

HAPA (Home Advisory & Property Assistance), An association of First Direct Options

HAPA's Lease with the Right to Purchase Program (RTP) Frequently Asked Questions (FAQ)

1. What is the Lease with a Right to Purchase Program (RTP)?

Our Lease with a Right to Purchase Program (RTP), allows you to find a home that you want for your family, and initially, you can lease it for the next three to five years.

We believe that there are many households who may be thinking about buying a home but for whatever reason would like to rent at the current time. You may purchase the home at any time at a predetermined price in accordance with the Right to Purchase agreement.

2. Who is eligible for the RTP Program?

We have certain minimum criteria for our program. Your household must have an annual income of \$50,000. You must have stable employment. We cannot accept you into our program if you or anyone in your household has a history of eviction or a pending bankruptcy. Everyone in your household will be subject to a criminal background check.

3. How do I apply to the RTP Program?

Every member of your household who is 18 years of age or older must complete the Pre-Qualification Application and the Full Application. The Full Application requires certain information, including residence and employment history, for each member of the household. You also must provide income and asset verification for each member of the household whose income is to be considered in determining the rent approval amount in order for your application to be considered complete. If you are moving from a different state or starting a new job, we will need confirmation of your new job and income.

We take several factors into consideration when reviewing an application, which include household income, rent-to-income and debt-to-income ratios, rental and housing history, employment history, criminal history, and FICO® scores.

We will usually decide on your application within 1 to 3 business days of receiving all required information.

4. How much does it cost to participate in the RTP Program?

We have a one-time Application Fee of \$75 per household that must be paid online as part of the application process. This Application Fee covers all applicants in the household and is nonrefundable.

Please note that in California, the Application Fee is \$45 if there is only one applicant in the household and \$75 if there are two or more applicants in the household.

5. Why might my application be denied?

We take several factors into consideration when reviewing an application, which include household income, rent-to-income, and debt-to-income ratio, rental and housing history, employment history, criminal history,

and FICO® score. We consider the profile of the entire household when reviewing an application. If your application is denied, you will receive notification in writing.

6. How do I find a home once I'm approved?

We at First Direct Options will help you search for homes that meet our purchasing criteria and in the area you want to live. Generally, this means that the home should be:

1. Located in an approved community (home is displayed on www.homepartners.com and is not adjacent to features that may negatively impair value);
2. Listed for between \$100,000 and \$450,000 in most states, though exceptions apply;
3. Located on a lot no more than three acres with a minimum of two bedrooms;
4. A single-family home or fee-simple townhome; condo associations, condo interests, commercial and multi-family properties are not eligible for the RTP Program;
5. A traditional sale. Short sales, auctions, and REOs (bank owned) are not eligible for the RTP Program;
6. Free from material deficiencies;
7. No guest houses/ in-law suits with separate entrances;

Please note: The Non-profit, National Organization only purchase homes with swimming pools or other water features in certain states. At the current time, we purchase homes with pools only in the following states: California, Florida, Georgia, Oklahoma and Texas.

Once you have selected a home, we must submit it to the Non-profit, National Organization.

7. Do you own the homes shown on your website?

No. Each home is selected by our client, however, there may be homes available that have already been approved by the Non-profit, National Organization, but they must meet your approved monthly lease amount.

8. Is there a required deposit?

Yes. Generally, we require a deposit equal to two months' rent. This deposit is not applied towards your rent. If you decide to leave the home at the end of any one-year lease term and you have been in compliance with the terms of the lease and return the home in the same condition it was in when you moved in (normal wear and tear excepted), the full deposit will be returned to you or credited to the purchase price if you buy the home. The full deposit (less any outstanding charges owed to the National, Non-profit Organization) is also returned to you if you exercise your Right to Purchase the home.

9. How long does it take from when I select a home to when I move in?

On average, it takes approximately five to six weeks from the time we enter into a purchase agreement for a home until the day you are able to move in. There are a number of variables that may affect the move-in timeframe, including the length of negotiation with the seller leading up to when the Non-profit, National Organization enters into a purchase agreement, what the home inspection reveals with respect to required repairs, and the renovations you request. We will keep you informed throughout the entire purchase and renovation process so that you are aware of this timing.

10. What happens after I move in?

You are our tenant, and we are your landlord. You have entered into a lease with us for one year and are bound to the terms of that agreement. We will collect your monthly rent and perform any necessary repairs that are our responsibility after you move in.

11. Are the monthly rent payments that I make applied to the purchase price of the home?

No. Monthly rent payments are not applied to the purchase price of the home. If you decide to exercise your Right to Purchase, you must pay the full predetermined price as set forth in the Right to Purchase Agreement.

12. How do I exercise my Right to Purchase?

You may notify us at any time that the Lease is in effect that you would like to exercise your Right to Purchase. However, you must provide us with that notice in writing at least 60 days before you want to complete the purchase and we, First Direct Options, will help you create the written request. Once we notify the Non-profit, National Organization that you want to exercise your Right to Purchase, and that will get the process started.

13. Can I buy a home in the middle of a lease term or do I have to wait until the end of the year?

You can exercise your Right to Purchase at any time during your Lease. However, you must provide us with written notice of your intent to exercise at least 60 days before you want the sale to close. In addition, the closing date must occur before the end of the applicable Lease term.

14. Do you provide me with a mortgage or other financing?

The Non-profit, National Organization, First Direct Options and its affiliates are not a mortgage company and we will not provide or arrange a mortgage loan for you, but First Direct Options can help you find a mortgage lender. We cannot guarantee that you will be able to obtain a mortgage loan if and when you wish to exercise the Right to Purchase.

15. Can I have pets in my home?

We do allow up to three pets (cats or dogs) with a max weight limit of 180 pounds total. For dogs, you must not have a Doberman, Pitbull, Rottweiler or Mastiff. We do not allow for other animals such as pigs, horses, chickens, goats, etc. There is a \$300 per pet fee in most states. This fee is due with the required deposit and is refundable in the event you purchase the home. Otherwise, it is not refundable.

Disclaimer:

Participation in the Lease With the Right to Purchase program is available solely for consumer purposes and subject to approval. To exercise a Right to Purchase after the first year of leasing, a resident must obtain their own financing such as a mortgage loan from a third-party lender or pay cash. The National, Non-profit Organization, First Direct Options and its affiliates, are not a mortgage company, does not have any obligation to provide or arrange a mortgage loan, and cannot guarantee that a resident will be able to obtain a mortgage loan.

Contact Information:

Fred Albright (CA Bureau of Real Estate #01412266)
24475 Sunnymead Blvd., Moreno Valley, CA 92553
Office Toll Free: 1-888-641-3934, Ext. 1
Cell Phone: 951-348-5234