

Seller Financed Closing Call

Now with a nicer house like yours, the way we usually buy it is by...

(A. If mortgaged house) ...taking over the monthly payments.

*It's a real common way of doing it now, we take over any payments and maintenance on the house, including the taxes and insurance. Now are the taxes and insurance included in the mortgage payment here? _____
Okay, great.*

(B. If free and clear house) ...setting it up to make monthly payments to you. It's a real common way of doing it now, we also take over all the taxes, insurance, and maintenance on the house. You just keep our payment every month, so this is a good deal for you.

Basically we buy the house and close on it right away, and we make the payments until it's paid off. Of course we also cover any Homeowner's Association dues, (if unknown) is there an association in the neighborhood? _____ And do you know how much the dues are? _____

Okay great. So once you sell us the house then you're free of it, you can just move on with your life. Doesn't that sound good/great? _____

Note: Don't answer these two questions unless they ask: *When will you pay off mortgage? What's your plan?*

Answer: *Well what we do, we work with a lot of lease purchase buyers, that's our specialty. For whatever reason they can't qualify right away to get their own mortgage. They might need some time to put together their down payment, they might've just moved to the area and need more time on their job, maybe they're self-employed, maybe they've had a little rough credit. Sometimes we can get them qualified in 6 months, sometimes 12 months, sometimes it takes longer, but during that time we cover all your payments and maintenance on the house so you can just move on. It's generally our goal to get the buyer qualified as quickly as possible, because that's when we make our money.*

Now we've looked at your information, and we've had a chance to go over the numbers and the comps -- that's the comparable houses that sold in the area.

Let me ask you, if we were to work this out and close whenever you want, what's the least you could take?

Is that the best you can do? (always follow up with with this question!)

(cont'd)

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Any terms or cash to seller must be worked out here:

A. Negotiating monthly PAYMENT - Mortgaged house

Okay, so your monthly mortgage payment right now is \$_____. So we'll cover that amount every month, okay? _____ **If not escrowed:** Plus taxes and insurance, okay? _____

If **"No"**: Well, what's the least amount over that that could work for you? \$ _____

B. Negotiating monthly PAYMENT - Free and clear house

Okay, so obviously you have no monthly payment on the house besides the taxes and insurance, which we'll be taking over. So let me ask you, what would be the least amount per month that could work for you? **

_____ Is that the best you can do? _____

Negotiating Lines: Since we're covering all the payments & maintenance, we really do need to have a little room on the monthly payment. The most we could do would be \$ _____ per month.

**** (Calculate a Monthly Payment BEFORE CALL that gives a \$300+/month cashflow).**
So we could give you \$ _____ per month until we cash out and pay you off in full, okay?

Negotiating LENGTH of TERM:

(A. Mortgaged house) Okay, so we'll set it up to cover that payment until the mortgage is paid off. (Optional) Then we'll keep making the payment to you until the remaining balance is paid off.

(B. Free and clear house) Some sellers are OK with giving 30 years, they like the monthly payments.

(Pause if confident here, check response). Others can only do shorter terms like 5 or 10 years.

It might work out that we pay you off sooner, so what's the longest that could work for you? _____
(if need longer) Is that the best you could do? _____

Generally we want to get you cashed out sooner, because that's when we make our money. Still, we like to set it up for at least 5 or 10 years, to make sure we have enough time so it all turns out the best.

(Cont'd on next page, or, if good, go to "Setting the Appointment")



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Note: You can walk back a term to five years, then three years, then two years. If no firm term is decided here, it can be worked out during the deal meeting. Try to pay 3% down or less, though you may go up to 5%. With blended funding, \$50K-\$100K or more can be “in the range.”

“Seller is the bank” explanation / objection answer:

The way we do it, it's a real common way of doing it now, is that we buy your house using seller financing. That just means that we buy the house directly from you, and we make payments to you like you're the bank, until it's paid off.

We buy it right away, we sign everything at the closing attorney's office, and then you're free of it. You can even look up “seller financing” in Wikipedia.

Doesn't that sound good? _____

(Go to "Setting the Appointment")

Notes: