



SURESPORTS

LENDING

McKenzie Mortgage[®]

What is a McKenzie Mortgage[®]?

- A residential loan to an athlete where :
 - X = Percentage of the Purchase Price
 - Y = Purchase Price + Closing Costs - X
- X will be equal to 50% to 80% of the Purchase Price and be on a 30 year amortization.
- Y will be equal to the balance of the Purchase Price plus any Closing Costs and amortized over the balance of the players contract.

Example 1

- Player has 3 years remaining on guaranteed contract
- \$1M Purchase Price
- Closing costs are \$15k
- 1st Mortgage of \$500k (50%), 4% APR, 30 year amortization
- 1 contract loan for \$515k, 6% APR, amortized over final 3 years of contract

Example 2

- Player has 4 years remaining on guaranteed contract
- \$1M Purchase Price
- Closing costs are \$15k
- 1st Mortgage of \$700k (70%), 4% APR, 30 year amortization
- 1 contract loan for \$315k, 6% APR, amortized over final 4 years of contract



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McKenzie Mortgage® Case Study

The Player's Request

- SSL received a request to secure real estate financing on a \$5.3 million home for an NBA Player who signed a \$40 million contract.

The Hurdle

- The Player, with limited credit history, limited reserves relative to the purchase price, and insufficient tax returns to satisfy national mortgage requirements, had down payment requirements to meet.
- The Player will not begin to receive the increased salary until November, but he wanted to close before camp starts.

The Difference

- SSL was able to provide the player with a Guaranteed Contract Loan for 104% of purchase price to include all closing costs and fees.
- We then followed the contract loan with a mortgage on a 30-year amortization at 55% of the house purchase price, with no payments until 2017.
- The Player saved 10% (\$410,000) by doing a cash purchase of the home.
- The Player was not required to use his own funds for a down payment, and he closed on the home loan in 7 days.