

In reference to mortgages, Dave Ramsey recommends a 15 year fixed rate conventional mortgage with a minimum down payment of 10%, preferably 20% to avoid Private Mortgage Insurance (PMI). Additionally, he recommends that a buyer's monthly mortgage payment not exceed 25% of their net (take home) pay. There is no other mortgage product that Dave Ramsey recommends, therefore, we ask that our endorsed agents not promote any other mortgage product to our clients as something that Dave Ramsey would endorse.

In reference to the practice of real estate, Dave Ramsey teaches that people should use the services of a full time, full service agent when buying or selling a home. Dave teaches that you generally get what you pay for in real estate, therefore, an agent should charge any commission that allows them to offer full service real estate representation. By law, all commissions are negotiable; therefore, The Dave Ramsey organization expects all agents to abide by the compensation policies of their managing broker and firm.

In reference to personal finance, Dave Ramsey teaches people to follow his "Baby Steps" to financial prosperity.

These steps, in order, are

- 1) set aside an emergency fund of \$1,000.00 in the bank before doing anything else,
- 2) pay your debts off smallest to largest ("Debt Snowball")
- 3) set aside 3- 6 months of expenses in savings,
- 4) Invest 15% of income into Roth IRA's and pre-tax retirement,
- 5) College funding (if applicable),
- 6) pay off the home early,
- 7) Build wealth through further investing (mutual funds and real estate) and give.

We encourage our agents to be familiar with these concepts in order to be more successful with our referrals. Many will expect you to know this information. Should a referral request information on Dave Ramsey's opinion on any of these topics, we ask our endorsed Agents to be able to communicate this information to our referrals. **We do not ask our Agents to only work with people who will abide by these principles;** we simply want those referrals that come from us to be informed of what it is we teach.