



12 Questions to Ask to Protect Yourself When Selling Your Private Mortgage Note

Here are some questions you'll want to ask to be comfortable that someone buying your note feels trustworthy and professional.

1. What, if any, costs will I have to pay?
 - a. This varies from Note Buyer to Note Buyer, so be sure to ask up front. We pay all the research and closing costs - the appraisal, the title report, the closing agent costs so there are no costs to you.
2. How do I know I'll get my cash?
 - a. Again, this varies from Note Buyer to Note Buyer. We use a closing company or escrow attorney to close our loan purchases so you will sit with someone who will have the documents you need to sign (there are usually 3-5 pieces of paper to sign - much simpler than a property closing) and will hand you a check.
3. If my note is in my Self-Directed IRA and If I sell the note, how will I get paid?
 - a. Typically you will send the check to your Self-Directed Administrator along with a Deposit Form and the check will be deposited into your account. Your SDIRA Administrator may charge a fee to handle the transaction. The funds will then be available in your SDIRA for you to access. Really not much different than depositing them into a regular bank account except you go through your SDIRA Administrator.
4. Once you give me a price quote, will it change?
 - a. We will give a price quote, and then put it into the Purchase Agreement we'll sign with you, before we have an appraisal done, pull title or research your borrower. An adjustment to the price could be due to a property value that is lower than expected, a title that has defects to cure and a borrower that has pay history issues.
5. When do you ask for the original loan documents (Promissory Note, Mortgage / Deed of Trust)?
 - a. We do not ask for any original documents until closing. We will need images or copies of the loan documents to do our research but you hold the originals until closing.
6. After I sign the Purchase Agreement, how long will it be until closing?
 - a. Typically under 3 weeks. Once we all sign the Purchase Agreement we will order an appraisal and title, then our closing agent will contact you to schedule a

convenient date and location near you.

7. How much of my personal information will you require?
 - a. Only your name, phone number and email are needed so we can keep in touch with you as we work toward closing. Even though you financed your note, your personal information, like your credit score or history, should have no bearing on the sale of the mortgage. The value of the mortgage note depends on the profile of the borrower, not you.

8. Who handles all the paperwork for the transaction?
 - a. We handle the preparation and cost of all the paperwork from start to finish. When you go to closing the few documents you'll sign will be waiting for you.

9. Are you a Note Broker or a Direct Buyer?
 - a. There is no best answer to this question.
 - b. Brokers (people who have contacts with numerous Note Buyers and can act as a middleman to "shop" your private mortgage note for you) can be helpful to work with. You will want to properly vet them to be confident they have worthwhile contacts and charge a fair price for their services (typically \$2,500 - \$10,000 depending on the note transaction).. Be clear about when they get paid and when you have to pay them.
 - c. Direct Buyers buy the notes for themselves and do not charge a fee so you will get the best possible offer.

10. If the borrowers stop making payments (or aren't paying now), do you kick them out?
 - a. When we work with delinquent borrowers we have multiple options for them to choose from to deal with their debt without them leaving their home. Some of these include reinstating the loan, modifying the loan, entering into a forbearance agreement or a trial payment plan. We lay out all the options and let them decide what they want to do.

11. When will I hear from you next?
 - a. A company that makes its living buying mortgage notes lives by a methodical, disciplined timeline of activities to get to closing. They should be able to outline next steps and when they will communicate with you.

12. Why should I buy from you?
 - a. By this point you might have a good "Gut Feel" about the trustworthiness and professionalism of the potential note buyer that you've been talking with. However, some possible additional questions to ask could include:
 - i. How long have you been buying mortgage notes?
 - ii. Do you have any past clients I can talk with?
 - iii. Do you have any open FDCPA claims against you?

