

## Program Summary

If you've lost your home to foreclosure or short sale, you're not alone. Over the past 2 years, some 3 million households in the U.S. received foreclosure notices. This kind of financial upheaval takes its toll on everyone in the family. But now, there's an opportunity to put all that behind you – with Fresh Start, an innovative rent-to-own program from Grupe.

### Valley Family Investors (VFI) makes it easy to Rent to Own:

- » You will work with our Sales Agent to find your home in the neighborhood of your choice. That means you can settle in and feel at home from day one. VFI will buy the home at a Purchase Price you approve.\*
- » You will sign a Lease/Option to Purchase for a term of three to five years while your credit heals.
- » You may exercise the Option to buy the home at the end of year 5 for the following price:
  - The **lesser** of market value or 50% above VFI's purchase price. In no case will the price be less than 15% above VFI's purchase price.
- » You may choose to exercise the Option at the end of year 3 at a fixed price of 30% above VFI's purchase price or at the end of year 4 at a fixed price of 40% above VFI's purchase price.
- » When you buy the home from VFI you will be credited in escrow an amount equal to 15% of the rent paid over the life of the Lease. You can use this credit towards the down payment and/or closing costs.

### During the term of the Lease, you will be responsible for the following:

- » Pay \$5000 for Option Consideration. This amount will be credited towards the down payment and/or closing costs when you exercise the Option to Purchase.
- » Prior to move-in, pay the first month's rent and provide a security deposit equal to the first month's rent.
- » Pay a monthly Rent payment of 0.9% of VFI's purchase price of the home (includes necessary repair costs).
  - (Example: \$150,000 Purchase Price x 0.9% = \$1350 per month rent)
- » Pay Homeowners Association fees and any special assessments for the home other than property taxes.
- » Maintain the home and landscaping in good condition and provide non-warranty repairs as needed.
- » Pay for ½ of an annual home protection warranty to cover repairs needed on the home (estimated at \$15 per month).

\* Subject to approval of home and price by VFI, and proper credit qualification by applicant



## Example of credits earned for a purchase at 5 years

The following scenario is based on a home with a purchase price plus repair costs of \$150,000.

Rent:  $\$150,000 \times 0.9\% = \$1,350/\text{mo.}$

Purchase Credit:  $15\% \times \$1,350 = \$202.50/\text{mo}$

Months Paid = 60

Total savings:  $\$202.50 \times 60 = \$12,150$

Total credits towards closing costs and/or down payments received are:

\$12,150	Monthly Purchase Credit
1,350	Initial Security Deposit
5,000	Initial Option Consideration
<b>\$18,500</b>	<b>Total Credit</b>



## Rent to Own Program Application Procedures and Timeline

1. Please ensure the following items are included with your application: \*
  - o 75 application fee made payable to VFI
  - Payment Options (select one):**
    - Deliver check in person
    - Mail check to Fresh Start - 3255 W. March Lane, Ste. 400, Stockton, CA 95219
    - Electronic PayPal invoice (will include a \$3.00 processing fee)
  - Email address: \_\_\_\_\_
  - o One month's pay stubs
  - o Last two years W2's
  - o If self-employed, last two years tax returns with Schedule C
  - o If Retired, Retirement award letter or Social Security Award Letter
  - o If on Permanent Disability, award letter
  - o Document proof of funds for program- Bank statement or letter detailing ability to pay Complete attached Schedule of Creditors Form
  - o Letter of explanation for hardship
  - o If applicable, Bankruptcy papers with creditors included and the schedule of debtors intentions with secured creditors

\*The completed application package will be forwarded to a credit evaluator for review. The date the documents are sent to the evaluator is the application date

**CREDIT APPROVAL CRITERIA:** A history of good standing credit leading up to your hardship. If you are in the process or have been through a chapter 7 bankruptcy, foreclosure or short sale you may still qualify for this program. A chapter 13 bankruptcy is acceptable only if it has been discharged. If there are late payments that occurred during your hardship you may also qualify for this program. Late payments that occurred outside of the hardship period will need to be minimal and have an acceptable explanation. (FICO scores are not used in the approval process of the program)

**FACTORS THAT MAY PREVENT PROGRAM APPROVAL:** Late payments or collections that occurred after the hardship period or a history of late payments with no hardship and no previous ownership of a home. If you are in the process of a chapter 13 bankruptcy or consumer credit counseling they will need to be completed and discharged before applying for the program. Less than two years employment history with current employer.

2. VFI will endeavor to respond to applicant within two weeks of the Application Date.
3. Following approval and acceptance into the program you will work directly with our sales agent to find a suitable home. At this time you will sign the Agreement to Locate. An initial payment of \$2700 will be collected and this amount will be credited against the \$5000 Option Consideration that is due at the time the Lease/Option agreements are signed.
4. When you and VFI agree on a home, our sales agent will submit an offer to the seller to purchase the home. Upon acceptance, if the Deposit required on the purchase contract is greater than the \$2000 collected with the Agreement to Locate the agent will collect the balance from you and this amount will also be credited against the \$5000 Option Consideration.
5. The Initial Payment is refundable to you during the contingency period of the purchase contract if you elect not to execute the Lease/Option agreement on the home. The Initial Payment is non-refundable if you decide after the contingency period not to complete the Lease/Option agreement on the home. The Inspection Payment of \$700 is non-refundable once the seller accepts the offer.
6. If the property is a short-sale, it may take several months to receive an approval from the lender. If the home is for sale by owner, or bank owned, it usually takes two to four business days to receive a response.
7. After the seller accepts the offer, VFI will order inspections to ensure the home is in acceptable condition. If the inspections reveal damage you may request that the seller make the required repairs or have VFI complete them. If VFI agrees to complete the repairs the cost will be added to the purchase price and the rent will increase accordingly. The final purchase price plus repairs can not exceed your approved purchase price.
8. Prior to expiration of the contingency period, you will sign the Lease/Option agreements. You will also pay the first months rent, the security deposit and the remainder of the \$5,000 Option Consideration.
9. Following VFI's purchase of the home, our property manager will meet with you to walk the home and arrange your move-in.

APPLICANT SIGNATURE: \_\_\_\_\_ APPLICANT SIGNATURE: \_\_\_\_\_

### Estimated Timeline

Application Review	Locate Home	Purchase Offer Accepted	Inspections and Execute Lease/Option	Close on Purchase	Move – in to the home
2 weeks	Varies	1 week (non-shortsale)	2 weeks	2 weeks	1-2 weeks

\*\*\*\*These are a summary of general terms only, full terms are in the Lease/Option agreements. The terms of the program may change. The terms of your Lease/Option agreements will be finalized once you have selected a home.\*\*\*\*

# Pre-Qualification Form

To pre-qualify for the Fresh Start Program, fill out this application and fax it to 209.472.6200. You also have the option to hand-deliver this form. Please call 209.473.6103 to set up a time to come into our offices.

### Borrower

First Name

Last Name

SSN  Date Of Birth

Street Address

City  State  Zip

Rent  Own # Yrs  Rent \$

Home Ph  Cell Ph

Email

#### If Less Than 2 Years

Street Address

City  State  Zip

Rent  Own # Yrs  Rent \$

Employers Name

Address

City  State  Zip

Job Title  Yrs At Job

Monthly Salary Avg \$  Phone

#### If Less Than 2 Years

Employer  Yrs At Job

Job Title  Avg \$

### Co Borrower

First Name

Last Name

SSN  Date Of Birth

Cell Ph  Email

Employers Name

Address

City  State  Zip

Job Title  Yrs At Job

Monthly Avg \$  Phone

### Assets

Institution Name

Amount \$

Institution Name

Amount \$

### Documentation Required:

1. Most Recent 30 Days Paycheck Stubs
2. Most Recent 60 Days Bank Statements For Assets Listed
3. Most Recent 2 Years W2s

	<b>Borrower</b>	<b>Co Borrower</b>
Foreclosure in last 7 yrs?	<input type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> Yes
US Citizen ?	<input type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> Yes
Resident Alien ?	<input type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> Yes
Will This Be Primary Residence?	<input type="checkbox"/> No <input type="checkbox"/> Yes	
Owned In Last 3 Yrs?	<input type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> Yes

Borrower  Current Date

Co Borrower  Current Date

*This is not an application for credit. By completing this expression of interest, you are consenting to receive correspondence regarding our request for pre-qualification.*