



What is Lease-Optioning?

DEFINITIONS AND COMMONLY ASKED
QUESTIONS

Lease-optioning is a process where a tenant (that's you) leases a property with the option to purchase it at a later date. The tenant pays an option fee (usually 5-20% of the purchase price, the exact amount depends on the property and your personal preferences and circumstances). This option fee buys you the right to purchase the property at a set price within a specific time frame (usually 3-5 years).

There are several benefits to lease-optioning, including the ability to live in the property before committing to a purchase, the opportunity to make updates and improvements to make your home best fit your needs, and the ability to build up a down payment while renting. Another great benefit is the ability to lock in a purchase price today in a competitive market, to avoid price increases before you complete the home purchase.

Commonly asked questions about lease-optioning include: who is responsible for maintenance and repairs during the lease period, whether the option fee is refundable if the tenant decides not to purchase the property, and what happens if the tenant is unable to secure financing for the purchase at the end of the lease period. Let's step through these questions first:



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- Normally, the tenant is responsible for maintenance and repairs to the home during the lease period. This is important because it cements the purchaser's commitment to the home, encourages responsible home 'ownership,' and allows you to make the choices that make sense for you regarding home maintenance.
- The option fee is non-refundable. It is normally applied in sum or in part (spelled out in the lease-option contract) to your purchase, at the time the sale is executed.
- If the tenant is unable to secure financing at the end of the lease period, there are several options that can be pursued. The team at 3TAC is committed to uniting people with their dream homes, and achieve their goals of homeownership. We consider re-options, owner (private) financing, or other creative and compassionate financing choices. It is always the last choice to separate a tenant from their home!

It's important for both the tenant and landlord to fully understand the terms of the lease-option agreement before entering into it. We are here, and happy to answer questions.