



# Investor Update

## ROI Strategies

Where to start? A lot has been happening in our world. Last month was good, not spectacular, but good. We had 2 lease to owns that were normal deals where the families go shopping for their home and we had 1 short sale repurchase go through where we purchase the home from the bank and lease it back to the existing homeowner who can repurchase their home in the future.

**Our discount on the short sale repurchases is still averaging around 16%.**

We also had 2 more Lease 2 Own Homeowners purchase their homes from us!

We have just started actively purchasing homes off the courthouse steps here in Reno. Our first one was bought today at \$198,000. We are working with a very experienced and trustworthy partner that is doing all the work. We are mainly providing the funding. We have a minimum return required before he is able to profit from the deal. This will be a good deal for ROI Strategies as it mainly will work as additional monthly cash flow as we get a few of these bought and sold.

We have only been able to acquire two flip properties in Las Vegas in the last two months. We continually get presented with deals through the Neighborhood Community Stabilization Trust and get the "first look," but the margins are not there to purchase the property so we continue to pass on them. That should change here in the future as historically the more quality deals seem to come in waves.

**Our strategic alliance continues to get better and better with our non-profit Home Today.** I know we were looking for someone like them and they were looking for someone like us, but sometimes I wonder how we got so lucky to find them. We expect this to be a long and prosperous relationship for the both of us.

It looks like the short sale repurchases should really be picking up in September. The attorney in Las Vegas that helps people with short sales and is a very good marketer is committing to spend \$100,000 a month on TV and billboards to advertise the program. We expect this to vastly increase our pipeline. At this point, we have done almost no marketing to tell people they now have a solution to stay in their home and to own it again in the future without being underwater. Let me give you a brief example of how the numbers work for these:

Mortgage Owed \$270,000

Fair Market Value \$200,000

Our Purchase Price from the Bank \$168,000

As long as we get a 10% discount or greater, the Lease 2 Own Homeowner gets to purchase their home back at the fair market value year one and then it increases 2% each year thereafter. **In this case the homeowner reduced their principal by \$70,000.**

Remember they go through all the same qualifications as any other people in our program. Yet, we really see them as even a better risk overall since they are staying in their own home and we are usually able to purchase the home at a discount.

**I am not sure I have ever experienced such a win-win situation before.** Every single party is benefitting from this transaction. Some may say the bank is losing, but I think they are also benefitting in the end. We are told they get some kind of brownie points for working with a non-profit and they get a nonperforming asset off their books without having to foreclose on it.

Many thanks to all of our new investors and also those existing investors that invested more just recently. It is a never ending job to raise the capital necessary to fund these purchases for families that want to fulfill their dream of homeownership.

Until next month,

*Greg Hays*      *Stil. S...*