Invest in REAL ESTATE for your STUDENT!

VARIOUS PURCHASE OPTIONS

FHA “Kiddie Condo” Program
- Permits college student or recent grad to co-borrow with a blood relative
- Both borrowers take title and sign for the loan
- One borrower must occupy the property as a primary residence
- Minimal down payment of 3.5% is required (see below for scenario)

Second Home
- Parent can purchase for a college bound student if they do not reside within a 60 mile radius
- Interest rates not quite as favorable as a primary home purchase
- Minimal down payment required—speak with your loan originator for specifics

Investment Property
- Parent can purchase home with a minimal down payment of 15% (ask for details)
- The higher the down payment, the better the interest rate.
- Interest rate will be higher than FHA

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Sale Price: $200,000

<table>
<thead>
<tr>
<th></th>
<th>FHA 3.5% Down Payment</th>
<th>Conventional 10% Down Payment</th>
<th>Investor 25% Down Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Down Payment</td>
<td>$7,000.00</td>
<td>$20,000.00</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>Base Loan Amount</td>
<td>$193,000.00</td>
<td>$180,000.00</td>
<td>$150,000.00</td>
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<tr>
<td>FHA Upfront MIP</td>
<td>$1,930.00</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Total Amount Financed</td>
<td>$194,930.00</td>
<td>$180,000.00</td>
<td>$150,000.00</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Est. Credit Score/DTI/LTV/Occupancy</th>
<th>PRIMARY</th>
<th>SECOND HOME</th>
<th>INVESTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>680/35%/96.5%</td>
<td>750/35%/90%</td>
<td>750/35%/75%</td>
<td></td>
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</tbody>
</table>

Interest Rate
- 4.250%
- 5.0%
- 4.95%

Annual Percentage Rate
- 5.522%
- 5.214%
- 5.201%

MONTHLY PAYMENT

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Principal and Interest</td>
<td>$966.06</td>
<td>$966.28</td>
<td>$800.65</td>
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<tr>
<td>Estimated Property Taxes</td>
<td>$120.00</td>
<td>$120.00</td>
<td>$120.00</td>
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<tr>
<td>Estimated Hazard Insurance</td>
<td>$55.00</td>
<td>$55.00</td>
<td>$55.00</td>
</tr>
<tr>
<td>Monthly MIP/PMI</td>
<td>$217.13</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>TOTAL PRINCIPAL, INTEREST, TAXES AND INSURANCE</td>
<td>$1,358.14</td>
<td>$1,141.28</td>
<td>$975.65</td>
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</tbody>
</table>

CASH TO CLOSE

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Down Payment</td>
<td>$7,000.00</td>
<td>$20,000.00</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>Estimated Closing Costs</td>
<td>$4,430.00</td>
<td>$4,300.00</td>
<td>$4,200.00</td>
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<tr>
<td>Escrow and Prepaid Expenses</td>
<td>$1,200.00</td>
<td>$1,200.00</td>
<td>$1,200.00</td>
</tr>
<tr>
<td>Less Seller Contribution</td>
<td>($5,000.00)</td>
<td>($5,000.00)</td>
<td>($4,000.00)</td>
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<tr>
<td>TOTAL CASH TO CLOSE</td>
<td>$7,630.00</td>
<td>$20,500.00</td>
<td>$51,400.00</td>
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</table>

Interest rates as of 8/7/13. Not a commitment to lend. Borrower must meet qualification criteria.

Financing options provided by Andrew Storteboom of Cornerstone Home Lending, Inc. Many more programs available. Please call 970.372.5020 for more information or prequalify online at www.StorteboomTeam.com. Interest rates subject to change without notice.

Not a commitment to lend. Borrower must meet qualification criteria. Regulated by the Division of Real Estate.
Financial Reward for Investing with a Home

Consider purchasing a three bedroom home compared to renting one or renting in the dorms. Renting a three bedroom home is estimated to cost about $1200 ($400 per student). If you purchase a three bedroom home for $200,000 and put a 25% down payment, the estimated payment including taxes and insurance will be approximately $950 (30-year fixed, 4.225% APR). If your student has two friends that pay $400 in rent, your effective payment will only be $150.

Also, $193 of your mortgage payment will go toward paying down the principle balance. Add $250 as the difference from the potential rental payment for your student ($400) and your effective payment to come up with $443 per month for principle reduction. At the end of four years the loan balance will be reduced by $23,500. If the property appreciates 2% per year, it could be worth $216,500 after four years giving you a benefit of $40,000 over four years.

That is a large financial incentive to purchase a home for your student. There are other financial reasons to purchase including potential tax benefits. Please refer to page four of this brochure for various purchase options available.

Realtor
It is important to work with a seasoned, local Realtor.
A LOCAL REALTOR:
• Knows the area/neighborhoods
• Has a broad knowledge of the local market
• Searches for properties
• Schedules showings
• Develops a strategic plan with you
• Explains real estate documents
• Will negotiate on your behalf
• Explains buyer agency vs. transaction broker relationships
• Helps valuate price for properties
• Provides information for local contacts (schools, city, organizations)
• Website access to MLS (Multiple Listing Service)
• Offers a list of professionals that may have to help throughout the transaction (contractors, plumbers, electricians, etc)
• Seller pays for commission
• Overall saves you valuable time, effort and money

First-Time Homebuyer Process!!
WHERE TO START?
GET YOUR TEAM READY!
Accountant
Financial Advisory
Realtor
Lender
Inspector
Communication is Essential to a Successful Closing

GET YOUR STUDENT IN ON THE HOME BUYING PROCESS!!!

LENDER
Find a lender that is located in the Northern Colorado area. Once you have selected your mortgage professional, it is important to prequalify. By prequalifying, you determine if you have the financial ability to purchase a home. You’ll also save yourself time, energy and frustration through prequalification by learning how much you can afford, what your down payment might be and which loan programs you qualify for.