



SwapRentSM

A New Alternative for
Property Owners and Investors

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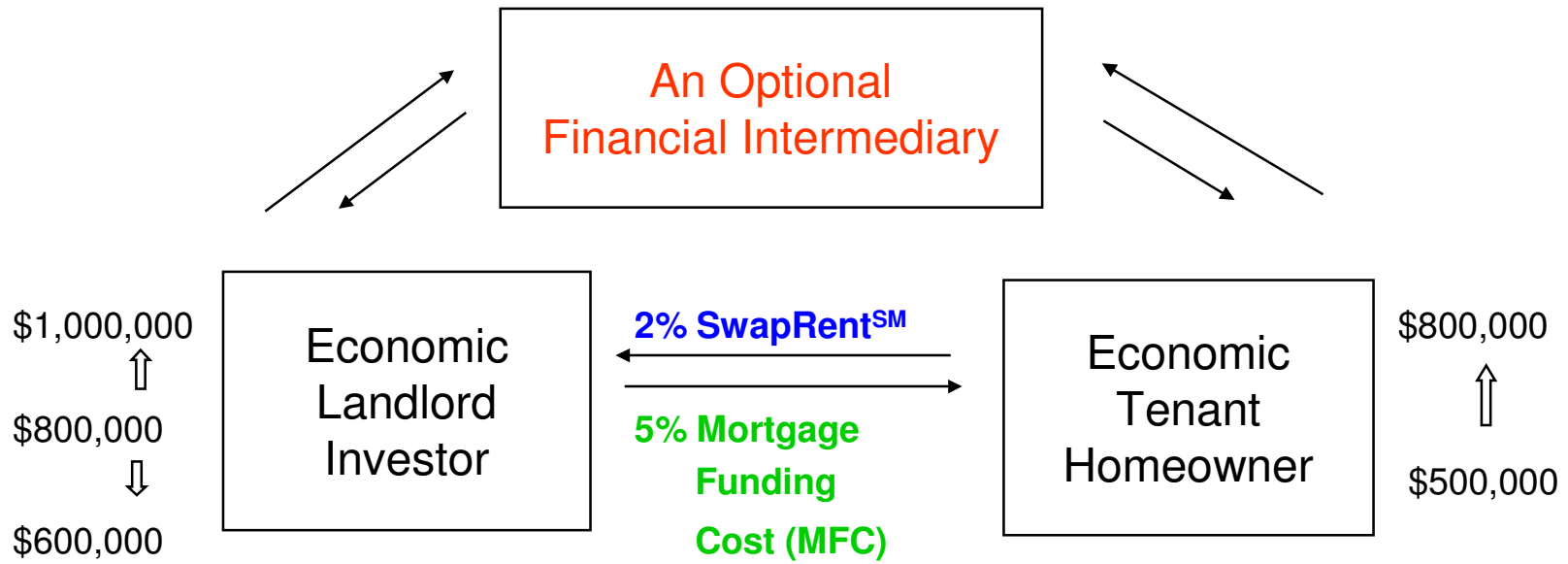


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A Generic SwapRentSM Transaction



The middleman could be a bank, mortgage lender, a city, county or state government. Peer-to-peer model operates without a middleman.



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What Is A SwapRentSM Marketplace

- The SwapRentSM transaction is the realization of the newly created consumer financial concept of **economic renting** while keeping the legal ownership for homeowners and other investment property or commercial property owners during the entire contract period. The answer to the perennial question of to buy or to rent varies as time evolves. **Sometimes the rental rate is higher and more expensive than buying. Other times the reverse is true.**
- It would be nice if property owners can have a choice to separate the legal ownership from the economic interests and hence the financial risks and rewards of owning a property, a way to continue the legal ownership and synthetically switch back and forth between owning and renting only economically according to **the market conditions (rent levels vs. interest rates)** and **their monthly income abilities** at the time, or **their investment views on the future performance of the residential real estate markets.**
- That goal is what the SwapRentSM market was designed to achieve. Homeowners could use them in the new SwapRentSM embedded mortgages (Home Equity Locking Mortgage, HELM) either with their existing lenders through **a loan mod conversion without refinancing** or with any other new lenders that offer them through a refinancing.



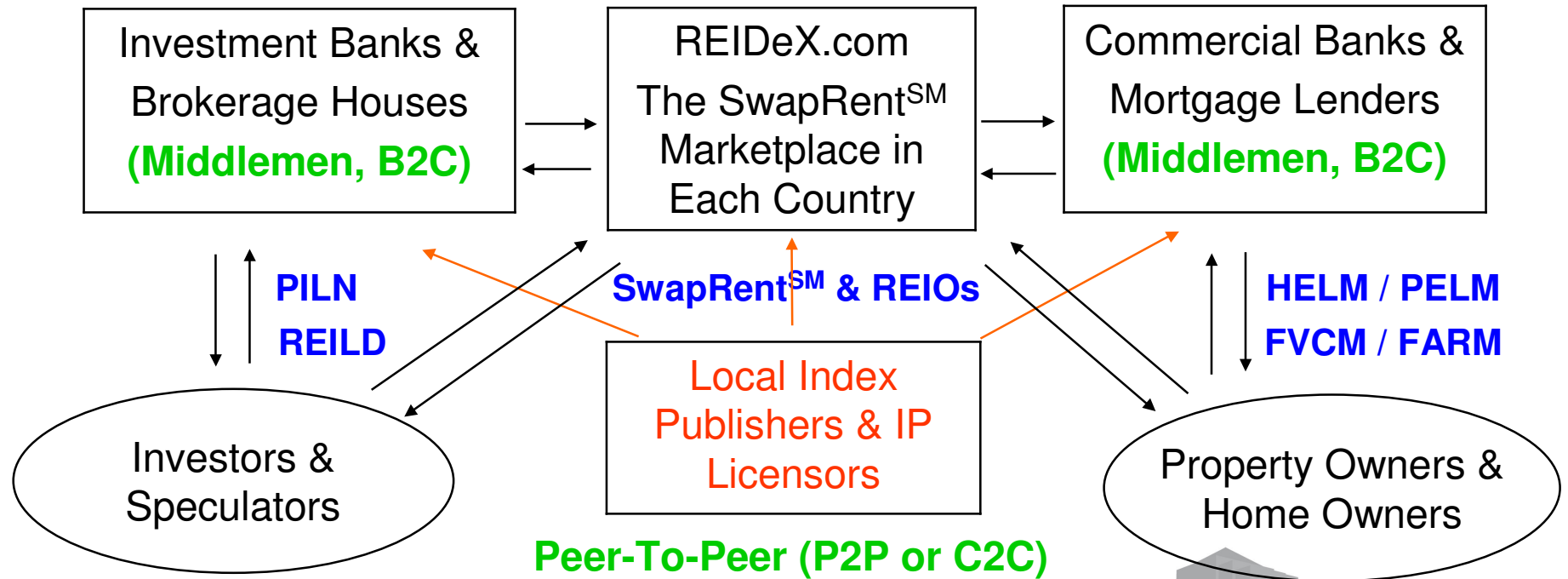
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The SwapRentSM Industry Participants

Inter-Bank Market (B2B)

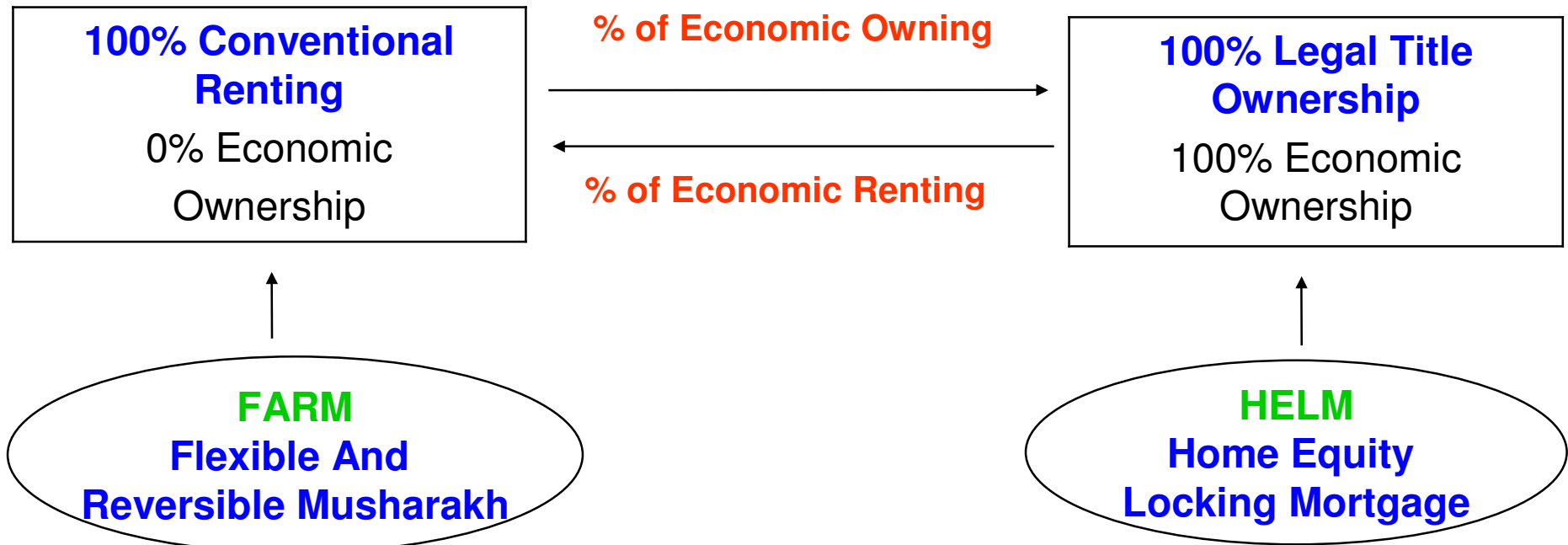


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SwapRentSM Embedded Housing Finance Products - FARM and HELM, Offered through Middlemen (B2C)



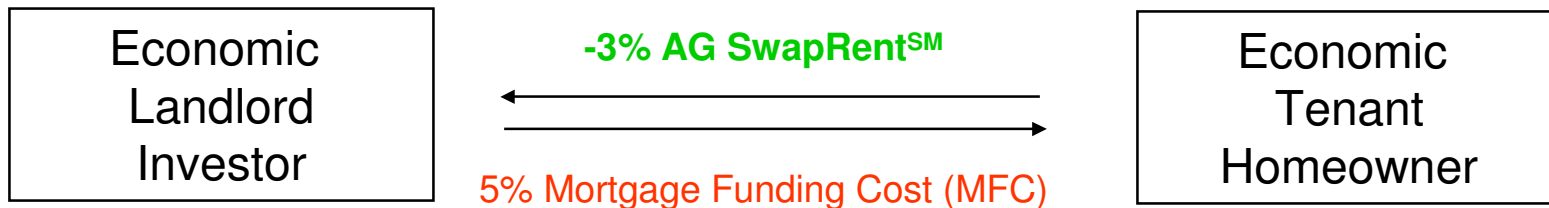
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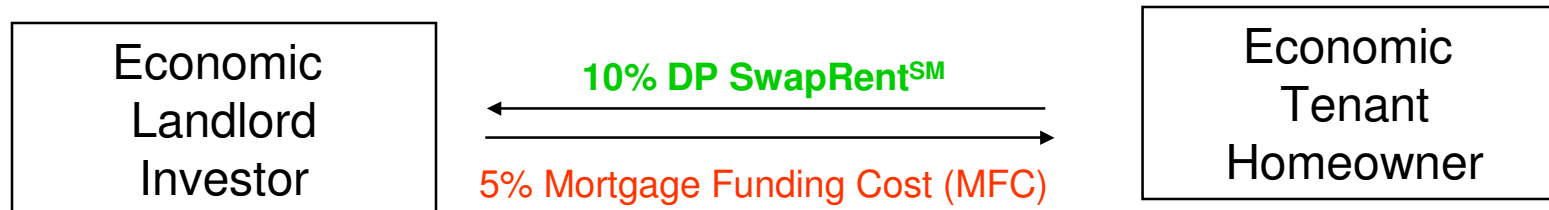


AG SwapRentSM and DP SwapRentSM

AG (Appreciation Give-up) SwapRentSM: Short a Covered Call Option



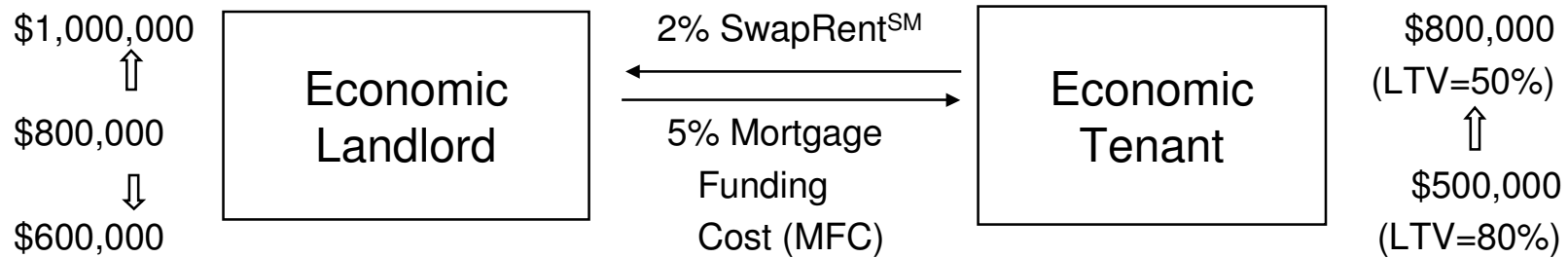
DP (Depreciation Protection) SwapRentSM: Long a Put Option





Settlement of A SwapRentSM Transaction

50% Economic Renting Using Generic SwapRentSM Example



Pay the Investor through A New
2nd Mortgage of Only
\$100,000 (Total LTV ~ 50%)

Receive \$100,000 from the Investor
(LTV ~ 50%)

Initial 1st Mortgage
Amount Borrowed
\$400,000



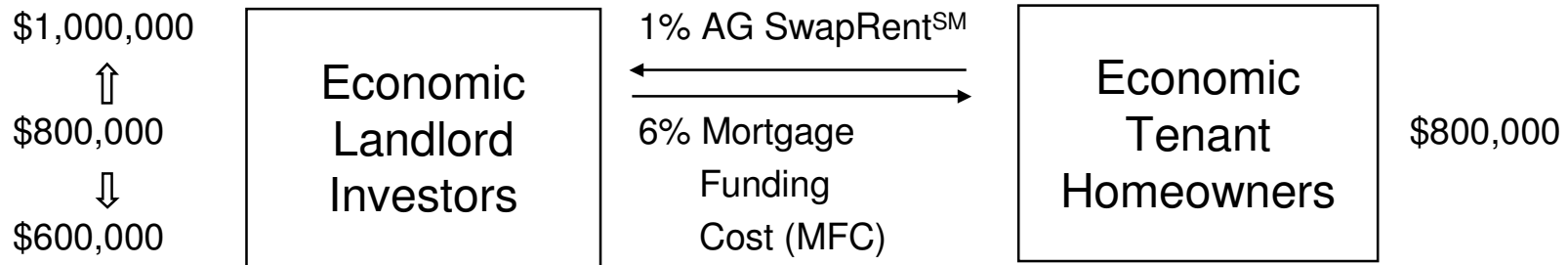
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A Shared Appreciation Example

50% Economic Renting Using AG SwapRentSM **Shared Appreciation** Example



Potential Investors: (1) state, county and city public employees or teachers pension funds; (2) profit-driven, free market institutional and individual investors from both the US and abroad to become economic landlords; (3) current home mortgage credit risk holders such as banks, credit unions, other mortgage lenders and MBS, CDO investors.

REIDeX levies a small operational service fee on each party to the transaction for providing them with SwapRentSM documentation, education, transactional logistics and settlement procedural support.

The Middleman will derive revenue as fees or credit spread from homeowners either as **a not-for-profit organization, a private for-profit enterprise** or **as an SSE (State Sponsored Enterprise), alternatively called a LGSE (Local Government Sponsored Enterprise)**.



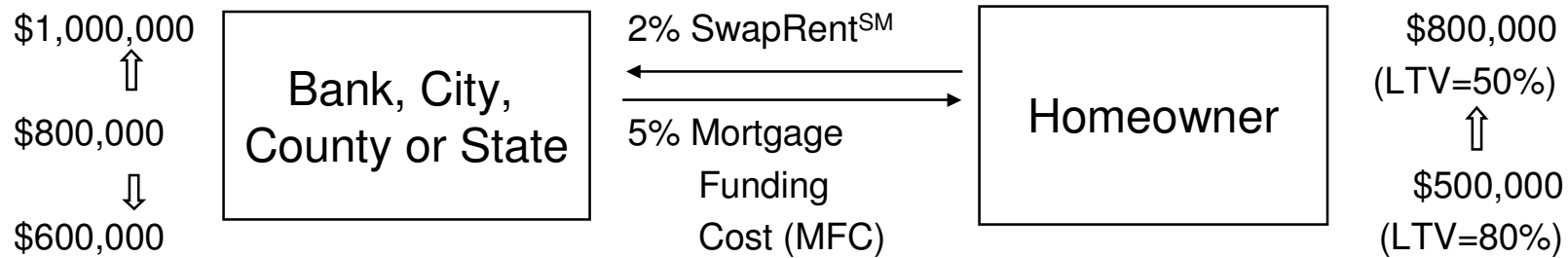
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SwapRentSM Embedded Mortgage Home Equity Locking Mortgage (HELM)

50% Economic Renting Using Generic SwapRentSM Example



Unpaid Balance of HELM Automatically
Increases to ~ \$500,000
(LTV ~ 50%)

Unpaid Balance of HELM Automatically
Reduces to ~ \$300,000
(LTV ~ 50%)

Initial 1st Mortgage
Amount Borrowed
\$400,000



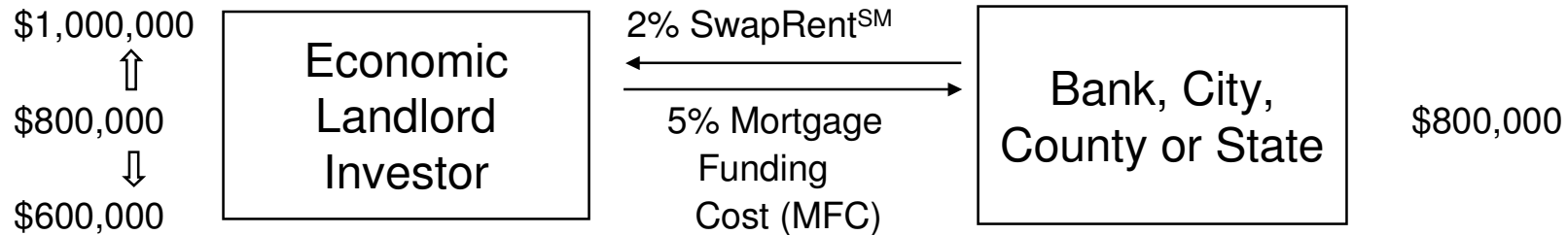
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The Off-setting SwapRentSM Transaction

50% Economic Renting Using Generic SwapRentSM Example



Pay the Investor \$100,000
(50% Participation)

Collect from or Pay to the Homeowner through Their HELM

Receive \$100,000 from the Investor
(50% Participation)



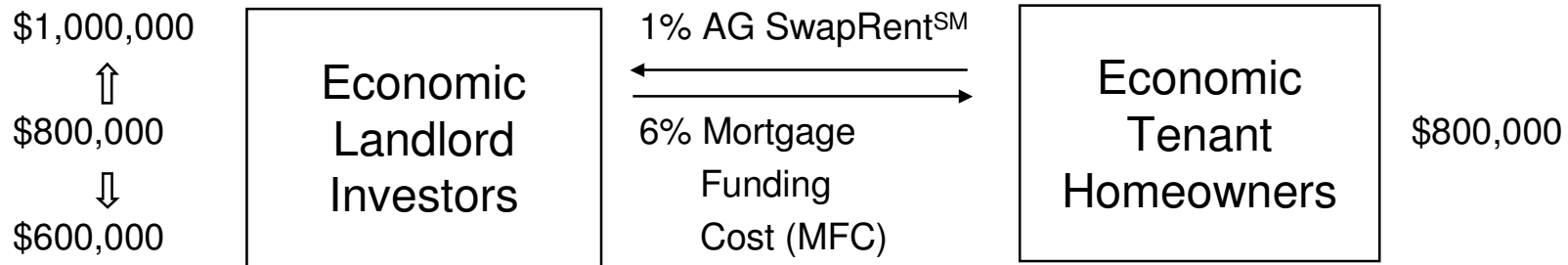
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Sample Business Model for the Middleman

50% Economic Renting Using AG SwapRentSM **Shared Appreciation** Example



As an example, if the total annual spread that Middleman will get is 4.9% (after 0.1% SwapRentSM transaction fee to REIDeX), it could keep say, 0.2% to 0.5% if it is **a not-for-profit entity** or 0.5% to 2.0% depending on the homeowner's credit score, history, LTV, lien seniority, ... etc., as its revenue sources for **a for-profit operation**.

The net spread that the homeowners will get after Middleman's fee is 4.4% to 2.9% depending on each of the individual situations.



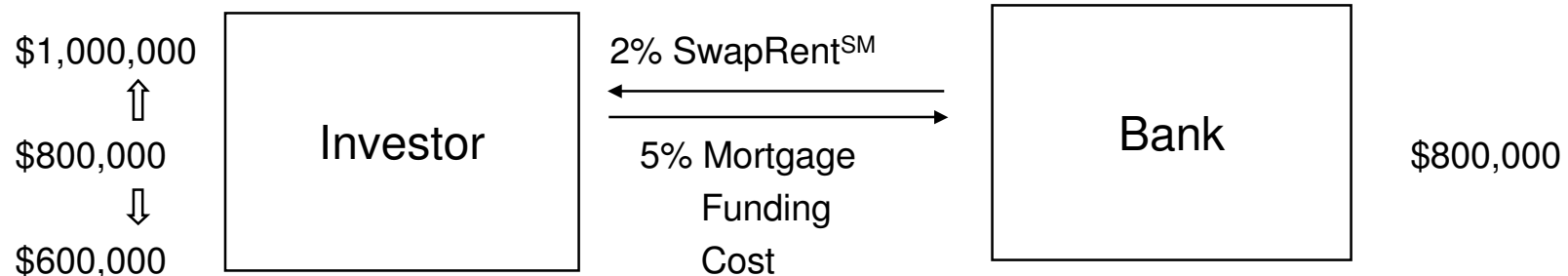
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PILN (REILD) with SwapRentSM

For a **Generic SwapRentSM** exposure



Coupon = [Deposit Rate + (2 – 5)]%

Principal Redemption

= [1 + (Ending Index – Starting Index) / Starting Index] * 100%



Potential Applications of SwapRentSM - 1

To summarize, among many other applications, the five key economic advantages that the SwapRentSM and its related consumer finance products are:

1. For those informed and educated homeowners **to hedge the financial value of the properties** that they own by switching between owning and renting economically only based on their views on what the overall real estate market will do in the near future while keeping the legal ownership of all their properties at all time.

2. Considering the relative cost of owning and renting, the less affluent homeowners could decide to be economic renters or owners solely based on how much monthly subsidy they could receive to afford legally owning the properties while being partial or entire economic renters for a period of time. This will **increase the housing affordability** for young first-time would-be homeowners, low income working families and retired senior citizens. **It is a much better alternative to a reverse mortgage.**



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Potential Applications of SwapRentSM - 2

3. Due to the alleviation of moral hazard associated with conventional renting, SwapRentSM will **improve the neighborhood quality** of both the public housing projects and the conventional apartment rental complexes. It could thus reduce crimes and improve the overall well-being of the urban environments anywhere in the world. With this **newly created portable housing affordability**, municipalities will no longer have to waste taxpayers' money to build affordable housing complexes that often turn into slums.
4. For both institutional and individual investors to **become synthetic "economic landlords"**; by simply receiving SwapRentSM payments and paying out mortgage funding cost for a particular neighborhood or city. They could establish such cross border reversible long property exposures easily all over the world without worrying about the management of these properties and incurring the normally high transactional cost and taxes.
5. For current apartment or house renters to **establish an anticipatory hedge** position through receiving SwapRentSM payments based on a particular city level property price index so that they can lock in today's real estate price levels for intended purchases of real estate properties in that city in the future. They would not be priced out of the market if indeed real estate prices rise sharply in the future.



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Application Examples of SwapRentSM - 1

As a simple application example, a homeowner who lives in Los Angeles may decide to be the "economic tenant" of his/her own home in Los Angeles by paying SwapRentSM rate **(at say 1.5% per annum)** based on the Los Angeles metropolitan area index to an investor who is willing to be his/her "economic landlord" investor for a contract maturity of 10 years and simultaneously receiving **an annual mortgage funding cost (MFC) of say 5%** from this investor for the duration of the SwapRentSM contract. Once this contract is executed, during this 10-year contract period, he/she would have locked in the current price level of his/her own home and would not have any future appreciation potential or any downside depreciation worries anymore. The homeowner could decide to unwind and terminate this SwapRentSM transaction any time (e.g. 6 months, 1 year or 2 years later) before maturity due to relocation, new jobs with higher monthly income, investment timing views (i.e. cutting loss, taking profit, being bullish about the LA property market again) or simply free will.

The reason why this decision is to be made could be based on either **a hedging purpose**, **an equity withdrawal or appreciation give-up cash-out purpose** since he/she would receive a netted monthly payment from the investor, both as mentioned above, or simply **a pure life style change purpose**.



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Application Examples of SwapRentSM - 2

For example, this person may be retiring in 10 years and may decide to relocate to Hawaii for his/her retirement. He/She could then enter into another SwapRentSM contract of similar remaining maturity based on the Honolulu metropolitan area index with another counterparty homeowner in Honolulu by receiving a SwapRentSM rate **(at say 2.5% per annum)** and simultaneously paying **an annual MFC of say 5.5%** so that he/she could become an "economic landlord" him/herself in Honolulu. By doing so he/she would be able to move to Honolulu 10 years later to look for an ideal dream house in that city and purchase the chosen house then at a price level (say per sq ft price) that was locked in 10 years earlier through the SwapRentSM contract.

Both of these two separate SwapRentSM contracts could be unwound and terminated earlier before or on the final maturity dates, either together or separately, at some freely traded secondary markets such as REIDeX. Of course they would have to be unwound at the then market rates to reflect a profit or loss, just like how any other financial instruments operate in their own markets.



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Application Examples of SwapRentSM - 3

In the foreseeable future, homeowners might be able to apply this on an international scale. For example, a homeowner in London could decide to do a retirement life style change plan through SwapRentSM contracts so that he/she could retire in Nice in South of France. Homeowners could do the same between Tokyo and Singapore or between Beijing and Taipei.

The decisions could also be financial and investment view driven. A resident in Toronto may think that the future real estate property appreciation potential in Australian metropolitan area could be higher for the next 5 years than Canadian metropolitan area. He/She could then make arrangement through city index based SwapRentSM contracts and be **a 80% "economic tenant" in his/her own house in Toronto** and be **a 40% "economic landlord" investor in both Sydney and Melbourne**.

Financially speaking, with very little hassle and transactional cost, he/she would then have a diversified investment exposure **composed of 20% Toronto, 40% Sydney and 40% Melbourne** in his/her medium term investment portfolio on the residential real estate markets. Socially speaking, he/she and his/her children will continue to enjoy the comfort of occupying 100% of his/her own house and the associated neighborhoods in Toronto for the next 5 years and more. Innovations could indeed continue to make our world even flatter!



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Suggested Local Government's Active Roles

From the providers' delivery perspective, on the Canadian side, the Ontario Provincial Government or Toronto Municipal Government could channel the net positive monthly subsidies from an “economic landlord” investor which it has a separate SwapRentSM contract with to this Toronto homeowner. The Toronto homeowner could then use part of these net monthly proceeds he/she has received from the local government to become the **“economic landlord citizen”** in Australia.

On the Australian side, the State Governments of New South Wales and Victoria, their housing agencies, or the Municipal Governments of Sydney and Melbourne could administer these SwapRentSM programs for their local residents. Among many other sources, they could even have a SwapRentSM contract with this Toronto homeowner directly to treat him/her as an **“economic virtual citizen” of their cities** and channel these net positive monthly subsidies to many other homeowners in their cities who may be in need of these monthly subsidies through another SwapRentSM contract or a HELM contract.

For better managing the homeowner counter-party credit issues, the best way would be for the municipal or state/territory and provincial **governments at different geographical locations to communicate with one another** for managing the credit risks of both “economic tenant” homeowners and “economic landlord” investors in their cities, states or provinces in order to make sure only morally responsible and economically eligible law-abiding citizens get the chance to participate in these reciprocal programs. These new **social innovations** derived from the cross-city and cross-border aspects of the SwapRentSM business provide certain privileges to people who behave in a morally decent way in our civilized human economic societies and are definitely not meant for everybody in every city around the world. Local governments' active participation and proper regulations could ensure that will remain the case.



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Significance in Creating New Housing Affordability

In this way, the Australian state/territory or municipal governments could simply accomplish their goals of **providing housing affordability** to their local low income families or other homeowners in need without having to resort to any of their own local taxpayer's money since the money will be provided from private free market sources that may include both foreign or domestic institutional investors and the individual **"economic virtual citizens"** of their municipalities.

In addition, by being the middlemen to administer these SwapRentSM programs, the local governments could **generate a reasonable fee to enhance the local governments' own finances** for offering these services to their local real citizens and many virtual citizens around the world so that they could reduce the local property and other tax burdens to their own local residents.

Wouldn't this be a better free market based alternative addition to offer housing affordability that could **discourage the abuse of over-leveraging** in the various national housing finance systems for the future of our capitalism society?



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An Example of Islamic Applications of SwapRentSM

A home seeking person could start out as a regular renter for a residential property in a location of his choice. The bank will purchase the property into **a trust or simply in a co-ownership legal structure** for him. In the trust, the person could buy into a portion of the legal ownership between 0% to 100%. Either 5%, 10% or 20% could be a good starting point depending on the issuing banks credit standard. He could buy into more of the legal ownership vehicle now or later at the then prevalent market price. Meanwhile through these **new economic owning or economic renting concepts**, this new home occupier could make proper arrangements with the bank to become an economical owner or renter for whatever proportion of the total value of the property any time in a totally flexible and reversible manner (either buying or selling) for whatever length of time through making SwapRentSM transactions at REIDeX.com.

Being a renter gives a person the rights to occupy and use of a property. Being an owner will give him the right for the financial gains if there is future appreciation by the time he decides to sell, in addition to the same rights to occupy and use that a typical renter would have during his ownership. Of course he will also have to bear the risk of depreciation if he has to give up ownership at any given time pre-maturely. To put it in a very simplified way, **the cost differential between the cost to rent and the cost to own will determine whether a person will be entitled to the future financial gains of the appreciation and the responsibility of bearing the risk of loss due to depreciation**, meanwhile he could continue to occupy and use the property regardless what the financial value of the property is.



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Introducing FARM – Flexible And Reversible Musharakh

For simplicity reasons, let's use the same numerical example for the \$800,000 house as illustrated before. Since the real physical rental rates may be higher or lower than the SwapRentSM rates (especially the short term rates) depending on the market conditions in each country, let's assume a real rental rate of the property is 1.5% per annum (\$1,200 per month). It could certainly be lower or higher, say 2.5% at other times as the market supply and demand forces dictate. The corresponding SwapRentSM for a 5 year contract may be 2% (\$1,600 per month) and cost of ownership (e.g. MFC or Mortgage Funding Cost, in Western financial system) may be 5% per annum (\$4,000 per month). The cost difference between economically renting and owning in this 5-year SwapRentSM contract example is \$2,400 a month.

Therefore upon agreeing to pay **\$1,200 a month real rental payment** the person could occupy and use the property for the next 5 year say in this 5 year contract example. He could decide to reversibly buy into the **economic ownership units of between 0% to 100%** of the home value with **a price tag of between \$0 to \$2,400 more a month** in additional monthly payments, on top of the rental payments (\$1,200) he is already paying in his legal rental agreement, through Generic SwapRentSM contracts traded at REIDeX.com. He could also sell freely the number of units of economic ownership for the remaining maturity of the contracts that he already bought before for whatever reasons he may have at any time during the 5-year period before maturity.



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A new type of housing finance products without foreclosure possibility - FARM

Furthermore, if he is only interested in obtaining future appreciation potential, he may pay a bit more in monthly payments to acquire that appreciation potential only with AG SwapRentSM contracts instead, so that he would not have to bear the downside risk if the property value goes lower in the future. It should be easily understandable that an AG SwapRentSM contract will be more expensive than a corresponding Generic SwapRentSM contract since it will only gives the acquirer the right of future appreciation without the responsibility of the risk of downside losses.

It would be very interesting to note that in **a non-recourse mortgage loan**, as currently uniquely practiced in the US, the same financial profile could be simulated by **conventional renting plus owning AG SwapRentSM contracts**, i. e. appreciation only, by the home occupier. Whereas for the rest of the world, where **recourse mortgage loans** are usually practiced, the financial profile is equivalent to **conventional renting plus Generic SwapRentSM contracts**, i.e. the ownership units (either conventional legal or the new economic) always come automatically with the responsibility of downside depreciation risks for the owners.



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A new type of housing finance products without foreclosure possibility - FARM

In addition to economic owning and renting, the home occupier could of course also decide to buy into the underlying legal ownership in the trust **in a lump sum fashion** (money obtained from savings, work related bonus compensations, a sale of other financial assets or even winning a trophy prize from a game show competition, etc.) any time he wishes at the then future price level with the bank which has been his co-owner in the trust. If there is enough money at hand the home occupier could buy into the entire remaining legal ownership at the then current price in order to gain complete ownership at any time he/she wishes. However, since the legal ownership comes with very **high transactional cost and many other legal and tax complications**, it does not offer the same liquidity, flexibility and reversibility that making SwapRentSM transactions at REIDeX could easily provide.

For example, **to sell back portions of the legal ownership** would be quite difficult under the current Islamic mortgage practices. With the innovative economic owning/renting concepts, when the home occupier does not have enough monthly income to sustain these economic ownership (loss of job, disability, etc.), **he/she will simply lose part of the future appreciation potential that is represented by these economic ownership units** that he/she owns. There will no longer be a reason for foreclosing and eviction, unless he/she can not even pay for the normal real rental payments.



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A new type of housing finance products without foreclosure possibility - FARM

The **social safety net of providing rental payment assistance** to unemployed people is a totally separate issue and it is usually provided in each developed country. Most likely those safety net would kick in at that time for the home occupiers to continue to stay in their homes to look for another job and obtain income again. This is exactly how the newly created **flexible economic ownership concept as facilitated by the SwapRentSM methodology** could help avoid defaults and foreclosures and enhance social stability in a new housing finance system.

The provider banks of this new type of SwapRentSM based Islamic mortgages could similarly use the very same SwapRentSM contracts traded at REIDeX.com with other investors around the world to hedge off their own financial and property risks from **being a temporary co-owner in the co-ownership trusts** with the local homeowners. The provider bank could then act solely as a middleman without having to hold any market risks of these real estate properties. As illustrated on slide #11 above, the middleman banks, local governments or housing agencies could charge a fee or a spread for the services provided either **as a for-profit business** or **as a totally self-funded not-for-profit entity**.



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A new type of housing finance products without foreclosure possibility - FARM

None of these new transactions or mortgage products described above involve the **Riba concept**, or the charging interests on the use money, that Sharia, the Islamic laws forbid.

If the Western societies could also learn the lesson and adopt this new innovative housing finance system made possible by **the new "economic owning or renting" concepts** as facilitated by SwapRentSM contracts, then homeowners will benefit from the flexibility, provider banks and mortgage lenders will benefit from the better risk management and governments also will enjoy higher tax revenue from enhanced property value and stronger economy. The entire society will subsequently enjoy a peaceful growth and prosperity. All these could be accomplished without the use of the concept of borrowing or lending, hence the potential abuse of it for housing people. When that nirvana time comes, words such as **"mortgage foreclosures", "property repossession", "securitizations", "credit default swaps", ...** etc. may not be necessary in our banking glossary anymore.



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FARM vs. HELM

In the Western financial system, people have access to easy credit and therefore take it for granted that they should own instead of rent whenever possible. That is why it is quite unusual to see people renting single family houses in the suburbs in America. With the easy credit system having been abused to the extreme in recent years, we are seeing the fallouts from the big implosion in the US today. So the way to introduce the new economic ownership concept as facilitated by SwapRentSM transactions under this situation is to let **people who already own homes (i.e. they already own 100% legal title of the property)** to start giving up some part of the future appreciation through the concept of economic renting. Therefore, **a package of 100% legal owning plus economic renting through SwapRentSM contracts** seems to be the right recipe for the homeowners in the Western world in order to de-leverage. This is due to the fact that the mistakes have already been made to allow those people who can not afford to own in terms of monthly income to become owners of a property.

The newly created mortgage product to rescue them would be **the SwapRentSM embedded AITD (All Inclusive Trust Deed) structure called HELM (Home Equity Locking Mortgage)** as fully explained in the original 2006 patent application and many times in the blog before. The HELM product would be wrap-around new package of the homeowner's existing under-water 1st mortgage and a contingent 2nd mortgage based on the outcome of the property value at the end of the embedding SwapRentSM contract.



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FARM vs. HELM

On the other hand, for consumers under the Islamic finance preference, in order for them to comply with the Sharia laws, we could introduce the economic ownership concept as facilitated by SwapRentSM transactions to a modified **Diminishing Musharakah** structure by letting **people start from being a 100% legal renter** and flexibly buy into more (or less later on) economic ownership during a certain period of time. Therefore the entry point for introducing the new economic ownership concept under this situation is **a package of 100% legal renting plus economic owning through SwapRentSM contracts** during the course of the intended ownership period.

The creativeness in this new housing finance structure offers flexibility and reversibility for the homeowners. It is no longer a one-way diminishing ownership structure for the bank. Therefore, for the Muslim consumers, instead of the old name "Diminishing Musharakah", this new innovation as facilitated by the SwapRentSM transactions could be called a **FARM - "Flexible And Reversible Musharakah"** structure or simply **"Flexible And Reversible Mortgage"** for the Western consumers.

The concepts of when and how to use either HELM and FARM are illustrated on slide #5 above.



FARM vs. HELM

So let's say with the same example, this homeowner started out buying into 10% of the house value using a lump sum cash (i.e. down payment in the current mortgage product lingo). Through the intended life of the ownership, he could use SwapRentSM contracts to **flexibly and reversibly buy more, say another 20%, 30%, 50%, 90% or even 150% of potential appreciation** of the house in the form of economic ownership for a certain period of time or he could use SwapRentSM contracts to **reduce his economic ownership down to only 5%, 2% or 0% (depending on the bank's credit policy and the consumer's own credit records)** of the house value at any time he chooses based on his then economic income capability or simply his investment views on the real estate market.

In summary, after the burst of the Western mortgage lending bubble, **the SwapRentSM embedded HELM** would be the best new innovation for **the existing mortgage lenders and banks** to solve their current mortgage default and foreclosure problems. For **newly set up mortgage lenders or banks** thinking about getting into the housing finance business for the first time, **the SwapRentSM embedded FARM** may be the best new innovative structure for them and their governments to consider in order to set up a brand new housing finance system which is not solely based on lending, irrespective of whether they plan to target Western consumers or Muslim consumers in any parts of the world.



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SwapRentSM Embedded Mortgages vs. Conventional SAM, SEM

There are many major deficiencies of the old ways of offering **shared appreciation benefits** through the conventional **SAM (Shared Appreciation Mortgage)** or **SEM (Shared Equity Mortgage)** products.

- SAM or SEM do not offer any **price transparency** since there is no either a primary or a secondary marketplace for homeowners and investors **to negotiate what subsidy represents what percentage of shared future appreciation.**
- There is **no flexibility in maturity terms, percentage of appreciation give-up terms or early termination possibilities.**
- The provider banks could not **regenerate the capital** used to purchase the potential appreciation elements embedded in a SAM or SEM through selling these potential appreciation elements to other free market investors through a secondary market.

As a result, this simple economic concept of shared appreciation usually ended up only being offered by local governments to homeowners using taxpayer's money in the past. The taxpayers' money usually gets stuck for 20 or 30 years (the terms of the mortgage itself) in the way as they have been practiced so far in many countries.

The key thing to make it successful is to design a new financial contract to **extract out the shared appreciation component** and detach it from a conventional shared appreciation mortgage product so that market participants can **quantify it and give a fair value market price in a freely negotiated and traded secondary market.** SwapRentSM is the new financial contract created specifically for this purpose and REIDeX is the secondary market to facilitate **the price discovery** and **the capital regeneration** functions for the benefits of the homeowners and investors. The combined new economic owning and renting concepts is the conceptual foundation of how to use the SwapRentSM transaction and apply these new housing finance methodologies.



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SwapRentSM vs. Calls, Puts, Forwards and Swaps

The original objectives of the inventions of SwapRentSM and its embedded suite of financial products were to create a totally new consumer financial concepts and **fool-proof uses of financial transactions** so that they could continue to enjoy the same economic benefits of conventional financial derivative contracts without their complexity and the danger of potential abuses by either the consumers or the vendors.

The best example in the past of such successful consumer products is **the prepayment option built in a fixed rate long term mortgage loan**. It is in fact **an interest rate derivative contract (a call option on the interest rate level)**. Banks have never marketed as a derivative contract and consumers have been taking advantage of it without any potential dangers or problems. These objectives were exactly what SwapRentSM and its embedded financial products were originally designed to achieve.

SwapRentSM transaction will allow property owners to efficiently and effectively switch between owning and renting at any time at a very low cost. Therefore all the **shared appreciation** or **downside hedging** objectives could be **automatically realized when they switch between owning and renting**. As a new concept and methodology it will only function as a tool to help property owners realize their investment views and face the monthly income reality. It will not alter the original reasons **why people may want to switch or be forced to switch between owning and renting**. It will only facilitate it and make it more possible since the transaction cost is drastically lower as compared to buying and selling the conventional legal ownership in a joint partnership.



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Economic Renting and Owning Concepts vs. Shared Appreciation or Shared Equity Concepts

By focusing on the newly created consumer financial concepts of full or partial **“Economic Renting”** and **“Economic Owning”** will make the explanations of shared appreciation or shared equity concepts redundant. Nor will there be any need to explain what selling covered call options or buying call and put options are all about.

The best way to introduce new economic concepts to consumers is **to introduce something new through something old that they are already very familiar with**. Everyone is already familiar with the difference between owning and renting a property. Therefore if one is an owner of a real estate property, he will be entitled to the future financial appreciation of the property. At the same time he will have to bear the risk of downside depreciation. If he is a renter instead, he will not have any benefits of future appreciation or the risk of losing money if property value declines. Therefore by becoming **an “Economic Renter”** a consumer will understand that **by being a renter, by definition, he will not have the benefits of any future appreciation**.

For example, if a person chose to save money, sold his house and became a conventional renter for the next 5 years. He gets to pay a lower rental payments than the previously much higher mortgage payments every month. Five year later if the house appreciated in value by 20%, he will have no right to go back to the new owner and ask for a part of the financial gains. **No matter how dumb he may act., no laws or liberal politicians will be on his side.**



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Examples of SwapRentSM Quotes at REIDeX.com

Country: US

City: Los Angeles

SwapRentSM Last Trades

	Index	Settlement	1 Yr.	2 Yr.	3Yr.	...	5 Yr.	...	10 Yr.	...
Neighborhood 1	350		2.5/2.3	2.5/2.3	2.6/2.4		2.5/2.2		2.4/2.2	
Neighborhood 2	325		2.5/2.3	2.6/2.3	2.5/2.3		2.3/2.1		2.6/2.3	
Neighborhood 3	330		2.5/2.3	2.5/2.3	2.6/2.4		2.4/2.2		2.5/2.3	
Neighborhood 4	250		2.0/1.8	2.2/2.0	2.3/2.0		2.3/2.0		2.4/2.1	
Neighborhood 5	200		1.9/1.6	1.9/1.7	2.1/1.9		2.2/2.0		2.3/2.0	
.....									
Neighborhood 26	650		2.5/2.3	2.7/2.5	2.8/2.6		2.6/2.3		2.3/2.0	
Neighborhood 27	725		2.7/2.5	2.8/2.6	2.8/2.5		3.2/3.0		3.3/2.9	
.....									
Neighborhood 38	1500		3.3/3.1	3.3/3.2	3.5/3.2		3.7/3.5		3.8/3.6	
Neighborhood 39	1750		3.5/3.3	3.6/3.4	3.7/3.5		3.5/3.2		4.2/3.9	



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Examples of SwapRentSM Quotes at REIDeX.com

Country: China **City: Hong Kong SAR** **REIO: DP SwapRentSM Last Trades**

Index

Settlement 1 Yr. 2 Yr. 3Yr. ... 5 Yr. ... 10 Yr. ...

Neighborhood 1	3500	8.5/8.3	8.5/8.3	8.6/8.4		8.5/8.2		8.4/8.2	
Neighborhood 2	3250	8.5/8.3	8.6/8.3	8.5/8.3		8.3/8.1		8.6/8.3	
Neighborhood 3	3300	8.5/8.3	8.5/2.3	8.6/8.4		8.4/8.2		8.5/8.3	
Neighborhood 4	2500	8.0/7.8	8.2/8.0	8.3/8.0		8.3/8.0		8.4/8.1	
Neighborhood 5	2000	7.9/7.6	7.9/7.7	8.1/7.9		8.2/8.0		8.3/8.0	
.....								
Neighborhood 26	6500	8.5/8.3	8.7/8.5	8.8/8.6		8.6/8.3		8.3/8.0	
Neighborhood 27	7250	8.7/8.5	8.8/8.6	8.8/8.5		9.2/9.0		9.3/8.9	
.....								
Neighborhood 38	15000	9.3/9.1	9.3/9.2	9.5/9.2		9.7/9.5		9.8/9.6	
Neighborhood 39	17500	9.5/9.3	9.6/9.4	9.7/9.5		9.5/9.2		10.2/9.9	



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Examples of SwapRentSM Quotes at REIDeX.com

Country: UK

City: London

REIO: AG SwapRentSM Last Trades

	Index	Settlement	1 Yr.	2 Yr.	3Yr.	...	5 Yr.	...	10 Yr.	...
Neighborhood 1	350		-2.3/-2.5	-2.3/-2.5	-2.4/-2.6		-2.3/-2.5		-2.2/-2.5	
Neighborhood 2	325		-2.4/-2.6	-2.5/-2.7	-2.3/-2.5		-2.4/-2.6		-2.5/-2.7	
Neighborhood 3	330		-2.3/-2.5	-2.4/-2.6	-2.3/-2.6		-2.3/-2.6		-2.6/-2.8	
Neighborhood 4	250		-2.4/-2.6	-2.3/-2.5	-2.4/-2.7		-2.5/-2.7		-2.7/-2.9	
Neighborhood 5	200		-2.2/-2.5	-2.4/-2.7	-2.5/-2.8		-2.2/-2.5		-2.6/-2.8	
.....									
Neighborhood 26	650		-3.1/-3.3	-3.2/-3.4	-3.5/-3.7		-3.3/-3.5		-3.2/-3.4	
Neighborhood 27	725		-3.3/-3.5	-3.3/-3.5	-3.4/-3.6		-3.4/-3.7		-3.3/-3.7	
.....									
Neighborhood 38	1500		-3.3/-3.5	-3.3/-3.5	-3.4/-3.6		-3.6/-3.8		-3.6/-3.9	
Neighborhood 39	1750		-3.4/-3.6	-3.4/-3.6	-3.4/-3.7		-3.5/-3.8		-3.5/-3.8	



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Examples of SwapRentSM Quotes at REIDeX.com

Country: US **City: New York** **Commercial Property SwapRentSM Last Trades**

	Index	Settlement	1 Yr.	2 Yr.	3Yr.	...	5 Yr.	...	10 Yr.	...
Apartment 1	350		2.5/2.3	2.5/2.3	2.6/2.4		2.5/2.2		2.4/2.2	
Hotel 1	325		2.5/2.3	2.6/2.3	2.5/2.3		2.3/2.1		2.6/2.3	
Industrial 1	330		2.5/2.3	2.5/2.3	2.6/2.4		2.4/2.2		2.5/2.3	
Office 1	250		2.0/1.8	2.2/2.0	2.3/2.0		2.3/2.0		2.4/2.1	
Retail 1	200		1.9/1.6	1.9/1.7	2.1/1.9		2.2/2.0		2.3/2.0	
.....									
Apartment 6	650		2.5/2.3	2.7/2.5	2.8/2.6		2.6/2.3		2.3/2.0	
Hotel 6	725		2.7/2.5	2.8/2.6	2.8/2.5		3.2/3.0		3.3/2.9	
.....									
Office 8	1500		3.3/3.1	3.3/3.2	3.5/3.2		3.7/3.5		3.8/3.6	
Retail 8	1750		3.5/3.3	3.6/3.4	3.7/3.5		3.5/3.2		4.2/3.9	
.....										



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