



Note Case Study – Norwalk, OH

Opportunity:

This was a non-performing contract for deed in Norwalk, OH. It was a 3 bedroom, 1,140 sq ft home that was renovated in 2000. The borrower had made 8 payments in the last 12 months, so there was a good chance of getting the note to reperform.



Financial Details:

Unpaid Balance (UPB): \$29,904

Estimated Home Value (BPO): \$40,000

Acquisition Price: \$13,450

P&I Payment: \$419

Reserve for Expenses: \$11,000

Outcome:

After getting the note boarded, we contact the borrower to negotiate a forbearance / trial payment agreement. Borrower was uncooperative initially. This loan had been resold a few times, and it seemed that the borrower expected us to also resell the loan. We made it clear that we were willing to work with them, but if we couldn't we would absolutely follow through with the foreclosure. Borrower then agreed to a forbearance agreement which they followed through on. Loan was then resold after several months of seasoning.

Proceeds Received: \$18,400 for note sale + \$3,287 in payments

Acquisition Price: \$13,450

Total Expenses: \$2,170

Profit: \$6,607

JV Share: \$3,304

Total Annualized Return: 30.2%

Annualized ROI to JV: 15.1%