



Talking to Clients in a Changing Market

How Divvy Compares to Traditional Options

Updated June 2022



The Cost of a Mortgage vs. Divvy (2/5 Build)

Home Price	\$300,000
Mortgage Rate	6.5%
Taxes	1.5%
Homeowners Insurance	.75%
Maintenance	.50@
Mortgage Insurance	1.75% upfront 1% annually

Rental

INITIAL PAYMENT

Security Deposit 1-month rent	\$2,375.00
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Application Fee	\$50.00
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Total Initial Payment	\$2,425.00
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MONTHLY COSTS

Rent	\$2,375.00
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Savings	0
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Property Taxes	
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Homeowners Insurance	Paid by Landlord
Maintenance	

Mortgage Insurance	
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Total Monthly Payment	\$2,375.00
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Divvy (2% down build to 5%)

INITIAL PAYMENT % of home price

Initial Payment	2.00%	\$6,000.00
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Mortgage Application Fee		
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Mortgage Insurance	Paid by Divvy	
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Closing costs		
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Total Initial Payment	2.00%	\$6,000.00
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MONTHLY COSTS

Rent	\$2,375.00
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Savings	\$275.00
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Property Taxes	
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Homeowners Insurance	Paid by Divvy
Maintenance	

Mortgage Insurance	
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Total Monthly Payment	\$2,650.00
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Mortgage (3.5% down payment, 6.5% interest rate)

COST AT CLOSING % of home price

Down Payment	3.50%	\$10,500.00
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Mortgage Application Fee	0.17%	\$500.00
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Mortgage Insurance	1.75%	\$5,066.25
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Closing costs	2.50%	\$7,500.00
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Total Initial Payment	7.86%	\$23,566.25
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MONTHLY COSTS

Payment toward Interest	\$1,568.13
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Payment toward Principal (at start of loan)	\$261.71
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Property Taxes	\$375.00
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Homeowners Insurance	\$187.50
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Maintenance	\$125.00
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Mortgage Insurance	\$241.25
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Total Monthly Payment	\$2,758.59
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With Divvy, you aren't locked into an interest rate upfront.

With Divvy, your initial payment is \$17,566.25 less than with a mortgage. This is because a mortgage requires a larger down payment and as well as taxes and fees.

With Divvy, more of your payment goes towards savings in your home over the first year of the lease than it would in the first year of a mortgage.

With Divvy, your monthly payment is \$108.59 less than with a mortgage.



The Cost of a Mortgage vs. Divvy (2/10 Build)

Home Price	\$300,000
Mortgage Rate	6.5%
Taxes	1.5%
Homeowners Insurance	.75%
Maintenance	.50@
Mortgage Insurance	1.75% upfront 1% annually

Rental

INITIAL PAYMENT

Security Deposit 1-month rent	\$2,375.00
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Application Fee	\$50.00
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Total Initial Payment	\$2,425.00
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MONTHLY COSTS

Rent	\$2,375.00
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Savings	0
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Property Taxes	
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Homeowners Insurance	
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Maintenance	<i>Paid by Landlord</i>
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Mortgage Insurance	
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Total Monthly Payment	\$2,375.00
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Divvy (2% down build to 5%)

INITIAL PAYMENT % of home price

Initial Payment	2.00%	\$6,000.00
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Mortgage Application Fee		
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Mortgage Insurance	<i>Paid by Divvy</i>	
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Closing costs		
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Total Initial Payment	2.00%	\$6,000.00
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MONTHLY COSTS

Rent	\$2,375.00
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Savings	\$735.00
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Property Taxes	
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Homeowners Insurance	
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Maintenance	<i>Paid by Divvy</i>
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Mortgage Insurance	
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Total Monthly Payment	\$3,110.00
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Mortgage (3.5% down payment, 6.5% interest rate)

COST AT CLOSING % of home price

Down Payment	3.50%	\$10,500.00
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Mortgage Application Fee	0.17%	\$500.00
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Mortgage Insurance	1.75%	\$5,066.25
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Closing costs	2.50%	\$7,500.00
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Total Initial Payment	7.86%	\$23,566.25
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MONTHLY COSTS

Payment toward Interest	\$1,568.13
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Payment toward Principal (at start of loan)	\$261.71
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Property Taxes	\$375.00
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Homeowners Insurance	\$187.50
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Maintenance	\$125.00
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Mortgage Insurance	\$241.25
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Total Monthly Payment	\$2,758.59
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With Divvy, you aren't locked into an interest rate upfront.

With Divvy, your initial payment is \$17,566.25 less than with a mortgage. This is because a mortgage requires a larger down payment and as well as taxes and fees.

With Divvy, far more of your payment goes towards savings in your home over the first year of the lease than it would in the first year of a mortgage.

With Divvy, your monthly payment is \$351.41 more than with a mortgage.

The pros of choosing Divvy

Benefits of Divvy versus a Rental

- **Stability.** You don't need to worry about your rent increasing unexpectedly or lease renewals every year. With Divvy, every cost is 100% predictable—from your monthly rent to your home purchase price—for a full 3 years.
- **Saving made easy.** Because part of your monthly payment can go to savings designed to get you to a down payment in 3 years or less, you'll be on the path to homeownership.
- **Financial security.** With Divvy, your savings grow alongside your home's value, so you're building equity in your future from day one.
- **Quality of life.** You can choose any eligible home on the market, which means better options that give you more comfort and space right now.
- **Personalization.** With Divvy you can make your home yours while you rent (paint, landscape, bring your pets!)

Benefits of Divvy versus a Mortgage

- **No need for mortgage approval.** With Divvy, you don't need to secure a mortgage that could lock you into a high interest rate.
- **Low cost to move in.** Divvy requires only a 1-2% initial payment versus the up to 20% down payment, plus taxes and fees, of a traditional 30-year mortgage.
- **Low transaction cost.** With a traditional mortgage, high transaction costs (including interest, taxes and fees) make it very expensive to sell in the short term if life changes.
- **Flexibility.** With Divvy you can walk away at any time (with 60 days notice) and keep your Divvy savings, minus a 2% relisting fee.
- **More competitive offer.** Once you find your dream home, Divvy buys it with an all-cash offer and a quick close, putting more homes in your reach.

The benefits of saving with Divvy

Savings Appreciation

A traditional bank savings account accrues a very small amount of interest. But when you build savings with Divvy, your savings grow based on the appreciation of your home.

For example, if your home appreciates 5% over the 3 years of your lease, your savings contributions will also grow 5%, compounded yearly.

If you choose to exercise your purchase option, the entire value of your savings—your contributions plus their annual appreciation—will be applied to your down payment.

If you choose to walk away, you'll take only what you contributed, minus a 2% relisting fee*.

Example of savings over 3 years

INTEREST ACCRUED WITH A TRADITIONAL SAVINGS ACCOUNT

Initial Savings Deposit	\$6,000.00
Monthly Savings	\$275.00 x 36 months
Interest with a Traditional Savings Account*	x .75%

Savings Toward Down Payment **\$16,145**

SAVINGS APPRECIATION ACCRUED WITH DIVVY

Initial Payment	\$6,000.00
Monthly Savings	\$275.00 x 36 months
Divvy Savings Appreciation	x 5%

Savings Toward Down Payment **\$17,349**

This is the amount you'll be able to apply to your down payment should you choose buy your home.