Wednesday, Mar 30 2016 webinar



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April 14th -16th Titanium MasterMind

June 2nd Special Asset Preservation class

June 3rd and 4th Summer Summit

June 3rd thru 5th Rich Rewards Class (same location as Summer Summit)

* I’m back
* Looking for new case studies
* Gail H: HHF questions
* Jason: SDIRA questions
* Troy W: Recording
* Buddy: step by step

Hi Kevin,

I'm a new Note School Titanium Trainee as of March 6, 2016. I submitted the questions listed below during the webinar.  Eddie and you didn't get an opportunity to answer them. I know you're both busy and at your earliest convenience, could you please provide the answers to my questions?

* How delinquent does the borrower need to be to qualify for the Hardest Hit Fund Program?

KS: In general they look at loss of income by at least 30%. Divorce. Unemployment. Injury. What happened? (hardest)

* Is there an actual or apparent conflict of interest if a Note Buyer helps a relative with the Hardest Hit Fund Program?

KS: not sure. In my opinion, I would say as long as you treat that relative the same way you would any other borrower, it could be okay. Document everything. Check with State.

* My business structure is a C-Corp with a Profit Sharing Plan. I'm in the process of funding the plan with my IRA. Can I use this money to buy notes the same as one would use a SDIRA?

KS: I am not sure. Check with your custodian.

* It has been recommended that I focus my effort on one area so I have selected the Performing Notes space. How do I focus on Performing Notes while taking advantage of the Non-Performing Notes opportunity with the Hardest Hit Fund Program?

KS: one deal at a time. Czarina can help on a liaison call as well.

Thank You,

Gail

Gail Hampton

Please confirm that since the borrowers claimed BK7, the outstanding note balance has been nullified and they would not be available to any type of Hardest Hit Fund program.

KS: CH7 no, CH13 perhaps. CH7 nullifies the obligation to pay the debt not the debt itself.

Link for additional funds info: <https://www.treasury.gov/press-center/press-releases/Pages/jl0357.aspx>

Hi Czarina/Matt,

If you would be so kind, please submit the following question for today's call if possible:

Any cautionary advice or recommendations when purchasing NPNs in one's SDIRA?

KS: structures properly and “arms length” transaction. Your custodian is familiar with the proper structure and that you inform them. Don't do prohibited transactions.

Also, as I recall from a discussion with Martha Speed she had cautioned that if a property was foreclosed on and taken back as an REO, she moves it out of her SDIRA as quickly as possible, would you mind reviewing the concern with keeping an REO property in one's SDIRA?

KS: I’m projecting, as I didn't hear this conversation.

Thank you!  Jason Ortiz

My lawyer just called from court in a case to take possession of property for a NPL in a land contract. The borrower came to court and wants to set up work out arrangements that I am willing to accept.

Are those terms something that can usually be set in court or does a loan officer have to do that?

KS: Lawyer or loan officer would be fine.

What is the benefit of recording?

KS: all recording does is make the transaction a part of public records.

How do you tell if a land contract has been recorded?

KS: if it is stamped and if you can see it on publics records.

What does foreclosing on a land contract mean? I've heard it referred to some times but I thought with a land contract that you are just canceling the contract and more or less evicting the now tenant from the property.

KS: sometimes and eviction sometimes you have to foreclose. Is their probationary period? We are not canceling the contract rather we are enforcing the contract.

I've heard mention of making sure you have the original deed to the property. I'm assuming that was the paperwork in my collateral file that says warranty deed. How do I know that it is an original opposed to a copy?

KS: originals are mailed once you buy the note.

Troy Walcott

Good Morning,

Is there a checklist of the steps to complete a note purchase from Colonial?

For example:

1. select a note.

2. due diligence

3. make offer

4. sign agreement

5. send funding

6. record documents with county

…

Also how to complete each step.

Thanks,

Buddy

Are all counties in a state included in the Hardest Hit Funds program? I recently checked on one in Hinds county Mississippi and it appeared that Hinds County is not included.

KS: I have never heard of that. It doesn't make any sense to me.

Can you go over what needs to be recorded when we purchase a non-performing land contract?

KS: watch those Summer Summit videos. In general, you always record the mortgage or Deed of Trust. If you acquire a property you record the Deed. Land contract are sometimes recorded-varies by state.

What about the assignments, special warrantee deeds?

KS: yes on Deeds. Assignment of a Mortgage or DOT, yes.

Are there no assignments required for land contracts?

KS: yes. There can be an assignment of beneficial interest in a LC.

Did you have a document showing the average cost to hire an attorney to foreclose by state?

KS I do. See your handouts on the GTW.

Who records the docs, Servicer, local attorney, attorney in state where property located, if out of state do we send copy or orig to attorney.

KS: you do that via mail (tracking) or have your servicing company do that.