



Lease Agreement with Option to Purchase Script

For “Sandwich Lease Purchase” Deals - Use Lease With Option Agreement Form

First we have the term right here, it's for ___ years (with an extension of ___ year(s) if necessary). Right here it states we're taking possession on (date).

Here's the monthly payment we'll be making to you that begins on (date). **(Don't say this next sentence or work out the numbers exactly if seller is okay with special clause under #14.)** This is how much credit from each payment goes towards the purchase price.

(If any down payment is listed in #4) #4 goes over our option to purchase, and shows that we are giving you \$___ up front, all of which will be credited to the purchase price at the cash-out closing.

#5 here says we'll be making all the utility payments, we'll get all the accounts transferred into our name. If you have statements for those it would be helpful. It also says we'll be taking good care of the property.

Here in #6 you agree to keep “landlord” insurance on the house for your own protection. **(If they are/were living in house)** You'll need to switch that over from owner-occupant insurance, we can help you with that if you want. We also have a very good insurance agent if you need someone for that.

Here in #9 it shows the current mortgage/s (and liens), do I have that right?

#10 goes over our right to sublet, you understand that, we're not moving into the house ourselves.

#11 states here we're taking the property “AS-IS”. Then it says that we'll be responsible for all the maintenance and repairs. So you can just walk away without any cares about the property anymore, isn't that great?

(Rarely applicable since you buy “as-is”) Here in #13 it covers items needing repairs, these are things you're agreeing to take care of before we take possession.

As it also refers to here in #13 we'll be ordering a title search just to make sure there won't be any hang-ups down the road.

I want to go over this part here, #14. We agreed that we'd pay a purchase price of \$___ for the house, correct? That's basically what these numbers here come down to, it's explained in this clause. It says, “The purchase price will equal the mortgage balance pay-off (plus \$___, the spread between the current balance and the purchase price) at time of cash-out closing.” That just means at the cash-out closing the mortgage will get paid off in full (and you'll get this amount above that). Do you understand that?

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In #14 you're trying to set up the deal so you get credit for all the mortgage principal reduction. If you get "push-back" on this then it's okay to just write the purchase price as the agreed-upon number and scratch out the other clause, meaning your payments are just straight rent. Remember these numbers here are just another way of stating the rent credit numbers in #3, "An amount... [x] equal to the principal balance reduction according to the current amortization schedule in which rent was paid shall be credited to the tenant/buyer and applied to the purchase price..." You can address this issue at #3 or here at #14, whichever you can present in a better light.

Under #15, it says the house comes with everything attached, and then any additional items that you may not want to move, any heavy furniture, stuff you don't need anymore. Can you think of anything? (If you noticed any items you want, ask for them here) You know, when we were walking through I did notice _____. Would it be okay to keep that with the house? (Repeat if more desired items, just asking can often get you valuable stuff free).

There's a couple more standard clauses, and then here under #18 it says that we will be paying all the closing costs. That works for you, right? ____

Here in #19 you're just agreeing to keep insurance on the property, fire insurance basically, they call it landlord insurance if you're familiar with that (Don't need to explain this if working with a landlord already).

(If insurance payments are escrowed) *We work with insurance all the time, we can help you get that straight with the mortgage company if you need us to.*

Great, if you don't have any questions you can just go ahead and okay the agreement right there. (Finish up with both agreements here. Get some additional basic paperwork signed, such as the "Authorization to Release Information" and Lender Letter).

Alright great, that wraps up everything we need to do today. We are so excited, we're so glad this all worked out so well.

As it says in the agreement, we're ordering a title report which should come back pretty quickly. Then we'll line up a time for you to come in and sign a few more papers with the closing attorney.

Since I don't have a copy machine, what we usually do is have you just go ahead and take pictures with your phone of the agreement right now, and then we'll send you copies, okay?

We'll be in touch in the next couple days to work out any last details about taking possession, or answer any other questions that might come up. If you think of anything else just write it down and we'll make sure to cover everything.

Thanks so much for your friendly hospitality. Congratulations (to both of you), it's been a real pleasure meeting you, this is really going to work out great!

Talk to you soon!