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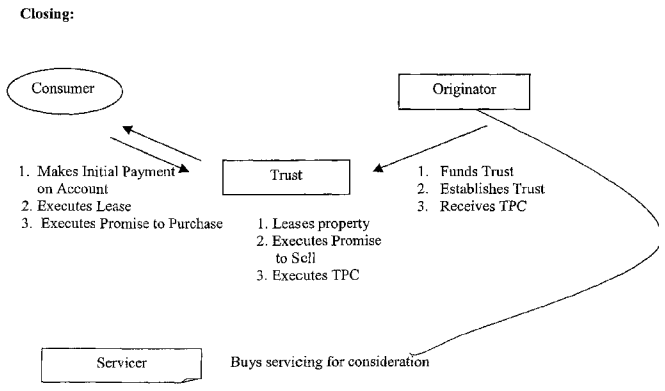
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(54) Title: SYSTEM AND METHOD FOR CONDUCTING RESIDENTIAL FINANCING TRANSACTIONS



(57) Abstract: As provided by the exemplary method described herein, a single-asset trust would be established by the originator, as settlor, naming a special purpose entity as the trustee. The trust would be subject to the terms of a written indenture designed for this specific purpose which would be used generically by all originators participating in the program. The funds necessary to acquire the real property would be deposited into the trust by the originator, as settlor, and used to fund the purchase of the property. The trust would then enter into a combination lease/contract-for-deed agreement with the lessee/purchaser. The settlor would be the initial beneficiary of the trust, but the beneficial interest in the payment stream arising from the trust would be assignable to third parties. The power to remove and appoint trustees would be granted to the beneficiary and the beneficiary would have the power to direct the trustee with respect to foreclosure of the property. These rights would be assignable with the payment stream. Figure 2 shows that the originator will close and fund the trust according to applicable law. The originator will establish an irrevocable trust under a uniform Trust Indenture, and then fund the same. The trust will hold title with licensee as initial beneficiary. The trust will execute the Lease with the purchaser/lessee as well the Promise to Purchase.

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