

Seller's Traditional Sale VS No Bank Sale

The following comparison is based on a home sale price of \$200,000

Traditional Sale

WITH Bank or other Institutional Lender

Minus Expenses of Sale:

AGENT COMMISSIONS	\$ 12,000
TITLE INSURANCE	\$ 1,100
HALF ESCROW CHARGES	\$ 600
COMPLETE APPRAISAL	\$ 550
COUNTY TRANSFER FEES	\$ 220
MISCELLANEOUS	\$ 140

SELLER GROSS: \$185,390

**MINUS EXISTING
LOAN PAYOFF:** — \$ 60,000

**Traditional Sale *
SELLER NET:** \$125,390

* Remember that seller collects once only!

Traditional Sale

Total Proceeds to Seller

\$ 125,390.00

No New Bank Loan Sale

WITHOUT Bank or other Institutional Lender

Minus Expenses:

ANNUAL LOAN PAYMENTS:	\$ 12,160.46
SALE EXPENSES WITHOUT AGENT	\$ 2,610.00

Plus Seller's Income:

BUYER'S DOWN:	\$ 20,000.00
SELLER'S EQUITY	\$140,000.00
ANNUAL INCOME	\$ 18,000.00

At Close SELLER NET \$157,390.00

Year 1 SELLER NET \$163,229.54

Year 3 SELLER NET \$174,908.65

Year 5 SELLER NET \$186,587.73

Year 7 SELLER NET \$198,266.81

Year 10 SELLER NET \$215,785.43

No New Bank Loan Sale

Total Proceeds to Seller

\$ 215,785.43

Based on an interest rate of 4.5%

Figure 3 – How much more the seller will make when lending to you, the buyer.

Your Smoking Gun

Show Figure 3 to the seller. Those sellers who become the lender make more on the sale of the house than they would if the entire negotiated purchase price was delivered in full at the closing table. You, the buyer, will own the home at the close, but you will pay more each subsequent year you don't refinance.