WUNDER
REAL ESTATE

Creative Financing — Agent Overview

We tailor our financing structure to what works best for the seller. Below are two options we offer.

OPTION A — LARGER DOWN PAYMENT, DEFERRED PAYMENTS

This option uses a **two-stage close**, both handled through a licensed title company and a state-approved PSA.

Stage One — All-Cash Close

We close with the full purchase price in cash, contingent on appraisal. Title transfers to the buyer, title policy issued. Buyer covers all closing costs and premiums.

Stage Two — Seller Equity Agreement

The seller receives a **40–60% down payment** at close of escrow. The remaining balance is secured through the buyer's LLC operating agreement, with the seller named as a minority equity partner. **There are no monthly payments** — all payments and interest are deferred until the maturity of the balloon. At that point, the seller receives a lump sum that includes the remaining principal plus all deferred interest and payments. A second title policy is issued at the buyer's expense.

Seller Protection

Because the seller holds a minority equity interest in the LLC that holds title, if the buyer defaults on any obligation the seller assumes full ownership of the LLC — and the property — **without foreclosure**.

OPTION B — TRADITIONAL SELLER FINANCE, MONTHLY PAYMENTS

A straightforward seller-financed transaction. The seller receives a **5–20% down payment** at close of escrow, secured by a recorded Deed of Trust/Mortgage and Promissory Note. The seller then receives **monthly payments** for the life of the note. At the maturity of the balloon, the seller receives a lump sum for the remaining balance. Buyer covers all closing costs and premiums.

Applies to Both Options

Tax Benefits: Both options are structured as installment sales, allowing the seller to spread gains across multiple tax years instead of recognizing everything at once (per IRS Publication 537). We recommend the seller consult their own tax advisor.

Costs: Buyer pays all closing costs, title insurance, and transaction fees. Seller's only expense is their listing agent commission. After closing, buyer is responsible for all carrying costs.

- **As-is purchase** — no repairs, credits, or concessions from the seller
- **Due diligence period** — buyer inspects, reviews title, confirms zoning; may terminate if unsatisfied
- **Buyer assumes all existing tenancies** at closing
- **Balloon payment** — balance due at a specified term, with extension options by mutual agreement
- **No prepayment penalty**
- **Seller provides** standard disclosures and property documentation during due diligence

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Questions? Happy to walk through the process anytime.

Wunder Real Estate LLC

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