

INSERT TITLE AND BACKGROUND IMAGE OF COUPLE AT MILITARY HQ-EUROPE

Chris and Marty met as they were serving the US Army in Europe, one as a third year enlisted PFC, the other a corporate employee on assignment as technical specialist with the Army's Military Police. Both had an opportunity with their marriage, to leave their "jobs" on good(honorable) terms and pursue a new civilian life in native Texas and agreed on the City of Richardson, and both adamant, no.more.rental.living! The plan one would get a stable job with good benefits, the other to work on establishing a new household. A survey of light part time work from home would yield at least \$1,000 monthly. Could they do this?

As to Chris' job search was very encouraging, both in the options, but his reception was warm and genuine. Chris, Marty and the City agreed initially on the final two best fits, and on the couple's final pick as a technician assisting Investigations at the Police Department. Chris will start as soon as possible at an initial annual pay of \$55,000.

CITY OF  
RICHARDSON  
LOGO AND 2  
CITY JOB  
LISTINGS WITH  
  
PAY RANGES  
HILITE BOX ON  
"TECHNICIAN"  
W/ RIGHT PAY

Hope, a friend from their time in Europe, moved a few years ago back to Dallas, and was prospering in her new business as a mortgage banker. Chris had left the Army with an honorable discharge and great personal notes for his superiors but left without a Certificate of Eligibility for VA financing. Hope was certain that the innovative new LandLift financing of a home's land combined with a smaller than standard mortgage of 60% LTV was both approved by HUD/FHA and to be subject to ongoing oversight by a federal custodial fund that acts to protect LandLift's clients as well as the mortgage holder and LandLift's institutional investors. LandLift is listed as the owner of the home's land and leases the land at a first-year rate of 1.525% with a ½% of purchase price (or value) may be "perfect" for them.

The LandLift program was created by the private sector and from its outset designed a custodial/oversight federal agency role to sponsor, educate and protect the homeowners and investors. Nearly all the homeowners have a special status, such as first-time home buyers, vets, tribal members, single parents, hardship and recovering families and individuals. In fact, initial applications of LandLift were to homesites in recent disaster zones such as the devastating fires in Southern California and Hawaii, flood areas in North Carolina and the train derailment in Ohio.

A unique aspect of LandLift was intended to assist its applicants by providing very gradual year-to-year increase for its low first year rate. After the first year, LandLift increases ½%, which is intended to increase below a homeowners' fixed rate mortgage and their improving income. The design of LandLift was to provide financing to a point where a conventionally underwritten 70-80% LTV mortgage could pay off the combined original mortgage and LandLift financing, should that make sense for the homeowners. As the LandLift program is to facilitate affordable housing to a broad collection of special situation borrowers as well as public service professionals such as first responders, such as Chris, and teachers. In many urban areas municipalities and school districts find it nearly impossible to find newly educated hires due to the high market rental rates and lack of

non-section 8 LIHTC apartments, as the couple found true briefly looking for short term rental housing in and around Richardson.

Later that night, Hope called them and was very excited. On a **\$500,000** home they would have a **½% down payment of \$25,000**. The combined first-year LandLift and mortgage **\$475,000 (95%)** financing on a **\$500,000** house would be approximately **4.15%**! This is a rate and terms date back to the 1950s! They could do this!

Excitedly Marty and Chris searched for homes around Hope's price point of \$500,000. Thankfully they saw a good mix of attractive homes, and a couple that fit the desired goal of close to both Chris' Police Station and a highly regarded hospital, Methodist Campbell. The couple's preferred house was priced at \$500,000 and was close to both work and the hospital. Marty could not place where or how, but she had seen pictures of the selected house before. She just couldn't place it.

INSERT 505 LISTING SNAPSHOT INDICATING \$3,603/mo and mileage between hospital and police station

Hope and the couple met to "walk through" some preliminary disclosure material and brought a descriptive 11-year spreadsheet applied to the house at 505 Melrose Drive based on their past rental, income, loans and 650 credit score. She highlighted several key numbers. First, the \$175,000 LandLift financing payment for the 8,102 sq.ft. parcel at 1.525% for the first year will be \$222/mo. Next the \$300,000 30-year mortgage (fixed) at 5.45% annually will have a monthly payment of **\$1,703** per month, almost exactly on par with **HUD's marker for an affordable (60% of Dallas AMI) for a 2-bedroom apartment for two in Dallas County (\$1,694 est. May,2026)**. Adding in property taxes, and insurance the total monthly housing costs, without utilities, would total **\$2,325**.

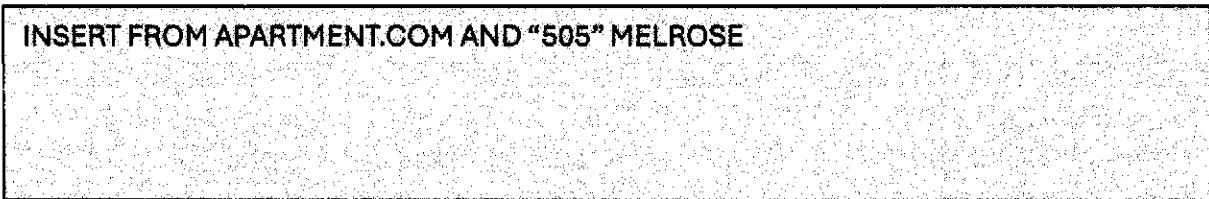
Using the same data both Hope, the property's listing information and the couple's use of a public accessible mortgage site had all derived an estimated mortgage PTI monthly payment at around **\$3,600**.

INSERT 505 11-year with borrower info with 11<sup>th</sup> year sale

Hope then focused on an extension of the 11-year spreadsheet to display what happens with the sale of the 505 Melrose home in the 11<sup>th</sup> year. As she had previously explained to the couple, for the investors in LandLift to make up for investing 87.5% of the downpayment and protracted very low rates for years it receives a share of the home's appreciation, often the same percentage it invested of the original purchase price, in your case with 505 Melrose, 35%. The process shown here has a sale of 505 Melrose after years of an annual average of 3.5% appreciation (Dallas' recent decade rate) for \$705,299. After the mortgage loan's current balance after 10 years of paydown of \$244,979, the LandLift original investment, without amortization, of \$175,000 and your downpayment of \$25,000, the net amount after the mortgage to the investors and homeowner is \$260,320, of which the LandLift investors receive their "catch up" share of the 35%, or \$91,112 and the balance is to

you, the homeowners, or \$169,208. That amount added to the return of your down payment equates to a 20% downpayment (without regard to prevailing rates or your household economics) sufficient to look at homes of just under \$1 million. Hope reminded Marty and Chris of the overall mortgage rates often prevalent after WWII and their overall rate of financing in the low 4%, commenting that is in great part how America had sponsored and encouraged affordable housing.

Thanking Hope for work and the encouraging information allowing the couple to conceive of a home purchase like 505 Melrose Drive. Imposing on Hope a bit longer they sat with her to look for short-term housing should all proceed well on 505 Melrose. They started looking at all forms of rental housing and focusing on their hoped for "new Melrose neighborhood". No sooner had the first RENTAL site opened to Richardson for the Melrose area for all types of rental housing than this listing popped open prominently in the middle of the first page:



Well after their laughter died down, Chris pointed to the lease terms.... minimum 1 year...etc.... but highlighted the fun item: tenant.was.responsible.for.landscaping\*

As they were getting ready to leave the meeting, Marty asked one last question as who the most general qualifications and disqualifications to the LandLift program. Hope said, " I mentioned that the intent of the program is to model itself after the original Homestead Act, signed into law by Abe Lincoln (May 20, 1862) and showed them a "qualification" excerpt from that Act's second Section: ...  
*"...upon application to the register of the land office in which he or she is about to make such entry, make affidavit before the said register or receiver that he or she is the head of a family, or is twenty-one years or more of age, or shall have performed service in the army or navy of the United States, and that he has never borne arms against the Government of the United States or given aid and comfort to its enemies, and that such application is made for his or her exclusive use and benefit, and that said entry is made for the purpose of actual settlement and cultivation.."*