



keetoninvestments
FINANCIAL SERVICES

RENT-TO-OWN PROGRAM (Lease Option)



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Who am I?

Kevin Bonn... A Local Rent to Own Specialist, California Licensed Real Estate Agent and Investor, Wealth Management Advisor, Mortgage Loan Officer and Foreclosure / Short Sale Specialist serving our community for over 20 years.

As the Managing Partner of Real Financial Strategies, I lead a team of advisors who provide mortgage relief and loss mitigation solutions that stop foreclosures using Personal Financial Strategies™.

I'm an agent of Realty Executives International in Valencia, California and provide the following consulting and real estate services including:

- Estate, Residential, Vacation Home, Land, Investment, Multi-Family, Commercial, Industrial, Builder and Developer New Home Sales
- REO / Foreclosure Management
- Property Management, Rent To Own Lease Option Properties
- Residential, Commercial and Private Money Financing
- Charitable Remainder Trusts and 1031 Exchanges

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What is Lease Option?

- A “Rent-To-Own” your home plan
- A Lease with option to purchase
- The program
 - Small initial deposit (part of down payment)
 - Monthly payment (partly rent, partly toward down payment)
 - Option to purchase the house at the end of the lease term

Benefit of Lease Option – Tenant

- Opportunity to buy a house under difficult circumstances:
 - Not enough down payment
 - Bad credit or no credit history
- Lock in purchase price when saving up for the down payment
- Pride of ownership and flexibility in upgrading the property

Lease Option Benefits Landlord/Investor

- More or less worry free tenant
 - Option premium
 - Tenant pride of ownership
- Savings on cost of sale
- Lock in profit and cash flow
- Improve cash flow
- Secure investment
- Helping people achieve home ownership

Rent-to-Own Client Profile

- Can not or do not want to put 10% to 25% of the purchase price as down payment to buy the house.
- May not be able to qualify for a mortgage today because they may have:
 - Poor credit history
 - Insufficient income record/history
 - A recent Short Sale, DIL or Foreclosure

A typical Lease Option Case



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Lease Option Scenario

Analysis of Rent-to-Own - Lease Option Calculations

Description of Property	23456 Purple Martin Place Canyon Country, CA
Type of Property	91351
Current Value of Property	Single Family Residence
	\$395,000.00
Assumptions	Payment Calculation
1st Mortgage Payment (P&I)	\$2,048.48
Other Mortgage Payments (2nd, 3rd P&I)	\$0.00
Property Taxes	\$301.69
Property Insurance	\$82.29
Association Dues	\$141.00
Monthly Premium	20% \$409.70
Total Monthly Payment	\$2,983.16

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Description of Property	23456 Purple Martin Place Canyon Country, CA 91351		
Type of Property	Single Family Residence		
Current Value of Property	\$395,000.00		
Total Monthly Payment	\$2,983.16		
Monthly Option Seller Rent Credit	\$409.70		
Option Appreciation Rate / Period (Years)	3%	3	
Option Consideraton	5%	\$19,750.00	

Purchase Option Period	Price	Consideratio n	Credit	Total	Net Price
Purchase Option Price For Months 01 - 12	\$407,014.30	\$19,750.00	\$4,916.35	\$24,666.35	\$382,347.95
Purchase Option Price For Months 13 - 24	\$419,394.03	\$19,750.00	\$9,832.70	\$29,582.70	\$389,811.33
Purchase Option Price For Months 24 - 36	\$432,150.30	\$19,750.00	\$14,749.06	\$34,499.06	\$397,651.25

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Lease Option Scenario

Analysis of Rent-to-Own Purchase Payment Calculations

	Rate	P&I	Tax	Ins	HOA	Payment
Estimated Payment at Year End 1	5.00%	\$2,052.53	\$423.97	\$84.79	\$141.00	\$2,702.29
Estimated Payment at Year End 2	5.00%	\$2,092.59	\$436.87	\$87.37	\$141.00	\$2,757.83
Estimated Payment at Year End 3	5.00%	\$2,134.68	\$450.16	\$90.03	\$141.00	\$2,815.87

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What is the catch?

- It is a Commitment.
- You need to like the property.
- If you do not exercise the option or default in your monthly payment, the contract will be voided. The seller will keep the option premium.

What should you look for?

- A property in a good location that can appreciate in value
- A reasonable agreement for future purchase terms
- A reasonable portion of the payments applied towards the future purchase price to assure enough down payment to secure financing
- Flexible buy-out (option) schedule
- An affordable property

How can I qualify for the program?

- Complete a Rent to Own application
 - Current employment status and history
 - Current landlord contact information
- Credit report and consultation with our Financial Strategists
- Have ability and willingness to improve credit within a reasonable time frame

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What is the next step?

- Find a property you like
- Seek counsel on the Lease with Option to Purchase Agreement
- Submit an application and provide reference information
- Consult with our Financial Strategist and Mortgage Advisors
- Execute your Lease Option Agreement
- Move in and Enjoy!!

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Pictures of Property



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