SELLER'S EDGE

Discover Powerful Strategies That Get You More

Is your listing getting stale?

Have you been advertising your home for sale without an offer for more than 30 days? Thinking about taking it off the market? What you don't know about 'terms' could cost you thousands. Our methods get you under contract..

Is your escrow falling apart?

If you have a transaction falling out of escrow because the buyer's financing fell through, reach out to us. We can often keep the deal together, and we are not loan originators. If you can be flexible, we can create brilliant solutions.

Have a buyer asking you to carry?

If you have received an offer from a buyer asking if you will 'carry', 'offer terms', provide 'seller financing', we help you understand the risks and rewards, and determine which strategy is safest and most profitable for you. You'll know the value of your note BEFORE you create it.

What is owner financing and why would sellers offer it?

It may be surprising to learn that some owners would never consider selling their residential or commercial property for cash. As part of their estate and retirement planning, these savvy sellers have intended all along to convert their real assets into paper assets for hassle free passive income later in life.

When a seller lends a buyer their equity (precluding the need for bank financing) there are many compelling benefits:

1. A quick sale for the highest possible price. Terms are the most powerful amenity and can greatly enhance a property's marketability.
2. Defer capital gains. Internal Revenue Code 453 allows for deferred capital gains according to the 'installment sale'. These seller's don't have to write the IRS a big check at closing. This allows them to leave their money at work earning interest, secured by a property they know intimately.

How does a seller carry transaction work?

In a traditional sale, we know that when the bank loans money they expect the buyer/borrower to execute a promissory note and deed of trust, with the bank being the beneficiary of those documents of course.

When a seller is lending their equity, they expect the exact same documents… a promissory note and deed of trust executed by the buyer/borrower. In a seller carry transaction:

- The seller is the beneficiary of the note and deed of trust
- The seller is the loss payee/ mortgagee on the hazard insurance policy
- The seller gets a lender's title policy, because they have gone from owner to lender

A seller financed sale is the same as a traditional sale in all other respects. The title company should be very familiar with this. We have bought and sold many properties 'on terms' with owner financing. Banks are never required or involved.

3. Leave a good inheritance for their heirs and beneficiaries. Most children do not want to manage property and inherit tenants, taxes, toilets and trash, but it is rare that a professionally serviced passive stream of income is not welcome. However, if they would rather trade the monthly income for a large cash settlement, it is very simple for them to do so. In fact, selling paper (a promissory note and deed of trust) is much easier than selling property.

Exactly how is a note (paper) bought and sold?

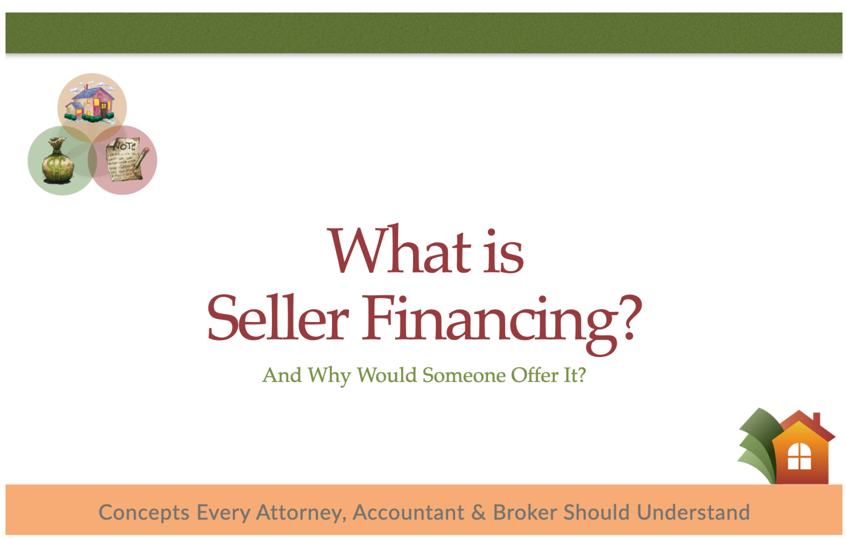
A note sale transaction (like a real estate sale) is handled by the title company. The company buying the note wires the required funds into escrow.

The seller then assigns the note to the note buyer, and executes an Assignment of Deed of Trust, which is recorded in public record. Just two simple documents is all it takes.

Then the buyer/borrower making the monthly payments is instructed to send their monthly payments to the new owner of record. We regularly buy seller financed paper.

These are concepts every Attorney, Accountant and Broker should understand. Please watch the video explanation below.

>>**Click the image below to watch a short video**<<



But I have a bank loan that needs to be paid off…

If a seller is willing to leave their existing financing in place for at least 2 years, it can help them sell quickly at asking price, maybe more. However, the transaction must be crafted in a very specific way to comply with federal regulations and legally avoid the acceleration (or due-on-sale) clause found in virtually all institutional mortgage documents.

Lease options and 'subject to' transactions are inherently risky for all parties. Understandably, title companies will rarely insure 'subject to' transactions for FHA or VA loans.

Our strategy has helped many sellers (even if 'upside-down') avoid foreclosure or short sale.

The Title Holding Trust (a type of revocable living trust) has the seller retaining a beneficial interest, and is based upon Federal Law: 1) 1982 FDIRA "Garn St. Germain Act", 2) IRC 163(h)4(D), 3) IRS Rev. Rul. 92-105, and 4) Title '12 US Code Para. 1701-j-3.

The sellers will still be able to buy another house and qualify for another loan. Documents are provided that are accepted by most underwriters.

We can bring cash to the closing table

When there is a gap between the buyer's down payment and the amount of cash that the seller absolutely must have at closing, we can create a custom solution that involves the creation and subsequent sale of a promissory note.

We are real estate consultants specializing in custom solutions. Book a **Discovery Session** for help on getting your property sold now.

Sale of Real Estate (Property)	Sale of Promissory Note (Paper)
$400,000 sales price	$320,000 note @ 6% with $1,918.56 monthly pymt
$80,000 cash down payment from borrower	$70,000 cash to seller for the next 60 payments
$320,000 seller carry note & deed of trust	$150,000 total to seller ($80K DP + $70K note sale)
6% interest, fully amortized over 360	After we have received our 60 payments
$1,918.56 monthly P&I payment	The seller starts receiving the monthly payments
But seller must have $150,000 cash at closing	$297,000 in principal balance remains for seller
We are brought in as consultants to recommend terms that would allow us to simultaneously buy a portion of the note without discounting the principal balance ===>	Seller receives $70,000 and only gives up $23,000 in principal balance. Sellers receive remaining 300 pymts for $575,568. Add the $150,000 and seller's $400,000 house gives them a total of $725,568.
[We are NOT loan originators]	[Note professionally serviced by neutral 3rd party]

NoteQueen

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