



FINANCE YOUR MICRO LIVING

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TYPES OF LOANS

Secured

- **Loan** in which the borrower pledges some asset (e.g. a tiny house, car or property) as collateral for the loan, which then becomes a secured debt owed to the creditor who gives the loan.
- Mortgages and home equity lines are examples.

Unsecured

- **Loan** that is issued and supported only by the borrower's creditworthiness, rather than by any type of collateral. It's obtained without the use of property as collateral for the loan.
- It is also called a **signature loan** or a **personal loan**.



Financing Options

Personal Loan

- Higher interest rate, generally lower credit limits (usually based on credit score)

Crowd Lending

- LendingClub, Prosper.com, etc.

Crown Funding

- GoFundMe, Kickstarter, indigogo (more examples at crowdfunding.com)



ON WHEELS OR FOUNDATION?



DIY THOW

Financing Options

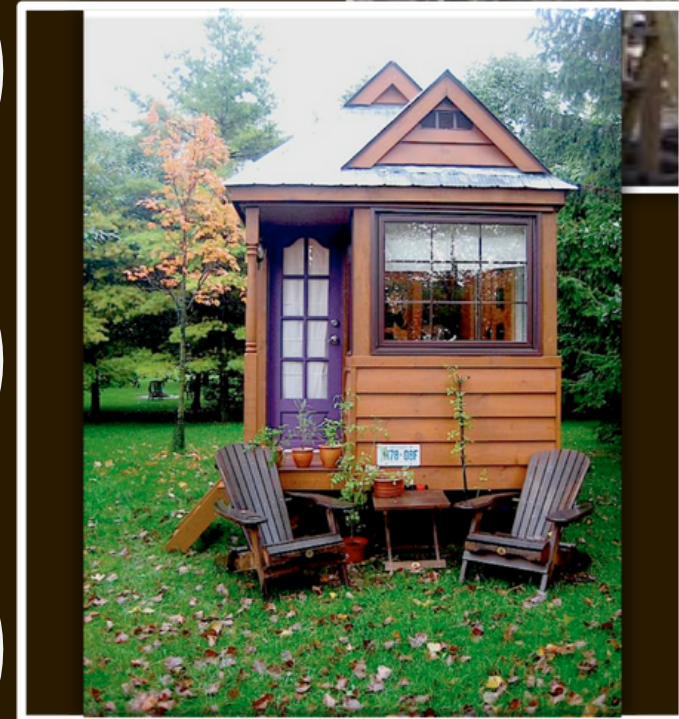
Credit Card

- 0% APR for set time (must payoff by end of promo time to avoid compounded interest)
- Good for materials or Kits (ie 84 Lumber Kit)

Home Improvement Loans for Kits or Materials

- i.e. Suntrust+ 84 Lumber Kits (Starting at 4.99%)
- Home Depot (\$1,000-55,000; fixed rate starting at 7.99%, 84 month term)

TINY HOUSE ON WHEELS
BUILD IT YOURSELF





Project Loan

How Project Loans Work:

FIXED 7.99% APR*

- 1 Apply online or In-store for a project loan
- 2 6-month buying window to purchase products or installation services
- 3 84 months to pay off (or in full with no prepayment penalty).**

Loan Amount	84 Monthly payments*
\$2,500	\$39
\$5,000	\$78
\$7,500	\$117
\$10,000	\$156
\$15,000	\$234
\$20,000	\$312
\$25,000	\$390
\$30,000	\$468
\$35,000	\$546
\$40,000	\$624
\$45,000	\$702
\$50,000	\$780
\$55,000	\$857

*Interest only payments are required during the first 6 months and are based upon a 7.99% Annual Percentage Rate. After the first 6 months, the balance is amortized over 84 months at a 7.99% Annual Percentage Rate.

**Period begins at approval.

Professionally Built Financing Options

RV Loans:

- SunTrust LightStream
- 2-7 year terms
- 3-10% interest rate
- \$5,000-\$100,000
- Rock Solid Funding-3-10 year terms @ 4-19%
- Credit Unions-2-30 year terms-interest rates possibly as low as traditional mortgage rates

Builder Financing:

- Cornerstone Tiny Homes-direct RV Loans (apply online)
- Big Heart start at \$27k 20' house, finance up to \$7k with Lowes Card (Talk to Marc)
- Incredible Tiny Homes also start at \$25k (offer ½ down and second ½ due in 2 years with small finance charge) (Talk to Randy)

Other Considerations:

- Generally need a VIN #
- May need to be RVIA certified
- Cornerstone & Escape RVIA Certified

**TINY HOUSE ON WHEELS
= RV**





LIGHTSTREAM[®]

A DIVISION OF SUNTRUST BANK

Rates for each loan amount and term combination below are shown in a minimum to maximum range because LightStream rates vary based on your credit profile. The lowest rate in each range requires that you have an **excellent credit** profile. N/A means that LightStream loans are not available for that loan amount and term combination.

Loan Amount	Loan Term (months) *				
	24 - 36	37 - 48	49 - 60	61 - 72	73 - 84
\$5,000 to \$9,999	5.34% - 9.34%	6.59% - 10.59%	6.69% - 10.69%	N/A	N/A
\$10,000 to \$24,999	3.24% - 7.24%	5.09% - 9.09%	5.19% - 9.19%	5.59% - 9.59%	6.09% - 10.09%
\$25,000 to \$49,999	3.84% - 7.84%	4.84% - 8.84%	4.84% - 8.84%	5.04% - 9.04%	5.14% - 9.14%
\$50,000 to \$100,000	3.84% - 7.84%	4.44% - 8.44%	4.44% - 8.44%	4.64% - 8.64%	4.74% - 8.74%

Loan Terms:

- Rates quoted with AutoPay option. Invoicing option is 0.50 points higher. Invoices are delivered by email.
- Fixed rate, simple interest fully amortizing installment loans, no fees or prepayment penalties.
- Loan proceeds may not be used to refinance any existing loan with LightStream
- Florida loans subject to **Documentary Stamp Tax**. The tax amount is not included in the quoted APR



Micro Condos/ Stand Alone Tiny Homes on Foundations-Financing Options

**TINY HOUSES ON
FOUNDATIONS =
DETACHED SINGLE
FAMILY RESIDENCE**

Conventional Loans

- 10-20% down; 15-30 year terms

FHA

- 3.5% down; 15-30 year terms
- Fannie: 600 SF minimum for CONDOS

Local Institutions Lending:

- Wells Fargo
- BankSouth
- PNC Bank (500 SF and over)

Other Considerations:

- Minimum \$50,000 loan
- Appraisal/ Comps
- Land difficult to finance



ADUs on Foundation Financing Options

First Mortgage Cash Out Refinance

- taking out extra money when refinancing your 'first mortgage' if you have sufficient equity
- Great option if refinancing will lower your rate and not extend your term considerably

2nd Mortgage –Fixed Home Equity Loan

- 5-30 year term (15 average) Fixed rate generally higher than 1stmortgages and Home Equity Line of credit, but consistent

Home Equity Line of Credit

- when you have at least 20% equity built up in the property.
- Draw out money as you need it up to a certain amount, and pay back at your own speed (as long as you make the minimum payment)
- Usually adjustable rates (not fixed)
- Generally 10 years

Construction Loan Renovation Financing

- Generally higher interest rate
- Harder find and usually come with conditions
- Short term until you refinance with your first mortgage

Again, check with local CREDIT UNIONS!

ADU (ACCESSORY DWELLING UNIT)



TINY HOUSE MATH

House Type	THOW	THOW	THOW	ADU	THOF	ADU/THOF	Typical House (Median Price in US-2017)
Financing Type	RV Loan	RV Loan	RV Loan	Refinance	Mortgage	Refi/Mort	Mortgage
Purchase Price	\$ 25,000	\$ 50,000	\$ 75,000	\$ 75,000	\$ 100,000	\$ 150,000	\$ 213,400
Total Loan Value	\$ 25,000	\$ 50,000	\$ 75,000	\$ 75,000	\$ 96,500	\$ 5,250	\$ 205,931
Down Payment	\$ -	\$ -	\$ -	\$ -	\$ 3,500	\$ 144,750	\$ 7,469
Term (Years)	7	7	7	30	30	30	30
Interest Rate	9.14%	8.74%	6.74%	3.75%	4%	4%	4%
Monthly Payment	\$ 404.01	\$ 797.87	\$ 748.29	\$ 347.34	\$ 460.71	\$ 716.12	\$ 983.15
Total Interest	\$ 8,936.46	\$ 17,021.25	\$ 19,285.16	\$ 50,041.21	\$ 69,354.07	\$ 107,804.26	\$ 148,001.59
Other Expenses	Land lease/purchase; PP Tax			Real Estate Taxes, possible HOA Fees			

*Does not include closing costs, fees, prepaids, escrows, etc.



RESOURCES

- <https://www.lightstream.com/tiny-houses>
- <https://accessorydwellings.org/>
- <http://www.calculator.net/loan-calculator.html>
- <http://www.bankrate.com/>
- <https://realestate.usnews.com/real-estate/articles/11-ways-homeowners-can-fund-major-home-improvements>
- <https://www.thetinyhouse.net/how-to-finance-a-tiny-house/>
- <https://www.tumbleweedhouses.com/tiny-house-rv-loans/>