

## FINANCING OPTIONS:

### Did you know?

Buyers qualified for a \$715,000 purchase price on a single family home (with 10% down on a conventional loan) can qualify for this purchase.

Based on current markets, the rental income is expected to increase in March with new tenants, saving you even more each month.

Enjoy a net mortgage payment of \$1,669 for a \$1.1 million home! (Details below.)

The tenants pay for their own utilities, and everything is separately metered.

This property already generates \$4,295 a month for two units currently, and could potentially generate \$7,000 a month. Market value for downtown Benicia rentals: 3/2 - \$3,200; 2/1 - \$2,200; 1/1 - \$1,600 (buyer to verify).

Potential Scenarios:

Option 1 for a buyer intending to live in the property:

Purchase Price	\$1,099,000	
Down Payment - 20%	\$219,800	
Loan Amount	\$879,200	
Principal & Interest		\$5,484
Property Taxes		\$1,090
Est. Homeowner's Ins.		\$200
<b>Total Payment</b>		
<b>Before Rental Income:</b>		<b>\$6,774</b>

\$6,774 – \$4,295 (current rental income) = \$2,479 monthly payment

\$6,774 – \$5,400 (current market rates) = \$1,374 potential monthly payment

**Pay less than \$2,500 a month for an income generating property and build your equity!**

Option 2 (less cash down) with an FHA loan:

Purchase Price	\$1,099,000	
Down Payment - 10%	\$109,900	
HELOC Amount	\$342,100	
Loan Amount	\$647,000	
Principal & Interest		\$3,385
Est HELOC payment		\$1,656
Est. Prop Taxes		\$1,090
Est. Homeowner's Ins. and Mortgage Insurance		\$460
<b>Total Payment Before Rental</b>		
<b>Income:</b>		<b>\$6,591</b>

Please note: Home equity lines of credit (HELOC) are adjustable-rate mortgages that are subject to change. Also, the minimum payment for a HELOC is interest-only so you would want to budget for a larger payment if you wanted to pay down the HELOC principal balance over time. Buyers would pay a net mortgage payment of \$2,296 based on the current rental agreements or potentially \$1,191 if rents are increased in March.

For investors not planning to live in one of the units, there are also great options. Currently, the third unit that is available would rent for approximately \$1,600/month. If you add that to the current \$4,295 rents, then your income would be \$5,895/month. If the total rents increase to market rates, then your rental income would be \$7,000. If you put 25% down for the down payment, then your total monthly payment would be around \$7,050. That would mean that you're paying \$50/month to build equity in your home, with the likelihood to significantly lower the interest rate in the next 6-12 months, based on interest rate forecasts. For example, if interest rates were to decrease by .375% then your payment would be lowered by at least \$210/month.

Purchase Price	\$1,099,000	
Down Payment - 25%	\$274,750	
Loan Amount	\$824,250	
Principal & Interest		\$5,763
Property Taxes		\$1,090
Est. Homeowner's Ins.		\$200
<b>Total Payment Before</b>		
<b>Rental Income:</b>		<b>\$7,053</b>

7053 – 5895 (current rentals) = \$1,158

7053 – 7000 (March rentals) = \$53

**(Please note, these estimates were prepared in early August 2022 and rates/offers are subject to change.)**

For more details, please contact:

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