

PAPER POWER



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Module 7 UGLY PAPER Pools – Part 2



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Pools - C'mon In!



- Defaulted Paper or REOs
- Multiple Properties / Notes Traded at One Time
- Price is Determined as a % of Current Market Value
- Higher the Volume – the Better the Price
- Exit Strategy: FLIP to End Buyer

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Bottom Lines for this Module

- Finding Bad Paper
- Acquisition Criteria (NPNs and REOs)
- Avoiding Daisy Chains
- Negotiating
- Submitting for a Quick Approval
- Forms to Use
- Proof of Funds(?)



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3 Simple Steps

1. Find the Decision Maker!

2. Talk the Lingo!

3. Meet Their Needs!



SPECIAL NOTE: For this technique, ALL Notes should be delinquent.

EXIT: You are FLIPPING the Contracts

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Negotiating

- Determine their NEEDS
- Distance Yourself From Brokers
- Atty. Letter to find Deals
- Attestation Letter
- Questions You May Get From the Lender



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Two Traps!!

- W.A.C .(weighted average coupon rate)
- W.A.M. (weighted average maturity)



The reason that these are traps are because they refer only to performing loans. Remember, you are buying NPNs or non-performing loans.

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Submitting for a QUICK Approval

- EQUICAPITAL SOURCE WEBSITE



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Submitting for a QUICK Approval!



- Sample Spread Sheet – GOOD
- Preferred Spread Format
- Due Diligence Checklist
- Defaulted Paper Pools –
 - Terms
 - Sample of BAD Spreadsheets

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FORMS You'll Need

- Soft LOI
- LOI – Intent to Bid on Pools
- Pool Purchase Contract

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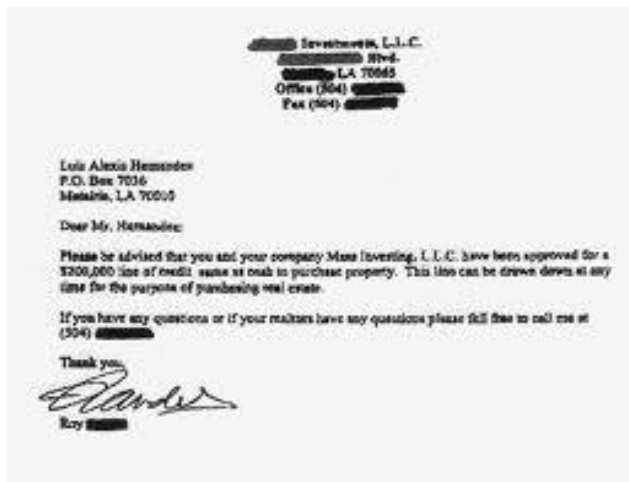


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Proof of Funds (?) P.O.F.

- SOFT PROOF
- HARD PROOF



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