



Personal & Confidential

February 28, 2023

Burkey Capital LLC
66 W. Flagler St. Ste 900 PMB 4210
Miami, Florida 33130

The Honorable
Dr. Miguel A Cardona
US Secretary of Education
400 Maryland Avenue, SW
Washington, DC 20202

RE: Payoff Student Loans at No Cost to Taxpayers

Dear Dr. Cardona:

Please consider this a business proposition to the Department of Education. We are proposing an access to capital program and bona fide solution to resolve the student loan crisis. Our access program represents a principle of economic justice. It provides an opportunity for young Americans to establish a material foundation to achieve a creative, dignified, and productive life, without burdening the taxpayers.

Our Company has developed, successfully test marketed, and will launch a home purchase mortgage for those burdened with student loan debt. In essence, the mortgage funds a home purchase and immediately pays-off the borrower's student loan debt. It is known as the BurkeyLoan[®]. The attached page describes in detail the BurkeyLoan mortgage program.

The BurkeyLoan is more than a mortgage. It is a new gateway to household formation and home ownership. The mortgage has a traditional fixed interest rate, 30-year term, as well as a suite of features and benefits to accommodate 'life events' for generations to come.

In the spirit of equity, the BurkeyLoan is more than a method and process to provide access to capital. It is a new way to finance generations of mortgages. Our proposal offers a win-win scenario for those burdened by student debt, at no cost to taxpayers.



Our proposition seeks the following arrangement. *In the event of borrower default, and the property is foreclosed for less than the current loan balance, the borrower's student debt would be reinstated for the deficiency amount, up to the student debt amount the company originally paid off.*

Please feel free to contact me by email ([REDACTED]) or cell phone ([REDACTED]) if you or your colleagues have any questions. I am available at your convenience and look forward finding a way to make the proposal work for the American people.

Thank you,

John Burkey
President

Contact
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BurkeyLoan® Description

The Company's signature product is the BurkeyLoan®. The trademarked BurkeyLoan is a scalable financial innovation that uses a disruptive proprietary model of structuring and funding residential mortgages. Effectively, the BurkeyLoan provides “access to capital,”

The principal feature of the BurkeyLoan is a risk adverse structure providing qualified borrowers the ability to include or “roll-up” student loan debt into their purchase mortgages up to 120% of the purchased home value.

Borrowers must have the credit, capital (income) and character to qualify for the mortgage loan and be destined to become low credit risk, successful wage earners. The Company imposes specific “skin-in-the-game” underwriting requirements that mitigate the default risk.

The BurkeyLoan method and process benefit increases the borrowers’ buying power by replacing student loans with often lower rate long-term mortgages. The BurkeyLoan maximum is 120% of the home purchase amount. The home purchase represents 100% of the amount and up to 20% to payoff (borrowers combined) student loans.

The loan structure provides transparency and aligns risk with investor tolerance. Furthermore, the structure eliminates the need for mortgage insurance. The structure allows the Company to offer a unique set of features. Features that benefit borrowers and a flexibility unavailable from traditional lenders offering securitized mortgages.

Features that provide benefit to borrowers and further mitigate the risk of default include: “Life Refresh”, an industry exclusive feature that defers (think forbearance tools) monthly payments upon the occurrence of life events, such as, adopting or having a baby, involuntary unemployment, divorce, as well as events defined by the Family and Medical Leave Act (FMLA).

Other Features:

- Up to two borrowers per mortgage, must be borrower’s primary residence.
- Substitute borrower program to accommodate divorce, dissolved relationship. and other separations. Must remain primary residence.
- Portability: Enable borrowers to relocate for job opportunities or family care reasons.
- Equity Draw: Mechanism which provides borrowers the ability to periodically draw from home equity in a systematic way, as the home value increases relative to the loan balance.

Proposed Department of Education Student Loan Reinstatement

Upon closing of a BurkeyLoan, the Company (lender) will pay-off the borrower’s student loan debt owed to the DOE. In an event the mortgage loan goes into default, and by legal proceedings, causes a deficiency of house liquidation proceeds to satisfy the mortgage balance, the DOE would reinstate and pay to the Company, the lesser of, the borrower’s student loan debt up the original student loan pay-off amount or the deficiency.