

NPNote Call - Tuesday 5/17/16

Question – Best way to ‘talk’ to borrower to keep them paying tax liens & maintaining house while we continue foreclosure?

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- **Roman & Robyn purchased the NP 1st lien late September 2015
Amount invested to date (including anticipated foreclosure) \$10,000**
- **Foreclosure in the process. Expected to go to sheriff sale Sept-Oct. 2016**
- **After several ‘let us help’ letters & a meeting between Roman (who played the innocent local realtor) & the borrower, the borrower’s new wife has contacted us. She said they want to stay in house what can they do. They have \$15,000 cash now.**
- **In an email Saturday she offered us \$15,000 cash to buy house back.**
- **We don’t think it will work with this borrower because of his history. There are several liens (see attached title) which can wipe out with foreclosure on property. Most significant item is borrower was indicted in May 2014 of IRS fraud. He & 3 others are being investigated for using other people’s names & ss numbers to file false tax returns; around \$2 m. Given his history; he has a nice rap sheet, we don’t think he would be a promising long term payer.**
- **Tax liens certificates: Liens were around \$12k. Borrower had a payment plan with buyer of tax liens. Paid around \$6k. Then they stopped making payments Feb. 2016. Borrower has set new payment plan of \$472.78/mo June 2016 – May 2018.**

Summary-

Initial investment -	\$10,000
Tax Certificates -	\$7,350
2016 Prop Tax -	\$1,130
	\$18,480

Collateral

Location:	Bedford Heights, OH (Cuyahoga County)
Current Estimated Value:	\$70,000 - \$90,000
Property Type:	SFR
Occupancy:	Owner (borrower)
Property Size:	3/1/2 1040 SF

Note Information

Date of Sale:	9/6/2005
Sell Price:	\$123,000
Down Payment:	0
Amount Financed:	\$98,400 (1st lien)
Original Term in Months:	360
Monthly Payment:	\$693.09 (P & I)
Interest Rate:	7.575% (adjustable max 13.575%)
First Payment Due:	10/1/2005
# Payments Made:	?
Next Payment Due:	? - We do not have a pay history on this note. We have a Mod Proposal dated 7/1/2008 which states the "principal balance" is \$109,102.38. We assume this includes the 2 nd lien (below).
Amount Financed:	\$24,600 (2nd lien)
Original Term in Months:	180 (30 yr amt – 15 yr balloon)
Monthly Payment:	\$269.73 (P & I)
Curr. Loan Balance:	?? (1st lien)
Property Taxes:	Borrower recently paid 2015 taxes. Due 2016 \$1130
Property Ins:	Forced place.
Rentometer:	\$850 - \$900

