusts (particularly “Illinois-type” title-holding Land Trusts) have been used for real property ownership and transfer in the U.S. since the early twentieth century, and are authorized and/or accepted in various closely related forms in every state throughout the U.S. at this time, and it works particularly well in California.

While setting up and operating a land trust does require a lot of paperwork, a careful review of the process demonstrates that the **Jumbo Solution** is less complicated than a typical 1031 exchange or wrap around mortgage, while also generally offering more advantages for all parties and their representatives.

It's also easier than pushing through a full documentation conventional loan any day of the week!

The **Jumbo Solution** is a meticulous, straight forward process that incorporates:

1. A title-holding *Land Trust Agreement* between the Settlor and a Trustee; followed by
2. An *Assignment of a Beneficial Interest* to a Resident Beneficiary; in conjunction with
3. A *Beneficiary Agreement* (analogous to a joint venture agreement) between property owner and Resident Beneficiary; along with,
4. An *Occupancy Agreement* (NNN RE lease) whereby a Co-Beneficiary leases the corpus real estate from the trust, rather than holding an equity interest in the real property itself; and, when circumstances dictate,
5. A limited *Power of Attorney* from the Settlor to Buyer for handling the management of the property according to the dictates of the Trust Agreement, and the Beneficiary Agreement between the Co-Beneficiaries.

The **Jumbo Solution** deal structure/documents effectively afford a would-be buyer all the benefits of homeownership, including income tax deductions ... without the transfer of title ownership.

Unlike other types of trusts, the Beneficiaries of a land trust retain full direction and control of all trust decisions. The **Jumbo Solution** also effectively protects the property owner (Settlor), as well as any Co-Beneficiary (or Resident Beneficiary) from legal action by third parties.

Utilizing the **Jumbo Solution**, the property owner (Settlor)'s property rights are fully protected, and Settlor's equity, if any, is safely preserved. In addition to the important benefits described above, the land trust also provides an effective buttress for the Settlor's real estate ownership against threat of lawsuits, creditor claims, IRS tax liens, bankruptcy and legal claims in marital dissolution, probate proceedings, etc.

As an additional safeguard, the **Jumbo Solution** uses a neutral third party for bill paying, so all parties know that monies received are being appropriately disbursed.

**What you *don't know* about Land Trusts, Seller Financing and the Secondary trust deed market *CAN hurt you AND your client . . .***

Knowledge is power and puts money in your pocket. And sometimes, it's not just about WHAT you know, but WHO you know.

***We are your local Jumbo Solution  
Owner Financing specialists  
When the banks say 'NO,' we say 'YES'***

We have the ability to help you:

- **Take more listings**
- **Keep those listings from expiring unsold**
- **Help the seller get top dollar, prevent huge price reductions**
- **Protect your clients and keep you from getting sued in the seller financing scenario**
- **Help your clients get cash even if they carry**
- **Get referral fees you don't even know about**

Help them sell now, and save them thousands down the road by working with us *before* you close the deal.

***Isn't it time to give your office the competitive edge?***

**Invite us in for a short presentation at your next meeting.**



## Bio

Dawn Rickabaugh is a CA Real Estate Broker specializing in legal, ethical and intelligent alternative financing. She regularly puts and keeps real estate transactions together without the need for new bank financing using a combination of owner financing strategies, private money and commercial hedge funds. She is dedicated to liberating & empowering buyers, sellers and real estate professionals in today's market.

She is a writer, educator, coach and author of **"Seller Financing on Steroids: Pumping Paper for Power, Peace and Profits."** She has been interviewed and quoted by influential publications such as Investor's Business Daily, and the WSJ's MarketWatch.

Because she regularly buys and brokers notes secured by real estate (and businesses) she is powerfully poised to help sellers and their agents understand how to carry paper safely. The note business is constantly changing, so only someone who regularly buys and sells notes knows how to engineer owner financing transactions that result in notes worth holding or selling.

She loves teaching intelligent use of the Installment Sale and the Title Holding Trust for maximum benefits, and loves to help sellers find ways to avoid paying life-throttling capital gains.

Dawn originally graduated from Brigham Young University in 1987 with a Bachelor of Science in Nursing, and worked for several years in the ICU and ER at Huntington Memorial Hospital in Pasadena, CA. She now pursues her passion for helping people through traditional and innovative real estate transactions. She has four amazing teenagers, and loves her life in Temple City.

