

# Topics Covered:

**Michael Rogers:** NPL Timelines

**Mahmood Motani:**  Exit Strategy for REO

**Stuart Johnson:** Exit Strategies after Foreclosure

**John Ryan:** Due Diligence Review

**Change in Mentor Call Schedule**

**NoteSchool Appreciation Event:** Case Study Competition

**NoteExpo:** Register for Event and Hotel Reservations

1. **QUESTION:** Hi, I was in Southlake last week and spoke with Eddie about two of my NPL's that I purchased back in Apr. These were my first two notes ever purchased, and I paid cash for both. My goal was to "flip the assets" for cash, and I was hoping to have them both sold within 3 to 6 months. That hasn't happened, and I am approaching month 5 of ownership.

Eddie suggested that I lay out a timeline for the two notes, indicate the main milestones for each note and we could throw it up on a call to help others (and me) be grounded in how long things can actually take. One of the NPL's just went on the market last week, the other NPL is being "managed" to a "3rd breach" letter

**Michael Rogers**

**Documents Available:** Spreadsheet of timeline

1. **QUESTION:** The attached is our REO. According to NPS, *"it will take extensive remodeling that may exceed the house's value to get it into rentable condition"*. BPO = $8K (Aug 2014). To date, I am in it about $8K. What is my best exit?
* Rentometer = $550
* Annual Tax = $455
* 50/50 model projects sales price of $40,000 (spreadsheet attached)
* Land value per tax records = $10,140
* Zillow = $51,818
* Eppraisal = $24,951
* [Realtor.com](http://Realtor.com) = $86,504

**Mahmood Motani**

**Documents Available:** BPO, Property Condition Report, 50/50 Model Spreadsheet

1. **QUESTION:** I would like to submit this property at 1232 W Hillcrest in Dayton OH 45406. Single family residence, 2/1, 1080 sq ft, attached garage for a discussion on next Tuesdays call. We have a court date of 9/23/16 and our servicer expects to get a judgement the same day. We would like to have a plan of action ready.

We have two repair estimates that were done last February. One for $6,600 and the second for $19,582.98. We also have a violation form city of Dayton that the 1st floor front porch is structurally unsound.  The compliance date for this was 06/01/16 but I have talked to Denver a couple of times and put the date back to 12/01/16 (this problem is not included in the two repair estimates below). The furnace and hot water tank are missing and the bathroom is non-functioning. This is not a retail consumer property in its current condition so our exit strategies are to either sell it to a local rehabber or try and do a 50/50 if the cost to bring it up to rent ready is not too high. We are into this property for $9,871, plus legal costs for the foreclosure estimated $2,250.

**Stuart Johnson**

**ANALYTICS for zip code 45406**

Population Est   21,000

Density             4,106 Per Sq Mile

Households       12,000

Rentals               50% of market

**VALUE                                             RENT**

BPO as is Value $6500 done 05/18/2014

Zillow: $51,471                                     $695

Trulia: $26,000, Crime Risk Yellow

Home Facts: $64,000   $660

Med sale S111,000

39% Owned, 34% Rental, 26% Vacant

70 Registered Offenders

Redfin: $32,000 Median sale price in ZIP 45406

RentOmeter: $514 average, a decrease from $540.00 in Dec 2015

RentFax Rental Report:   $616 Median

RentFax pro RISC Neighborhood Score: MSA 24.60, USA 19.95

**Documents Available:** BPO, RentFax Report, Repair Estimate, 50/50 Spreadsheet, NOI Spreadsheet

1. **QUESTION:** I have two questions. One is regarding a NPL and the other a REO.
	1. Question 1: (NPL) 209 N Normal St, Macomb, IL 61455 – Title & Deed Questions
		1. I was trying going over the docs for this asset and wanted to make sure I was reading this correctly and I wasn’t missing anything. My questions regarding the title & deed are:
			1. Confirm chain of title: This loan has been modified a few time and we just wanted to confirm our 1st position on the note
			2. Taxes: Looks like the taxes for 2013 & 2014 have been sold (approx. $4,850. total) and 2015 is getting ready to go delinquent ($2,000). Wanted to confirm we do not have to pay the sold 2013 & 2014 taxes until Redemption Date of April 24, 2017.
				1. Same with current taxes that are due in October. Can we hold off on paying for now?
			3. Notice of Foreclosure (lis pendens) / May 2011
				1. Looks like foreclosure process has started?
				2. Can you determine if this has been recorded?
				3. Is this lis pendens still active? If so, what is the best way to re-start the process?
				4. Your thoughts on a Deed in Lieu?
		2. Note Info:
			1. Purchased from:  Colonial
			2. Note Price:      $17,815
			3. Asset Type: Non-performing Mortgage
			4. Note Date 11/30/01
			5. Original Loan Amount $75,000
			6. Principal Balance\* $83,665.60
			7. Current Servicer Peak
			8. Est Market Value $37,500 (new BPO shows $80,000 ‘as is’ – ARV: mid $90’s
			9. Valuation Type Custom
			10. Valuation Date 4/4/16
			11. Trulia Heat Map Green
			12. Best Places Crime 50’s / population 22k / unemployment 5.7 (job growth increasing)
			13. Rentometer $800
			14. BPO Rent $950
			15. RISC 34.61 MSA / 30.45 USA
	2. Question 2: (REO) 203 E Central Ave, East Bangor, PA 18013 – Occupancy question

This is a Colonial asset we have under contract and are working through the DD. In the collateral files there is a property inspection report prepared by MCS dated February 2016. The report shows the property as occupied.  We have ordered a new BPO (interior and exterior) to confirm occupancy and condition. Hopefully the occupants have since vacated the property but, I was wondering (in case they haven’t), what would be the procedure(s) for removing an unauthorized occupant / squatter? I’m assuming the State of Pennsylvania doesn’t let you take the front door off anymore?  ☺

**John Ryan**

**Documents Available:** BPO, Homefacts Report, Property Photos, Property Inspection Report, RentFax RISC Report, Title Report

**Change in Mentor Call Schedule**

* **Wednesday and Thursday times are switching as of October 1**
* **Current Wednesday 3pm CT Non-performing calls, moving to 3pm CT Thursday**
* **Current Thursday 12pm CT Performing calls, moving to 12pm CT Wednesday**



<https://www.youtube.com/watch?v=wF9pWpx47BI&feature=youtu.be>

As I said in the video; there is no better way to expand your business than to get maximum exposure as an industry professional. To help you do that, NoteSchool has expanded our case study award categories to include:

* Quickest workout
* Best brokered deal
* Most creative deal
* Best 'paper out'
* Best Hardest Hit Fund transaction
* Best Turnkey deal
* Rookie of the year
* And more...

This is a huge opportunity but we have less than 60 days to get it done! Submit your case study now by going to:  <http://members.noteschool.com/case-studies/>

**September Offering on NotesDirect.com**

* Due to the Labor Day Holiday weekend September’s Titanium Thursday offering will be on September 8th at approximately 1:00PM CT
* The offering will be released to the remaining NoteSchool Mentor Students Tuesday, September 13th also at approximately 1:00PM CT

**5th Annual Appreciation Event and NoteExpo**

**Fort Worth, Texas**

**Highlights from Tentative Agenda**

Wednesday, November 2nd: Titanium Members VIP Event & Reception 5:30 - 7:30pm

Thursday, November 3rd: 5th Annual Appreciation Event 8:30am - 5:30pm

NoteSchool’s 5th Annual Appreciation Reception 6:30 – 7pm

NoteSchool’s 5th Annual Appreciation Dinner

NoteSchool’s 5th Annual Live Charity Auction

Friday, November 4: NoteExpo 2016 – Day One 8:30am - 5:30pm

NoteExpo Welcome Reception 5:30pm – 7:00pm

Saturday, November 5: NoteExpo 2016 – Day Two 8:30am - 4:30pm

**Event Registration:** <http://tinyurl.com/2016Apprec>

**Hotel Registration**

We have negotiated a discounted room rate of $169.00 to $199.00 per night at the Sheraton Forth Worth Hotel and Spa, 1701 Commerce St, Fort Worth, TX 76102. This rate is only available if you book your room by October 17, 2016. You can reserve your room by calling 817-335-7000 or by clicking the following link: <https://www.starwoodmeeting.com/events/start.action?id=1607140564&key=AD2757B>

**New email for Content Docs Submissions**

<https://www.dropbox.com/request/Enk7QksdLwgqXgVMK2Bz>

**New email for closing issues** (Includes request for any missing executed post-closing docs)

**PostClosing**@colonialfundinggroup.com

**If you want to Purchase Assets from the call:** **Offering@colonialfundinggroup.com**

**Please Submit Questions to:** **Content@noteschool.com**

**To Buy a Partial Contact Martha Speed at** **Martha@noteschool.com**