

APPENDIX A: VALUATION CHECKLIST

Putting a value on a property underlying a Note that you're looking to acquire is one of the most important steps that you'll undertake in your due diligence. You want to make sure you get it right.

This checklist will help ensure that you've learned all the key steps you need to in terms of valuing a property.

IMPORTANT: If you completed the Advanced Assignment for Week 1 – photocopy this Checklist for EACH property you researched.

- Foreclosure list bought / subscribed to
- Target property(ies) selected (within driving distance of my home)
- Online comps pulled:
 1. Trulia.com
 2. Realtor.com
 3. Zillow.com
 4. Local MLS (from a local realtor)
- Received list of properties from MLS (from local realtor). Comps include: last 6 months, 1 mile radius (if urban, or 3 miles if rural), Active, Sold, Expired and Pending listings
- Compared average Active Listing with Average Sold Listing (price fade? - If so, by how much?
\$_____.
- Average Days on Market (DOM) for the Closed listings
- Checked local market details with realtor (e.g. Downwind from a mill, Meth-zone, drug or gang-infested area)
- Checked aerial photos (and compared) on Google Maps, Zillow and Live.com
- Completed my assessment of As-Is Market Value. That value is: \$_____ (you may be tempted to give it a range, but push for a single number!)
- Driveby completed (along with photos)
- Requested realtor's As-Is Market Value. The Value they gave me is: \$_____
- Difference in value between my Value and Realtor's Value: \$_____

APPENDIX B: TITLE CHECKLIST

Determining what's encumbering or what's "secured" as a lien on a property is as important as determining a property's value. This checklist will help guide you in your due diligence on title-related questions.

IMPORTANT: If you completed the Advanced Assignment for Week 1 – photocopy this Checklist for EACH property you researched.

- Identified the online County Recorder's Website (data available online? Yes / No)
(use www.netronline.com or www.courthousedirect.com)
- Completed list of mortgages recorded against target property. Total "open" mortgages _____ (Look for recordings of either "Reconveyances" or "Satisfactions" or "Deed Release" and then match the recording information with the mortgages you've researched to see which ones have been closed)
- Judgments searched, list created of all judgments (including name of Grantor, date judgment recorded, judgment amount)
- Total Liens and Judgments:
 - 1. Mortgage / Deed of Trust #1 – Value: \$ _____
 - 2. Mortgage / Deed of Trust #2 – Value: \$ _____
 - 3. Mortgage / Deed of Trust #3 – Value: \$ _____
 - 4. Judgment #1 – Value: \$ _____
 - 5. Judgment #2 – Value: \$ _____
 - 6. Judgment #3 – Value: \$ _____
 - 7. Total Mortgage / Judgment Value: \$ _____
- Property Value (from Week 1 Checklist): \$ _____
- Property Cumulative Loan-to-Value (CLTV): _____%
- Called Title company and asked about Title Commitment vs. Title Policy – received copies of Date Down and Endorsement
- Ordered Title Report (Title "Swipe") from my preferred title company (alternatively, Source Documents & Information or Optimal Asset)
- Reviewed Title Report:
 - 1. Current Year's Taxes owing: \$ _____
 - 2. Prior Year's Taxes owing 1: \$ _____
 - 3. Prior Year's Taxes owing 1: \$ _____
 - 4. 3rd Party Tax Liens on report? Yes No
 - 5. Open Mortgage #1 - Value: \$ _____
 - 6. Open Mortgage #2 - Value: \$ _____

- 7. Open Mortgage #3 - Value: \$ _____
- 8. Name of Buyer(s) on Last Deed _____
- 9. Total Mortgage / Judgment Value: \$ _____
- 10. Other Notes from Title:

APPENDIX C: CLOSING-ON-A-NOTE CHECKLIST

Understanding the documents you will use to close on a Note deal is critical. This checklist will help you to review the critical documents that you'll want to understand when bidding on Notes.

- Reviewed all of the Bid Stips, one-by-one
- Reviewed Purchase and Sale Agreement
- The clauses triggering a loan re-purchase are:
 1. Trigger #1: _____
 2. Trigger #2: _____
 3. Trigger #3: _____
 4. Trigger #4: _____
- List of the terms I don't understand from this Course (refer to the Note Buyer Glossary for more information on loan and Note terms):
 1. Term: _____
 2. Term: _____
 3. Term: _____
 4. Term: _____
 5. Term: _____
 6. Term: _____
 7. Term: _____
 8. Term: _____
 9. Term: _____
- Reviewed Interview with Janet 2x – identified the key steps in building a bank relationship:
 1. Step 1: _____
 2. Step 2: _____
 3. Step 3: _____
 4. Step 4: _____
 5. Step 5: _____
- Traits of an “Excellent” Investor: _____

- Contacted local Escrow company to figure out charges for recording Assignments

- Reviewed Mortgage / Deed of Trust
- Trustee on 1st Deed of Trust (does not apply to a Mortgage): _____
- Beneficiary on 1st Deed of Trust / Mortgage: _____
- Trustee on 2nd Deed of Trust (does not apply to a Mortgage): _____
- Beneficiary on 2nd Deed of Trust / Mortgage: _____

APPENDIX D: CLOSING & COLLATERAL FILE CHECKLIST

Although it's tough to get access to a full loan file before you buy your first note, you can almost get a sense for the real thing if you can get your hands on an original note file (e.g. Talk to a mortgage broker or mortgage lender and see if they have a loan file they can share with you – don't ask them to break privacy laws here!)

This checklist is meant to help you to review the end of the closing process, and the transfer of loan files.

Met with mortgage lender / broker and reviewed actual (or dummy) loan file

Contacted Escrow Company – document recording fees are as follows:

Per Document: \$_____

Contacted Escrow Company – document recording fees are as follows:

1. 1st page: \$_____

2. Subsequent pages: \$_____

3. Document requirement: Letter / Legal

4. Blank space required (top/bottom)? YES / NO

APPENDIX G: BANKRUPTCY CHECKLIST

This is a simple checklist to guide you through a sample Bankruptcy filing and to get you familiar with what happens in a bankruptcy.

If you are planning on reviewing several bankruptcies (e.g. a Chapter 7 and a Chapter 13 or a Chapter 11), then copy this Checklist before completing it.

- Bankruptcy – signed up for PACER login to access all bankruptcy filing information online
- Bankruptcy type verified: 7 / 11 / 13
- Identified whether Borrower had an attorney representing them (hint – go to the Docket Report, at the top you'll see Debtor and then to the right, if they had an attorney, the words "represented by" and then the attorney's name)
- Date Filed _____ Last Filing Date _____ (has this been going on for several years, or just a couple of months?)
- Schedules reviewed (you can find out a TON of information about Borrowers and your target property from these, particularly Schedules A, D, I and J)
- Schedule A reviewed (note property value reported by Borrower)
- Schedule D reviewed (note which banks they put down as having mortgages on their property(ies), the banks' account numbers (v. useful if you're trying to chase down a senior or junior lien!), and the amounts they're reporting as owing to each)
- Schedule I & J reviewed (Income & Expenditures – can tell you if they're claiming rental income, what they are paying on a 2nd mortgage, and what their income is)
- Plan reviewed (only for Chapter 13s). Look for what the Borrower is proposing to pay on the secured loans, as well as on the unsecured loans (e.g. credit cards)
- Meeting of Creditors reviewed (Look for notes on a 341 meeting or "creditor meeting") –to see who showed up as creditors (e.g. did all creditors on Schedule D show up?)
- Orders reviewed (e.g. Order Confirming Chapter 13 Plan) – what exactly is being approved?
- Claims Register reviewed (gives a summary of all the Claims put in by Secured and Unsecured creditors – useful quick reference guide)
- Go to Case Summary and note Terminated, Discharged, Converted, Dismissed dates
- Reviewed what happened on the Docket Report on each of these dates, reading Judge's Orders, in order to clarify what each of the following terms means: Terminated, Discharged, Converted, Dismissed