FAQs

1. What is the Lease with a Right to Purchase Program?

Our Lease with a Right to Purchase Program (the "RTP Program") allows you to find a home that you want to rent from us initially, but may also like to buy in the next three to five years. We believe that there are many households who may be thinking about buying a home but for whatever reason would like to rent at the current time. You can lease the home for three to five one-year terms, depending on the state, and you may purchase the home from us at any time at a predetermined price.

2. Who is eligible for the RTP Program?

We have certain minimum criteria for our program. Your household must have an annual income of $50,000. You must have stable employment. We cannot accept you into our program if you or anyone in your household has a history of eviction or a pending bankruptcy. Everyone in your household must have an acceptable criminal history.

3. How do I apply to the RTP Program?

Every member of your household who is 18 years of age or older must complete the Full Application. The Full Application requires certain information, including residence and employment history, for each member of the household. You also must provide income and asset verification for each member of the household whose income is to be considered in determining the rent approval amount in order for your application to be considered complete.

We take several factors into consideration when reviewing an application, which include household income, rent-to-income and debt-to-income ratios, rental and housing history, employment history, criminal history, FICO® scores, and other elements of an application.

We will respond to you regarding your application within 24 to 48 business hours of receiving all required information.

4. How much does it cost to participate in the RTP Program?

We have a one-time Application Fee of $75 per household that must be submitted online as part of the application process. This Application Fee covers all applicants in the household and is nonrefundable.

Please note that in California, the Application Fee is $45 if there is only one member in the household and $75 if there are two or more members in the household.

5. Why was my application denied?

We consider the profile of the entire household when reviewing an application, so there are a number of reasons why an application may be denied. If your application is denied, you will receive notification in writing. You will also receive a copy of your credit report and an adverse action letter via U.S. mail. We encourage you to wait and review those materials prior to inquiring further as to the reason for your denial.

6. How do I find a home once I'm approved?

You should work with your broker to search for homes that meet our purchasing criteria. This means that the home must be:

1. Located in an approved community (based on default high school attendance zone, ranked in the top 50%) and not adjacent to features that may negatively impair value;
2. Listed for between $100,000 and $550,000 in most states, though exceptions apply in California, Virginia and Washington;
3. Located on a lot no more than three acres with a minimum of two bedrooms;
4. A single family home or fee-simple townhome; (condo associations, condo interests, commercial and multi-family properties are not eligible for the program);
5. A traditional sale or REO; (short sales, HUD, VA and auction homes are not eligible for the program); and
6. No material deficiencies (e.g., major structural issues, pervasive mold, etc.)

Please note we only purchase pools in certain states. At the current time, we purchase homes with pools in California, Florida, Georgia, North Carolina, Oklahoma and Texas only.

Once you have selected a home, your broker must submit it to us online and include a set of additional required documents.

7. Do you own the homes shown on your website?

No. The homes shown on our website are for sale in the markets in which we operate. This list of homes automatically feeds into our website from a listing service and is updated on a regular basis. However, we cannot filter for certain criteria when we transfer this information to our website, such as whether a townhome is or is not fee-simple, so there is the possibility that a home shown on our website does not meet our minimum eligibility criteria. The website is intended to serve as a guide and is for informational purposes only.

8. My county is listed as approved on your website, but the high school of the home I want is not. Is the home approved?

We only consider homes that have default high school attendance zones for high schools ranked in the top 50% within each of our approved markets. A home must fall within the default attendance zone of an approved high school, so although the lists on our website are sorted by county, we only consider the relevant high school when determining whether a home is eligible for purchase.

9. Is there a required deposit?

Yes. Generally, we require a deposit equal to two months' rent. If you decide to leave the home at the end of any one-year lease term and you have been in compliance with the terms of the lease and return the home in the same condition it was in when you moved in, the full deposit will be returned to you. The full deposit is also returned to you if you exercise your Right to Purchase the home.

10. How long does it take from when I select a home to when I move in?
On average, it takes approximately five to six weeks from the time the broker submits a property to us for consideration until the day you are able to move in. There are a number of variables that affect the move-in timeframe, including how long it takes to negotiate with the seller, what the home inspection reveals with respect to required repairs, and the renovations you request. We will keep you informed throughout the entire purchase and renovation process so that you are aware of this timing.

11. What happens after I move in?
You are our tenant, and we are your landlord. You have entered into a legal contract with us for one year and are subject to the terms of that document. We will collect your monthly rent and perform any necessary repairs after you move in. The cost of any repairs or investment in the home we make during your residency are added to your Right to Purchase price with a total cap of $2500 which we call the Maintenance Reserve. So, if we spend $4000 in repairs or additional investment in the home, should you buy the home, your Right to Purchase price would be increased by $2500. We do not change your rent.

12. Are the monthly rent payments that I make applied to the purchase price of the home?
No. Monthly rent payments are not applied to the purchase price of the home. If you decide to exercise your Right to Purchase, you must pay the applicable full predetermined price listed in the Right to Purchase agreement.

13. How do I exercise my Right to Purchase?
You may notify us at any time if you decide you would like to exercise your Right to Purchase. You must provide us with 60 days written notice of your intent to exercise this option. Once you notify us that you want to exercise your Right to Purchase, we will contact you to get the process started.

14. Can I buy a home in the middle of a lease term or do I have to wait until the end of the year?
You can exercise your Right to Purchase at any time during your residency. However, you must provide us with 60 days written notice of your intent to exercise this option. In addition, the closing date must occur before the end of the applicable lease term.

15. Do you provide me with a mortgage?
We are not a mortgage company. We do not provide and do not have any obligation to provide financing. We cannot guarantee or in any way assure that you will be able to obtain a mortgage if and when you wish to exercise the Right to Purchase.

Master Q&A Outline

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General Program Information

Who is Home Partners of America, Inc.?
Home Partners of America, Inc. ("Home Partners") is a real estate investment firm dedicated to providing responsible households with a transparent path to homeownership.

Insert FAQ 1

How does the RTP Program work?
You can apply to the RTP Program through our website. After you are approved, we will attempt to purchase the home you select as long as it fits within your rental price approval range and meets our minimum criteria. You are then able to lease the home for up to either three or five years and can purchase it at any time during the lease. The rent and Right to Purchase amounts are predetermined for each of the three or five years, so you know at the outset what those prices will be. As long as you comply with the terms of the lease, it will automatically renew for another year at the end of each lease term, up to the maximum length of either three or five years, unless you provide notice to terminate it.

How long has the RTP Program been in existence?
We launched the RTP Program in the Chicago area in November of 2012.

How many homes do you own?
As of the end of February, we owned approximately 1,300 homes.

Do you list the homes you own?
No.

Are there homes that you already own that I can move into quickly?
We generally do not hold an inventory of vacant homes.

Who will be the owner of the house?
We will own the home until you decide to exercise your Right to Purchase and purchase it from us.

Do you get a mortgage on a home when you buy it?
No. We currently buy all homes for cash.

Where do you get your money?
We have a wide range of investors who support our RTP Program.

Where are you based?
We are based in Chicago, IL.

Insert FAQ 15

If I do this program, is there a guarantee I will be able to get a mortgage?
No. We cannot guarantee or in any way assure that you will be able to obtain a mortgage if and when you wish to exercise the Right to Purchase.

Do I have to purchase the home?
You have no obligation to purchase the home.

Do I have to stay in the home for all three to five years?
You have no obligation to purchase the home or renew your lease once the first year is over.

What fees are there?
The only fees for the RTP Program are the non-refundable per household application fee and, in most states, a $300 per pet fee (which is refundable in the event that you purchase the home from Home Partners).

Please note that there is no pet fee in California. Instead, there is a pet rent of $30 per pet per month.

Is there a pet fee? Is it refundable?
There is a $300 per pet fee in most states. This fee is due with the required deposit and is refundable in the event you purchase the home. Otherwise, it is not refundable.

Please note that there is no pet fee in California. Instead, there is a pet rent of $30 per pet per month.

Are there pet restrictions?
Yes. Subject to any homeowners' association rules or other laws, we allow a maximum of three pets to live in the home with a maximum combined weight of no more than 180 pounds. The four dog breeds that are currently prohibited are Rottweiler, Mastiff, Pit Bull and Doberman. We also reserve the right to refuse permission for all unusual pets to live in the home.

Applications

Basics

Insert FAQ 3

Can I apply in your office?
All applications must be completed online.

Is there a paper application that I can fill out?
All applications must be completed online.

How long does it take for my application to be processed?
Once we have received a completed Full Application and all additional required documentation, the application will be processed in 24 to 48 business hours.

What factors do you take into account before approving an application?
We take several factors into consideration when reviewing an application, which include household income, rent-to-income and debt-to-income ratios, rental and housing history, employment history, criminal history, FICO® scores, and other elements of an application.

What other information will I need to provide after submitting the Full Application?
You must provide copies of the two most recent pay stubs for any member of the household who is employed by a company. If a member of the household is self-employed, we can accept the most recent tax return to verify income, as well as the last two quarters of profit and loss statements. We cannot accept older tax returns or other forms of asset verification.

If a member of the household receives social security payments, disability payments, retirement annuities and disbursements, alimony or child support, we need to review official documentation (e.g., a court order) of such payments that also lists the time period for which the member of the household is entitled to receive them.

You must also demonstrate that your household has an amount equal to at least two months' rent in order to prove that you will be able to provide an amount equal to three months' rent when we agree to purchase the home you have chosen.

How will I know when I have been approved?
When a household is approved, we contact both the primary applicant and your broker with an approval notice to inform you that the application has been approved.

Insert FAQ 5

If I am denied, do you offer credit repair so that I can reapply in the future?
No. We do not offer credit repair to applicants who are denied.

What happens once I am approved?
Once the primary applicant and your broker receive the approval notice informing you that the application has been approved, your household should work with the broker to look for homes.

How long is my approval good for?
Your approval letter is valid for 90 days.

What happens if my approval expires and I would like to reapply?
If your household's home search continues after 90 days, we may be able to extend the approval. Please email applications@homepartners.com regarding approval extensions.

Is the application available in other languages than English?
No, the application is only provided in English.

Can I use a co-signer on my application?
No, co-signers are not permitted for applications.

Registration

How do I register on your website?
You can go to our website and click on the "Signup" link on the top right corner of the home page. Alternately, you can go directly to the registration page at www.homepartners.com/account/register.cfm.

The website is saying that my email is already used for a registration. Why is it saying that?
This means that you or someone else has already registered on our website using that email address. You can click on the "Login" link on the top right corner of the home page and then click the "Forgot your password?" link, which will send a new password to that email address, or create a new registration using a different email address.

I forgot my password for the website. How can I recover it?
You can go to our website and click on the "Login" link on the top right corner of the home page and then click the "Forgot your password?" link. A new password will be sent to that email address.

Pre-Qualification Application

How do I complete the Pre-Qualification Application?
Once you have registered on our website, you are automatically directed to the Pre-Qualification Application. You must complete the required information in the Pre-Qualification Application on behalf of every member of your household who is 18 years of age or older.

I filled out the Pre-Qualification Application and received an email that I am not approved. Why?
A Pre-Qualification Application is not approved when it indicates an automatic disqualifier.

I am trying to change answers on the Pre-Qualification Application, and it is still saying I am denied. Why is this?
The Pre-Qualification Application does not allow answers to be changed after it is submitted. If one of the answers was submitted incorrectly, please contact the applications department at applications@homepartners.com.

Required Applicants

How do I complete the Full Application?
Once you have completed the Pre-Qualification Application, you are automatically directed to the Full Application. Every member of your household who is 18 years of age or older must complete the Full Application together. The Full Application requires you to provide residence and employment history for every member of your household. You also must provide income and asset verification for every member of the household whose income is to be considered in determining the rent approval amount in order for your application to be considered complete. Finally, you must pay a one-time Application Fee of $75 per household that must be submitted online as part of the application process. This Application Fee covers all applicants in the household and is nonrefundable. Please note that in California, the Application Fee is $45 if there is only one member in the household and $75 if there are two or more members in the household.

Which household members need to be included in the Full Application?
We require every member of the household who is 18 of years age or older to be included in the Full Application.

My child is away at college. Does he or she need to fill out an application?
We require every member of the household who is 18 years of age or older to be included in the Full Application.

My child/parent/spouse has no income. Do they need to apply?
We require every member of the household who is 18 years of age or older to be included in the Full Application. Even if a household member's income will not be considered, he or she still must be included in the Full Application.

What if I want someone new to move into my home after I'm approved or already living in the home?
We must approve everyone who is living in the home. Anyone who wants to move into the home at any time must apply on our website and be approved.

Can you accept ITIN numbers?
Yes, we can process an application with an ITIN number.

Can you accept individuals moving to the United States without a SSN or ITIN?
We cannot process an application unless every member of the household has either a social security number or an ITIN number. We require this information in order to conduct our application review, which includes a full credit and background check for every member of the household.

Minimum Criteria
Insert FAQ 2

Are there any automatic disqualifiers for the RTP Program?
Yes. We have certain minimum criteria for our program. Your household must have an annual income of $50,000. You must have stable employment. We cannot accept you into our program if you or anyone in your household has a history of eviction or a pending bankruptcy. Everyone in your household must have an acceptable criminal history.

Am I eligible for the program if I have a felony conviction?
We cannot accept you into our program if a member of your household has a criminal history that includes any of the following: violent felony; drug distribution; sexual assault or listing on any national or state sex offender registration list; or crime against children or animals.

Other criminal activities or convictions may also disqualify you from the program.

Am I eligible for the program if I have an eviction in my background?
We cannot accept you into our program if a member of your household has an eviction in their background.

Am I eligible for the program if I have an apartment collection in my background?
We cannot accept you into our program if a member of your household has an apartment collection in their background.

Am I eligible for the program if I have a bankruptcy in my history?
We cannot accept you into our program if a member of your household has an open or pending bankruptcy. However, once the bankruptcy is closed, adjudicated or discharged, or a court-approved payment plan is determined, we can consider you for our program. The bankruptcy will be considered as a factor in our review of your application.

How long do I need to wait after a bankruptcy before applying to the program?
As long as the bankruptcy has been closed, discharged or adjudicated, or a court-approved payment is plan determined, you do not need to wait for any period of time before applying to the program.

Is there a minimum income requirement for the program?
Your household must have a combined gross annual income of at least $50,000 in order to be considered for our program.

Is there a minimum FICO® score requirement for the program?
We consider FICO® scores as a factor in our review of your application. Most households that are successful in the program have a minimum average FICO® score of at least 525, although a FICO® score above this number does not constitute an automatic approval into the program.

Are there required rent-to-income and debt-to-income ratios for the program?
We consider rent-to-income and debt-to-income ratios in our review of your application. We generally require rent-to-income and debt-to-income ratios that are consistent with FHA guidelines.

Am I eligible for the program if I have a foreclosure or short sale in my history?
We consider a foreclosure or short sale as a factor in our review of your application. It is not in and of itself an automatic disqualifier.

How long do I have to wait after a foreclosure or short sale before applying to the program?
You do not need to wait for any period of time after a foreclosure or short sale before applying to the program. In fact, you can apply to our program while still in the process of going through a foreclosure or short sale.

Am I eligible for the program if I have a judgment in my history?
We consider a judgment as a factor in our review of your application. It is not in and of itself an automatic disqualifier.

Am I eligible for the program if I have a tax lien in my history?
We consider a tax lien as a factor in our review of your application. It is not in and of itself an automatic disqualifier.

I have an income-producing property. Will this disqualify me from the program?
No. We will analyze this situation on a case by case basis.

I have an income-producing property in another state. Will this income count towards my approval, and if so, how will this income be included?
No. We will analyze this situation on a case by case basis.

Will selling a home in another area disqualify me from the program? How will this mortgage and the proceeds from the sale of the home be counted towards my approval?
This is not in and of itself an automatic disqualifier, but it could be an additional complication. We will analyze this situation on a case by case basis. Generally, anticipated proceeds from a home sale do not count as assets, and the amount of the anticipated proceeds from the home sale do not impact our review of your application.

Full Application

Is my whole family on one Full Application?

Yes. Every member of your household who is 18 years of age or older must complete the Full Application together.

Can I save the Full Application and go back to it later?

Unfortunately, the Full Application must be filled out in its entirety at one time. For security reasons and to protect applicant privacy, we do not save incomplete applications. In the event that you do not have all of your information ready when you are directed to the Full Application, you can save the link to the application page and return to it later.

If I made a mistake on my Full Application, how can I fix it?

If you submitted a Full Application and some of the information was incorrect, you should contact our applications department at applications@homepartners.com.

Why haven't I heard back about my Full Application?

If you submitted a Full Application with all additional required documentation and fewer than 48 business hours have passed, it may still be in the review process.

If you submitted a Full Application and more than 48 business hours have passed, we may not have received all additional required documentation to process it. We will contact you to request any outstanding required documentation.

Income Requirements

What is considered income?

Income includes W-2 wages, 1099 wages, small business income and income from self-employment that can be verified. We also consider social security payments, disability payments, retirement annuities and disbursement, alimony and child support to be income as long as these benefits will be valid for at least 48 months after the application is completed and official documentation is provided.

We do not consider cash income that is not included on tax returns, food stamps, housing vouchers, unemployment benefits, or other benefits that will expire within 18 months or cannot be verified with official documentation.

In the event that you have other income not included on this list that you would like to be considered, or have other income-related questions, please contact the applications department at applications@homepartners.com.

Why do you need to verify my income?

In the event you qualify for our program and move into a home that we buy, you will be our tenant, and we will be your landlord. Therefore, we need to ensure that your income will be able to support your ability to make monthly rental payments to us.

What do you need in order to verify my income?
You must provide copies of the two most recent pay stubs for any member of the household who is employed by a company. If a member of the household is self-employed, we can accept the most recent tax return to verify income, as well as the last two quarters of profit and loss statements. We cannot accept older tax returns or other forms of income verification.

If a member of the household receives social security payments, disability payments, retirement annuities and disbursements, alimony or child support, we need to review official documentation (e.g., a court order) of such payments that also lists the time period for which the member of the household is entitled to receive them.

How can you verify income for self-employed applicants?
If a member of the household is self-employed, we can accept the most recent tax return to verify income, as well as the last two quarters of profit and loss statements. We cannot accept older tax returns or other forms of income verification.

Can I use an offer letter as income verification?
Yes, an offer letter can be used for income verification as long as it is on the employer's letterhead and includes a start date and the starting salary.

I receive social security payments. Is that considered income?
Yes. You should have a benefits letter or other documentation regarding such benefit that will suffice as verification of this income. If this letter is not available, we will work with you to determine whether alternative documentation provides sufficient verification. This benefit must be valid for at least 48 months after the application is completed to be considered income.

I receive disability payments. Is that considered income?
Yes. You should have a benefits letter or other documentation regarding such benefit that will suffice as verification of this income. If this letter is not available, we will work with you to determine whether alternative documentation provides sufficient verification. This benefit must be valid for at least 48 months after the application is completed to be considered income.

I receive retirement annuities and/or disbursements. Is that considered income?
Yes. You should have a benefits letter or other documentation regarding such benefit that will suffice as verification of this income. If this letter is not available, we will work with you to determine whether alternative documentation provides sufficient verification. This benefit must be valid for at least 48 months after the application is completed to be considered income.

I receive alimony payments. Is that considered income?
Yes. You should have a court order or other documentation regarding such benefit that will suffice as verification of this income. If this documentation is not available, we will work with you to determine whether alternative documentation provides sufficient verification. This benefit must be valid for at least 48 months after the application is completed to be considered income.

I receive child support payments. Is that considered income?
Yes. You should have a court order or other documentation regarding such benefit that will suffice as verification of this income. If this documentation is not available, we will work with you to determine whether alternative documentation provides sufficient verification. This benefit must be valid for at least 48 months after the application is completed to be considered income.

I receive unemployment payments. Is that considered income?
No. We do not consider unemployment payments to be income.

Asset Requirements

Why do you need to verify my assets?
You must demonstrate that your household has an amount equal to at least two months' rent in order to prove that you will be able to provide an amount equal to three months' rent when we agree to purchase the home you have chosen.

What documents can be used for asset verification?
Assets can be verified with a copy of a statement from a bank or other financial institution showing an amount equal to at least two months' rent in immediately available funds. Statements for retirement accounts are not considered for asset verification.

Application Fee

Insert FAQ 4

Does every member of the household need to pay the Application Fee?
No, the Application Fee is per household.

Why is there an Application Fee to apply?
The Application Fee covers part of our cost of processing your application, which includes a full credit and background check for every member of the household who is 18 years of age or older.

Is the Application Fee ever refunded?
The Application Fee is nonrefundable once we have begun to review the application.

Why is the Application Fee nonrefundable?
The Application Fee covers part of our cost of processing your application, which includes a full credit and background check for every member of the household who is 18 years of age or older.

How do I pay the Application Fee?
You must provide your credit card information at the bottom of the Full Application. Your credit card will be charged when you submit your Full Application.

Finding a Home

Using the Website

Can I use the "Find a Home" section of your website to look at homes prior to applying?
Yes. You do not need to register in order to use the "Find a Home" function.

Insert FAQ 7

Is there a case in which a property listed on the website will not work for your program?
The "Find a Home" section of our website is designed to display homes that may fit our program criteria. However, we cannot filter for certain criteria when we transfer this information to our website, such as whether a townhome is or is not fee-simple, so there is the possibility that a home shown on our website does not meet our minimum purchasing criteria. In addition, to the extent that any of the information or assumptions from the service that automatically feeds into our website is inaccurate, then the information on the website may be inaccurate as well.

Are the figures on the "Find a Home" section of your website accurate?
The "Find a Home" section of our website is designed to display homes that may fit our program criteria. The rent listed next to each home is the rent we will charge to a prospective resident for the first one-year lease term, unless there is an error in the information provided by the listing service. For instance, if the estimated taxes on the property or the estimate homeowners' association fee were entered incorrectly, then we may need to adjust the rent amount to reflect the accurate total cost basis of the home.

Working with Brokers

How can I set up a viewing of a home listed on the website?
We do not own the properties listed on our website. You should contact your broker to set up home viewings.

Do I have to work with a broker?
Yes. You need to work with a licensed broker. Your broker will assist you in finding a home and will represent us when we buy the home.

What if I don't have a broker?
If you do not have a broker, please contact us and we will recommend one to you.

Can I continue working with the broker I was previously using?
Yes. You can continue working with the broker you were previously using.

Can I work with any broker?
Yes. We currently work with any licensed broker.

Insert FAQ 6

Reviewing Legal Documents

Can I have a lawyer review the lease and Right to Purchase documents before applying to the program or submitting a home?

We will provide a sample of these documents upon request even before a Full Application is submitted. In addition, if you are approved for the program, you will receive sample documents with your pre-approval notice. You are encouraged to review the documents and consult with professional legal counsel as soon as possible to avoid any potential delays or missed deadlines. Once a seller accepts our offer on a home, you must sign these documents within 48 business hours, so we encourage you to review them as soon as possible.

Please note that we do not negotiate the lease and Right to Purchase documents. These documents have been prepared by legal counsel to adhere to applicable laws.

Can my lawyer request changes to the lease and Right to Purchase documents?

We do not negotiate the lease and Right to Purchase documents. These documents have been prepared by legal counsel to adhere to applicable laws.

Property Requirements

Types of Properties

Can I select any house I want?

We will only buy homes that meet our purchasing criteria. This means that the home must be:

1. Located in an approved community (based on default high school attendance zone, ranked in the top 50%) and not adjacent to features that may negatively impair value;
2. Listed for between $100,000 and $550,000 in most states, though exceptions apply in California, Virginia and Washington;
3. Located on a lot no more than three acres with a minimum of two bedrooms;
4. A single family home or fee-simple townhome; (condo associations, condo interests, commercial and multi-family properties are not eligible for the program);
5. A traditional sale or REO; (short sales, HUD, VA and auctions homes are not eligible for the program); and
6. No material deficiencies (e.g., major structural issues, pervasive mold, etc.)

Please note we only purchase pools in certain states. At the current time, we purchase homes with pools in California, Florida, Georgia, North Carolina, Oklahoma and Texas only.

Do you purchase apartments?

No. We do not purchase apartments.

Do you purchase multi-family properties?

No. We do not purchase multi-family properties or properties zoned for multi-family usage.

Would you purchase a multi-family property if I am planning to use all of the apartments for my family?

No. We do not purchase multi-family properties or properties zoned for multi-family usage. We will, however, consider purchasing single family homes with in-law arrangements.

Do you purchase commercial space?

No. We purchase only residential properties and will not consider commercial spaces or properties zoned for commercial use.

Do you purchase open or vacant land?

No. We do not purchase open or vacant land.

Do you purchase townhomes?

Yes. As long as the home meets our purchasing criteria, we will consider townhomes. We do consider homes with homeowners' associations and associated fees, which are incorporated into the rent and are our responsibility until you exercise your Right to Purchase. However, we will not consider homes that are part of a condominium association, so prior to submitting a home for consideration, your broker should confirm that the homeowners' association is not legally organized as a condominium association. In addition, we must review a review of any

homeowners' association documents and approve them before we will purchase a home. If a homeowners' association requires a resident to submit an application to lese the home, we will need to understand what this process is to determine whether we will consider the home.

Do you purchase homes with homeowners' association fees?
We do consider homes with homeowners' associations and associated fees, which are incorporated into the rent and are our responsibility until you exercise your Right to Purchase. However, we will not consider homes that are part of a condominium association, so prior to submitting a home for consideration, your broker should confirm that the homeowners' association is not legally organized as a condominium association. In addition, we must complete a review of any homeowners' association documents and approve them before we will purchase a home. We will not consider homes for which the homeowners' association requires us to submit an application. If a homeowners' association requires a resident to submit an application to lese the home, we will need to understand what this process is to determine whether we will consider the home.

What is the difference between a townhome with a homeowners' association and a townhome with condominium ownership?
It is difficult to tell the difference between a townhome that is part of a homeowners' association and a townhome with condominium ownership. Generally, a condominium association holds a legal status that provides the association with greater power to make and enforce rules over its members than a normal homeowners' association does. Prior to submitting a home for consideration, your broker should confirm that the homeowners' association is not legally organized as a condominium association. In addition, we must complete a review of any homeowners' association documents and approve them before we will purchase a home.

What if you purchase a home in a homeowners' association and then our household is not approved by the homeowners' association?
Prior to buying a home, we make sure that all homeowners' association requirements can be fulfilled. In the event that the homeowners' association required specific information about the household, we will inform you of that requirement and request your approval to share that information. If a homeowners' association requires a resident to submit an application to lese the home, we will need to understand what this process is to determine whether we will consider the home.

Do you purchase trailers, mobile homes or manufactured housing?
No. We do not purchase trailers, mobile homes or manufactured housing.

Do you purchase homes that are not listed on the MLS?
Yes. We will consider homes that are not listed on the MLS. Your broker should email acquisitions@homepartners.com to discuss what additional information is required to submit the property for consideration.

Do you purchase homes with pools?

We will consider purchasing homes with pools, but only in certain markets. California, Florida, Georgia, North Carolina, Oklahoma and Texas are currently approved. Please note that an additional maintenance and cleaning fee will be factored into the rent for homes with pools. In addition, you are required to have an insurance policy providing at least $300,000 in general liability coverage for liability associated with the pool, and we must be named as an additional insured.

Do you buy homes with mold?

We will consider purchasing homes that have minor mold issues that can be remediated effectively without prohibitive cost. However, we will not consider purchasing homes with extensive mold issues.

Do you purchase new construction?

Yes. We will consider new construction homes for purchase. However, the home must already be complete, and the builder must use a standard local contract. We do not purchase homes that are not yet built, and we do not use a builder's contract.

Types of Transactions

Can I use this home to earn income?

Properties that we own cannot be used as income-bearing properties and must be used for residential purposes only. You are not permitted to release or sublease any portion of the home without our express written consent.

Do you purchase homes that are "For Sale by Owner"?

Yes. As long as the home meets our purchasing criteria, we will consider homes that are "For Sale by Owner".

Do you purchase short sales?

No. We do not consider short sales.

Can you purchase my home that I am trying to sell as a short sale and lease it back to me?

No. We do not consider short sales.

Do you purchase properties at auction?

No. We do not consider properties offered at auction.

Do you purchase foreclosures?

Yes. We will consider purchasing homes out of foreclosure. However, we do not consider properties being sold by HUD, VA or at auction.

In the event that you would like us to consider purchasing a home out of foreclosure, please be aware of the following:

1. There are generally more frequent delays and higher Make Ready and closing costs compared to non-foreclosure properties.

2. Depending on the seller, the process may vary slightly in terms of when you are required to sign the lease and Right to Purchase documents and tender deposits.
3. There are often restrictions that prevent us from reselling a foreclosed property (generally for up to 60 or 90 days) following our purchase of the home. Generally, this is the only situation in which you may be restricted from exercising the Right to Purchase for a period of time.

Do you purchase Fannie Mae and/or Freddie Mac homes?
Yes. We will consider purchasing homes out of foreclosure. However, we do not consider properties being sold by HUD, VA or at auction.

In the event that you would like us to consider purchasing a home out of foreclosure, please be aware of the following:
1. There are generally more frequent delays and higher Make Ready and closing costs compared to non-foreclosure properties.
2. Depending on the seller, the process may vary slightly in terms of when you are required to sign the lease and right to purchase documents and tender deposits.
3. There are often restrictions that prevent us from reselling a foreclosed property (generally for up to 60 or 90 days) following our purchase of the home. Generally, this is the only situation in which you may be restricted from exercising the right to purchase for a period of time.

Do you purchase homes that cannot be rented immediately?
We will consider homes that cannot be rented immediately as long as the timing works for you. However, we cannot agree to leasebacks, properties requiring owner-occupancy, or homes that have existing tenants whose lease extends beyond the closing date.

Can you purchase my home that was foreclosed and lease it back to me?
Generally, a buyer of a foreclosed home is prohibited is from leasing or selling it to the original owner.

Can you buy the foreclosure or short sale that I am currently renting but have never owned and lease it back to me?
We do not consider short sales for purchase. We can consider purchasing homes being rented out after going through foreclosure as long as you have never owned that particular home. However, please note that this type of transaction has many challenges.

Are you considered an investor for foreclosures or REO purchases?
Yes. We are considered an investor by those selling foreclosure or REO properties.

Can you buy the home that I was under contract to purchase but fell through?
We can consider purchasing a home that you were under contract to purchase. However, please note that the home must meet our purchasing criteria and be submitted for consideration as any other home would be. Generally, we cannot accept assignment of existing contracts.

Approved Communities

Do you buy homes everywhere?
We only consider purchasing homes in approved high school areas. You can find a list of approved high schools sorted by county on our website, under the “Communities” tab at the top of the home page. Under each county, there is a list of the names of the approved high schools. The home you select must be located in an area where the default attendance high school is approved.

What standard do you use to determine which high schools are approved?
We consider purchasing homes with default attendance high schools that are in the top half of high schools in the metro region, when sorted by high school standardized test scores for math and English.

Why do you use high schools as a metric for approving properties?
Our research indicates that home prices appreciate at a stronger and more consistent rate in communities with stronger schools. We want to invest in areas in which we believe homes will appreciate at a strong and consistent rate while using a metric that is transparent. We therefore choose to purchase homes only in approved high school areas.

Where can I find a list of communities?
Lists of approved high schools, sorted by county, can be found on our website under the “Communities” tab at the top of the website. The names of each of the approved high schools in that county are listed under the county name.

My county of interest is not on the website list. Is that ok?
We only consider purchasing homes in approved high school areas, so if the default attendance high school for the home is not an approved high school, then we would not consider it for purchase.

I see the name of the county of interest on the website, but not the high school. Is that ok?
The list of high schools on our website includes all approved high schools. In the event that a small part of a county has a default attendance high school that is an approved high school, we would consider purchasing a home in that part of the county.

How can I get a high school added to the list?
The list of approved high schools is set and will not be updated until the rankings are released each year. These rankings are released at different points of the year in different states.

Insert FAQ 8

If you’re under contract to purchase a home and the high school district changes, will you cancel the transaction?
No. We will grandfather the transaction.

Can I go to any school in a high school district?
In the event that a district has multiple high schools, not all high schools within that district will necessarily be approved, regardless of whether some schools in the district are approved.

How can I tell what high school the home feeds into?
Your broker can call the high school in question to ask which high school is the default attendance high school for the home. In the event that you are still uncertain, you can email acquisitions@homepartners.com to verify this information.

I don't have any high school age children; can I look outside of approved high school areas?
We only consider purchasing homes in approved high school areas, regardless of whether there will be children attending school from that household.

In my area, you can register in other schools, including some that are on your list. However, the home I am interested in is in a high school area that is not approved. Can you allow this area to be approved as well?
The home must be located in an area such that the default attendance high school is an approved high school.

Can I look at areas that are not approved if my children attend a charter school?
No. The home must be located in an area such that the default attendance high school is an approved high school.

Rent and Purchase Prices

Rental Prices

Do you consider market rent?
We consider local market rent as one of the factors in determining rents for a community.

Why is the rent different for each location?
We consider local market rent and local school quality in determining rents for a community. Taxes also vary widely from community to community, which can affect the rent significantly. Other factors such as homeowners' association fees and whether a home has a pool can also impact the rent.

Why is there only a monthly rent approval amount and not a maximum purchase price amount on my approval letter?
The monthly rent approval amount is the maximum approval amount based on your income and credit profile. The monthly rent amount for a particular home is not just based on the purchase price of the home. Monthly rent amounts take other factors into consideration, including taxes, homeowners' association fees, and market rents, which vary from home to home and community to community. Therefore, once you are approved, we provide you with a maximum monthly rent approval amount that can be used to estimate the approximate purchase prices of the homes for which you would qualify based on your communities of interest. You should use the rental calculator, which can be found under the "How It Works" tab on our website, to assist with this estimate.

How is my maximum monthly rent approval amount determined?
The monthly rent approval amount is the maximum approval amount based on our review of your application, including the income and credit profiles of all members of your household.

Can you tell me what my maximum monthly rent approval amount will be without having applied?
A maximum monthly rent approval amount cannot be determined or estimated until an application is completed, submitted and reviewed.

How is the actual monthly rent for a home determined?
The monthly rent for a given home is determined based on several factors, including our estimated total cost basis for the home (i.e., the price we pay for the home, closing costs, Make Ready costs), taxes, homeowners' association fee, local school quality and local market rents.

Can you tell me what the actual rent will be for a home prior to submitting it to you through my broker?
The rent listed next to each home on our website is the rent we will charge to a prospective resident for the first one-year lease term, unless there is an error in the information provided by the listing service. For instance, if the estimated taxes on the property or the estimate homeowners' association fee were entered incorrectly, then we may need to adjust the rent amount to reflect the accurate total cost basis of the home.

How much does the rent go up each year?
The rent increases by 3.75% each year you renew your lease.

Insert FAQ 12

<u>Purchase Prices</u>
What is the estimated total cost basis of a home?
The estimated total cost basis for a home is the estimated total amount we invest in the home, including the price we pay for the home, closing costs and Make Ready costs.

Why do you calculate the right to purchase price from the estimated total cost basis rather than the purchase price?
We use the estimated total amount we invest in the home, including not only the price we pay for the home, but other expenses such as closing costs and Make Ready costs.

Can you tell me what you will pay for a home prior to submitting it to you through my broker?
We will only consider purchasing and completing a full underwriting of a home if it is submitted by a broker on your behalf.

Why does the purchase price rise even in Year 1?
The year-over-year increases are effective from the first day of the initial lease term. For more information, please the visit 'The Math' located under the 'How it Works' section of the website.

What are closing costs?
Closing costs include costs related to title, legal review, home inspection, and other miscellaneous expenses.

What happens if the home needs repairs while I am living there? The cost of any repairs or investment in the home we make during your residency are added to your Right to Purchase price with a total cap of $2500 which we call the Maintenance Reserve. So, if we spend $4000 in repairs or additional investment in the home, should you buy the home, your Right to Purchase price would be increased by $2500. We do not change your rent.

Make Ready Costs

What are Make Ready costs?

Make Ready costs are the costs required to address minimum required health and safety repair items before you can live in the home. These are non-cosmetic, non-discretionary repairs. Depending on the age, location and condition of the home, we spend an average of $3,000 to $8,000 on these items.

What if a home doesn't need any repairs?

While it is normal to think that a home may not require repairs, there are minimum standards that we maintain for health and safety reasons, and also to preserve our investment in the home. Unless you have lived in the home for a long time or are a professional home inspector, you probably haven't checked to see if every window works, examined the condition of the masonry or siding, checked the condition of the attic, investigated plumbing leaks, examined the electrical panel, checked for issues with the patio or deck, and so on.

What is the pre-inspection Make Ready cost estimate for the home?

The pre-inspection Make Ready cost estimate is calculated before we submit an offer on a home, because we need to incorporate those estimated costs into our overall purchase price of the home. This estimate is based on a number of factors, including feedback from your broker, pictures of the home and our experience with similar properties. Please note that this is only an initial estimate, and the actual Make Ready costs will not be confirmed until:

1. A professional home inspection is completed (which can only be conducted after we are under contract to purchase the home); and
2. The Make Ready repairs are completed (which can only be conducted after we have purchased the home.)

What are required Make Ready repairs?

Unless a home is new construction, Make Ready repairs must at a minimum ensure the following:

- All electrical, plumbing, sanitary, heating, ventilating and air conditioning systems are in reasonable and safe working order.
- If applicable, the driveway and garage door are functioning.
- Trees and shrubs away from the home are properly trimmed; please note that landscaping will be the responsibility of the resident during residency.
- Windows are not cracked, and locks are functioning.
- Window screens are properly installed and in working order.
- There is functional and appropriate exterior door hardware and window hardware on the first floor.
- All appliances are in good working order, with the exception of laundry equipment.
- If applicable, the sump pump is functional, as is a back-up sump pump system in a home with a finished basement.

- All conditions are clean and sanitary conditions, including carpet cleaning, if applicable; please note that we cannot ensure the removal of all stains, blemishes or buckling from existing carpeting.

What is the post-inspection Make Ready cost estimate?
Once we are under contract to purchase a home, we have a period of time when we have the right to inspect it. We will assign a certified home inspector and a licensed contractor to develop a post-inspection Make Ready cost estimate. Please keep in mind that this is still only an estimate. We do not know the actual Make Ready cost amount until Make Ready repairs are completed.

If the post-inspection Make Ready costs are higher than the estimate, will the rent and Right to Purchase prices be raised?
If the post-inspection Make Ready cost estimate is higher than the pre-inspection Make Ready cost estimate, we typically proceed in one of two ways:

1. We will move forward with the purchase of the home as long as you are willing to incorporate the additional costs into the Right to Purchase prices. Make Ready costs are included in our total cost basis for the home, and the rent and Right to Purchase prices are calculated using this amount. We generally do not adjust the rent except in extreme cases.
2. We will not move forward with the purchase of the home if the additional costs are too extreme or extensive, or if we do not believe that the overall cost of the home is supported in terms of value. We will also not proceed if we believe the overall safety or soundness of the home is compromised. If this is the case, we will cancel the contract for the purchase of the home and ask that you look for another home to submit for consideration. We would return any deposits to you immediately or hold those funds in escrow if you so request.

In either of these situations, we will contact both you and your broker to discuss.

What is the actual Make Ready cost amount?
We do not know the actual Make Ready cost amount until Make Ready repairs have been completed. We cannot begin making Make Ready repairs until we have closed on the home.

If the actual Make Ready costs are lower than the estimate, will the rent and Right to Purchase prices be lowered?
Ninety days after we close on the purchase of the home, we calculate the total cost of the Make Ready repairs. If the actual Make Ready costs are lower than the Make Ready cost estimate, we will send you a revised schedule of Right to Purchase prices that reflect the lower actual cost of Make Ready repairs. We do not adjust the rent.

If the actual Make Ready costs are lower than the estimate, can I use the remainder for other items?

No. You have the opportunity to request specific renovations, but you must do so at the time your broker submits the home for consideration.

If the actual Make Ready costs are higher than the estimate, will the rent and Right to Purchase prices be raised?
Ninety days after we close on the purchase of the home, we calculate the total cost of the Make Ready repairs. If the actual Make Ready costs are higher than the Make Ready cost estimate, we will evaluate the situation on a case by case basis. In some instances, if the actual Make Ready costs are significantly higher than the estimate, we may need to revise the schedule of Right to Purchase prices to reflect the higher actual cost of Make Ready repairs. We do not adjust the rent.

How do I know that you are not padding the costs of the Make Ready repairs or making unnecessary repairs?
We are the buyer of the home, and we are making an investment in the home. We will only invest in repairs that we believe are required and whose costs are justified. Our interest in the home's condition is aligned with yours. Our business objective is for you to purchase the home from us, and as such, we have no incentive to pad costs, overpay for repairs or approve repairs that are unnecessary.

How do Make Ready costs impact my rent and Right to Purchase right prices?
Make Ready costs are included in our estimated total cost basis for the house, and the rent and Right to Purchase prices are calculated using this amount. Please see the Repairs and Renovations section for a detailed explanation of Make Ready costs.

Maintenance Reserve

What is the maintenance reserve?
The maintenance reserve is a $2,500 reserve intended to reflect any additional costs not already reflected in the total cost basis of the home, such as any repairs, renovations, replacements or improvements to any portion of the home that may be required during the course of your total lease term.

What would the maintenance reserve be used for?
Examples of items that may require the use of the maintenance reserve include the replacement of a major mechanical system (e.g., HVAC, furnace, roofing), or the repair of appliances, plumbing or fixtures. Please note that the maintenance reserve will not be used for any cost for which you would be responsible under the terms of the lease, such as a cost due to your misuse of the home.

What if all of the maintenance reserve has been used and something else needs to be repaired?
We are responsible for additional costs associated with repairs once the maintenance reserve has been used, unless the repairs are required due to your willful or irresponsible conduct.

Does the maintenance reserve affect my rent?
Your rent is not impacted by the maintenance reserve. We do not increase your rent under the terms of your lease for activities associated with the maintenance reserve.

What if I want to exercise the Right to Purchase and the maintenance reserve has not been used?
If the maintenance reserve has not been fully used at the time you exercise your Right to Purchase, the unused portion will be credited to you at the time of closing in the form of a price reduction or closing credit.

How do I know how much of the maintenance reserve has been used?
Within 120 days after you have moved into the home and then periodically thereafter, we will provide you with a notice that indicates your Right to Purchase prices for each lease term as of the date of the notice and how much of the maintenance reserve has been used.

Bidding and Negotiation

How do you decide what price to offer for a home?
Our analysts determine what price we will initially offer for a home and what we believe the maximum value of the home to be. We consider a variety of factors in this evaluation, including initial Make Ready cost estimates, comparable sale information, and feedback from your broker. After this analysis, we will offer what we believe the value of the home to be.

Do you only make very low offers?
We will offer what we believe the value of the home to be. We are willing to bid the list price or even higher, if we believe that price to be justified.

Do you automatically bid list price for properties?
No, our analysts conduct a full evaluation of the home and consider a variety of factors, including initial Make Ready cost estimates, comparable sale information, and feedback from your broker.

If I would like you to offer a higher price for the house, can I request that you do so?
Yes. If you believe that the price we have offered is not high enough, we can consider offering a higher amount. We cannot guarantee that we will be able to offer a higher amount, but we will consider requests to review our evaluation.

If I would like you to offer a lower price for the house, can I request that you do so?
Yes. You must be comfortable with our initial estimated rent and Right to Purchase prices before we will proceed with making an offer. We email you with the terms of the proposed transactions, and you must respond in writing that you agree to those terms before we will submit an offer to the seller. In the event that you would prefer us to make a lower offer for the home, you should let us know at that time.

Do you communicate with me during the negotiation process?
Yes. We will keep you apprised of the status of negotiations. However, as we are the buyer of the home and you are not a party to the transaction, details of the negotiations will not be shared with you.

Renovations

Do you do renovations?
You can request new paint, flooring and/or kitchen appliances if the current items are damaged or otherwise in need of repair. You must include these requests of the Make Ready Checklist that your broker submits at the time of property submittal. We do not perform additional renovations other than the required Make Ready repairs listed in the Make Ready section. In addition, we will manage the process of repairs and renovations after the move-in date; you are not permitted to select your own contractors or to perform your own work on the home while we are the owner. All requests are subject to our approval at our discretion.

Can I request renovations?
Yes. Once you are approved for the program, you will receive a Make Ready Checklist, which you should use to make notes and specific requests about anything pertaining to the home in which you want to live. You should include notes about exterior components like the roof, siding and driveway, as well as interior components like the condition of the paint, flooring, plumbing fixtures and appliances. You can also request new paint, flooring and/or kitchen appliances if the current items are damaged or otherwise in need of repair. You can also download the checklist at: http://homepartners.com/makereadychecklist.pdf All requests are subject to our approval at our discretion.

Why do I need to use the Make Ready Checklist?
Your broker is required to submit a completed Make Ready Checklist when he or she submits the home you have selected for consideration. We will only perform renovations that you have specifically requested as part of this checklist.

In addition, the checklist provides us with critical, first-hand feedback from you regarding the condition of the home as we conduct our evaluation of it and determine what price to offer the seller. It will help you to examine the home more closely and perhaps assess certain aspects of the home that you might not otherwise consider without a checklist.

Can I request renovations after I have moved in?
No. You have the opportunity to request new paint, flooring and/or kitchen appliances if the current items are damaged or otherwise in need of repair, but you must do so at the time your broker submits the home for consideration.

Do you have standard renovation packages for kitchens and bathrooms?
No.

Do you paint when you buy a home?
We only paint the home if you specifically request it. You have the opportunity to request that we paint the home, but you must do so on the Make Ready checklist at the time your broker

submits the home you have selected for consideration. If you make this request, the cost of painting is added to our total cost basis of the home, and therefore impacts your Right to Purchase price. All requests are subject to our approval at our discretion.

Under certain circumstances, we will permit you to paint the interior of the home on your own, as long as appropriate documentation is completed. Generally, the paint colors need to be neutral, and you remain responsible for any damages resulting from such painting. You would not be paid or compensated in any way.

Do you change the flooring when you buy a home?
We only change the flooring if you specifically request it. You have the opportunity to request new flooring, but you must do so on the Make Ready checklist at the time your broker submits the home you have selected for consideration. If you make this request, the cost of new flooring is added to our cost basis of the home, and therefore impacts your Right to Purchase price. All requests are subject to our approval at our discretion.

Why aren't painting and new flooring standard renovations for the homes you purchase?
Our experience is that some of our prospective residents choose to defer these renovations until after they are able to purchase the home in order to keep their Right to Purchase price as low as possible. Therefore, we do not automatically incorporate painting and new flooring as standard renovations.

Can I choose a gut rehab and have you complete it?
No. We do not perform gut rehabs.

Will you retrofit a home to make it handicapped accessible?
Yes. We will consider making reasonable accommodations to make a home handicapped accessible. Each situation will be assessed individually and a decision reached based on the applicable facts and figures.

Will you provide washers and dryers?
No. We do not provide or install washers and dryers. If you select a home that has a washer and dryer, you can keep them, but you are responsible for the maintenance and costs associated with them.

Can I renovate the home before I exercise my Right to Purchase?
No. We do not allow you to renovate the home before you purchase it. We have relationships with local contractors and vendors and will manage the process of repairs, renovations and improvements. You are not permitted to select your own contractors or to perform your own work on the home while we are the owner.

Can I get credit for doing renovations?
No. We do not allow you to renovate the home.

Home Inspection

Do you inspect the home?
Yes. Once we are under contract to purchase a home, we arrange for a professional home inspection to be conducted. Your broker will facilitate access for the inspection.

How does the home inspection work?
Once we are under contract to purchase a home, we have a period of time when we have the right to inspect it. We will assign a certified home inspector and a licensed contractor to develop a post-inspection Make Ready cost estimate. Please keep in mind that this is still only an estimate. We do not know the actual Make Ready cost amount until Make Ready repairs are completed.

Can I attend the home inspection?
No.

Can I get a copy of the inspection report?
No. Our arrangement with our professional home inspectors requires that the inspection report is prepared specifically for us as the buyer of the home. We do not provide a copy of the inspection report to you. However, we are available to discuss the contents of the inspection report with you upon request.

Required Deposit

Insert FAQ 9

Yes. Generally, we require a deposit equal to two months' rent. If you decide to leave the home at the end of any one-year lease term and you have been in compliance with the terms of the lease and return the home in the same condition it was in when you moved in, the full deposit will be returned to you. The full deposit is also returned to you if you exercise your Right to Purchase the home.

How much is the deposit?

Generally, the deposit is an amount equal to two months of rent for that home.

When do I need to send you the deposit?

The deposit is due within 48 business hours of the date when we go under contract for the home. You must also submit signed lease and Right to Purchase documents to us at that time.

How do I submit the deposit?

You must submit the deposit in certified funds or money order.

What if I don't have the deposit to submit?

In the event that you do not send the required deposit within the required timeframe, we may have to terminate the transaction. If this occurs, you will be disqualified from participating in our program, so it is important to make sure that you have sufficient funds prior to submitting a property for consideration.

Can I use the deposit as part of a down payment?

We can credit the deposit to you at the time of closing if your lender allows and if you choose to apply it that way.

Can I use the deposit as a credit on my HUD-1 closing statement when I exercise the Right to Purchase?

The deposit can be refunded to you either as a credit on the HUD closing statement or as a check. However, it will be up to your mortgage lender as to whether it can be included on the HUD-1. We strongly recommend that you discuss this directly with your lender as early in the process as possible.

What happens to the deposit if I move out of the home?

If you decide not to exercise your Right to Purchase and move out of the home, the deposit will be handled as a normal deposit and will be returned to you, subject to any deductions resulting from such issues as damage to the property, outstanding charges, etc.

Can damages be taken out of the deposit if I move out of the home?

The cost of any damages beyond normal wear and tear on the home will be deducted from the deposit. This is true whether you choose to exercise your Right to Purchase or not.

Can damages be taken out of the deposit if I buy the home?
The cost of any damages beyond normal wear and tear on the home will be deducted from the deposit. This is true whether you choose to exercise your Right to Purchase or not.

Moving In

Move-In Timing

Insert FAQ 10

Insert FAQ 11

Can I move in immediately after closing?

We generally require between ten days and two weeks between the closing date and your move-in date. We need this time to schedule contractors, perform Make Ready repairs, requested renovations, change the locks and generally document the condition of the home prior to moving in. For new construction homes, the move-in date is generally three to four days after closing, as no contractor work or Make Ready repairs should be required.

How long can I continue to rent the home?

In most areas, we can rent the home to you for up to five years. In Texas, the home can be rented for up to three years. In all markets, this is generally a series of one-year lease terms.

Fees

When do I need to pay my first month of rent?

The first month of rent is due upon move-in.

How much is the down payment?

We are not a mortgage company, so there is no down payment for the home upon moving in.

Who pays taxes and homeowners' association fees?

As the owner of the home, we are responsible for paying taxes and basic homeowners' association fees and assessments. Any homeowners' association fines or additional fees for violations are your responsibility.

Who pays utility bills?

You are responsible for paying all utility bills except for those that may be included in basic homeowners' association fees and assessments.

Who pays village fees such as garbage removal, landscaping costs and water bills?

You are responsible for these fees except for those that may be included in basic homeowners' association fees and assessments.

What happens if I default on the monthly rent?

The lease you signed is a legal contract. If you default on your monthly rent, we will seek whatever remedies are available given the language of the contract.

Ongoing Repairs and Maintenance

What repairs am I responsible for once I move in?

We will make all necessary repairs for which we are obligated as a landlord under applicable laws and the terms of the lease.

What do I do if something needs to be repaired?
You are required to inform your property manager of any necessary repairs.

Can I repair something on my own?
You are not permitted to repair any items or to deduct the cost of repairs form your rent without our express prior written consent.

Who is responsible for pool maintenance?
We are responsible for arranging basic pool cleaning and maintenance, and the costs are incorporated into the monthly rent. Any extensive maintenance outside of normal use is the resident's responsibility.

Do you conduct inspections while I am living in the home?
We conduct a move-in and move-out inspection on each home. We also reserve the right to inspect the property periodically for damage.

Insurance

Do you have insurance on the home?
We carry insurance on the structure of each home we own. We do not insure your personal property.

Do I need to have renters' insurance?
We require you to obtain a renters' insurance policy that provides at least $300,000 in general liability coverage. We do not require you to obtain personal property insurance but recommend that you do so at an appropriate level.

Right to Purchase

Exercising the Right to Purchase

Insert FAQ 13

Is a deposit required when I exercise my Right to Purchase?
Yes. There is a nonrefundable earnest money deposit due when you indicate that you wish to buy the home from us. [This amount ranges from $500-1000]

Insert FAQ 14

What happens after I notify you that I want to exercise my Right to Purchase?
We will send you a purchase contract within ten days of our receipt of your written notice of your intent to exercise your Right to Purchase.

Right to Purchase Documents

Do you use special documents?
Yes. We have developed our own lease and Right to Purchase documents.

When can I have access to your documents?
We will provide a sample of these documents upon request even before a Full Application is submitted. In addition, if you are approved for the program, you will receive sample documents with your pre-approval notice. You are encouraged to review the documents and consult with professional legal counsel as soon as possible to avoid any potential delays or missed deadlines. Once a seller accepts our offer on a home, you must sign these documents within 48 hours, so we encourage you to review them as soon as possible.

Please note that we do not negotiate the lease and Right to Purchase documents. These documents have been prepared by legal counsel to adhere to applicable laws.

Can I change the lease and Right to Purchase documents?
No. We do not negotiate the lease and Right to Purchase documents. These documents have been prepared by legal counsel to adhere to applicable laws.

Can I add names to the purchase contract when the Right to Purchase is exercised?
No. Only original members of the household can be named as Right to Purchase holders with the Right to Purchase is exercised. After you have purchased the home, however, you may do as you please with regard to ownership rights.

Do you allow electronic signatures on documents?
Most of our documents are signed electronically.

Right to Purchase Prices

If I buy the house in the first year, is it for the same amount you purchased it for?
The Right to Purchase price in the first year is our estimated total cost basis for the home increased by 5%. This 5% increase goes into effect from the beginning of the first lease term.

How much does the Right to Purchase price go up each year?
The Right to Purchase price increases by 5% every lease term.

If I buy the house in the middle of the year, is the 5% increase in the Right to Purchase price prorated to reflect that I am purchasing the house before the year is over?
No. While the Right to Purchase can be exercised at any point during a lease term, the Right to Purchase price increases by 5% at the beginning of every lease term. It is not prorated for the portion of the year that has passed during that lease term.

In the event that you exercise your Right to Purchase in the middle of a lease term, you will not be responsible for rental payments from the date that you close on the purchase of the home from us. Any rent that you have pre-paid for a period that is after the closing date will be refunded to you upon the closing of the home or shortly thereafter.

Will I be pro-rated credit for any partial month's rent payment if I close on a day other than the first day of the month?
In the event that you exercise the Right to Purchase in the middle of a lease term, you will not be responsible for any rental payments from the date that you close on the purchase of the home from us. Any rent that you have pre-paid for a period that is after the closing date will be refunded to you upon the closing of the home or shortly thereafter.

Does any of the rent get applied towards my purchase if I buy the home?
No. Rent does not get applied towards the Right to Purchase price. This is one of the key differences between our Lease with a Right to Purchase program and a traditional rent-to-own program.

Most rent-to-own programs will charge a non-refundable premium or additional amount above the market rent that is applied towards the purchase price. This additional amount is applied to the eventual purchase of the home; however, if the home is not purchased, that amount is typically kept by the homeowner.

We prefer to keep our rents as close as possible to market rents rather than artificially increasing them in order to set aside a non-refundable deposit on a home.

What if the home does not appraise out when I would like to buy it from you?
In the event that the home does not appraise for the Right to Purchase price amount, you may need to provide additional down payment money in order to obtain adequate financing for the purchase. Please note that, while you have the right to purchase the home, you are under no obligation to do so.

Do I have to stay in the home for the maximum number of years of the lease terms?
No. As long as you have complied with the terms of your lease, it will automatically renew for another year. If you choose not to renew the lease, you simply need to provide us with the proper notice.

What happens to the home if I don't buy it, but the time period I can rent has expired?
If the period in which you may rent the home from us has expired without you having purchase the home, we will determine at that point what course of action to take.

If I am late in paying my rent but later bring my account current, can I still purchase the house?
We reserve the right to terminate your Right to Purchase in the event that you do not fulfill your obligations under the lease, which includes timely payment of rent.

Can I still purchase the house if I change my mind after I moved out?
No. The Right to Purchase is only valid while you are leasing the home from us. Once you move out and the lease is terminated, the Right to Purchase also terminates.

Credit and Homeownership Counseling

Do you help me repair my credit?
Residents who are living in our homes are eligible for credit counseling through Clearpoint Financial Solutions (formerly known as CredAbility), a third party provider, which is paid for in part by us. Completing this educational course does not represent a guarantee that your credit will improve, and your credit score will not improve immediately upon enrolling. Improving your credit will require sustained focus and effort, and the goal is to help you set and achieve credit improvement goals.

Does my paying rent go on my credit report?
We currently do not report payment of rent to credit agencies. We may do so in the future. We also reserve the right to sell delinquent rent collections, which may adversely impact your credit score.

State-Specific Questions

Are you confident that your program is permissible in my state?
Our Lease with a Right to Purchase program has been thoroughly vetted by local real estate lawyers in each of the markets in which we operate.

Do your contracts comply with state-specific regulations in my state?
Our contracts adhere to all local and state requirements.

Are you planning to operate the RTP Program in additional states?
As of the end of 2014, we operate in California, Colorado, Florida, Georgia, Illinois, Indiana, Minnesota, North Carolina, Oklahoma, Oregon, Texas and Washington. We plan to continue our expansion into additional states in the near future.

Why does the RTP Program only have a maximum of three years in terms of total lease terms in Texas?
The difference in total lease terms in Texas is due to local laws and regulations.