



A Smart Path to Home Ownership

Rent-To-Own Defined

What exactly is Rent-to-Own?

The phrase Rent-to-Own means a lease combined with an option to purchase the condo, within a specified time period, for an agreed-upon price.

Why Would Someone Be Interested in Rent-to-Own?

Because it provides a path to home ownership when available funds for a conventional down payment are not sufficient, and/or time is needed to repair your credit rating.

How Long is the Rent-to-Own Period?

At The Metropolitan, depending on your personal readiness and how much down payment needs to build up, the Rent-to-Own period could last a handful of months to 12 months.

A shorter period of time is beneficial, because the sooner you become a home owner, the sooner you are building equity in your new home and are able to take advantage of tax credits not available to renters. However, most purchasers enter into Rent-to-Own because they need time to build up the down payment and repair their credit.

How Do I Qualify?

Getting Started

At The Metropolitan our Rent-to-Own agreements require a 1% “option fee” to the seller, which is much less than what would be required for a traditional down payment in conventional financing. That fee is non-refundable but it is applied toward your purchase at The Metropolitan at the end of the Rent-to-Own agreement.

Other than this small down payment, all that is required monetarily is a security deposit similar to most other rentals in the area.

Anything Else?

A credit check is run as part of the application process and a no-obligation pre-qualification from one of our preferred lenders is all it takes. The Metropolitan guidelines will determine if an individual's application is accepted.

What If I Have Challenged Credit?

Challenged credit is one of the reasons people participate in the Rent-to-Own program.

Challenged or damaged credit is probably the situation most of us are in today. It can include:

- Delinquent accounts
- Late pays
- Collections
- Medical bills
- Bankruptcy
- Foreclosure
- Little or no credit history

Recently, lenders have tightened the criteria to obtain a loan, making it more difficult to qualify. Key to understanding if Rent-to-Own might be workable in your situation is an honest evaluation of your credit rating. If you have the type of challenged credit that might currently be keeping you from qualifying for a loan, but that can be repaired within the "option period" time with hard work and resources our lender's can provide, Rent-to-Own will probably be a good match. More serious credit challenges can also be eventually overcome but might require a longer period of repair and healing before Rent-to-Own would work.

What About Bankruptcy?

Individual situations always vary, but generally speaking, we can work with people in Chapter 13 if they are currently in their payment period or beyond. People who have had a Chapter 7 bankruptcy must wait two years after discharge.

What If I Do Not Have Problems With My Credit?

Many people choose Rent-to-Own but because they lack a down payment. You might have good credit without even knowing it!

- "Good" does not have to mean perfect

- A score of 630 gets you started with most lenders
- Might help you buy immediately or greatly shorten the Rent-to-Own time period
- Mortgage interest rates remain very low at this time

You may be able to buy and bypass the Rent-to-Own program without even knowing it!

How Does It Work?

How Much of the Rent Goes Toward the Down payment?

In order to comply with the law, the portion of the monthly payment that goes toward the down payment must be a dollar amount above the market rent for the area. So, as an example, if the market rent for a particular type of condo is \$800 per month, the total monthly payment you'd make might be \$900 or \$1,000, with \$100-\$200 going toward building up your down payment. That extra amount per month is called a "rent credit" and is credited toward the final payment due at the end of the lease.

So I'm Renting a Condo, Building Up a Down payment and Repairing My Credit. Then What Happens?

Your lender will always be available to help and check on your progress. The goal is to finish the lease period with a sufficient down payment built up and a credit record that makes you eligible for a loan to complete the purchase.

Where Do I Get That Loan?

We also have a variety of preferred lending partners that we can suggest.

Who Pays the Taxes and Association Fees of the Condo While I'm Renting to Own?

The Metropolitan.

Who Pays for Maintenance and Repair?

During your option period, The Metropolitan.

Lenders

We're proud to be partnered several firms that know our properties and know condo lending. We have a lending professionals available to answer questions and help you get a mortgage.

Benefits of Rent-To-Own

Why You'll Love Rent-To-Own

Check Out These Benefits

IN YOUR POCKET	TODAY	THE FUTURE
No need for a large down-payment to start	Pick your favorite floor-plan	You're a homeowner!
Challenged credit OK	Enjoy condo life right away	Cleaned-up credit gives you a fresh start
Down-payment accumulates month by month	Enjoy condo life right away	You have more control than an apartment situation
Time span can be flexible, depending on your readiness	Use free resources to make you a better homeowner and financial consumer	A condo is real property, an asset for you to invest in your financial future

If You Don't Purchase

What if I Change My Mind?

At the end of the Rent-to-Own period, you are not obligated to purchase the condo. Keep in mind however, that your initial 1% down payment will be lost. The Rent-to-Own option has been made available to help you purchase your home. Your goal as a participant in the Rent-to-Own program should be serious. A particular condominium does not have to be your home for the rest of your life, but it should be seen as far more than an apartment to "try on" for a period of time before moving on.