Owner Financing Guide

A Guide to Homestead Financing from Land Within Reach

What Makes This Different

Most land lenders require you to build immediately or face balloon payments in 5-10 years. That doesn't align with how some thoughtful families approach land ownership—especially when you're creating a conservation-focused homestead that deserves careful planning.

Our owner financing gives you a 20-year fully amortizing loan with no balloon payment and no construction timeline requirements. Buy your homestead now, build when you're ready, and enjoy payment certainty the entire time.

We designed this financing specifically for Wildlife Community® homesteads, which means:

- **No origination points** (no percentage-based origination charges — a flat $800 processing fee is our only lender fee)
- **No appraisal fees** (saves $750-$1,000)
- **Entrepreneur-friendly qualification** (business owners and self-employed welcome)
- **Two qualification tracks** (one based on income, another based on assets)
- **20-year terms** (fully amortizing, no balloon payments)
- **No prepayment penalties** (pay it off whenever you want)

Understanding the Two Qualification Tracks

We offer two ways to qualify because we recognize that financial strength looks different for different people. A successful business owner paying themselves $60,000 annually for tax efficiency while sitting on $2 million in business equity shouldn't be forced through the same qualification methods as a W-2 employee earning $150,000 per year.

Both tracks lead to the same loan terms, same interest rates, same 20-year fully amortizing structure. The only difference is how we evaluate your ability to repay.

→ Track 1: Income-Based

Best for: W-2 employees, salaried professionals, retirees with steady income

The question: Does your monthly income comfortably cover all your monthly debt obligations, including your new land payment?

How it works: We calculate your Debt-to-Income ratio (DTI) by dividing your total monthly debt payments by your gross monthly income. If your DTI is 50% or less, you qualify.

This track is most similar to qualifying for a standard loan. It's straightforward, well-understood, and fast to process for people with clear income documentation.

→ Track 2: Asset-Based

Best for: Business owners, entrepreneurs, early retirees, high-net-worth individuals

The question: Do you have enough liquid assets and total wealth that this loan represents a comfortable portion of your financial picture?

How it works: We evaluate your liquid assets (cash reserves) and net worth. If you can demonstrate 12-24 months of payment capacity in accessible funds and a net worth multiple of 2.5-3x your loan amount, you qualify—regardless of what your tax return shows for income.

This track serves those who don't neatly check standard lending boxes. It requires different documentation but opens the door for buyers whose wealth is held in businesses, investments, or retirement accounts rather than monthly paychecks.

Track 1 — Income-Based: How It Works

The traditional method of qualifying borrowers is using their recurring income. The logic is simple: if your monthly income exceeds your monthly debt obligations by a comfortable margin, you can afford the payment.

Two Paths Based on Your Debt-to-Income Ratio ("DTI")

Requirement	Path 1: Low DTI	Path 2: Elevated DTI
DTI Threshold	43% or less	43.01% – 50%
Down Payment	10% minimum	20% minimum
Liquidity Required	6 months post-closing	6 months post-closing
Credit Score	580+	580+

What is DTI?

Debt-to-Income Ratio = Your total monthly debt payments ÷ Your gross monthly income

Monthly debts include: New land payment, existing mortgage(s), car loans, minimum credit card payments, personal loans, alimony/child support—basically any recurring monthly obligation.

Monthly income includes: Salary, bonuses, commissions (if consistent), self-employment income (averaged over 2 years), pension, Social Security, investment income, rental income.

Why Does Path 2 Require a 20% Down Payment?

If your DTI is between 43-50%, your monthly obligations already consume a significant portion of your income. This isn't disqualifying—many people live comfortably in this range—but it does mean there's less cushion if something goes wrong.

A 20% down payment accomplishes three things: reduces your loan amount (and monthly payment) by 10%, demonstrates substantial financial capacity, and moves you into a better interest rate tier. We're not penalizing higher-DTI borrowers—we're requiring appropriate risk mitigation while actually giving you a better rate.

The Income-Based Track May Be Right for You If:

- You receive W-2 income or steady salary
- You're retired with pension or Social Security
- You're self-employed with consistent income shown on tax returns
- Your monthly debts are manageable relative to your income
- You prefer straightforward documentation (pay stubs, tax returns)

Track 2 — Asset-Based: How It Works

Some of the most financially capable buyers don't fit income-based qualification. A business owner who has built a $3 million company but pays themselves $75,000 annually for tax efficiency. A 58-year-old who retired early with $2 million in investments. A real estate investor with $5 million in equity but irregular income patterns.

Asset-based qualification evaluates your actual financial capacity—the cash you have available and the total wealth you've accumulated—rather than just your reported income.

Two Paths Based on Your Asset Profile

Requirement	Path 1: Personal Assets	Path 2: Business Assets
Liquidity Required	12 months personal	24 months combined*
Net Worth Multiple	2.5x loan amount	3x loan amount
Down Payment	10% minimum	10% minimum
Credit Score	580+	580+

**Path 2 requires minimum 6 months personal liquidity even if business liquidity covers the 24-month requirement*

What counts as liquidity?

- **Personal:** Checking, savings, brokerage accounts, retirement accounts (at 75% of value to account for taxes/penalties)
- **Business:** Business bank accounts, counted at 75% of your ownership percentage (Path 2 only)

What counts toward net worth?

Liquid assets at 100%, retirement accounts and real estate at 75%, business equity at 75%, cryptocurrency at 50%, personal property (cars, furnishings, art) at 0%

Why Path 2 Requires Higher Coverage

Business assets carry what we call "correlated risk." If a business owner's company fails, the business liquidity, business equity, and owner's personal finances are all at risk simultaneously. That's different from diversified personal assets where one thing can fail without bringing everything else down.

Path 2 requires 24 months of liquidity and 3x net worth not as a penalty, but as appropriate buffer for this correlation risk. We're designed to serve business owners—we just need to price the risk accurately.

Asset-Based Track May Be Right for You If:

- You own a business and pay yourself modestly for tax reasons
- You're recently retired with substantial savings but lower current income
- You're between career transitions with strong liquid assets
- Your wealth is held in investments, real estate, or business equity
- Your tax returns don't reflect your actual financial capacity

Same Rates, Same Terms, Regardless of Track

Your interest rate is determined by two factors: **credit score** and **down payment amount**—not which qualification track you use.

Interest Rate Grid**

Down Payment	580-669 Credit	670-739 Credit	740+ Credit
10-19%	8.50%	8.00%	7.50%
20%	7.75%	7.25%	6.75%

Why does a 20% down payment get a better rate? More money down means less risk for us, so we charge you less. Also, a larger down payment allows us to recoup more development costs upfront, creating operational efficiency we pass on to you through lower rates.

Loan Terms

- **20 years, fully amortizing** (no balloon payment)
- **Fixed rate** (never changes)
- **No prepayment penalties** (pay it off anytime)
- **Principal and interest only** (taxes, insurance, and annual POA dues not included)

*** 7.01% to 8.77% Annual Percentage Rate (APR) when factoring in loan-related costs. The stated interest rate range of 6.75% to 8.50% is the Simple Annual Rate at which interest accrues on the unpaid balance. APR includes additional fees and closing costs, typically approximately 1.25% of purchase price. APR is provided to help borrowers compare loans more easily.*

What You'll Need to Apply

Everyone Needs:

- Credit score of 580 or higher
- Down payment + closing costs
- Recent bank statements showing available funds
- Government-issued ID

Income-Based Track Additional Documents:

- **W-2 employees:** Pay stubs (most recent 30 days), W-2s (last 2 years)
- **Self-employed:** Tax returns (last 2 years including all schedules), P&L and balance sheet (year-to-date)
- **Retirees:** Pension statements, Social Security award letter, investment account statements

Asset-Based Track Additional Documents:

- **Personal assets:** Bank and brokerage statements (most recent statement plus current screenshot), retirement account statements
- **Real estate:** Mortgage statements, tax assessments or recent appraisals
- **Business assets (Path 2 only):** Prior year tax returns, year-to-date P&L and balance sheet, business bank statements, operating agreement showing ownership percentage

Documentation note: We ask for "most recent statement plus current screenshot" to verify current balances match up with what's reflected in the statements.

The Loan Process in 5 Steps

1. Pre-Qualification & Purchase Contract

Talk with your Land Sales Specialist about which track fits your situation. When you're ready, select "Owner Financing" on your purchase contract and submit earnest money to enter your 10-day option period.

2. Loan Application (Days 1-3)

Our internal loan processor walks you through the formal application and pulls your credit report.

3. Underwriting (Days 4-10)

Our internal underwriter reviews your financial documents, calculates your qualification (DTI or liquidity/net worth), determines your interest rate, and delivers your loan approval.

4. Closing Preparation (Days 10-20)

Your title company prepares all closing documents—promissory note, deed of trust, closing disclosure, warranty deed. These establish your loan, secure it, and transfer the property to you.

5. Closing Day (Days 20-45)

Sign documents, wire funds, receive your property deed. You're now a homestead owner in a Wildlife Community. Your loan is serviced by Land Within Reach by your dedicated Loan Account Manager.

Typical timeline: 20-45 days from application to closing

Comparing to Traditional Lenders

	Land Within Reach	Traditional Lenders
Loan Term	20 years, fully amortizing	5-10 years with balloon
Interest Rate	6.75% – 8.50%	Typically 0.50-1.00% lower
Down Payment	10% minimum	15-30% typical
Qualification	Two tracks (income or assets)	Income-based only
Construction Timeline	Build whenever you're ready	Often required within 1-2 years
Upfront Fees	$1,100 total	$4,000-$6,000 typical
Prepayment Penalty	None	Often 3-5 years

The trade-off: We charge 0.50%–1.00% higher interest rate than banks, but we give you flexible qualification, no balloon payment, no construction timeline, and substantially lower closing costs. For most buyers, this is a fair tradeoff—especially if you value building on your own timeline.

How Much Cash Do You Need?

Minimum: Approximately 13% of the purchase price (10% down + ~3% closing costs)

Example for $300,000 homestead:

- Down payment (10%): $30,000
- Closing costs (~3%): $9,000
- **Total cash needed: $39,000**

Closing costs include:

- $800 loan processing fee (Land Within Reach)
- $300 transaction coordination fee (Land Within Reach)
- Title insurance policies (both for the lender and owner)
- Recording fees and transfer taxes
- General liability insurance policy
- Survey costs (if desired)

Plus: For income-based track, you need an additional 6 months of loan payments in liquid reserves after closing. For asset-based track, you need 12-24 months depending on path.

Common Questions

Can I pay off the loan early? Yes, absolutely. There are zero prepayment penalties. Make extra payments anytime or pay the full balance when you're ready. Many buyers pay off the land loan when they secure construction financing.

Do you finance construction? No, we only finance your land purchase. When you're ready to build, you'll work with a construction lender who typically pays off your land loan as part of their financing package.

What if my DTI is 51% but I have $500,000 in the bank? You're a candidate for the asset-based track. If you have substantial liquid assets, you likely qualify even if your income-based DTI exceeds 50%. Talk to your Land Sales Specialist about which track fits your situation.

Can I use this financing for an LLC or trust? Yes, we can structure ownership through entities. Additional documentation required. Discuss this with your Land Sales Specialist as you get under contract to purchase your homestead.

What if I want to sell before I build? You can sell anytime. The buyer either pays cash (paying off your loan) or assumes your loan with our approval. Loan assumption requires the new buyer to qualify under our criteria.

Which track should I apply under? Talk to your Land Sales Specialist. Most W-2 employees qualify faster and easier under income-based. Most business owners, retirees, and high-net-worth individuals find asset-based opens doors that traditional lending closes. We'll help you identify the right path.

Personal and Online Service

Once your loan closes, you get a full-time, on-staff Loan Account Manager as your ongoing point-of-contact for everything related to your loan. You also get access to a personalized online loan portal.

Your Loan Account Manager handles:

- Payment processing
- Account questions
- Document access
- Payment arrangement discussions
- Annual tax and insurance tracking

Access your loan portal 24/7 to:

- Make payments (online, ACH, check, or auto-withdrawal)
- View payment history
- Check loan balance and payoff amount
- Download documents
- See upcoming payment dates

Next Steps

Ready to move forward?

1. **Review this guide** and identify which track likely fits your situation
2. **Contact your Land Sales Specialist** to discuss your specific circumstances
3. **Submit your application** once you're under contract

Questions? Your Land Sales Specialist can walk through qualification scenarios specific to your situation and help you understand exactly what documentation you'll need.

Important Disclosures

Financing provided through Loans Within Reach, LLC, a Texas licensed mortgage company (NMLS #2322902). Interest rates and terms subject to change. All loans subject to credit approval. Property liability insurance required. Property taxes are borrower's responsibility. Late fees apply to payments received after the 11th of each month. This is not a commitment to lend. Complete terms provided in loan documents at closing.