



## News

Rex & Co.

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### **Innovative Program Allows Maryland Homeowners to Tap Equity without Debt, Interest or Monthly Payments**

*The REX™ Agreement is a safe, debt free alternative to Home Loans, HELOCs and Reverse Mortgages*

**SAN FRANCISCO – August 5, 2008** – Maryland homeowners now have the ability to unlock equity in their homes without ever incurring debt, interest charges or monthly payments. REX & Co., a real estate investment company dedicated to creating safe alternatives to debt financing, announced today that it is offering the REX Agreement in Maryland. The REX Agreement allows homeowners to convert a portion of their home's value into cash now in exchange for granting REX & Co. a portion of the future increase or decrease in the home's value. The REX Agreement is available in 11 states nationwide, including Connecticut, Massachusetts, New Jersey and Virginia.

“Responsible homeowners have worked hard to build equity in their homes. These homeowners now have a debt free choice when it comes to accessing that equity,” said Tjarko Leifer, managing director at REX & Co. “Homeowners who shop and compare products quickly acknowledge the advantages of a REX Agreement when compared to HELOCs and reverse mortgages.”

To qualify for a Rex Agreement, homeowners must reside in an owner-occupied, single-family detached home, have a history of financial responsibility, good credit and at least 25 percent equity in their home. There are no restrictions on how the money can be used and, unlike reverse mortgages, no age restrictions to qualify. Homeowners interested in a REX Agreement can apply online at [www.rexagreement.com](http://www.rexagreement.com), or by calling 866-722-3910.

“The benefits of this product became clear as soon as I first heard of the REX Agreement” said Dimitri Merine, an Ellicott City-based doctor and Maryland's first REX Agreement client. “Using my equity to get cash without paying interest or making monthly payments made perfect sense to me. The cash I receive from the REX Agreement will allow me to make investments that help diversify my portfolio and at the same time protect me from potential declines in Baltimore area home prices.”

“From paying off credit cards to making home improvements, supplementing retirement income or for any other use, the REX Agreement empowers homeowners to do things they may never have thought possible,” said Leifer.

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### **How the REX Agreement Plays Out**

Consider an example with a home valued at \$1 million, the homeowner desires \$100,000 and agrees to share 40 percent of the future change in value with REX & Co. Six years later the homeowner decides to end the Rex Agreement. There are three possible outcomes: 1) the home has gone up in value, 2) the value is unchanged, or 3) the value has declined.

**1) The value of the home increases \$200,000** and is valued at \$1.2 million at the end of the agreement. The net result for the homeowner is that they had use of \$100,000 with no monthly payments or interest charges, and receive 60 percent of the \$200,000 gain in the home. REX & Co. would receive \$180,000 which is equal to the \$100,000 it advanced plus 40 percent of the gain.

**2) The value of the home does not change, and remains at \$1 million.** With the REX Agreement the homeowner shares a portion of the gain or loss going forward. Since there was no gain *or* loss, the homeowner would have had use of the \$100,000 with no interest charges or monthly payments, while REX & Co. would receive only an amount equal to the money it advanced.

**3) The value of the home declines by \$200,000** and is now valued at \$800,000. Even though the home value dropped \$200,000, the homeowner's net proceeds would be \$880,000 because REX & Co. shared 40 percent of that loss, or \$80,000. In this case, the REX Agreement protects the homeowner from \$80,000 in the decrease of the home value.

"However you look at it, a REX Agreement is a win-win situation for the homeowner," said Leifer. "The homeowner gets unrestricted use of the money, a term they control, and a meaningful downside hedge."

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### ***About REX & Co.***

Founded in 2004, REX & Co. is a real estate investment company that makes equity investments in residential real estate. Using the REX Agreement, REX & Co. allows homeowners to convert their home equity into cash with no additional debt, no interest, and no monthly payments in exchange for granting REX & Co. the right to receive a pre-designated percentage of the future change in value of the home. The REX Agreement is available in California, Colorado, Connecticut, Florida, Illinois, Massachusetts, Maryland, New Jersey, Oregon, Virginia and Washington. For additional information, please refer to [www.rexagreement.com](http://www.rexagreement.com).