



# PRIVATE OFFERING SUMMARY

## Mainstay Financial Services Mortgage Fund V, LLC

### Investment Overview

Mainstay's Mortgage Fund V is seeded with \$280,000 of mortgages which are already meeting targeted distributions. The mortgages are issued on mobile homes, block construction homes, and income producing light commercial properties. Mainstay is a licensed mortgage lender which



originates, maintains, and services all of its mortgages to assure consistency throughout the life of the investment. All mortgages are secured by land, home, and entitlements. Mainstay has conducted thorough analysis and due diligence on all potential sites, homes, and or buildings prior to adding them to the Mainstay portfolio. Additionally, extensive credit and background research was completed on all borrowers, prior to originating the mortgages. All property taxes and insurance fees are escrowed.

### Accredited Investor Suitability Standards

#### Does not include state suitability standards

- Individual income in excess of \$200,000 or joint income with spouse of \$300,000 in each of the two most recent years and anticipated in the current year; or
- Individual or joint (with spouse) net worth in excess of \$1,000,000; or
- Entity with all equity owners individually meeting the above two standards; or
- Institutional investor satisfying the requirements of Regulation D under the Securities Act of 1933; or
- Trust with assets in excess of \$5,000,000, not formed to acquire the Units, with purchases made by a sophisticated business person

<sup>1</sup> Accredited Investors shall have the meaning as defined per Rules 501 and 506 under Regulation D of the Securities Act of 1933.

<sup>2</sup> There are no assurances or guarantee that these objectives will be met or any return of investment will be made.

<sup>3</sup> The Manager reserves the right at its sole and absolute discretion to direct the Fund to accept subscriptions for the purchase of a fractional Unit, but the Fund is in no way obligated to do so.

### Offering Summary and Objectives

|                                     |   |
|-------------------------------------|---|
| Company Name                        | Mainstay Financial Services Mortgage Fund V, LLC  |
| Offering Type                       | Private Placement Offering  |
| Purpose                             | To acquire an existing portfolio of mortgages for mobile homes, block construction homes, and income producing light commercial properties throughout Central Florida |
| Offering                            | Up to \$2,000,000   |
| Minimum Investment Amount           | \$25,000  |
| Units Available                     | 80  |
| Minimum Investment <sup>3</sup>     | 1 Unit  |
| Investor Suitability <sup>1</sup>   | Accredited Investors only   |
| Anticipated Exit                    | 36 months from the Fund Opening Date  |
| Targeted Distributions <sup>2</sup> | 9% Monthly Distributions  |

### Company Profile

Mainstay Financial Services, LLC, The Manager of The Fund, was founded on the principles of creating investment vehicles which would allow investors to receive a steady income stream with minimal risk, providing predictable returns over the life of the investment. Louis F. Garrard V, is President of Mainstay Financial Services, Garrard Inc., and serves as President of Mainstay Healthcare and Grace Manor of Lake Morton. He has spent over 20 years in the affordable housing industry with a focus on offering secured investment opportunities to his clients.

### Risks

An investment in the Fund involves significant risks including business investment and tax risks such as lack of liquidity and restricted transferability of units, loss of investment, and risk of no return on investment. There are risks associated with financial projections and forward-looking statements, as well as with market and industry changes whether financial, real estate, competitive, geographic and otherwise. There are potential and actual conflicts of interest between the Fund and Mainstay Financial Services, The Manager. Additionally, there are risks specific to investing in mortgages such as timeliness of monthly payments, value of collateral, foreclosure, etc.

*The Units have not been, and are not intended to be registered. This is not an offer to sell or a solicitation of an offer to buy a Unit. An offer can only be made through the Offering memorandum and accepted through a subscription, and only in states where such is permitted. The Units are offered through exemption from registration under federal and state securities laws and are not intended to ever be registered. Neither the SEC nor any state's securities agency has passed on the accuracy or completeness of the Offering memorandum. Any representation to the contrary is unlawful.*

*This announcement is made in conjunction with the issuance of a private placement memorandum and any interest expressed by a potential investor as a result of this announcement involves no obligation or commitment of any kind. No sale of Units will be accepted until five business days after the date of the Offering. The Fund does not anticipate paying any commissions to securities broker/dealers in connection with the Offering. The Offering is intended for Accredited Investors who understand the business, investment and tax risks associated with a purchase of Units, including the absence of a trading market and risk of loss of investment, and who intend to purchase Units as a long-term investment. For more complete information about the Fund and the Units, please contact John Ridenour of Mainstay Financial Services, LLC at 5578 Commercial Boulevard, Winter Haven, FL 32801, 407.497.3149.*

# Mainstay Mortgage Fund V Frequently Asked Questions

**1) How is the Fund liquidated at the end of the 36 month term?**

**Answer:** Mainstay's records indicate that many of the existing mortgages in the Fund will be paid off within a 36-month period. For those that are not, they will be purchased by Fund VI or Fund VII which will provide the liquidity to close Fund V and fully return investor principal or allow investors to roll over principal into Fund VI or VII.

**2) What happens to non-performing mortgages in the Fund?**

**Answer:** By prospectus, Mainstay is required to substitute a non-performing mortgage in the Fund with a like kind, seasoned and performing mortgage from Mainstay's portfolio.

**3) What are typical terms for a mortgage?**

**Answer:** Each mortgage is designed to meet the mortgagee's needs. Mainstay requires a minimum of 10% down, taxes and insurance to be escrowed, and the loan to be amortized over a specific length of time that will give the borrower a favorable payment. Mortgages normally have a 5-year balloon. Our history shows that most of our mortgages are paid off or restructured within a 5-year period.

**4) Why doesn't the home owner get a more favorable mortgage rate from a bank or other financial institution?**

**Answer:** Conventional financing is very difficult as banks and financial institutions have covenants or concentration limits on these types of loans, down payments, and credit underwriting.

**5) How does Mainstay conduct its due diligence on each mortgage it underwrites?**

**Answer:** Mainstay credit underwriting mirrors FHA standards so that when the proper time comes the mortgagee may go to a FHA loan or the mortgage may be sold into an FHA portfolio.

**6) What is Mainstay's track record in Mortgage defaults?**

**Answer:** Over the last 5 years, Mainstay's default rate has been in the 3% range.

**7) What is Mainstay's track record with protecting investor's principal?**

**Answer:** In its 17 year history, Mainstay has never lost an investor's principal.

**8) Who is the typical Mainstay mortgage client?**

**Answer:** This varies from young couples to retirees who may not be able to finance a home through conventional sources due to down payment requirements, covenants, or credit requirements.

**9) How does Mainstay mitigate mortgage default risk for the investor in the Fund?**

**Answer:** The Fund, by prospectus, is required to remove a non-performing mortgage and replace it with a performing mortgage.

**10) Why do you have to be an accredited investor to put money in the Fund?**

**Answer:** Mainstay Mortgage Fund V is a private placement investment that is required by law to be offered only to accredited investors.

**11) Can you roll over your investment at the end of the 36-month Fund closing into another Mainstay Mortgage Fund?**

**Answer:** Yes there will be a like kind investment – Fund VI, VII, etc. - that will follow Fund V.

**12) Why does the Fund distribute the dividends on a monthly basis?**

**Answer:** Mainstay has learned that investors like a monthly distribution.

**13) Can a dividend fall below 9%?**

**Answer:** By prospectus, Mainstay is required to pay a 9% dividend throughout the life of the Fund.

**14) Can I allocate a portion of my 401K or IRA into the Fund?**

**Answer:** Yes providing your custodian of the 401K/IRA will hold this type of investment in their portfolio. If they will not, Mainstay has developed several custodians that will hold this type of self-directed investment.

**15) How will the money raised in the Fund be used?**

**Answer:** To purchase additional Mortgages for the Fund.

**16) What are the fees associated with the Fund?**

**Answer:** There are no fees for investors in the Fund. Mainstay only earns a performance fee on the spread it is able to achieve on the aggregated interest rates of the performing mortgages in the Fund above the 9% it is obligated to pay the investors.

**17) Is Mainstay willing to answer any and all questions relating to the Mortgage Fund?**

**Answer:** Absolutely, Mainstay has nothing to hide.

**18) Why has Mainstay originated a Fund instead of selling individual mortgages?**

**Answer:** Mainstay was created 17 years ago by originating and selling individual mortgages to investors. Since that 2011 decision to pool the mortgages, Mainstay has completed three successful Mortgage Funds which continue to pay monthly distributions as designed and promised. Pooling mortgages in a Fund mitigates an investor's risk and allows for a lower initial investment made by the investor.