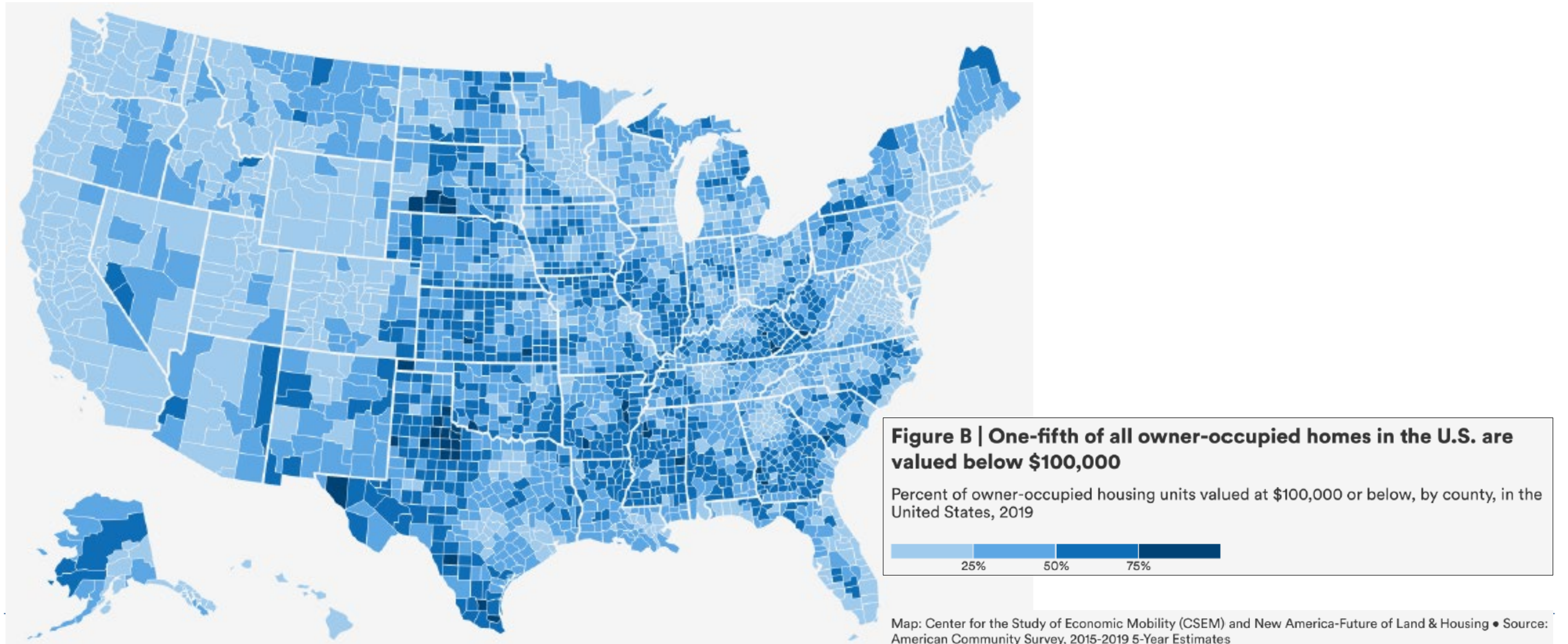


Low-Cost Homes Available Nationwide



What Is Alternative Home Financing?



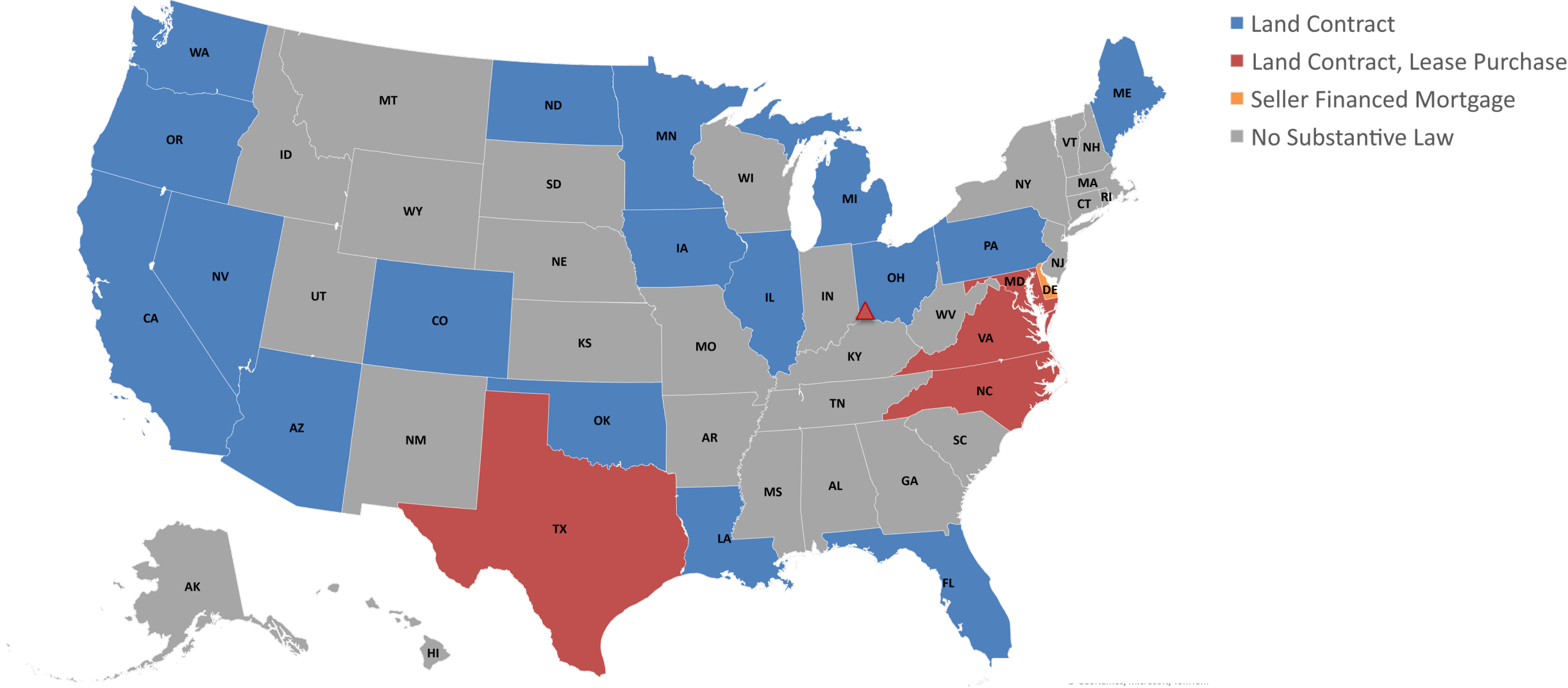
- Land contract / contract for deed
- Lease-purchase / rent-to-own arrangement
- Seller-financed mortgage
- Personal property / home only / chattel loan (manufactured home)

Alternative Financing Market Larger Than Expected

36 million Americans have used alternative financing

- Approximately 1 in 5 home borrowers—those who have **ever** borrowed to finance a home—have used alternative financing at least once
- Roughly 1 in 15 **current** home borrowers are in alternative financing today

Alternative Financing Laws



Key Takeaways

1. **There are not enough small mortgages** despite millions of low-cost site-built and manufactured homes available and qualified buyers to purchase them because lenders have difficulty issuing them profitably.
2. **36 million Americans have used alternative financing** at some point to pursue their homeownership goals. But some are more likely to do so than others, for example, Hispanic homebuyers.
3. **These arrangements are often riskier and costlier than mortgages** and have a relatively weak patchwork of federal and state laws that vary widely.
4. **Federal and state policy often excludes people who use alternative financing**, but there have been some recent policies that include these borrowers and offer opportunities to further understand challenges facing lenders and homeowners as well as potential solutions.