



Potential \$1,000,000 Portfolio Example

Simplified Calculations

- Two 4-plex or Four 2-plex in Diverse Markets
- $\$500,000 \times 2 = \$1,000,000$ Portfolio Value
- 10% Down = \$100,000
- 3.5% Costs = \$35,000
- Reserves = \$40,000
- Total Needed = \$175,000

Subject to qualifying, deferred down payment™ / negative cash flow likely in initial years. Appreciation is not guaranteed



So What's The Plan... Stan?

Refi Till Ya Die™

<u>Total Value</u>	<u>Gain</u>	<u>Investment</u>	<u>Loans</u>	<u>Equity</u>	<u>Proceeds</u>
\$1,000,000 <i>12 Years</i>		\$135,000 <small>(\$100k Dn+\$35k Costs)</small>	\$900,000	\$100,000	
\$2,000,000 <i>12 Years</i>	\$1 mil.	Refi 80% LTV	\$1,600,000	\$400,000	\$700,000 <i>Tax Free Income \$58,333/yr</i>
\$4,000,000 <i>12 Years</i>	\$3 mil.	Refi 80% LTV	\$3,200,000	\$800,000	\$1,600,000 <i>Tax Free Income \$133,000/yr</i>
\$8,000,000	\$7 mil.	Refi 80% LTV	\$6,400,000	\$1,600,000	\$3,200,000

Subject to qualifying, equity is a gross amount, deferred down payment™ / negative cash flow likely in initial years, gain is gross number. Appreciation is not guaranteed



The 7 Year Itch Refi Till Ya Die™

Total Value	Gain	Investment	Loans	Equity	Proceeds
\$2,000,000		\$270,000 ((\$200k Dn+\$70k Costs)	\$1,800,000	\$200,000	
<i>Wait 7 Years</i>					
\$3,000,000	\$1 mil.	Refi 80% LTV	\$2,400,000	\$600,000	\$600,000
<i>For the next 7 Years</i>			<i>Tax Free Income</i>		<i>\$85,714/yr</i>
\$4,500,000	\$2.5 mil.	Refi 80% LTV	\$3,600,000	\$900,000	\$1,200,000
<i>For the next 7 Years</i>			<i>Tax Free Income</i>		<i>\$171,429/yr</i>
\$6,750,000	\$ 4.75mil.	Refi 80% LTV	\$5,400,000	\$1,350,000	\$1,800,000
<i>For the next 7 Years</i>			<i>Tax Free Income</i>		<i>\$257,143/yr</i>

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Summary

Where will you be in 7 years?

<u>Investment</u>	<u>Years</u>	<u>Gain</u>	<u>Increase In Equity</u>	<u>Cash Out</u>
\$175,000 (\$100k Dn+\$35k Costs + \$40k Reserves)	12	\$1,000,000	\$300,000	\$700,000
\$350,000 (\$200k Dn+\$70k Costs + \$80k Reserves)	7	\$1,000,000	\$400,000	\$600,000

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