



Synopsis and Recommendation

4059 Country Club Drive Bloomfield Hills, MI

This is a private capital opportunity to host a land contract on a single family residence located at 4059 Country Club Drive Bloomfield Hills, MI. The investor will hold the deed during the duration of the proposed land contract term. The transaction is a collateral based transaction with a low loan to value. (57.3%)

This transaction is structured in a two step process. First the investor will purchase the property to obtain the rights to the deed. The sales price of this transaction is \$390,000. This will limit the exposure of the investor further. Second, the investor will sell the property on a recorded land contract to the new borrower on the same day. Also, in this transaction the borrower will contribute to cover all the closing expenses.

The land contract holder will work forward on obtaining the necessary credit to qualify for exit financing in the term that he has requested of twelve months. Also, the land contract holder has indicated that a full cash payment is likely before the 12 month term is expired. The land contract owner is planning to utilize a close family members credit and income to qualify for conventional financing.

The recommendation is to extend the financing based on the loan to value being very low and the borrower's ability to exit very strong here. The investor holds the deed in the event of a default. This allows for a short capture period in a worst case scenario, and a great equity position in the event of non-performance. The land contract holder is equity heavy into this home, and it will be his primary residence. He has a strong loan profile and only has time working against his ability to obtain financing. The transaction summary page will display the return to the investor.