



Investor Update

ROI Strategies

We have a secret weapon. Two weeks ago we met with our servicing and workout company for our new fund Assuravest. What we gave them was the secret weapon to open doors for their workout specialists and bring us lots of Rent to Owns for ROI Strategies. I'm sure you're asking "What is your secret weapon?"

Our secret weapon is a Short Sale Repurchase. Now why is that so special? As you may remember, we have not found another company that has been able to get these accomplished while staying within the HUD guidelines. But that's only part of the reason why this is so special.

In addition, this program gives our servicing company a **new tool** to help homeowners that are underwater. The biggest problem our workout specialists face when trying to work with a borrower that has not been performing on their note is just getting them to talk.

Being able to offer them a new way to stay in their home and avoid foreclosure opens the door just enough to start that conversation. This shows them that **we are here to help** and makes them understand we are not their enemy. That is the biggest benefit from our secret weapon because helping these people keep their home and get their financial life back together is **a win for everyone.**

For those borrowers that fit our underwriting criteria for the Short Sale Repurchase - Rent to Own program, there are added benefits. They get a reset on their mortgage, they stay in their home, and they rent back from us and repurchase in a few years at market price. As I explained in previous updates, this is even a win for the banks. It gets these delinquencies off their books, they receive CRA credits (which are badly needed), and we **pick up the properties at a 16% discount.**

When we were finishing the meeting with our servicing and workout company, I asked, "Now that you have our secret weapon, how many homeowners that you service do you think will be interested and possibly fit our program?" Their answer was 100 or more.

While the prospect of **100 new clients** seems like a dream come true, we have learned not to get overly excited with numbers like that. We know from experience what appears to be a great answer for many ends up only working for a few, and for all different types of reasons. I am certainly not trying to be pessimistic, but over the last 4 years we have found our stringent qualifying guidelines for homeowners make it difficult for many candidates who would otherwise like to do a rent to own with us. Those guidelines have **served us well** over the years and we don't intend to change them now.

If you are interested in **learning more** about our new fund, **Assuravest, that buys non-performing notes at steep discounts,** give me a call or send me an email and I will get you a Term Sheet and more information.

We cracked the code on our secret weapon over a year ago and have now come full circle by **figuring out how to benefit ROI Strategies and Assuravest at the same time.** Things have a funny way of working out when you continue to dedicate time and effort to solving the problem.

Greg Hays Steve Sney



Our Secret Weapon - Short Sale Repurchase

The borrower is afraid and thinks their situation is unsolvable. What they don't know is that we **purchase these notes at such a steep discount (88% discount on average),** which allows a lot of room to be flexible with the homeowner to get them re-performing. We make it **affordable for them but also profitable for us.** Yet, if we can't get them to start the conversation, we have to resort to not-so-nice actions like demand letters from our attorney and threats of foreclosure. These are not our preferred choices of action.