

Dear Investor: This is news you need to know about.

The Consumer Financial Protection Act and companion legislation (SAFE Act) is trying to define rent to own transactions (land contracts, installment purchases or seller financing) as a mortgage origination transaction.

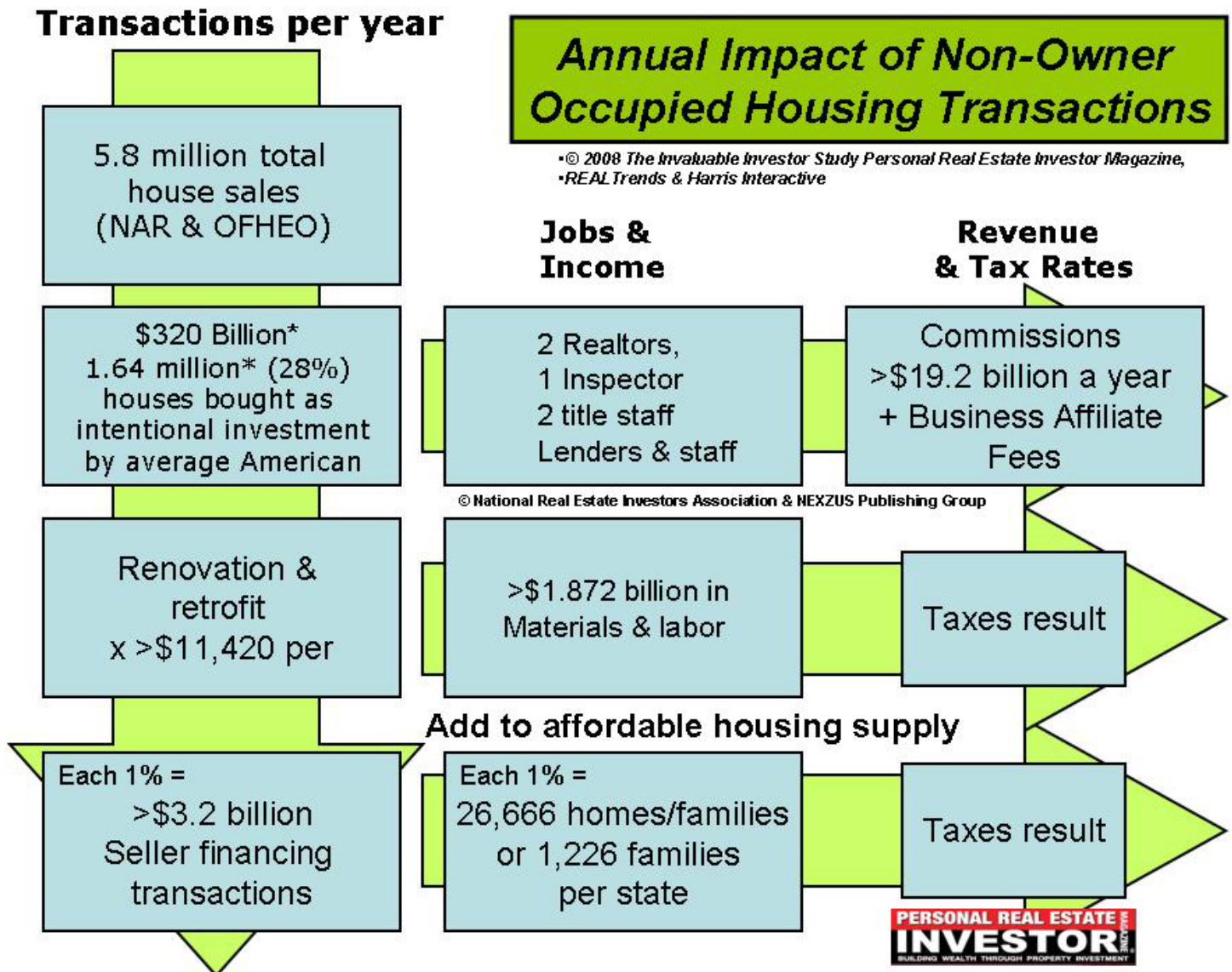
This will require anyone who does more than ONE RENT-TO-OWN TRANSACTION IN 36 MONTHS to be licensed as a mortgage loan originator.

This means going back to school, exams, licenses, continuing education, bonding and professional insurance.

We joined National Real Estate Investors Association members in Washington, DC last week. They had six teams visiting Congressmen and Senators on The Hill trying to push back this legislation.

The impact was enormous as none of these legislators had any idea of how important individual real estate investors are to the affordable housing market, job and small business creation.

This picture (below) helped impress this upon our Congressmen and Senators the importance of individual real estate investors that are mostly average Americans with a rental home. You are invited to use it to promote the valuable nature of your real estate investment business or association.



How to read and explain this diagram - starting at the top left hand corner:

- Per National Association of Realtors, OFHEO (now Federal Finance Housing Agency) and The Invaluable Investor Study confirmed there were about 5.8 million houses sold/bought in 2007.
- 1.64 million of these homes were investment properties. 2008 tracked a little lower. 2009 shows numbers closer to 2007. Investors bought around \$300 billion dollars worth of houses. This represents \$19.2 billion in commissions and affiliate fees on investor transactions alone.
- Then there are the efforts and expenses to get the property rent ready, renovation or retrofit. These are averaged at \$11.4K (National REIA, HomeVestors and property manager sourced data) per property to yield about \$1.872 billion in labor and material expenses. Revenue is collected and federal, state, county and municipal fees and taxes are most likely paid as a result of each of these steps.
- 26,666 homes are provided to first time or credit handicapped buyers for every 1% of this volume that is sold under land contracts, otherwise known as installment sales, rent-to-own or seller financing arrangements.

The Government has no idea how big a portion of the market this is. Personal Real Estate Investor Magazine is supporting National REIA in getting this message to legislators.

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