



2|2 FLEX

Frequently Asked Questions

Updated August 2022

A mobile-style advertisement for Divvy's Flexible Savings. It features the Divvy logo at the top left. Below it is a photograph of a family of four (a man, a woman, and two children) sitting on the steps of a house, framed by a white house silhouette. A yellow sun is in the top left of the photo. Below the photo, the text "Flexible Savings with Divvy." is displayed in a bold, sans-serif font. At the bottom, there is a yellow button with the text "Get started today!".

Divvy

**Flexible
Savings with
Divvy.**

Get started today!

What is 2|2 FLEX?

At Divvy, we believe that saving toward a down payment is an important part of becoming a homeowner. We also know not everyone can save at the same rate. That is why we have created the 2|2 FLEX program.

With 2|2 FLEX we will ask for a **2% initial payment** that kicks off the customer's savings, but will not **require** any monthly savings.

Customers will be able to choose for themselves how much to save and change the amount up or down at any time right through their customer portal.

2|2 FLEX will require a minimum 600 FICO.

The 2|2 FLEX program is a great option for customers who:



Are looking for a way to increase their monthly home budget by removing Divvy's built-in savings component.



Aren't sure they are ready to start saving toward a down payment until they are confident they will purchase the home.



Find that Divvy's monthly payment of rent + savings is more than they planned to spend on housing.

FAQs

How does 2|2 FLEX differ from other Divvy pricing offerings?

2|2 FLEX provides qualified customers the ability to opt into saving. This means customers can save \$0 on some months and much more on others. This optional savings allows them to increase their monthly budget by decreasing the required amount of savings.

What is the initial payment required to use 2|2 FLEX?

2|2 FLEX requires a 2% initial payment. There is no mortgage application fee, mortgage insurance, or closing costs.

Does 2|2 FLEX have a savings target?

The savings target is flexible. Divvy recommends a 5% savings target to get customers to a down payment in 3 years or less, but they can choose to save on their terms.

Is there a minimum or maximum amount they need to save each month?

There is no minimum amount of required savings for 2|2 FLEX. The maximum monthly contribution amount is equal to 10% of their option to purchase price.

What's included in a 2|2 FLEX monthly payment?

A 2|2 FLEX monthly payment generally includes 2 items— a homeowner's monthly rent payment and the amount they choose to save each month.

How do customers change the amount of savings each month?

Customers can easily change the amount of home savings each month. They can even opt out of saving if needed! To do this, they simply log into their [Divvy portal](#) and use the 'Home Savings' widget or navigate to the 'Payments' tab to adjust their monthly home savings contribution amount.

Can customers make a savings contribution at any time during the month?

Yes, customers can change their monthly savings amount at any time during the month. However, savings contributions will be taken on the 1st of the month—at the same time as their scheduled rent payment.

When is the last day customers can change their monthly savings contribution amount?

Customers have until 11:59 PM PST on the day prior to their scheduled rent pull. By default, rent is pulled on the first of each month. However, tenants can specifically schedule their rent to be pulled from the 1st-15th of the month.

Why save with Divvy?

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When customers save with Divvy, the money they save during the length of the lease grows with the value of the home.

That means if your client's home appreciates 5% over the 3 years of your lease, their savings contributions could also grow approximately 5% (accrued and compounded yearly).*

The earlier they save, the more their savings could grow.

Why is that great?

Saving contributions made towards their down payment could appreciate at 5% with Divvy which is more than it would in a traditional savings account, where money would typically earn less than 1%. That means the more money they save with Divvy, the more money they'll have for a down payment or closing costs for their future purchase of the property.**

If they choose to exercise their option to purchase, the entire value of their savings **(plus appreciation)** will be applied to their down payment and/or closing costs.** If they choose to walk away, they'll take what they contributed with them.***

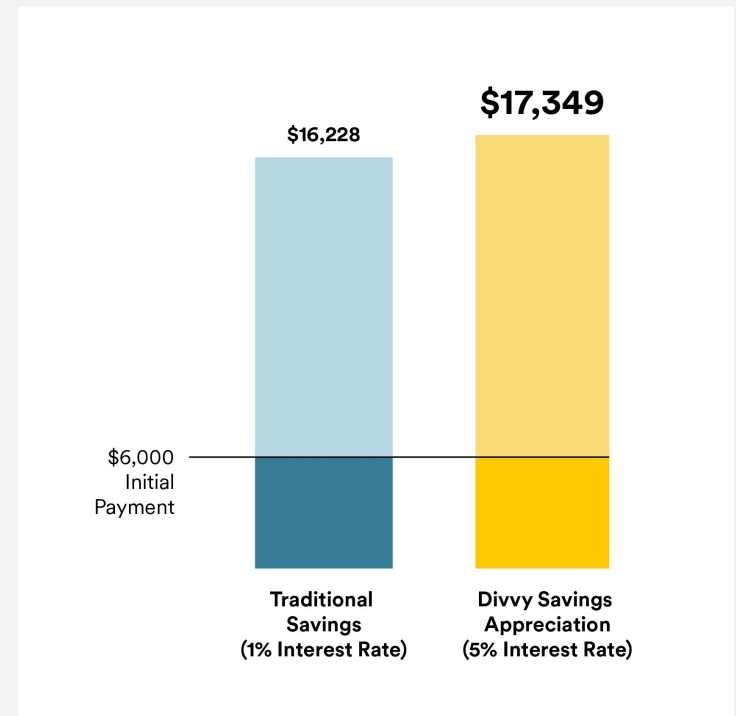
* The maximum total amount you can save is 10% of the home purchase price.

** Once contributed, the contributions cannot be withdrawn from your Divvy account until (i) you purchase the property; or (ii) your lease ends. If you don't purchase the property, your savings contributions will be refunded but you WILL NOT receive any appreciation. Your savings contributions are not held in a savings account and are not FDIC insured.

***Minus a 2% relisting fee and any other fees, as may be applicable and as provided for in your lease and/or option agreement.

Example:

Down payment savings growth over a 3 year lease with the customer contributing \$275 per month to a traditional savings account versus Divvy.



If you don't purchase the home, you will not receive any interest or appreciation.

The Cost of a Mortgage vs. Divvy (2|2 FLEX)

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 <i>1-month rent</i>	\$2,375.00
Application Fee	\$50.00
Total Initial Payment	\$2,425.00

MONTHLY COSTS	
Rent	\$2,375.00
Savings	0
Property Taxes	
Homeowners Insurance	<i>Paid by Landlord</i>
Maintenance	
Mortgage Insurance	
Total Monthly Payment	\$2,375.00

Divvy (2% down flexible monthly savings)

INITIAL PAYMENT		% of home price	
Initial Payment	2.00%	\$6,000.00	
Mortgage Application Fee			
Mortgage Insurance		<i>Paid by Divvy</i>	
Closing costs			
Total Initial Payment	2.00%	\$6,000.00	

MONTHLY COSTS	
Rent	\$2,375.00
Savings	None required
Property Taxes	
Homeowners Insurance	<i>Paid by Divvy</i>
Maintenance	
Mortgage Insurance	
Total Monthly Payment	\$2,375.00

Mortgage (3.5% down payment, 6.5% interest rate)

COST AT CLOSING		% of home price	
Down Payment	3.50%	\$10,500.00	
Mortgage Application Fee	0.17%	\$500.00	
Mortgage Insurance	1.75%	\$5,066.25	
Closing costs	2.50%	\$7,500.00	
Total Initial Payment	7.86%	\$23,566.25	

MONTHLY COSTS	
Payment toward Interest	\$1,568.13
Payment toward Principal (at start of loan)	\$261.71
Property Taxes	\$375.00
Homeowners Insurance	\$187.50
Maintenance	\$125.00
Mortgage Insurance	\$241.25
Total Monthly Payment	\$2,758.59

With Divvy, you aren't locked into an interest rate upfront.

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

With Divvy, your monthly payment is **\$383.59 less** than with a mortgage.



The pros of choosing Divvy

Benefits of Divvy versus a Rental

- **Stability.** Your clients don't need to worry about their rent increasing unexpectedly or lease renewals every year. With Divvy, every cost is 100% predictable—from their monthly rent to their home purchase price—for a full 3 years.
- **Saving built for them.** Saving for a down payment is necessary to buy a home, but we know that not everyone can save at the same rate. Divvy gives your clients the option to save a little bit each month to get them on the path to homeownership. And when they save with Divvy, they benefit from the home's appreciation.
- **Financial security.** With Divvy, your client's savings grow alongside their home's value, so they're building towards their future from day one.
- **Quality of life.** Your client can choose any eligible home on the market, which means better options that give them more comfort and space right now.
- **Personalization.** With Divvy your client can make their home theirs while they rent (paint, landscape, pets!)

Benefits of Divvy versus a Mortgage

- **No need for mortgage approval.** With Divvy, your client doesn't need to secure a mortgage that could lock them 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 your client can walk away at any time (with 60 days notice) and keep their savings contributions, minus a 2% relisting fee.
- **More competitive offer.** Once your client finds their dream home, Divvy buys it with an all-cash offer and a quick close, putting more homes within their reach.