

## Information/Common Questions for Buyers

**This document is for those interested in buying a home offered by MidMerc L.L.C.**

**Here's what we do at MidMerc L.L.C.**

1. We manage properties (only owner financing at present) for other companies and individuals.
2. We buy and sell properties.
3. We do our best to help homeowners that are in "distress" to keep their properties if possible. And we will never ask for a dime in return.

There are a few things you can be assured of with us. We're different than any company you've encountered that works in real estate. We will not mislead you. We will not tell you what you want to hear unless it actually is the truth. And we will do our absolute best to make sure everyone comes out ahead, if possible. You will be a client, not a customer. There's a difference.

### Property Purchases and Sales

We're a team of professional investors that believe that win-win scenarios are almost always possible, even in real estate. We do write our own loans and they are far MORE transparent than anything you've ever seen from the large mortgage companies. Still they are legal and legitimate contracts that require as much of us as they do of you. We only do fixed-rate loans with no tricks or "gotcha" clauses.

## Common Questions

### How do you manage properties?

We focus on finding buyers that are interested in owner finance/rent to own/contract for deed purchases. Anyone can sell their house this way, but if you don't have certain safeguards in place it can be disastrous for both buyer and seller. That's where we come in. We find the right buyer, manage insurance, taxes, the payments to the bank and more.

### Why is this the first time I've heard of an owner finance agreement?

The recent government stimulus packages expressly mention and APPROVE of selling houses using owner finance agreements/contracts for deed. <http://www.irs.gov/newsroom/article/0,,id=206291,00.html>

**Q. Can a taxpayer claim the first-time homebuyer credit if the purchase is pursuant to a seller financing arrangement (for example, a contract for deed, installment land sale contract, or long-term land contract), and the seller retains legal title to secure the taxpayer's payment obligations?**

**A.** If the taxpayer obtains the "benefits and burdens" of ownership of a residence in a seller financing arrangement, then the taxpayer can claim the credit even though the seller retains legal title. Factors that indicate that a taxpayer has the benefits and burdens of ownership include: 1. the right of possession, 2. the right to obtain legal title upon full payment of the purchase price, 3. the right to construct improvements, 4. the obligation to pay property taxes, 5. the risk of loss, 6. the responsibility to insure the property and 7. the duty to maintain the property. (7/2/09)



MIDMERC L.L.C. 1201 University Ave, Huntsville, TX 77340 (moving to new Kansas City office June 1<sup>st</sup>!) 913 322-0520 (office)

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Owner finance agreements are rare these days because smaller companies and individuals no longer dominate most forms of financing. The big banks dominate now. They have pushed out the little guy, so to speak. However, owner finance agreements are still very legal, legitimate and how most EVERYONE sold their properties long, long ago before the big banks were as common and powerful.

That being said, there are only a few "True Owner Finance" companies nationwide that know how to do owner finance agreements *the right way and in a way that benefits all parties involved*. This is very important. There are some individual investors that make promises but don't follow through because their business practices are sloppy and they don't follow official real estate regulations the way they should.

### **Am I renting the house or do I own it?**

In the eyes of the government, you own the house because you are on a contract to buy it. When the loan is paid off, title to the property is put in your name.

### **How do I know you're not one of those fly by night places?**

We have a list of references from sellers and buyers that have worked with us and our partners over the course of twenty years. We also regularly coordinate and communicate with those few other quality investors nationwide. References are available upon request.

### **My credit isn't great. Can I still own a house?**

Yes. The reason we can sell our houses so quickly is because we don't obsess about credit the way that the big banks do and our down payments are much lower. We can do all of this and still be very picky about who we let into the properties. If you have the down payment and income verification we're looking for, we'll finance you to buy a house with a LONG TERM, FIXED INTEREST RATE.

### **What are my risks?**

The only risk is that the seller doesn't pay the loan payment to the bank every month. That's where we come in. We manage all the financials. You pay us then we pay the bank. It's our job to serve both you and the seller as our clients.

### **So what do you need from me to get started and then what happens?**

1. Give us a call at 913 322-0520, extension 101 or 103 or email [Joe@midmerc.com](mailto:Joe@midmerc.com) or [LyndaM@midmerc.com](mailto:LyndaM@midmerc.com). You can also visit [www.midmerc-homes.com](http://www.midmerc-homes.com). There you can view pictures of available houses. Tell us which houses you want to look at and after we have income verification, we'll get started.
2. Or if you don't like any of the available properties, still make sure to contact us. Tell us what kind of house you'd like to find and we'll go out searching for it and try to get you into it!



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