



BULLETPROOF BUYER

How to Massively Increase the Odds of a Successful Home Purchase





What Happens To The Housing Market At 5% Rates?



"Skate to where the puck is going,
not where it has been."

— Wayne Gretzky



The Solution? **BECOME A BULLETPROOF BUYER**

1. Comprehensive Upfront Market Analysis

- ✓ Understand why the housing market has been so resilient and continues to appreciate.

2. Appraisal Gap Strategy

- ✓ Knowing how to approach a low appraisal from the onset
- ✓ Waiving appraisal contingencies up front

3. Fully Underwritten Approval

- ✓ No loan contingencies
- ✓ Compete with all cash offers

4. Buy Before You Sell & Submit An All-Cash Offer

- ✓ Buy your new home before selling your current home
- ✓ Close on the new home in as little as 10 days
- ✓ Maximize profits on your departing home sale





Real Estate Has a 90% Win Rate

1940s	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	Total = 129%
	No data	No data	3%	11%	17%	12%	24%	21%	2%	0%	
1950s	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	Total = 36%
	4%	6%	4%	12%	1%	0%	1%	3%	1%	0%	
1960s	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	Total = 23%
	1%	1%	0%	2%	1%	2%	1%	2%	4%	7%	
1970s	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	Total = 130%
	8%	4%	3%	3%	10%	7%	8%	15%	16%	14%	
1980s	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	Total = 77%
	7%	5%	1%	5%	5%	7%	10%	8%	7%	4%	
1990s	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total = 30%
	-1%	0%	1%	2%	3%	2%	2%	4%	6%	8%	
2000s	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total = 66%
	9%	7%	10%	10%	14%	14%	2%	-5%	-12%	-4%	
2010s	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total = 45%
	-4%	-4%	6%	11%	5%	5%	5%	6%	5%	4%	
2020s	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total = 39%
	10%	19%	6%								

73 / 7 / 1
since 1942

Sources: S&P, Case/Shiller, BLS,  MBS Highway.



This Cycle Is NOTHING Like The Last

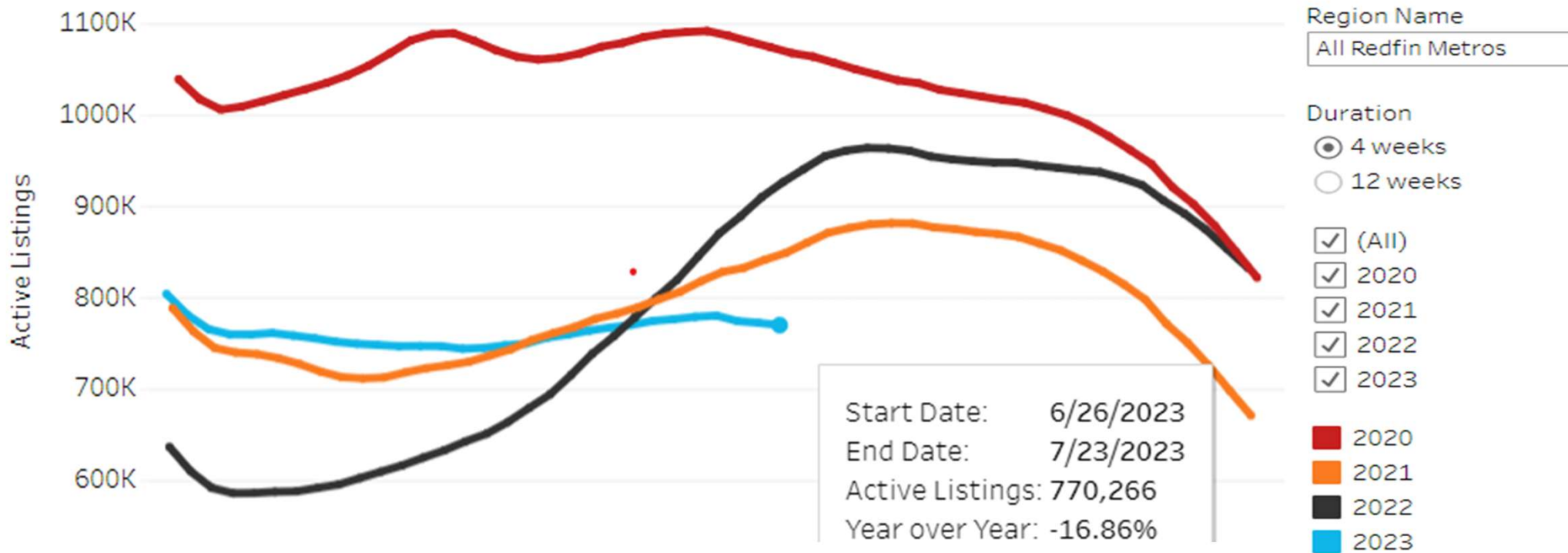
Key Variables	Last Housing Cycle	Current Housing Cycle
Job Cuts (net of gains and losses)	Unemployment rate 10%	Unemployment rate 3.6%
Total Jobs (Household survey)	138 million	158 million
Subprime Loans	Prevalent	Virtually none
5-year cumulative new home construction	7.65 million	4.6 million (40% less)
Inventory on Market	4 million	770k (80.7% less)
Mortgage Delinquency	10.1%	2.6%
Homes in Foreclosure	4.6%	0.3%

Source:  MBS Highway® - CoreLogic NAR Analysis of BLS, MBA, NAR data



Housing Inventory Is Extremely Tight

Active Listings in All Redfin Metros

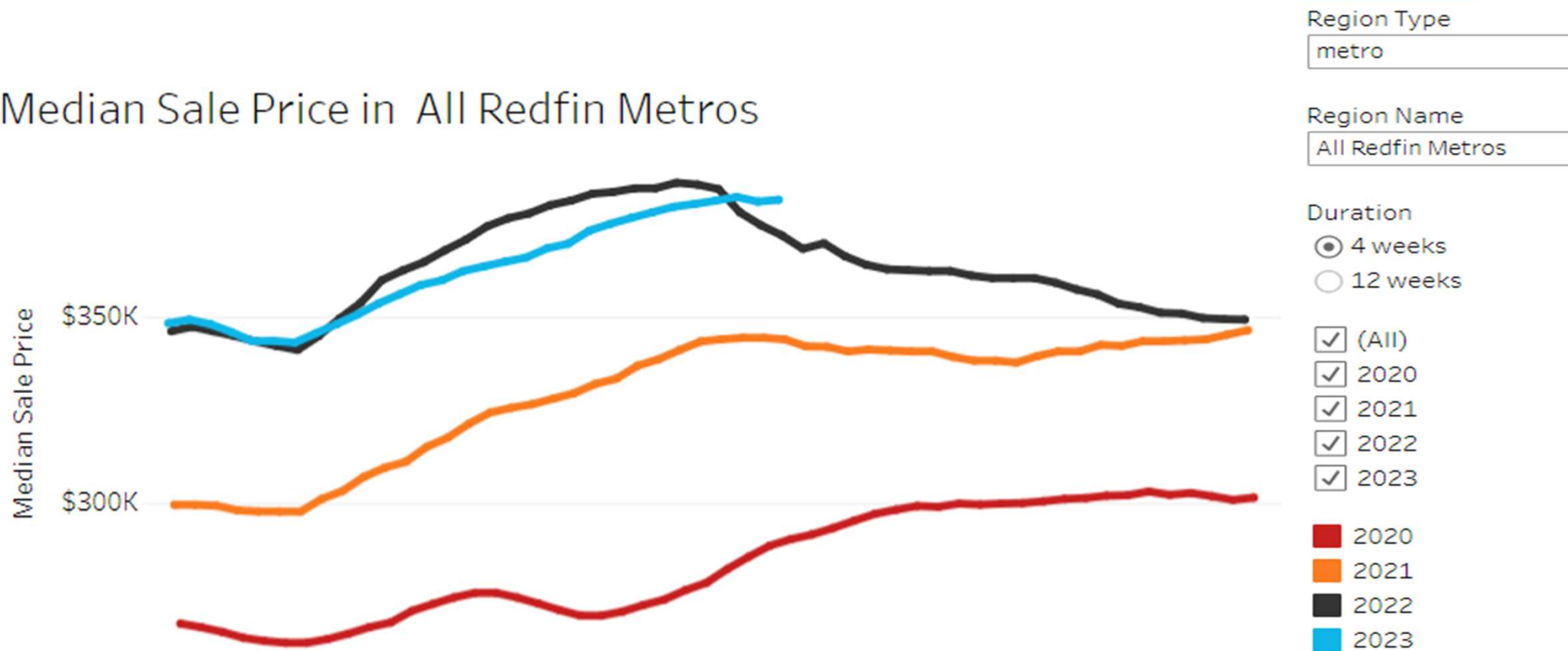


Source: Redfin Data Center



Home Prices Are Increasing Due To Extreme Competition

Median Sale Price in All Redfin Metros




Source: Redfin Data Center



Home Prices Turning Higher & Hitting ALL TIME Highs

	Jan	Feb	Mar	Apr	May	Jun	2023 pace
Case-Shiller	-0.2%	0.2%	0.4%	0.6%	0.7%		5%
FHFA	0.1%	0.8%	0.6%	0.7%	0.7%		7%
CoreLogic	-0.2%	0.8%	1.6%	1.2%	0.9%	0.5%	10%
Black Knight	0.1%	0.4%	0.5%	0.5%	0.7%		5%
Zillow	-0.1%	0.1%	0.9%	1.0%	1.4%	1.4%	10%

Percent change month-over-month

 All-time high reading in real estate values



Appraisal Gap Strategy

Why might appraisals start coming in low?

- ✓ Appraisers use previous sale data to determine value.
- ✓ Appreciation will happen too fast to rely on historical data.

The Solution?

- ✓ Appraisal Gap Strategy to remove appraisal contingency up front





Appraisal Gap Strategy = Negligible Cash Difference

Lowest Monthly Payment

Lowest Cash to Close

Lowest Cost Through
Length of Mortgage

OPTION 1

\$800k Value 20%
Down

OPTION 2

\$800k Purchase /
\$725 Value (89% LTV)

Loan Amount	\$640,000	\$646,500
Term	30 Years	30 Years
Rate ⓘ	6.49%	6.49%
APR ⓘ	6.532%	6.532%
▶ Monthly Payment (P&I) ⓘ	\$4,041	\$4,082
▶ Total Monthly Payment ⓘ	\$4,774	\$4,815
Total Cash to Close ⓘ	\$174,695	\$174,890



Appraisal Gap Strategy = Negligible Cash Difference

Equity Snapshot

Homeownership is a proven way to build wealth. Estimate your home equity with this simple tool.

10 years



OPTION 1

\$800k Value 20% Down

OPTION 2

\$800k Purchase / \$725 Value (89% LTV)

Principal Paid	\$97,569	\$98,560
Property Appreciation	\$379,239	\$379,239
Total Equity	💰 \$476,808	💰 \$477,799



36% of Homes Nationally Sold All Cash in 2022

How can financed buyers COMPETE in this market?

- ✓ Complete pre-underwriting
- ✓ Get fully approved outside of the property/title/appraisal

Requirements:

- ✓ Actively making offers in the next 60 days?
- ✓ Ready to provide all documentation for full underwriting approval?
- ✓ Are we the right lending team for you?





Bridge Loans Are Powerful in This Market

Buy Your New Home & Move In Before You Sell Your Current Home





Submit an All-Cash Offer...WITHOUT THE CASH!

Home Solutions provides home sellers and buyers the ability to make cash offers in today's highly competitive real estate market.

Quick closing cash offers are more likely to be accepted than conventional financing offers and will help you negotiate the best price and terms possible.



BUY WITH CASH

Become a cash buyer with no contingencies. Cash offers are 3x more likely to win.



PURCHASE WITH CONFIDENCE

Secure their dream home when it hits the market and in half the time of a typical financed offer.



MOVE ONLY ONCE

No hassle of moving twice. They can move directly into their new home before selling the old one.



Waiting to Buy Could Cost You...




Cost of Waiting: 2023 Summer Purchase

Losses from Appreciation and Amortization





No Cost Refinance When Rates Drop

Fed Chair	Inflation	Mortgage Rates	Fed Funds Rate	Inflation Response	Mortgage Rate Response	Consequences
 Burns/Volcker	7% to 14%	12% to 18.6%	11% to 20%	14% to 5%	18% to 12%	<i>S&P down 30%</i> <i>Recession</i>
 Alan Greenspan	1.75% to 3.5%	7% to 8.5%	4.75 % to 6.5%	3.5% to 1%	8.5% to 5.5%	<i>S&P down 50%</i> <i>Recession</i>
 Jerome Powell	1.75% to 9.1%	2.5% to 7.5%	0% to 5.5%	Should continue dropping	Should decline as inflation declines	<i>Stocks expensive</i> <i>Economy slowing</i> <i>Recession?</i>



Housing Prices Increased in 5 of The Last 6 Recessions



Source: Federal Reserve Economic Data