



# REIDeX.com

## The SwapRent<sup>SM</sup> Marketplace

Ralph Y. Liu  
Chairman/CEO  
REIDeX, Inc.



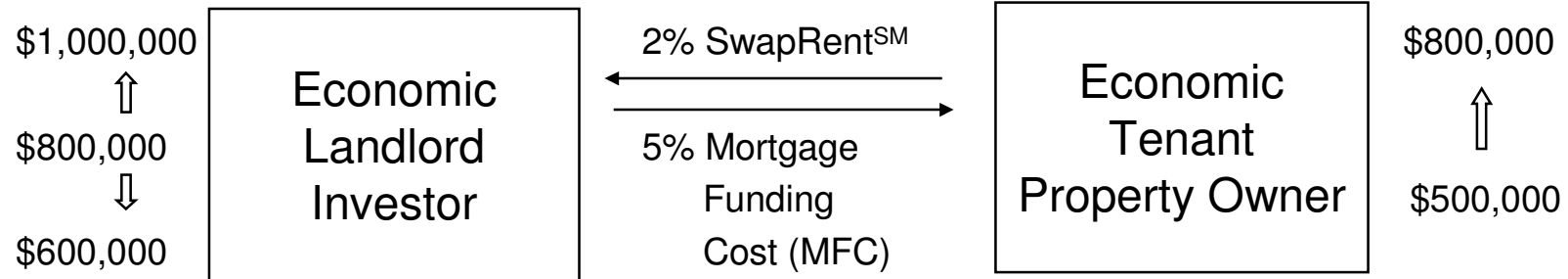
Web Site: <http://www.REIDeX.com>  
Email: [Info@REIDeX.com](mailto:Info@REIDeX.com) , Tel: 1-888-456-8881  
Patent Pending. All Rights Reserved.





# A Generic SwapRent<sup>SM</sup> Transaction

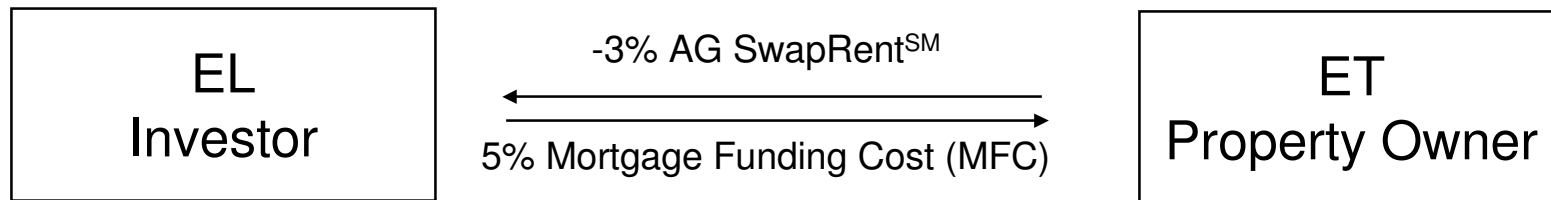
Bank as the  
Middleman (optional)



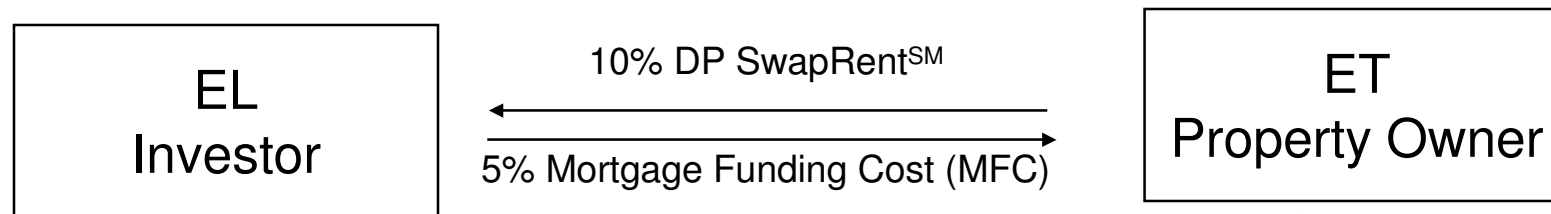


# Examples of REIO Transactions - AG SwapRent<sup>SM</sup> and DP SwapRent<sup>SM</sup>

## AG (Appreciation Give-up) SwapRent<sup>SM</sup>: Short a Covered Call Option



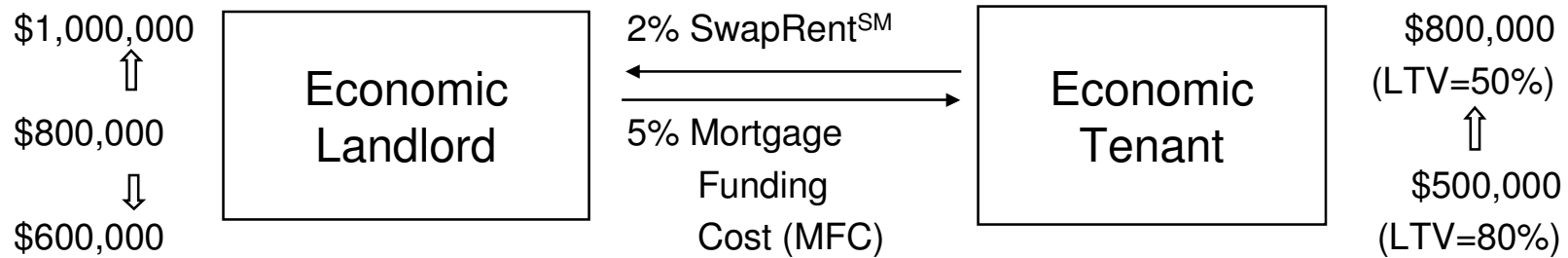
## DP (Depreciation Protection) SwapRent<sup>SM</sup>: Long a Put Option





# Peer-to-Peer (P2P) SwapRent<sup>SM</sup> Transactions

100% Economic Renting Using Generic SwapRent<sup>SM</sup> Example



Pay the Investor through A New  
2<sup>nd</sup> Mortgage of the Full  
\$200,000 (Total LTV ~ 60%)

Receive \$200,000 from the Investor  
(LTV ~ 33%)

Initial 1<sup>st</sup> Mortgage  
Amount Borrowed  
\$400,000



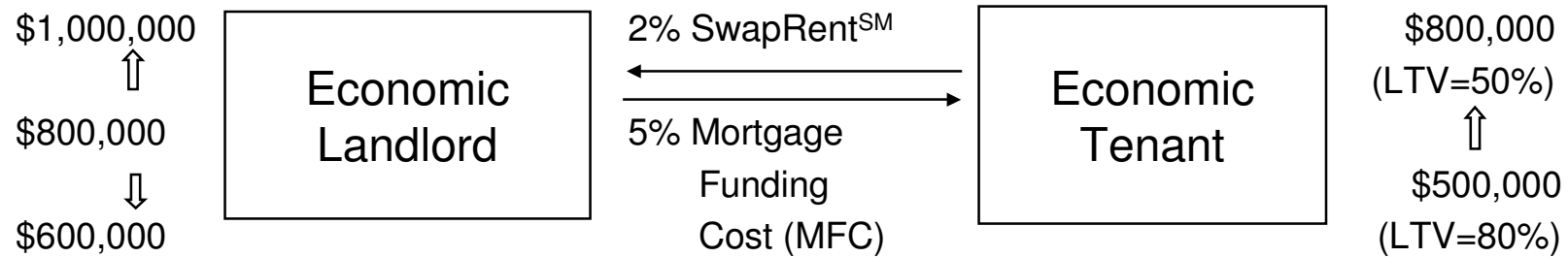
Web Site: <http://www.REIDeX.com>  
 Email: [Info@REIDeX.com](mailto:Info@REIDeX.com) , Tel: 1-888-456-8881  
 Patent Pending. All Rights Reserved.





# Peer-to-Peer (P2P) SwapRent<sup>SM</sup> Transactions

50% Economic Renting Using Generic SwapRent<sup>SM</sup> Example



Pay the Investor through A New  
2<sup>nd</sup> Mortgage of Only  
\$100,000 (Total LTV ~ 50%)

Receive \$100,000 from the Investor  
(LTV ~ 50%)

Initial 1<sup>st</sup> Mortgage  
Amount Borrowed  
\$400,000



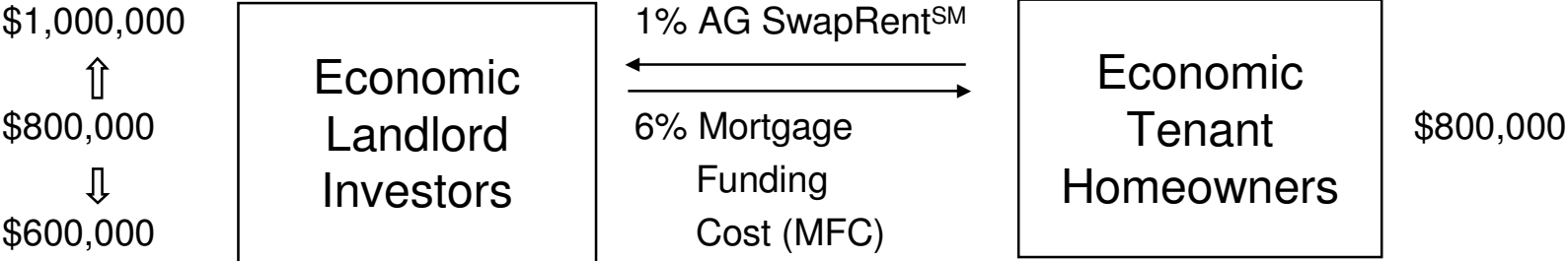
Web Site: <http://www.REIDeX.com>  
 Email: [Info@REIDeX.com](mailto:Info@REIDeX.com) , Tel: 1-888-456-8881  
 Patent Pending. All Rights Reserved.





# Retail P2P REIDeXDirect.com Business Model

50% Economic Renting Using AG SwapRent<sup>SM</sup> Shared Appreciation Example



Two-pronged business strategy: (1) provide documentation and logistics support to those already matched; (2) provide online matching services for those homeowners and investors in search of a counter-party or counter-parties.

Potential investors: (1) encourage GSE's, state/local public employees or teachers pension funds as well as the federal/state homeowner bailout funds to become the potential economic landlord investors; (2) invite profit-driven, free market investors from the US and abroad to become P2P economic landlords; (3) current credit risk holders.

Non-profit credit counseling groups could work with homeowners in need to assist those at risk of default/foreclosure.

REIDeX will levy a small operational service fee on each party to the transaction for providing them with SwapRent<sup>SM</sup> documentation, education, transactional logistics and settlement procedural support, whether the homeowners and investors are matched through REIDeX or not.



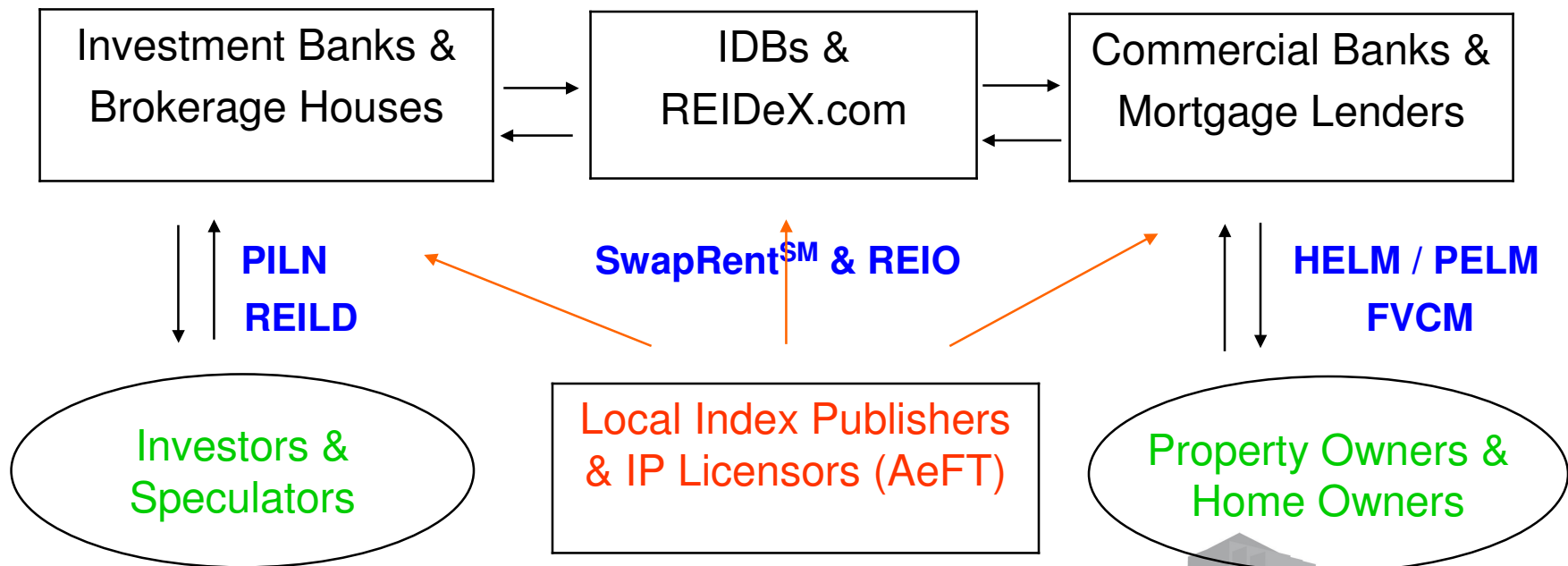
Web Site: <http://www.REIDeX.com>  
 Email: [Info@REIDeX.com](mailto:Info@REIDeX.com) , Tel: 1-888-456-8881  
 Patent Pending. All Rights Reserved.





# Wholesale Institutional SwapRent<sup>SM</sup> Industry Participants

## Wholesale Institutional Inter-Bank Market



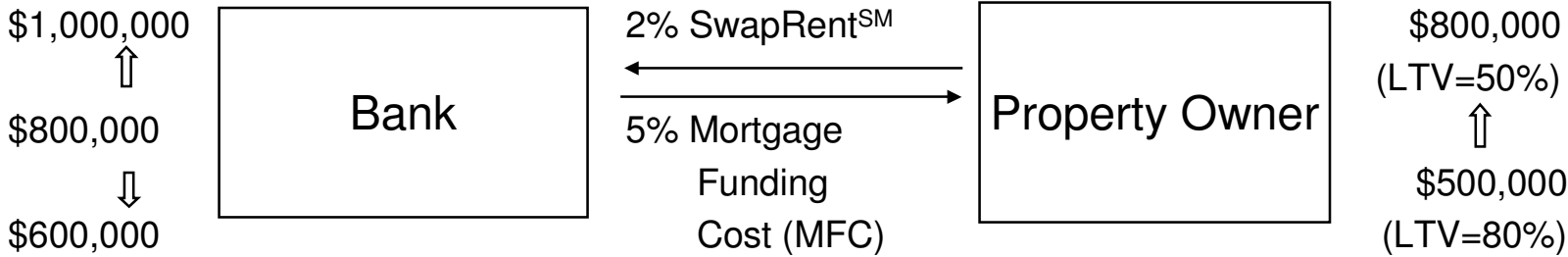
Web Site: <http://www.REIDeX.com>  
 Email: [Info@REIDeX.com](mailto:Info@REIDeX.com) , Tel: 1-888-456-8881  
 Patent Pending. All Rights Reserved.





# An Example of SwapRent<sup>SM</sup> Embedded Mortgages - Home Equity Locking Mortgage (HELM)

100% Economic Renting Using Generic SwapRent<sup>SM</sup> Example



Unpaid Balance of HELM Automatically  
Increases to ~ \$600,000  
(LTV ~ 60%)

Unpaid Balance of HELM Automatically  
Reduces to ~ \$200,000  
(LTV ~ 33%)

Initial 1<sup>st</sup> Mortgage  
Amount Borrowed  
\$400,000



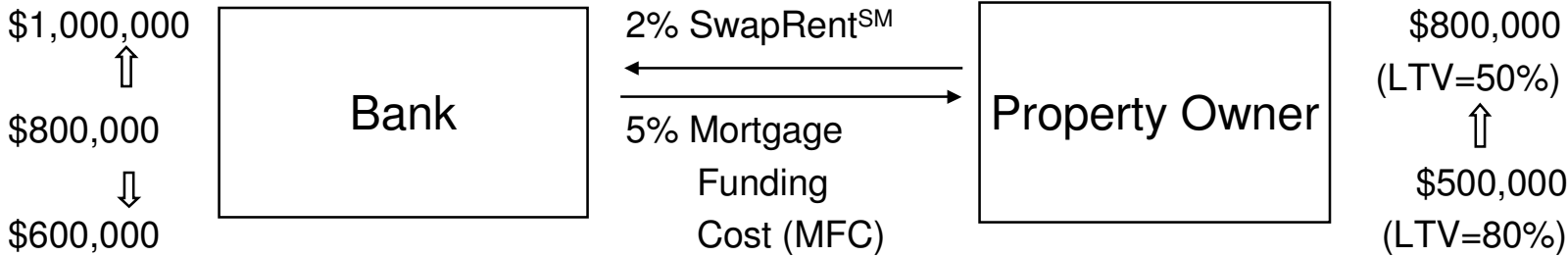
Web Site: <http://www.REIDeX.com>  
 Email: [Info@REIDeX.com](mailto:Info@REIDeX.com) , Tel: 1-888-456-8881  
 Patent Pending. All Rights Reserved.





# An Example of SwapRent<sup>SM</sup> Embedded Mortgages - Home Equity Locking Mortgage (HELM)

50% Economic Renting Using Generic SwapRent<sup>SM</sup> Example



Unpaid Balance of HELM Automatically  
Increases to ~ \$500,000  
(LTV ~ 50%)

Unpaid Balance of HELM Automatically  
Reduces to ~ \$300,000  
(LTV ~ 50%)

Initial 1<sup>st</sup> Mortgage  
Amount Borrowed  
\$400,000



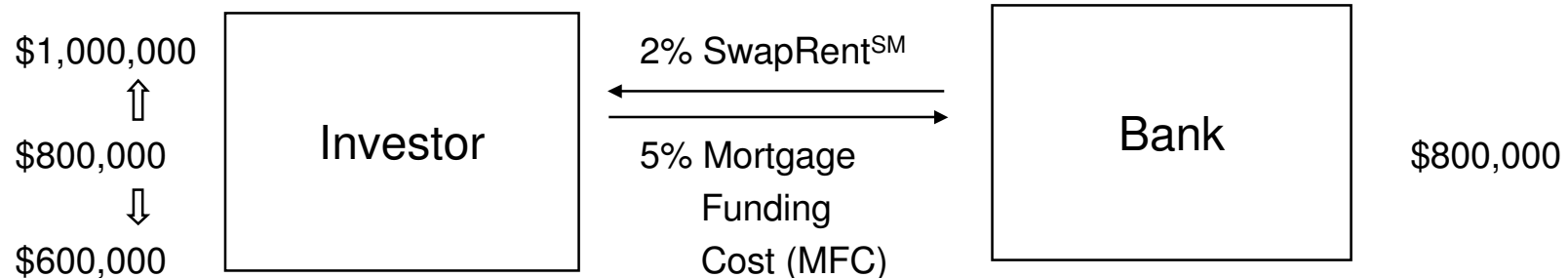
Web Site: <http://www.REIDeX.com>  
 Email: [Info@REIDeX.com](mailto:Info@REIDeX.com) , Tel: 1-888-456-8881  
 Patent Pending. All Rights Reserved.





## An Example of SwapRent<sup>SM</sup> Embedded Bank Deposits – Real Estate Index Linked Deposit (REILD)

For A **Generic SwapRent<sup>SM</sup>** Exposure



Coupon = [Depo Rate + (2 – 5)]%

Principal Redemption

= [1 + (Ending Index – Starting Index) / Starting Index] \* 100%



# REIDeX.com

**Country: US**

**City: Los Angeles**

**SwapRent<sup>SM</sup> Current Quotes**

	Index	Settlement	1 Yr.	2 Yr.	3Yr.	...	5 Yr.	...	10 Yr.	...
Neighborhood 1	350		2.5/2.3	2.5/2.3	2.6/2.4		2.5/2.2		2.4/2.2	
Neighborhood 2	325		2.5/2.3	2.6/2.3	2.5/2.3		2.3/2.1		2.6/2.3	
Neighborhood 3	330		2.5/2.3	2.5/2.3	2.6/2.4		2.4/2.2		2.5/2.3	
Neighborhood 4	250		2.0/1.8	2.2/2.0	2.3/2.0		2.3/2.0		2.4/2.1	
Neighborhood 5	200		1.9/1.6	1.9/1.7	2.1/1.9		2.2/2.0		2.3/2.0	
.....	.....									
Neighborhood 26	650		2.5/2.3	2.7/2.5	2.8/2.6		2.6/2.3		2.3/2.0	
Neighborhood 27	725		2.7/2.5	2.8/2.6	2.8/2.5		3.2/3.0		3.3/2.9	
.....	.....									
Neighborhood 38	1500		3.3/3.1	3.3/3.2	3.5/3.2		3.7/3.5		3.8/3.6	
Neighborhood 39	1750		3.5/3.3	3.6/3.4	3.7/3.5		3.5/3.2		4.2/3.9	



Web Site: <http://www.REIDeX.com>  
 Email: [Info@REIDeX.com](mailto:Info@REIDeX.com) , Tel: 1-888-456-8881  
 Patent Pending. All Rights Reserved.





# REIDeX.com

**Country: China**    **City: Hong Kong SAR**    **REIO: DP SwapRent<sup>SM</sup> Current Quotes**

**Index**

**Settlement    1 Yr.    2 Yr.    3Yr.    ...    5 Yr.    ...    10 Yr.    ...**

Neighborhood 1	3500	8.5/8.3	8.5/8.3	8.6/8.4		8.5/8.2		8.4/8.2	
Neighborhood 2	3250	8.5/8.3	8.6/8.3	8.5/8.3		8.3/8.1		8.6/8.3	
Neighborhood 3	3300	8.5/8.3	8.5/2.3	8.6/8.4		8.4/8.2		8.5/8.3	
Neighborhood 4	2500	8.0/7.8	8.2/8.0	8.3/8.0		8.3/8.0		8.4/8.1	
Neighborhood 5	2000	7.9/7.6	7.9/7.7	8.1/7.9		8.2/8.0		8.3/8.0	
.....	.....								
Neighborhood 26	6500	8.5/8.3	8.7/8.5	8.8/8.6		8.6/8.3		8.3/8.0	
Neighborhood 27	7250	8.7/8.5	8.8/8.6	8.8/8.5		9.2/9.0		9.3/8.9	
.....	.....								
Neighborhood 38	15000	9.3/9.1	9.3/9.2	9.5/9.2		9.7/9.5		9.8/9.6	
Neighborhood 39	17500	9.5/9.3	9.6/9.4	9.7/9.5		9.5/9.2		10.2/9.9	



**Web Site: <http://www.REIDeX.com>**  
**Email: [Info@REIDeX.com](mailto:Info@REIDeX.com) , Tel: 1-888-456-8881**  
**Patent Pending. All Rights Reserved.**





# REIDeX.com

**Country: UK**

**City: London**

**REIO: AG SwapRent<sup>SM</sup> Current Quotes**

	Index	Settlement	1 Yr.	2 Yr.	3Yr.	...	5 Yr.	...	10 Yr.	...
Neighborhood 1	350		-2.3/-2.5	-2.3/-2.5	-2.4/-2.6		-2.3/-2.5		-2.2/-2.5	
Neighborhood 2	325		-2.4/-2.6	-2.5/-2.7	-2.3/-2.5		-2.4/-2.6		-2.5/-2.7	
Neighborhood 3	330		-2.3/-2.5	-2.4/-2.6	-2.3/-2.6		-2.3/-2.6		-2.6/-2.8	
Neighborhood 4	250		-2.4/-2.6	-2.3/-2.5	-2.4/-2.7		-2.5/-2.7		-2.7/-2.9	
Neighborhood 5	200		-2.2/-2.5	-2.4/-2.7	-2.5/-2.8		-2.2/-2.5		-2.6/-2.8	
.....	.....									
Neighborhood 26	650		-3.1/-3.3	-3.2/-3.4	-3.5/-3.7		-3.3/-3.5		-3.2/-3.4	
Neighborhood 27	725		-3.3/-3.5	-3.3/-3.5	-3.4/-3.6		-3.4/-3.7		-3.3/-3.7	
.....	.....									
Neighborhood 38	1500		-3.3/-3.5	-3.3/-3.5	-3.4/-3.6		-3.6/-3.8		-3.6/-3.9	
Neighborhood 39	1750		-3.4/-3.6	-3.4/-3.6	-3.4/-3.7		-3.5/-3.8		-3.5/-3.8	



Web Site: <http://www.REIDeX.com>  
 Email: [Info@REIDeX.com](mailto:Info@REIDeX.com) , Tel: 1-888-456-8881  
 Patent Pending. All Rights Reserved.





# REIDeX.com

**Country: US**   **City: New York**   **Commercial Property SwapRent<sup>SM</sup> Current Quotes**

	Index	Settlement	1 Yr.	2 Yr.	3Yr.	...	5 Yr.	...	10 Yr.	...
Apartment 1	350		2.5/2.3	2.5/2.3	2.6/2.4		2.5/2.2		2.4/2.2	
Hotel 1	325		2.5/2.3	2.6/2.3	2.5/2.3		2.3/2.1		2.6/2.3	
Industrial 1	330		2.5/2.3	2.5/2.3	2.6/2.4		2.4/2.2		2.5/2.3	
Office 1	250		2.0/1.8	2.2/2.0	2.3/2.0		2.3/2.0		2.4/2.1	
Retail 1	200		1.9/1.6	1.9/1.7	2.1/1.9		2.2/2.0		2.3/2.0	
.....	.....									
Apartment 6	650		2.5/2.3	2.7/2.5	2.8/2.6		2.6/2.3		2.3/2.0	
Hotel 6	725		2.7/2.5	2.8/2.6	2.8/2.5		3.2/3.0		3.3/2.9	
.....	.....									
Office 8	1500		3.3/3.1	3.3/3.2	3.5/3.2		3.7/3.5		3.8/3.6	
Retail 8	1750		3.5/3.3	3.6/3.4	3.7/3.5		3.5/3.2		4.2/3.9	



Web Site: <http://www.REIDeX.com>  
 Email: [Info@REIDeX.com](mailto:Info@REIDeX.com) , Tel: 1-888-456-8881  
 Patent Pending. All Rights Reserved.





## AeFT's Pending Patents

A new consumer finance concept of “economic renting” facilitated through the new SwapRent<sup>SM</sup> transaction which serves as the underlying instrument that weaves through and drives the rest of our new property value hedging, index-linked consumer finance products.

REIO (Real Estate Index Option) is the option version of SwapRent<sup>SM</sup>, expressed in AG and DP SwapRent<sup>SM</sup> transactions using the same underlying concepts.

HELM (Home Equity Locking Mortgage) is the embedded mortgage product banks could offer to homeowners to accommodate SwapRent<sup>SM</sup> transactions. Alternatively, homeowners do not have to execute any SwapRent<sup>SM</sup> transactions directly but could simply elect to switch from their existing mortgages to this new type of index-linked mortgage product with the banks to achieve the same economic objectives.

PELM (Property Equity Locking Mortgage) is for owners of individual commercial properties such as shops, industrial warehouses, office buildings, apartment complexes and hotels.



Web Site: <http://www.REIDeX.com>  
Email: [Info@REIDeX.com](mailto:Info@REIDeX.com) , Tel: 1-888-456-8881  
Patent Pending. All Rights Reserved.





## AeFT's Pending Patents

FVCM (Future Value Choice Mortgage) is the mortgage product combined with REIOs to provide property owners with ultimate economic choice through optionality (puts and calls).

PILN (Property Index Linked Note) or REILD (Real Estate Index Linked Deposit) is the structured asset for investors and speculators to express particular directional views on property or real estate markets. They can also be used by both long and short hedgers as well.

REIDeX.com (Real Estate Index Derivatives eXchange) is the exclusive transaction execution marketplace for SwapRent<sup>SM</sup>. It also covers transactions for other OTC derivative instruments encompassing both residential and commercial real estate.

SwapRent.com is the online academic research and market information portal for SwapRent<sup>SM</sup> and tracks the last trades and index settlements for each market.

SPIM (SwapRent<sup>SM</sup> Property Indexing Methodology) is a unique, granular, geographically smallest definable neighborhood of like-kind property based and "upward scale-able" indexing methodology to serve the needs of financial trading.



Web Site: <http://www.REIDeX.com>  
Email: [Info@REIDeX.com](mailto:Info@REIDeX.com) , Tel: 1-888-456-8881  
Patent Pending. All Rights Reserved.

