

A \$2.5 Million Net Worth
in less than 15 years
with NO Capital Investment?



TexasLoanSpot - AmeriFund Realty Advisors
A Division of AmeriFund Funding Corporation
15455 N Dallas Pkwy . Suite 600
Addison, Texas 75001
Principal Offices: 214.269.1222
Toll-Free: 1-866-446-3721



When opportunity knocks, you'd better answer the door?

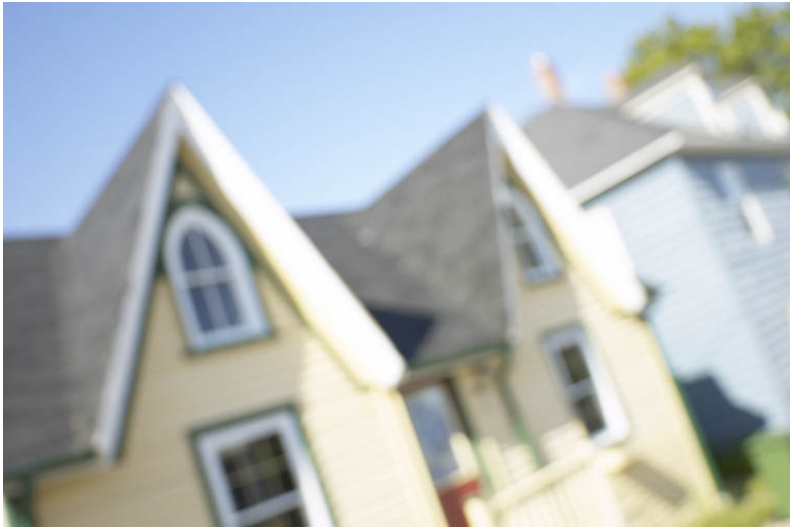
And opportunity just started knocking. For the first time in history investors with excellent credit scores and reliable sources of income can acquire favorable residential real estate investments with little or no money down at extremely favorable rates of interest.

The ability to acquire up to 10 residential investment properties with nominal capital investment has created an opportunity for a whole new class of investor that was previously only available to the wealthy.

So now that opportunity is knocking, will you answer the door?

Why Real Estate Investment?

Real Estate has always been a great investment vehicle. Nothing provides the combination of stable and moderately predictable appreciation coupled with such low-risk.



Real Estate is a Limited-Risk Investment - During the past century there have been only a handful of years in which residential real estate values declined. Between 1988 and 2003 the median price of a home increased more than 52% (an annual average increase of 3.4%) in the Dallas metropolitan statistical area (Dallas MSA). During that 15 year period, there was only an annual decline in median property values on two occasions (1990 and 1991), something the major stock indices (e.g. the Dow Jones Industrial Average) cannot claim.

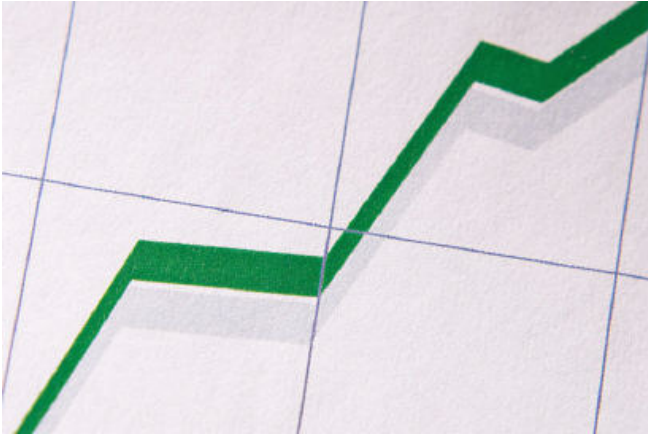
Real Estate can be Leveraged – Although many investments can be leveraged (e.g. stocks purchased on margin), only residential real estate is such a sound investment that it is possible for an investor to borrow 100% of the funds required to purchase the investment. The ability to borrow the funds necessary to acquire an asset greatly

increases the yield on that investment. If an investor pays cash for a \$100,000 asset and it appreciates in value by 5%, his yield on the funds invested is 5%. If, however, he only invests 10% of his capital to acquire the same investment (borrowing the remainder using the asset as security), his yield is 50% (i.e. he received a return of \$5,000 on the \$10,000 invested). It is the leverage potential of residential real estate that makes its potential for “yield” so impressive.

Ownership of Real Estate has favorable Tax Consequences – Tax laws favor real estate investment. As with most types of capital investment, gain on the appreciation of real estate is taxed as a capital gain, at tax rates as low as 0% and typically no greater than 15%. Real Estate has the additional advantage of being an asset for which substantial depreciation deductions can be taken, enabling an investor to pay no income tax on the investment, even during periods of positive cash-flow. And although the depreciation will typically be recaptured when the property is sold, the recaptured income will usually be at a rate below the tax rate for ordinary income. The ownership of real estate has the added benefit of being the perfect investment for an estate plan, since the valuable appreciated asset can usually be passed on to heirs and devisees of the investor at a “stepped-up” basis, virtually eliminating the tax on the appreciated value of the property.

Why buy Real Estate now?

A variety of factors are currently coinciding that make investment in real estate the most favorable it has ever been.



Mortgage interest rates are at historical lows. Financing secured by investment properties is available at APR's well below 7%. These extremely low rates make it possible to acquire real estate with little or no capital investment (down-payment) yet still derive positive cash flow from the investment.

A recent softening of the residential real estate market indicates that the "seller-friendly" real estate bubble may have finally busted. Properties are currently available at the low end of the range of prices over the past two years. Thus, the timing is ideal for acquisition of properties at or below market value. The ability to acquire properties during softer real estate markets increases the long-term profitability and appreciation potential of a property.

Tax policy is now more "real estate investment" friendly than ever. Recent implementation of changes in tax law relating to capital gains make an investment strategy that includes residential real estate an excellent choice for limiting the taxes paid on investments.

Why rely on AmeriFund?

The professionals at AmeriFund possess the knowledge and experience to assist an investor with every element of the investment process. We've developed strategies for locating the "right" properties that can be acquired below market value, and have the greatest potential for both appreciation in value and the production of income.

AmeriFund is also the industry's favored source for financing programs designed especially for investors seeking to minimize their capital outlay on an investment. Our "piggy-back" loan programs utilize first and second lien financing to avoid mortgage insurance with loan-to-value ratios up to 100%. Our "interest-only" programs permit investors to fully leverage the "tax-free" characteristics of a real estate investment by limiting the amount of principal payment during the initial years of the mortgage.

Finally, AmeriFund has the expertise to manage properties for investors who prefer to take a more passive role in managing their real estate assets.

Experience and Expertise.



The Residential Investment Team at AmeriFund is spearheaded by Kenneth Horn. Mr. Horn is a licensed attorney (since 1979) and real estate agent (since 1980). He has performed services as a loan officer and in management positions in the residential mortgage industry since 1990. He has performed thousands of closings through his association with First American Land Title Company, Dallas Title Company, Fidelity National Title Company, and LandAmerica Title Company in his capacity as a fee-paid title attorney.

He has served as an officer and member of the board of directors of several commercial construction contractors and residential mortgage companies. During his tenure as president of GSM Financial Corporation the company was named as one of the top 10 mortgage originators by the Dallas Business Journal.

From 1999 through 2001 he devoted his energies to acquiring and remodeling luxury homes in Preston Hollow and North Dallas, and rental properties in Carrollton and Dallas. During this period he developed unique skills for locating properties that could be obtained at bargain prices with great potential for value appreciation and the ability to produce income at favorable "cap-rates".

In the fall of 2004, Mr. Horn began seeing an increase in the volume of "bargain" properties appearing in the MLS, and sensing an opportunity in the making, he sought-out sources of mortgage financing that would satisfy the needs of investors seeking to capitalize on the opportunities created by this "softening" local real estate market. The result of his efforts was the formation of an alliance with several wholesale mortgage investment sources that are able to provide qualified investors with a source of financing that requires no down-payment and is available at competitive rates that enable residential real estate investments to "cash-flow" from the first day of ownership.

The result of his efforts is an opportunity for what has been described as "the Perfect Investment". Mr. Horn and his support staff stand ready to provide investors with an uncomplicated method of acquiring and managing residential real estate properties.

Take a closer look!



We've developed a detailed pro forma investment analysis based on realistic assumptions that shows the remarkable potential of this low-risk investment that requires little or no capital outlay. So go on ... take a closer look!

For more information or a personalized presentation contact:

AmeriFund Realty Advisors
The TexasLoanSpot
A Division of AmeriFund Funding Corporation
Direct Line: (972) 829-3004

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Pro Forma Investment Analysis: Model 1

Model Objectives:

To eliminate capital investment while eliminating the risk of significant negative cash-flow. Provide reliable appreciation with benefits of tax elimination or deferral.

Model Characteristics:

Property Characteristics:

Single-Family-Dwelling – 3/2/2 – Plano, Texas
Purchase Price: \$170,000.00
Appraised Value: \$190,000.00
Lot Value: \$38,900.00
Estimated Rental Value: \$1,650.00

Financing Characteristics:

Piggyback Financing Arrangement at 100% CLTV
First Lien:
Amount: \$136,000 (80% LTV)
Program: 30 yr fixed-rate (interest only for 10 yrs)
Rate: 6.25% @ 0 + 1 – no PPP
Payment: \$994.06 / month
Second Lien:
Amount: \$34,000 (20% LTV)
Program: 30 yr fixed-rate (15 yr balloon)
Rate: 9.125% @ 0 + 1 – no PPP
Payment: \$276.64 / month
Comments: All closing costs and lender fees paid by Seller.
Investor total out-of-pocket is approximately \$325 for appraisal.
This model assumes that the second lien mortgage can be refinanced at a rate equal to or better than 9.125% at the conclusion of the 15 year term.

Model Assumptions:

The Charts for Model 1 are created using the following assumptions.

Investment Rate: 9.125% - This is the interest rate at which Cash-Flow can be invested or borrowed. As a default a model will use the rate of interest on the second lien financing, if applicable, or at the rate of the 1st lien mortgage if there is no secondary financing.

Rate of Value Appreciation: 3.05% annually, compounded, resulting in an average annualized rate of 3.5% over a 15 year period. This is roughly equivalent to appreciation in the median sales price of a property in the Dallas MSA between 1988 and 2003.

Rate of Rental Increase: Same as Rate of Value Appreciation
Tax and Insurance Rate: Taxes, insurance and homeowner's association dues are based on a rate of 2.9% of property value with annual increases at a rate equal to the Rate of Value Appreciation.

Maintenance Costs: Maintenance costs in this model represent .5% of the purchase price of the property with annual increases at a rate equal to the Rate of Value Appreciation. Maintenance costs can often be reduced by obtaining residential maintenance contracts that provide for repairs to property components and appliances with a deductible (trip charge) of about \$50 per occurrence. These contracts typically are available at a cost of about \$400 to \$500 annually.

Management Costs: This pro-forma includes an allowance for management fees equal to 7.5% of rents. Investors can reduce or limit management fees by self-managing an investment. Self-management has other favorable tax implication since an investor that manages a property may be able to deduct all or a portion of taxable losses against ordinary income utilizing an exception to the "passive-activity" rules that limit taking losses in some passive investments.

The Charts:

The Charts show a 30 year analysis (by year) of taxable income, cash-flow, value appreciation and profitability. There are three Charts for each model: (1) a Taxable Income Analysis, a chart showing the tax consequences of the investment, (2) a Cash-flow Analysis, a chart showing the anticipated cash-flow from the investment, and (3) a Profit Analysis, a chart showing the anticipated profitability of the investment, taking into account value appreciation, cash-flow and tax savings from investment.

The Taxable Income Analysis – Tax deductions for interest paid, insurance, taxes, maintenance costs, and management fees are deducted from Gross Rents to arrive at Gross Income (or Loss). The depreciation deduction is then taken to arrive at Taxable Income (or Loss).

The Cash-Flow Analysis – The out of pocket costs and the Debt Service (which includes repayment of principal in addition to interest) are deducted from the Gross Rents to obtain Cash-Flow (Prior to Tax Benefits). This is the estimated Cash-Flow from the investment. The Cash-Flow Analysis differs from the Taxable Income Analysis in that it does not include depreciation (which is a “paper” loss) and does include the amount of principal reductions which reduce cash-flow but are not technically expense items (as they increase the equity in the property).

In the initial years of the investment, an investor is able to deduct (with some limitations) the Taxable Loss (created as a result of the depreciation deduction) from other income, and the result is a “Tax Benefit” that is equal to the investor’s tax rate on ordinary income multiplied by the difference between the (positive) Cash-Flow and the Taxable Loss. This tax benefit results in actual additional positive cash-flow (in the form of lower taxes paid). This model assumes an income tax rate of 33% for the investor.

This Tax Benefit is then added to back to the Cash-Flow to obtain “True Cash-Flow”. The Cumulative Cash-Flow represents the accumulation of this amount from year-to-year invested at the Investment Rate. This Model assumes an Investment Rate of 9.125% (which equals the rate of interest on the 2nd lien mortgage secured by the investment). The investor has the choice of investing the cash-flow in other investments that produce a higher yield than 9.125% or in reducing principal on the 2nd lien mortgage which is the equivalent of investing the cash-flow at the rate of 9.125% as shown in this model.

The Profit Analysis shows the estimated Value of the Property with annual increases at the Rate of Value Appreciation. The Chart also shows the remaining principal balance on all loans at the end of each year. The difference between the estimated Value of the Property and the balances on all mortgages is the

Gross Equity Gain. The Net Gain (Profit) on the investment is derived by adding the Accumulated Cash-Flow to the Gross Equity Gain, and then subtracting the Tax on Depreciation Recovery. (The Tax on Depreciation Recovery occurs at the time the property is sold. Since depreciation deductions were allowed in prior years (when there was actually appreciation in value) the amount deducted in prior years must be recovered at the time of sale. But, the tax on the depreciation recovery is at a rate capped at 25% which is typically lower than the investor’s tax rate thereby creating added benefit. This model assumes that the Tax Rate for Depreciation Recovery is 25%. The rate could be less under some circumstances.)

Profit Analysis:

The following results relating to profitability result from utilizing Model 1 with the assumptions indicated above:

	@ 10 yrs	@ 20 yrs	@ 30 yrs
Gross Equity Gain:	\$ 90,113	\$ 236,252	\$ 467,944
Plus:			
Accum Cash-Flow:	+ 47,757	+ 152,825	+ 448,059
Less:			
Tax on Deprec Recovery:	- 13,736	- 27,473	- 41,209
Net Gain on Investment:	\$ 151,606	\$ 416,550	\$ 957,211

Under this model (with 100% financing) the Yield on Capital Investment (the Net Gain divided by the initial Capital Investment) creates an unbelievable yield of in excess of 88 million percent because every penny of income over \$325 (the cost of the appraisal) is profit.

Summary:

With a nominal investment of only \$325 an investor could obtain profit exceeding \$950,000 on each residential rental property. The investor’s good credit rating and sufficient income to qualify for the mortgages (most applicants that can qualify for the home in which they live would be able to qualify for this mortgage). With the ability to finance up to 10 of these investments, the accumulation of wealth exceeding \$9.5 million could be achieved in a period of 30 years with a capital investment of only \$3,250.