

FLIP-N-STAY

Consumer Renovation Programs (CRPs) are residential mortgages that fund on a property's *future* value—*today*. Having been around for decades, CRPs are virtually unknown among existing homeowners. The widely-available mortgage options include HUD's 203(k) and Fannie Mae Home Style rehabilitation programs.

“The Section 203(k) program is FHA’s primary program for the rehabilitation and repair of single family properties. As such, it is an important tool for community and neighborhood revitalization, as well as to expand homeownership opportunities.”

*-US. Department of Housing and Urban Development (HUD)
(www.HUD.gov)*

Realtors have no monetary incentive to market CRPs unless a home purchase is involved—and still often dis-incentivized by less pay for more work. Most banks do not offer these renovation mortgages, and in the past, they had a reputation of being associated with problematic transactions. Over the past decade, however, many banks have become very good at processing these loans and structured *entire departments solely dedicated* to CRPs.

The landscape for CRPs has changed. In many areas there is an abundance of recently flipped properties, that yield higher appraised values that a neighboring homeowner can tap into, to fund *their own renovation*. One of the little-known benefits of CRPs is the budget allowance for a professional interior designer who stays with the homeowner from beginning to end, dramatically improving the consumers experience. There is also free consulting available for consumers to point them in the direction of resources to aid in the success of their project.



CRP education and awareness is key to successfully transforming the aging stock of homes to energy-efficient properties that improve the quality of life. The lenders have veritable checks in place to ensure a consumer cannot borrow more than they can afford. Revitalizing a property and taking it into a positive equity position allows the homeowner to live better in their home while reducing concerns of impending gentrification.

We propose a joint-effort to make your homeowners aware of the existence of these government programs. We offer workshops to educate and neighborhood tours of flipped/renovated homes so that homeowners can see the potential of their own home renovation. Unlike most government programs that utilize tax dollars, CRPs represent neighborhood revitalization at it pertains to the homestead, but are funded by private sector banks.

Bringing the flipping market to the existing homeowner makes good sense. Homeownership as it pertains to those *purchasing* typically gets most of the attention. **It is time we directed attention to existing homeowners.** Flip-N-Stay is, and should be, the next wave of residential real estate in the Chicago area, and around the country, as an important aspect of neighborhood revitalization and a win/win for all involved. Please contact us to devise a joint plan of action to bring Flip-N-Stay to your homeowners.