

A Guide to Buy-Before-You-Sell

powered by  calque



Frequently Used Terms



Calque – a fintech company that provides a binding backup contract (a.k.a. Purchase Price Guarantee) on a borrower's home, allowing lenders to offer buy-before-you-sell products. Calque is not a lender; think of us as a backup buyer.



Purchase Price Guarantee (PPG) – This is a binding backup contract from Calque on a borrower's departing residence. If a borrower isn't able to sell their home on the open market within 150 days, Calque will purchase it per the PPG.



Trade-In Mortgage – A buy-before-you-sell solution that enables borrowers to tap their home equity to buy and move before they sell. Loan officers can eliminate the departing residence and second lien from DTI, removing the home sale contingency and enabling borrowers to make stronger offers.



Contingency Buster – A transaction in which Calque makes the minimum PPG to remove the departing residence from debt-to-income (i.e., transactions that do not require equity unlock). This allows for lower fees and faster offer turnaround times.

How does the PPG work?

Calque's Purchase Price Guarantee (PPG) enables loan officers to provide buy-before-you-sell programs. With a Calque PPG, financing for the new home is approved without a home sale contingency and debt-to-income constraints are removed in the scenarios below.

- **Contingency Buster** – A borrower has down payment funds but cannot support two mortgages in their DTI. The PPG offer allows loan officers to approve financing on the borrowers new home without having to keep their current mortgage in their debt-to-income calculation. In this case, Calque's PPG is only high enough to clear the existing mortgage balance on the the departing residence.
- **Trade-In Mortgage** – A borrower needs to access the equity in their existing home for a down payment on their new purchase, debt payoff, etc. The PPG offer allows a borrower to tap into their equity using a second lien without it or the existing home being considered in the debt-to-income calculation.



Pro Tip: An easy explanation for a borrower is "Calque's PPG gives you a guaranteed backup offer on your previous home allowing you to purchase your next one as if the current one has already sold."

How it Works

1 Get a guaranteed back-up offer

- Borrower or loan officer submits an application via lender's microsite.
- Calque calls within 24 business hours to schedule a virtual walk-through of the departing residence.
- If the property qualifies, Calque provides the homeowner with a Purchase Price Guarantee (PPG) within 1-9 business days, depending on the program.
- The loan officer originates a mortgage for the new home without a home sale contingency and adds a second lien on the departing home if equity unlock is needed.

2 Submit competitive offers with confidence

- Homeowner begins submitting offers with less stress knowing the departing residence will sell no matter what.
- Homeowner fills out pre-approval paperwork with their loan officer.

3 Win and move into new home!

- Approximately a week before closing, a Calque CXS will reach out and have the borrower sign their PPG.
- Once they have closed on their new home, they can move in right away.
- Borrower begins the process of selling their previous home all from the comfort of their new one.
- Real estate agent can stage, show, and sell an empty home, attracting more buyers and creating more convenience for the homeowner.

4 Sell original home with peace of mind

- Sell the original home!
- In the unlikely case the house does not sell on the open market within 150 days, Calque will buy it per the Purchase Price Guarantee.



We've got your back. If Calque purchases the house, and we sell it for more than the PPG, Calque will refund the net profit after our expenses have been covered, including but not limited to the purchase price, commissions, interest, taxes, title and other fees.

Frequently Asked Questions

Who Handles the Loan Funding?

Calque does not provide any funding because Calque is not a lender. If the borrower needs to access the equity in their existing home, the loan officer will either originate or broker a second lien to access that equity. Calque's Purchase Price Guarantee allows you to eliminate the departing residence, and any second lien originated, from DTI. Equity should not exceed our offer. Any fees associated would be processed through the lender used to originate the second lien.

What does the process timeline look like?

1. Getting the PPG: When a borrower submits an application, Calque will call them within 1 business day and ask them to complete a quick and easy virtual walk-through on their departing residence. Once this has been completed, the borrower will receive a PPG offer from Calque within:

- 1-2 business days for a Contingency Buster
- 5-9 business days for a Trade-In Mortgage

2. Accepting the PPG: Once Calque provides a PPG offer, the borrower has 30 days to decide if they want to accept it. We do not update or change the price within that time frame. Should the 30-day period expire, and a PPG offer is still needed, we reserve the right to update or change the initial offer amount based on market conditions, new valuation findings, etc. The borrower will sign the PPG approximately one week prior to closing on their new purchase.

3. Selling the departing residence: Once the PPG is signed, the borrower has 150 days to sell their home on the open market. If the home does not sell after 150 days, Calque will purchase the property per the PPG.

How much do the programs cost?

There is a fee to use Calque's service: we charge a \$2,000 administrative fee, plus 1% of our PPG offer.

For example, if we were to offer \$450,000 for the borrower's current home, the fee would be \$2,000 plus \$4,500 (1% of \$450,000) for a total of \$6,500.

Fees are applicable upon signing the PPG offer and are collected during the settlement of the borrower's departing residence as part of the closing costs - they do not have to pay the fees up front. Once the PPG contract is signed, fees will be owed whether the home sells on the open market or Calque purchases it.



Pro tip: Calque's fees do not increase if the borrower's home sells for more than our PPG. In fact, we hope it sells for more than our offer! In addition, the fee is based off the PPG amount, so lower PPG = lower fees. **If the borrower chooses to use a Contingency Buster, they can have even lower program fees.**

PPG Eligibility Criteria

There are some nuances/exclusions to our program. Our PPG guidelines cover these and may be found at <https://calqueinc.com/ppg-guidelines/>.



Pro tip: Remind borrowers that the PPG is a backup offer that facilitates the buy-before-you-sell process. If Calque resells the home for more than the PPG, Calque will refund the profit net of all expenses, including but not limited to the purchase price, commissions, interest, taxes, title and other fees. You can also let borrowers know that Calque historically only purchases less than 2% of homes.

Offer an easier Buy-Before-You-Sell experience in 48 states



No matter where your borrowers are, **Calque will be right by your side**

For more information, please
check out our website:
calqueinc.com

If you have any questions, you
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