



Private Money Partners

2013 Opportunities.....

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Family Housing Investments

Family Housing Investments has assisted hundreds of investors with realizing their dream of real wealth building through diversifying their portfolio with real estate.

Today, we are in a position to offer more opportunities than ever for the right investor.

The biggest opportunity is the chance to further diversify your portfolio by providing Family Housing Investments short-term funds for investment purchases!

What does Family Housing Investments do?

- * **Family Housing Investments** locates undervalued properties through bank relationships (REO), distressed sellers, brokers, realtors and other sources. We then purchase these properties for our own portfolio and additionally we sell some of these properties to other investors or end users.



What does Family Housing Investments do?



- * **Family Housing Investments** borrows funds from private investors to purchase and renovate the properties.
- * **Family Housing Investments** sells the properties for profit in the wholesale or retail market, depending on the property.
- * **Family Housing Investments** provides the rehabilitation of the project and either the property management or listing services, depending on the type of investment strategy, after the purchase.

Why the Need for Short-Term Financing?

- * A significant percentage of Family Housing Investments properties are sold to investors using conventional mortgages. These properties must be purchased and rehabbed by Family Housing Investments before an end investor can purchase using conventional financing.
- * For us to be able to offer a wide variety of inventory to our client base, we need to close and rehab multiple houses per month. Hence, the need for private funding...

How is this Different from Hard Money?

* This is different in several ways:

-The lender is not waiting on the end investor to refinance these houses or commercial apartment complexes, which is much more difficult and time consuming in today's market.

-The lender is paid a monthly interest payment by Family Housing Investments, not the end investor.

-The lender is not financing the Family Housing Investments' profit, only the purchase price + repairs.



How Does Family Housing Investments Buy Property So Far Below Market Value?

- * Family Housing Investments creates value by purchasing, one-off or in bulk, distressed properties at a significant discount which are vacant and in need of rehab and turning them into attractive, functional family homes or apartments.
- * After buying and selling numerous properties, we know where to look, what to buy, what not to buy, and how to renovate a property to maximize investor's dollars.



The Initial Steps

- * Joe Smith calls and sets up a self-directed IRA (or) Joe Smith has cash available for immediate use.
- * Joe Smith then applies to be a short-term lender with Family Housing Investments.
- * Joe Smith receives updates and announcements of available lending opportunities with Family Housing Investments.

Example Residential Terms

- * ARV (After Repair Value) = \$85,000.00

Family Housing Investments pays for an independent, licensed appraisal before we commit to buying a property.

- * Purchase Amount (Our cost basis) = \$50,000.00

- * LTV(Loan to Value) = 58.8%

- * Term = One Year

- * 1st Position

- * Origination Points = 2.0

- * Interest Rate = 1% Monthly until house is sold

- * APY (Annualized Percentage Yield) = 8 - 12%

Example Apartment Terms

* ARV (After Repair Value) = \$18,728,000.00

Family Housing Investments does extensive due diligence before we commit to buying a commercial property in emerging markets.

* Purchase Amount (Our cost basis) = \$5,750,000.00

* DCR (Debt Coverage Ratio) = 58.8%

* CAP Rate = 12%

* Term = 6 – 24 months

* Value Play = low occupancy, high expenses, etc.

* Origination Points = Varies

* Interest Rate = 8% or better (varies)

Investor Protections

- * All funds are channeled through and disbursed by closing attorney
- * Rehab Funds are escrowed by closing attorney
- * Tax and Insurance Escrows or Pre-Payment
- * Additional Information Provided on Subject Properties
 - * Scope of Work, Itemized Rehab List, etc.

Steps to Fund the Deal (Lender Using His Own Cash)

- * Closing attorney prepares note and deed of trust
- * Joe Smith reviews all documents for accuracy and approves the paperwork
- * Joe Smith faxes documents back to Family Housing Investments, who delivers to closing attorney
- * Joe Smith sends funds to attorney's office to close on the property on behalf of Family Housing Investments
- * Closing Attorney records deed of trust
- * Family Housing Investments begins the rehab
- * Family Housing Investments mails Joe Smith an interest payment at day 30, 60, etc.

Steps to Fund the Project (Lender Using Self-Directed IRA)

- * Closing Attorney prepares the Notes and Deed of trust
- * Attorney pre-fills IRA Company investment forms for Joe Smith
- * Joe Smith reviews all documents for accuracy and approves the paperwork
- * Joe Smith faxes signed documents to Equity Trust
- * Equity Trust wires funds to closing attorney
- * Attorney records Deed of Trust
- * Attorney sends the Note to Equity Trust Company
- * Family Housing Investments begins the rehab
- * Family Housing Investments mails interest payments to Equity Trust for deposit into Joe's IRA account.

Example Project



Purchase Price: \$39,500

Initial Deal Structure

- * After Repair Value of House: \$85,000
- * Family Housing Investments' Purchase Price = \$39,500.00
- * Estimated Renovation Budget = \$9,000.00
- * Closing Costs = \$500.00
- * Pro-Rated Taxes and Insurance = \$1,000.00
- * Total Cost Basis = \$50,000.00
- * Investor Funds= \$50,000.00
- * Lender Origination Fee= \$1000.00

Interior Pictures Before Rehab



- * **\$50,000.00 Principal Invested**

- * 2.0 Points = \$1000.00

- * Interest @ 12% = \$6,000.00

- * \$7,000.00 Earned in One Year

- * **14.0% Annual Percentage Yield**

- * *Secured by Deed of Trust*

- * *Insured by Hazard Policy*

- * *LTV @ 55% of market value*



What Happens When Family Housing Investments Sells the Property?

- * On January 1. Joe Smith funded the deal for Family Housing Investments.
- * On January 20th, Family Housing Investments finishes the rehab and has the house under contract with an end investor on February 1st.
- * With a closing for the end investor on March 1st, Joe Smith has made a 4% return in 60 days.

After Renovation



After Repair Value: \$85,000

Before & After Pictures



Before & After Pictures



Before & After Pictures



Multiple Exit Strategies

- * We can offer you a note renewal
- * We can refinance your note with another lender
- * We can bring in credit partners to refinance
- * We can sell the property quickly at a discount to another investor



Contact Owen Ott at Family
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details to get started!

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