Investor-Home Buyer Partnership

Avoid The 5 Biggest Pitfalls That Prevent Renters From Purchasing A Home!

“SPECIAL REPORT”

Investor-Home Buyer Partnership

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Meet Your Sponsor:

The Investor-Home Buyer Partnership

The Investor-Home Buyer Partnership is...

A nationwide coalition of real estate investors, home buyers, and real estate industry professionals collaborating to increase home ownership and create long-term wealth!

Our Mission is...

To work together and awaken the investor within us all and utilize collaborative real estate investing to achieve financial freedom!

The H.O.U.S.E. Equation is ...

A formula-based strategy utilizing the 5 main areas of a mortgage application designed to strategically remove all roadblocks and reverse engineer a closing date to qualify for a mortgage and purchase a home.

More insight:

The information that you provide for a mortgage loan application is collected and organized to create a picture of your financial capacity and stability.

The mortgage company wants to see a picture of financial “STABILITY” and it’s your job to make sure that’s exactly what your picture shows.

Managing these 5 areas is key to painting a picture of financial stability (pay particular attention to the most recent 24 months).

You have an advantage because it is very simple to find out the exact requirements you must meet to qualify for the best mortgage product for you (i.e. FHA, Conventional, or other) at any given time.



H: harness the power of your Rental History

Rental history carries a lot of weight and is the arguably most important key to your picture of financial stability. Make sure you can verify your, timely, payment history for the past 24 months. Always keep a paper trail. Avoid paying cash!

O: optimize your Credit Profile

I think we can all agree that credit, and the debt that comes with it, can make or break a financial picture. Your overall objective here is to create an ideal credit profile for yourself; 1 installment account and 3 revolving accounts with at least 5 years of perfect payment history.

Anything more than this is advanced level and should be approached strategically.

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U: understand the proper utilization of Debt

Keep your total monthly debt obligations, including housing, to a maximum of 45% of your gross monthly income. It’s important to understand that, for our purposes, there are three types of debt;

1. Good Debt (you make more in profit than it costs to borrow the money),
2. Bad Debt (100% cost with no profit potential) and
3. Necessary Debt (temporarily tolerated).

Good debt will be instrumental in the wealth accumulation stage of your plan.

S: stablize your Employment History

Stay in your current job or in the same industry to create a picture of a stable employment history. You will need to show at least 24 months on the same job or in the same industry. Note: Even if you have changed jobs in the same industry, you'll probably need to provide a letter of explanation (the best explanation for changing jobs, of course, is more money).

E: empower yourself with Cash Flow

It’s nothing short of amazing how few people actually know what their cash flow is (income - expenses).

Nevertheless, knowing, protecting, and growing this one number will, single-handedly, change the trajectory of your financial future.

Use this number to calculate how many months it will take to pay down debt or save the move-in expenses to purchase your next home.

Select Your Power Team of Professionals:

The members of your power team are trained experts at what they do and you should commit to an exclusive relationship (permanently) because they will prove crucial to the strategy and success of your wealth creation efforts moving forward:

1. Mortgage Professional
2. Realtor
3. Inspector
4. Escrow Agent (Title Company)
5. Insurance Broker
6. Credit Specialist
7. CPA
8. Legal Specialist

The Formula for Calculating Your Closing Date:

1. Determine your net monthly cash flow and time period to accumulate money to pay *move-in costs* to purchase your next home (consult with your power team)
2. Determine the time period to establish 24 months of perfect rental history
3. Determine the time period to establish 24 months of employment history in the same job or industry
4. Determine the time period to establish 24 months of perfect payment history with no outstanding collections or chargeoffs on your credit report. If you have outstanding collections/chargeoffs, calculate the time period to accumulate the money to settle the total balance owed at 50%.
5. Determine the time period to establish the optimum *debt/income ratio* [minimum monthly payment including mortgage payment divided by gross monthly income] to purchase your next home (consult with your power team)
6. Closing Date Formula: Take the highest time period of steps 1, 2, and 3. Add time periods 4 and 5 to that. Adding the grand total months to your start date equals your closing date!

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Case Study:

Watch David and Karen solve the H.O.U.S.E. Equation on 8-1-2022:

1. Their Gross Household Income is $110,000. Their savings are $8,000 and their net monthly cash flow is $500. Move-in costs for their next home @ $325,000 is $11,375 (strategy provided by power team). The time period to accumulate $3,375 is 7 months [3,375 divided by 500]
2. They moved into their apartment 18 months ago and have a perfect rental history so far (6 months to establish a 24-month history).
3. Both have been teachers for 6 years (0 months to establish a 24-month history).
4. Karen has a $6,000 chargeoff from a car repo during her previous marriage (6 months to settle the debt at 50% of the balance owed)
5. Their debt/income ratio will be approximately 39% including the house payment for the home they want to purchase (0 months to establish an optimal debt/income ratio).
6. David & Karen’s Closing Date (13 months): 9-1-2023

David and Karen’s Acquisition Strategy: Timed New Construction

David and Karen’s power team knew that their closing date was in 13 months on 9-1-2023. They arranged for David and Karen to choose a builder and floor plan they liked. Since it would take a full 6 months for construction, they put it under contract in March of 2023 (8 months from their start date in August of 2022). This way they would be fully qualified by the time construction was complete and be ready to close.

A happy ending indeed!

BONUS: 4 Simple Acquisition Strategies to Keep You From Waiting Months or Years to Purchase Your Next Home

At this point, you've already solved the H.O.U.S.E. Equation and you know your closing date:

Consequently, deploying one of these strategies is much easier with the help of your power team. Time to execute!

1. **Timed New Construction:**
    a. Synchronize your closing date to the completion of a new construction home of your choice. For example, if it takes 8 months to complete the construction of the home you choose and your closing date is 12 months. Work with your power team to put the home under contract in month 5.
2. **Lease with an Option to Buy:**
    a. Work with your power team to negotiate a lease with the option to buy (at a set price) the property you lease from investors to lock in any potential future appreciation.
3. **Owner Finance:**
    a. Know, protect, and grow your cash flow to accumulate a large enough down payment to bypass the bank. With the help of your power team, you can partner with investors who will provide owner financing for you to buy a home.
4. **Your Pre-determined Closing Date:**
    a. Since you already know your closing date. There's nothing wrong with simply waiting for the day of your closing date to purchase anything on the market in your price range. There is great peace of mind in knowing when you can qualify and close on your next home.

Your Own Profitable Home Ownership Blueprint:

Once you have solved the H.O.U.S.E. Equation, choose your acquisition Strategy. Now you have your own Profitable Home Ownership Blueprint.

We would love to partner with you and collaborate to create long-term wealth.

Let's GO!

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