

HOME OWNERSHIP PROGRAM PACKAGE



Program Overview

The Home Ownership Program (HOP) offers individuals like you a road map to owning your dream home instead of renting for years from someone else. Whether you are not able or capable of owning a home due to the lack of a full down payment, bruised credit, no credit or having a new job, this program is for you. Airl Financial puts individuals at ease by showing you how to stop making mortgage payments for the other homeowners, and instead make payments towards your own mortgage.

How does this program work?

It's this simple:

- 1) Submit the HOP Package to Airl Financial to get approved.
- 2) Choose a city, neighborhood, and home that you like that fits in your personal circumstance of your gross household income (approximately five times your gross household income). Also consider the mortgage you can afford based on your current monthly financial obligations.
- 3) Airl Financial arranges the purchase of the home you have chosen and arranges a lease purchase option to transfer the property into your name in an agreed upon time period (usually 1-3 years).
- 4) At the time of purchase, you are obligated to:
 - Sign an Occupancy Agreement
 - Sign an Option to Purchase Agreement
 - Provide a down payment of 3% of the homes purchase price or a flat \$10,000.
- 5) The deposit will be credited towards your home purchase at the end of the lease term. The agreement will outline all the details of the lease and future ownership transfer details.
- 6) During the lease period, you live in the home as if you have already completed the ownership transfer. This means you pay for all the utilities, repairs, and proper maintenance as a homeowner normally would. Your monthly lease payments are credited towards your home acquisition, and will include property taxes and fire insurance.
- 7) For individuals with a low credit rating, Airl Financial and its partners work with you to better your credit score to complete the future home ownership transfer and obtain the mortgage required at a agreed upon value.
- 8) When the transfer period approaches, you will arrange a mortgage to take full possession of the home at a pre-negotiated amount. No matter how much the value of the home has increased during the time period prior to the taking of possession; you get to acquire the house at the pre-negotiated price. You benefit from any equity earned.

Benefits of Our Program:

- Move in immediately
- Pride of Ownership
- You may purchase the home at any time during the lease for the pre-negotiated price
- You will have time to shop for the lowest interest rate
- With the equity accumulated in your home, you will be able to enroll in our Airl Financial program, which will assist you in reducing monthly debt payments and help you pay off your new mortgage and other debts in a much shorter period of time.

How can I get started?

Please take a moment to fill out the HOP questionnaire and get on the right path of becoming a homeowner. There are absolutely no obligations to enroll in the program. However, completing the questionnaire will allow us to assess where you currently stand and how we can best chart a financial road map to help you obtain your dream home starting today!

What's Next?

After submitting the completed Home Ownership Questionnaire, an Airl Financial representative will contact you shortly with the qualified criteria to start shopping for a home of your choice.

We are excited to get you and your family in a home you can call your own, sooner than you ever thought!

Example of a Home Ownership Program:

Say the agreed upon purchase price between the lessee and the lessor is \$300,000 on a 2 year agreement.

You will need to save up 5% for a down payment plus your closing costs (approx. 2% of the purchase price) Over the next 2 years which is a total of \$21,000. \$15,000 for the down payment and \$6,000 for the closing costs.

Since you will make a deposit of \$10,000 upon signing an agreement when getting started, the balance required to be saved over the next 24 months is \$11,000 (\$21,000 - \$10,000). This means you need to save an additional \$11,000 over the next 2 years or 24 months, the length of the contract. \$11,000 divided by 24 months is \$458.33/month.

This is the additional amount you are required to save monthly over the next 24 months to have the full down payment required to take full possession of the home. Keep in mind that this will be in addition to your monthly lease payments. If you decide to walk away from the deal, you will lose the deposit money, as well as any money paid towards the down payment. At the end of the contract, you must be able to qualify for a mortgage for the remaining balance.

HOME OWNERSHIP PROGRAM QUALIFICATIONS



Questionnaire

We ask everyone who is interested in the Home Ownership Program (HOP) to fill out a questionnaire form provided by Airl Financial. The questionnaire will help us assist you better by knowing your desired dream home, including your personal and brief financial information.

Credit Report

Applicants are required to provide their recent Credit Report. Credit reports can be obtained online at Equifax.ca and TransUnion.ca. Your Credit Report is required to assess any credit repair needs you may have to purchase your home in the future.

Proof of Down Payment

In Order to qualify for the HOP, individuals must be able to provide proof of a down payment. The down payment is no less than \$10,000 and up to 3% of the house value.

Income Statements

A Report providing proof of income for the past 3 months is required.

Notice of Assessment

Your Notice of Assessment issued by CRA will provide proof of your annual income and may be required for the HOP.

Home Details:

Desired Area

You have the option to choose the location of your new home, the neighborhood, the city, etc.. After all it will be yours!

Price Point

When considering the price point of your new home, we ask everyone to fall in the range of 5 times of your combined gross annual income.

Property Type

The applicant may choose either a condominium apartment, townhome, detached or semi-detached



Below are four examples of homes purchased for the rent to own program and the different annual rates of appreciation. Airl Financial only charges between 3% and 4% annually, everything else the market appreciates after that, the renter will benefit from. Renter's equity earned is in brackets.

\$350,000 Purchase Price	Year 1	Year 2	Year 3
3%	\$360,500	\$371,315	\$382,455
6%	\$371,000 (\$10,500)	\$393,260 (\$21,945)	\$416,856 (\$34,401)
8%	\$378,000 (\$17,500)	\$408,240 (\$36,925)	\$440,900 (\$58,445)
10%	\$385,000 (\$24,500)	\$423,500 (\$52,185)	\$465,850 (\$83,395)

\$400,000 Purchase Price	Year 1	Year 2	Year 3
3%	\$412,000	\$424,360	\$437,091
6%	\$424,000 (\$12,000)	\$449,440 (\$25,080)	\$476,406 (\$39,315)
8%	\$432,000 (\$20,000)	\$466,560 (\$42,200)	\$503,885 (\$66,794)
10%	\$440,000 (\$28,000)	\$484,000 (\$59,640)	\$532,400 (\$95,309)

\$450,000 Purchase Price	Year 1	Year 2	Year 3
3%	\$463,500	\$477,405	\$491,727
6%	\$477,000 (\$13,500)	\$505,620 (\$28,215)	\$535,957 (\$44,230)
8%	\$486,000 (\$22,500)	\$524,880 (\$47,475)	\$566,870 (\$75,143)
10%	\$495,000 (\$31,500)	\$544,500 (\$67,095)	\$598,950 (\$107,223)

\$500,000 Purchase Price	Year 1	Year 2	Year 3
3%	\$515,000	\$530,450	\$546,364
6%	\$530,000 (\$15,000)	\$561,800 (\$31,350)	\$595,508 (\$49,144)
8%	\$540,000 (\$25,000)	\$583,200 (\$52,750)	\$629,856 (\$83,502)
10%	\$550,000 (\$35,000)	\$605,000 (\$74,550)	\$665,500 (\$119,136)

HOME OWNERSHIP PROGRAM QUESTIONNAIRE



Name of Applicant

First Name: _____ Last Name: _____

Street Address: _____

City: _____ Province: _____ Postal Code: _____ Country: _____

Birth Date (DD/MM/YYYY): _____ Sin Number: _____

Method of Contact

Home Phone: (____) _____ Moblie: (____) _____

Email: _____

Name of Co-Applicant

First Name: _____ Last Name: _____

Same as Above: Yes / No

Street Address: _____

City: _____ Province: _____ Postal Code: _____ Country: _____

Birth Date (DD/MM/YYYY): _____ Sin Number: _____

Method of Contact

Home Phone: (____) _____ Moblie: (____) _____

Email: _____

Applicant Financial Information

Gross Income: _____ Credit Score: _____ *Credit report required

Co-Applicant Financial Information

Gross Income: _____ Credit Score: _____ *Credit report required

Property Details

Desired Location of New Home

City: _____ Province: _____

_____ Detached _____ Semi-Detached _____ Townhouse _____ Condo Apt _____ Other

Property Price Point (5 Times Combined Gross Income(s))

\$ _____

1) Are you prepared to buy a home today if you find the right one?

Yes / No

2) Have you been viewing or looking for homes?

Yes / No With Agent? Yes / No

3) Are you:

_____ a Canadian Citizen _____ Landed immigrant _____ Have a PR Card

4) Do you have an additional source of income?

Amount of any: Child tax credit received \$ _____

Child Support received \$ _____

Spousal support received \$ _____

Other \$ _____

5) Have you filed for last years income taxes?

Yes / No If not, when: _____

6) Have you ever had any of the following:

Collections _____ Consumer Proposal _____ Bankruptcy _____

Late Payments _____ Child Support Arrears _____ Monies owing to government _____

7) Have you applied for credit in the past 12 months and been turned down?

Yes / No If yes, explain: _____

8) Do you have at least \$10,000 saved?

Yes / No Please state amount of savings: \$ _____

9) What is your current debt owing, including car loan(s), credit cards or any other sources of debt?

Total Debt Owing: \$ _____

Monthly Payments: \$ _____

10) How many forms of credit do you have? _____

Are any of your credit cards: Over / close to / at / not close / to their limit?

Do you pay off your credit cards every month?

Yes / No Pay only the minimum Yes / No

11) Do you currently own a home? Yes / No Have you co-signed on a home? Yes / No

Ever had a foreclosure on a home? Yes / No Owned a home in the past 5 years? Yes / No

12) Have you ever been approved for a mortgage?

Yes / No

13) If you already own a home, are you planning on selling it? Yes / No / n/a

By signing below and submitting this form, I/we agree that the information herein are true and are correct. I/we authorize Airl Financial and/or its network to proceed in preparing a report from this pre-qualification questionnaire.

Signature: _____

Date: _____

Signature: _____

Date: _____



Dear Valued Client,

Date: _____

Below is a list of items needed to process your Rent to Own application. Once we have received **all** documents we can process your application. Please do not contact any real estate agents as we have a list of approved agents that we use.

- Signed and completed "Home Ownership Program Questionnaire"
- Signed Credit Report Consent form with \$25 payment
- Pay Stub for each Applicant
- Current Job Letter for each Applicant (Date of Hire, Income, Position, Full-Time/Part-Time/Contract, and/or reference letter(s))
- Notice Of Assessment and T4s for each Applicant
- 3 months of banking statements for each Applicant
- Photo ID for each Applicant
- Any MLS.CA listings of interest (please don't contact any real estate agents)
- Void Cheque
- Gift Letter signed (If family member is contributing to the down payment)
- List of any references from past landlords with contact info



FREQUENTLY ASKED QUESTIONS

How does it work?

Home Ownership Program simply means that you rent the home with an option to buy it, with a pre-defined period of time, and at a predetermined amount.

What are the benefits of the program over tradition renting?

- Only 3-4% of the down payment is required.
- Move in today and not later.
- Credit history doesn't matter in most cases.
- Pride of Ownership.
- You choose the house.
- Future purchase price and date are prearranged before moving in, as well as rent payments.
- Airl Financial helps you to improve your credit rating while in the program.

Why should I choose Airl Financial Rent to Own over another company?

Airl Financial focuses on you! Our approach is 100% on the needs of our clients and revolves around a mentality of the client must WIN first. That is how we get so many referrals with this program!

Who generally would a Rent to Own Program suit?

Mostly the program would suit clients that have had credit history programs and can not get traditional lending. But lots of people can benefit from this program:

- Good Steady Income and no credit history.
- Good Steady Income and good credit.
- Good Steady Income and poor credit.
- Previously Consumer Proposal done.
- Previously Bankrupt.
- Newly moved to Canada.
- Little to no down payment, but looking to buy.
- Almost anyone currently renting and wants to buy today.
- Self Employed/business owners that do not show good earnings on their T4s.

What are the qualifications?

- Complete a questionnaire.
- Review of a Equifax.ca and transUnion.ca credit reports.
- Provide proof of down payment.
- Provide income statements.
- Provide Notice of assessments showing all back taxes are up to date and not outstanding.

Can I really choose my own home to rent/purchase?

Yes, you choose your home, even go shopping on MLS once approved. You can choose the location, the neighborhood, city, etc.. After all it will be yours!

What is my price point?

When considering the price point of the home, we ask everyone to fall into the 5 times your combined "GROSS" annual income.

What legal documents are involved with the Rent to Own Program?

Lease Agreement – a rental agreement stating the conditions of the rental terms and payments.

Occupancy Agreement – states the responsibilities of the owner and tenant over the lease period.

Option to Purchase Agreement – states the final purchase price and date when the purchase should take place.

AIRL FINANCIAL

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