

ELOHE LOANS

INVESTING STRATEGY EXAMPLES

Example 1:

1. PURCHASE PROPERTY BELOW MARKET VALUE

You find a house for 75,000, repair 15,000, your investment 20,000.
You borrow 70,000 from Elohe, interest 10%, monthly payment 583.
Takes 4 months to buy, repair and sell, total payments 2,333.

2. SELL PROPERTY WITH SELLER FINANCING

You sell house for 140,000, down 15,000.
Seller-finance loan 125,000, interest 10%, 30 years, monthly payment 1,096.

3. PAY OFF SHORT-TERM NOTE

You pay off short-term loan to Elohe with 93,333 of the long-term note to buyer.
You keep remainder of long-term note 31,667.

Your profit:

Investment 20,000 + interest 2,333 – down 15,000 = total investment 7,333.
You keep seller-finance note 31,667, monthly payments 277.
Total payments 100,044 – investment 7,333 = total profit 92,711.

Our profit:

Investment 70,000 – interest 2,333 = total investment 67,667.
We keep seller-finance note 93,333, monthly payment 819.
Total payments 294,861 – investment 67,667 = total profit 227,194.

Example 2:

1. PURCHASE PROPERTY WITH DEVELOPMENT POTENTIAL

You find 40 acres for 200,000, subdivision cost 20,000, your investment 40,000
You borrow 180,000 from Elohe, interest 10%, 2 points, monthly payment 1,500
Takes 4 months to buy, subdivide and sell, total payments 6,000

2. SELL PROPERTY WITH SELLER FINANCING

You sell 8 parcels 5-acre each for 50,000, down 5,000
Seller-finance loans each 45,000, interest 10%, term 30 years, monthly payment 394
Down payment 5,000 x 8 = total down 40,000
Seller-finance loans 45,000 x 8 = total notes 360,000
Monthly payments 394 x 8 = total monthly payment 3,152

3. PAYOFF SHORT TERM NOTE

You pay off the loan to us with a 213,333 of the seller-carry note.
To make it an even 5 notes, we pay you the difference 8,751

Your profit:

Investment 40,000 + interest 6,000 + points 3,600 = 49,600
49,600 – down 40,000 – remainder 8,751 = total investment 849
You keep 3 notes each 45,000 with total monthly payments 1,184
Total payments 426,501 – investment 849 = net profit 425,652

Our profit:

Investment 180,000 – interest 6,000 - points 3,600 = total investment 170,400
We keep 5 notes each 45,000 with monthly payments 1,974
Total payments 710,835 – investment 151,467 = total profit 559,368