

# Topics Covered:

**Anthony Gloschat:** NotesDirect Asset #56316 Review

**Anthony Gloschat:**  NotesDirect Asset #56177 Review

**Nash Nanji:** 50/50 Model Questions

**Change in Mentor Call Schedule**

**NoteSchool Appreciation Event:** Case Study Competition

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

1. **QUESTION:** My wife & I are new Students as of August 2016. At this time we have not found any good performing notes to invest in so we have started looking at NPN to get some experience. We would like some help reviewing 2 assets currently on NotesDirect.
	1. **Offering 56177 Details**
		1. Non-performing
		2. Original note $105,600
			1. Modification in 2012
			2. New note $108,767.74
			3. UPB $103,032.49
		3. Property is occupied and seems in good shape
		4. Next payment 10/2014
		5. Est. Market Value $70,800
* Our concern is liens. Taxes for 2012-2013 appear to be sold although we are not sure what the Abstract report indicates.
* Also, there was an attempted loan modification in 2012 and I’m not sure if the that makes them not eligible for HHF
* If not, can we still modify not to $70,600 or new BPO Value? Last BPO 5/2015 indicated rising Market 1.2%
If not can we foreclose? IL Judicial State so plan on 12 months
* Or we can sell as is or fix and rent. Rent-meter Avg $1285.00

IL is a Hardest Hit Fund State and offers two types of assistance:

* Reinstatement Assistance (RA) is a one-time payment of all mortgage arrearage, fees, and penalties.
* Monthly Mortgage Payment Assistance (MPA) pays 100% of monthly mortgage payments for up to 12 months.

HHF assistance is provided as a 5 year forgivable loan. A lien will be filed against the property. This assistance is forgiven over the 5 year loan term. All borrowers approved for the program will complete a full set of loan documents. Funds may have to be repaid to IHDA if you sell your home at a profit or refinance during the 5 year loan term.

The total amount of assistance that is available to eligible households can receive up to $35,000.

* 1. Offering 56316 Details
		1. Non-performing
		2. Last payment was in 2013
		3. Property is vacant
		4. Probably need a new BPO
			1. Last BPO is dated 1/11/2016 and is valued at $27,500 as is, $32,500 if repaired
				1. Repair estimates are $4,500
		5. Small town outside of Danville, KY. Nice area, no crime
		6. Potential rental property for commuters
* Our concern is tax and municipal liens
* I found the Borrowers mothers obit (2015) and it lists him as still in Junction City, KY (same as Property) as of March 2015
* KY is a hardest hit state but he has vacated the property
	+ Even though he may still live in the area and KY is a HHF state, I don’t see him getting back in the property to work through a modification
	+ State pays up to $30K
* If we can’t do a modification, I thought about a deed In lieu
* Or we could sell as is or fix and rent and then sell to investor

**Anthony Gloschat**

1. **QUESTION:** I am having trouble justifying the numbers for the 50/50 Model. Basically the issue is this:

In my model, I feel very uncomfortable if I do not include expenses for closing costs, $10K (mainly, attorney’s fees, and for rehabbing/bringing the property up to HUD/NPS standards, $20K. The NPL Note that I am currently looking to buy from Colonial will cost $21,500. So the total cost is estimated to be $51,500.

As an example, a rental of $750/pm, for a Cap Rate of 10 computes to $65,000 Selling Price to a potential Investor. With dividing up the share to 50/50, I am left with a very big negative return!

I tried many different values between $60,000 to $80,000 as Selling Price with a total cost of the purchasing the note and adding the $30,000 for closing costs and for rehabbing as explained above there is nothing left for me as profit.

What am I doing wrong? Am I including too large a figure for expenses?

I was on a mentoring call the other day, and the benefit was explained from an investor's point of view. In summary, for a 50/50 model, the investor would receive a 9% Cap rate for his 50%, and over 18% after the mortgage was paid off, for a return of 30% (how?), and even more if the property price went up. It seems like it is better to be an investor than a seller?!

**Nash Nanji**

**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**