

REX HomeBuyer At A Glance



REX HomeBuyer can increase down payment cash to help clients buy the home they really want. FirstREX will typically provide up to half the down payment in exchange for a share of the profit or loss when the client decides to sell.

- REX HomeBuyer is an investment, not a loan, so there are **never any monthly payments** on the money we provide, nor is interest ever charged.
- Our return on investment comes from a percentage of the future change in value of the property (up or down).
- **We do NOT share in any** gain in home equity due to paydown of the mortgage or making home improvements.
- **We do not take any ownership of the property.** We are merely investing right alongside the purchaser. Our Agreement is secured via a second lien position.
- The purchaser must typically invest at least 10% of the purchase price AND must put in at least ½ of the down payment.
- **The homeowner may sell the property at any time.** If the property is sold in the first 3 years, special terms apply which may increase the cost to the homeowner.
- **The homeowner may buy FirstREX out of the Agreement IN LIEU OF A SALE** anytime after the 3rd year. An independent appraisal is obtained and the client pays us the amount of our original investment plus any profit we would have made if they sold their home at the appraised value. The minimum payment to us in a buyout is the amount of our original investment.
- At the end of 30 years, if the homeowner still owns the property and the REX HomeBuyer Agreement remains in place, the REX HomeBuyer Agreement must be settled through property sale or by cash payment.
- **For home purchases with non-agency loans**, if the REX HomeBuyer Agreement is still in place after the 15th year, FirstREX's share of any gain in value will increase annually beginning in year 16. If FirstREX contributes 10% of the purchase price, the yearly increase is 1%. If FirstREX contributes 12.5%, the yearly increase is 1.25%.
- A transaction fee is payable to FirstREX at closing. With a non-agency loan, the fee typically equals 2% of the amount of our down payment funding. The fee is 3% with an agency loan.

FirstREX's share of the change in value varies with the amount of FirstREX's investment in the property:

Typical Transactions

FirstREX Invests	Buyer Invests	Share of the Change in Value	
		Buyer	FirstREX
5%	15%	80	20
7.5%	12.5%	70	30
10%	10%	60	40
12.5%	12.5%	50	50

Sample Scenario & Outcome

Home Purchase Price	\$1,000,000
Buyer invests 10%	\$100,000
FirstREX invests 10%	\$100,000
Mortgage Loan 80%	\$800,000

Homeowner sells 10 years later

Home Sale Price	\$1,500,000
Mortgage Balance	- \$650,000
Gross Equity Available	= \$850,000
Payment to FirstREX ¹	- \$300,000
Homeowner Proceeds²	= \$550,000

1. Increase in home value is \$500,000. FirstREX's 40% share is \$200,000, plus its original investment of \$100,000 equals payment of \$300,000.
2. Sale proceeds of \$1,500,000 minus \$650,000 to mortgage lender minus \$300,000 to FirstREX equals gross proceeds to the homeowner of \$550,000. Homeowner will also pay all selling costs. If we assume selling costs are 7.5% of the sale price, these selling costs would be \$112,500, and homeowner's net proceeds would be \$437,500.

This flyer has been approved by FirstREX Agreement Corp. as an introduction for prospective home buyers to its REX HomeBuyer equity investment program. It may be distributed by mortgage professionals for informational purposes only. Your mortgage professional can introduce you to a FirstREX Product Specialist who can provide you full and specific details on the program and process your application. Examples shown on this page are hypothetical and for illustration only. Actual terms offered will be provided after application and approval.

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