

# Creative Financing Templates

## Alternative Strategies for High-Rate Markets

### Introduction

In today's high interest rate environment, creative financing strategies can make the difference between a deal that works and one that doesn't. This guide provides templates and examples for various creative financing methods.

## 1. Seller Financing Agreement Template

Seller financing allows the property owner to act as the bank, providing financing directly to the buyer.

### **Key Terms to Include:**

Purchase price: \$ \_\_\_\_\_  
Down payment: \$ \_\_\_\_\_ (\_\_\_\_\_%)  
Seller-financed amount: \$ \_\_\_\_\_  
Interest rate: \_\_\_\_\_%  
Term: \_\_\_\_\_ years  
Monthly payment: \$ \_\_\_\_\_  
Balloon payment (if any): \$ \_\_\_\_\_ due \_\_\_\_\_  
Late payment penalty: \$ \_\_\_\_\_  
Prepayment penalty: None / \_\_\_\_\_%

### **Sample Seller Financing Offer:**

*"I would like to offer \$350,000 for your property with the following terms: \$70,000 down payment (20%), with you carrying the remaining \$280,000 at 6% interest amortized over 30 years with a 5-year balloon. This gives you a steady income stream of \$1,679/month while getting your full asking price."*

## 2. Subject-To Purchase Agreement

Buying 'subject-to' means taking over the seller's existing mortgage while the loan stays in their name.

### ***Critical Disclosures:***

- Existing loan balance: \$\_\_\_\_\_
- Monthly payment (PITI): \$\_\_\_\_\_
- Interest rate: \_\_\_\_\_%
- Years remaining: \_\_\_\_\_
- Due-on-sale clause acknowledgment
- Insurance and tax responsibility transfer
- Default remedies and protections

### 3. Lease Option Agreement

A lease option gives the tenant the right (but not obligation) to purchase the property at a predetermined price.

***Lease Option Structure:***

Monthly rent: \$\_\_\_\_\_

Option fee (non-refundable): \$\_\_\_\_\_

Purchase price: \$\_\_\_\_\_

Option period: \_\_\_\_\_ months/years

Rent credit toward purchase: \$\_\_\_\_\_ per month

Maintenance responsibilities: Tenant / Landlord

Option exercise procedure: Written notice + proof of financing