Why the HomeDividend℠ No-Down-Payment Model Fixes the Homeownership Affordability Problem

A Simple Explanation of How You Can Own a Home AND Build Real Wealth

The Problem Most People Face

Let's say you want to buy a $350,000 home. That's a modest house in most markets.

Under the traditional system, here's what happens:

You save up $50,000 to $75,000 for a down payment. You work for years. You sacrifice. You finally have the money.

Then you hand it over.

That's money that could be growing in the stock market. Instead, it's locked into your home as equity. You can't touch it without selling the house or taking out a loan.

Here's the brutal math:

Your $50,000 down payment sits in your home earning 3% annually (the historical home appreciation rate).

If you had invested that same $50,000 in the stock market instead, it would be earning 12% annually.

Over 30 years, that difference is staggering—roughly $400,000-$500,000 in lost wealth.

And you still own the home. You just could have been way richer.

That's the fundamental problem.

Homeownership isn't bad. But the traditional way you have to buy a home sacrifices your wealth-building potential.

What HomeDividendSM Changes

HomeDividendSM model is simple: You don't need a massive down payment to own a home.

Here's how it works:

Instead of you putting down 20% ($70,000) to buy a $350,000 home, HomeDividendSM, enables you to put down maybe 3-5% ($10,500-17,500) or even nothing at all.

That means the $50,000-$60,000 you would have handed to the bank?

It stays in your pocket.

And more importantly, it stays invested in the stock market.

The Wealth-Building Math (Made Simple)

Let's compare two homebuyers, both buying the same $350,000 house. Both plan to own it for 30 years.

Traditional Buyer (The Old Way)

- Puts down $70,000 (20% down payment)
- Gets a standard mortgage
- After 30 years: $1,030,000 in home equity
- Spent: $70,000 upfront
- Stock investments: $0 (used the money for down payment)

Total wealth: $1,030,000

HomeDividendSM Buyer (The New Way)

- Puts down $0 to $10,000
- Invests the $60,000-$70,000 in the stock market
- HomeDividendSM helps structure a loan that's actually affordable without a huge down payment
- After 30 years: $920,000 in home equity
- Stock investments: $530,000 (from investing that down payment money)

Total wealth: $1,450,000

The difference: $420,000 MORE wealth with HomeDividendSM**.**

And here's the key: Both people own the exact same house.

One just built twice as much wealth while doing it.

Why This Works: The Secret Sauce

You might be thinking: "Wait, doesn't putting down less money mean I pay more in interest and fees?"

Not necessarily. Depending upon your credit, you may or may not pay slightly more in interest.

But here's why it doesn't matter:

The extra interest you pay is tiny compared to the wealth you build in the stock market.

Let's say HomeDividendsSM structure costs you an extra $50,000 in interest over 30 years because you put less money down.

But the money you invested in the stock market instead? That $60,000 turned into $530,000.

That's a net gain of $480,000.

The extra cost? Totally worth it.

It's like paying $50 to get $480. That's a 10x return on your money.

The Real-World Impact (What This Means for Your Life)

Imagine you're 35 years old and buying your first home.

Traditional path:

- You scrape together $70,000 for down payment
- You own your home
- You're "house poor"—50% of your income goes to housing
- You have almost nothing left to invest
- At 65, you own a paid-off home worth ~$1M
- But you never built an investment portfolio
- Your only wealth is your house

HomeDividendsSM path:

- You put down $10,000 (or nothing)
- You own the same home
- Your monthly payment is manageable—maybe even similar
- You have $60,000+ to invest in the stock market right away
- You invest a little more each month as you would with the traditional payment
- At 65, you own the same paid-off home (still ~$1M)
- PLUS you have a stock portfolio worth $500,000+

Total wealth: $1.5M instead of $1M

That $500,000 difference means:

- Earlier retirement. You can stop working sooner.
- More security. You have options if something goes wrong.
- Generational wealth. You can leave money to your kids.
- Freedom. You can take risks, change careers, or help family members.

All from one simple decision: keeping your down payment invested instead of locking it in your house.

But What About Monthly Payments?

You might worry: "If I put nothing down, won't my monthly payments be huge?"

Here's the thing: With the HomeDividendsSM structure, your monthly payment might actually be similar to or even lower than the traditional path.

Here's why:

Traditional buyer puts down $70,000:

- Borrows: $280,000
- Monthly payment: ~$1,870 (principal + interest + taxes + insurance)
- Total out-of-pocket per month: ~$1,900

HomeDividendsSM buyer puts down $0-10,000:

- Borrows: $340,000-350,000
- Monthly payment: ~$2,100-2,200 (principal + interest + taxes + insurance)
- But here's the catch: They're not "sacrificing" that extra $200-300
- They're getting something in return: the ability to invest $60,000+ right away in the stock market

The math works because:

- The extra monthly cost is small (maybe 10-15% higher payment)
- The stock market returns 12% annually (vs. 3% for home appreciation)
- Over time, your stock portfolio grows so much faster than your monthly cost increases

You come out way ahead.

The Hidden Benefits HomeDividendSM Solves

1. You're Not "House Poor"

The traditional system forces you to put down a huge amount just to get approved. This leaves you with no flexibility, no emergency fund, and no investment money.

HomeDividendsSM keeps you liquid. You have money in the bank. Money in stocks. Money for emergencies.

2. You're Diversified

Home = one asset. If the real estate market crashes, that's your entire wealth.

With HomeDividendsSM, you own a home AND a diverse stock portfolio.

If one goes down, the other likely goes up (or at least you're not 100% concentrated in one thing).

3. You Don't Overpay for Your Home

When you HAVE to put down 20%, you might buy a smaller house or a less desirable one.

With HomeDividendsSM, you have flexibility. You can buy the home you actually want because you're not forced into a specific down payment amount.

4. You Get Tax Advantages

Your stock portfolio can be held in retirement accounts (Roth IRA, 401k) where it grows tax-free.

Your home is just a home—great for living, but not for tax-efficient wealth building.

HomeDividendsSM, lets you use both strategies.

The Bottom Line

The traditional homeownership model has a flaw: it forces you to sacrifice wealth-building to own a home.

You're told to choose:

- Own a home (put down 20%)
- OR build wealth (invest in stocks)

HomeDividendsSM, says: Why choose? Do both.

By enabling you to own a home with little or no down payment, HomeDividendsSM, lets you keep money invested in the stock market while still enjoying all the benefits of homeownership:

- A stable place to live
    - No landlord raising your rent
    - Building equity automatically
    - Community roots
    - Security and peace of mind

PLUS:

- $400,000-$500,000 more wealth over 30 years

- A diversified investment portfolio
- Flexibility and financial security
- Options and freedom

That's not a small difference. That could mean the difference between struggling in retirement and retiring early. Between having options and being trapped. Between leaving something to your kids and leaving them nothing.

All because you kept your down payment invested instead of locking it in a house.

That's why the HomeDividendsSM, model matters. It solves a fundamental problem with how Americans buy homes.

It lets you own the home you want AND build the wealth you deserve.

The question isn't: "Should I buy a home or invest in stocks?"

The real question is: "Why couldn't I do both—until now?"

HomeDividendsSM, is the answer.

Want to learn more?

info@homediv.com