

# Case Studies



# *Case Study:* Cleveland Heights, OH (Buy/Hold)



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Investor Purchased the Home in Aug. 2020

Purchase Price:	\$18,000.00
Rehab Cost:	\$ 7,800.00
Seller financing Price:	\$92,000.00
Down Payment:	\$12,000.00
Note Amount:	\$80,000.00 (20yrs, at 9.9% rate)



# *Case Study:* Cleveland Heights, OH



Monthly Payment:	\$766.72 P/I (P = \$106.72 / I = \$660.00)
Formula:	\$660.00 divided into \$766.72
Annual Effective Rate:	86%

This is the TRUE rate of return that a mortgage holder receives, not the 9.9% face rate of the note.



# *Case Study:* Dallas, TX

(Note Purchase)



# *Case Study:* Dallas, TX (Note Purchase)



Starting Note UPB:	\$107,500.00
Note Terms:	(20yrs, at 8.45% rate)



# *Case Study:* Dallas, TX

## (Note Purchase)



Monthly Payment:

\$929.51 P/I (P = \$172.53 / I = \$756.98)

Formula:

\$756.98 divided into \$929.51

Annual Effective Return:

81.43%

This is the TRUE rate of return that a mortgage holder receives, not the 8.45% face rate of the note.

