

Loan Acquisition Checklist

You've acquired the portfolio of loans, now you need to follow the Loan Acquisition Checklist.

1. Create a Google folder in Google Drive.
 - a. Document Naming Sequence: Trinity Financial Pool - 3.1.15 - Source where Pool came from, Day-Mo-Yr
 - i. Create a subfolder for each individual loan within the pool.
 1. Within each loan subfolder you will create Purchase, Due Diligence, Workout/Modification, Bankruptcy, Financial, and Outbound Mailings folders.
 - a. Trinity Financial Pool - Purchase Docs 3.1.15
 - b. Trinity Financial Pool - Due Diligence 3.1.15
 - c. Trinity Financial Pool - Workout/Modification Docs 3.1.15
 - d. Trinity Financial Pool - Bankruptcy Docs 3.1.15
 - e. Trinity Financial Pool - Financial Docs 3.1.15
 - f. Trinity Financial Pool - Outbound Mailings Docs 3.1.15
 - g. Trinity Financial Pool - REO Docs 3.1.15
 - h. Trinity Financial Pool - Invoice Folder 3.1.15
 - ii. Create and Upload the appropriate Checklist into the specific folder:
 1. Purchase Docs Checklist
 2. Due Diligence Docs Checklist
 3. Workout/Modification Docs Checklist
 4. Bankruptcy Docs Checklist
 5. Financial Docs Checklist
 6. Outbound Mailings Docs Checklist
 - iii. Create spreadsheet from template and then title it "Trinity Financial Pool - Due Diligence 3.1.15" - this contains specific headings as you will see from the template. You'll populate this information as you do your research.
 - iv. Open Spreadsheet Template: Non-Performing Jr. Liens Due Diligence Spreadsheet Template, Click File, Make a copy, then use the naming sequence for that Google Sheets document titled, "Trinity Financial Pool - Due Diligence 3.1.15",

1. Then save it to the Folder of the same name “Trinity Financial Pool - Due Diligence 3.1.15”.

a. You do this by closing the spreadsheet and then click on it {highlight it} and select More Actions to Move it to the desired folder.

1. Purchase Documents

- a. Loan Servicing Agreement {LSA}
- b. RESPA {Real Estate Settlement Procedures Act} Letters
 - i. Goodby Letter (from previous loan servicer or note holder)
 - ii. Hello Letter (from your loan servicer or you if self-servicing)
- c. TILA {Truth In Lending Act}
- d. Welcome Package
 - i. Cover letter & “We are here to help you” Letter
 - ii. 4506T {Request for Transcripts from the IRS}
 - iii. Dodd Frank {Reform & Consumer Protection Act}
 - iv. Request for Loan Modification
 - v. Alternatives to Foreclosure
 - vi. Required documentation needed
 - vii. Borrower’s Authorization
- e. Door Knock
 - i. “We are here to help you” Letter {hand delivered}
- f. State Requirements - Vary by State {Refer to State Matrix}
- g. Internal Demand
 - i. Second Door Knock
- h. Internal Demand Expires
 - i. Attorney Regarding Foreclosure Alternatives
- i. State Requirements - Vary by State {Refer to State Matrix}
 - i. Foreclosure Proceedings

2. Due Diligence Docs

- a. the actual spreadsheet itself for due diligence
- b. link to the spreadsheet that we created when we started due diligence
- c. copy of the note
- d. copy of the deed of trust or mortgage
- e. copy of all recorded assignments
- f. copy of all allonges
- g. copy of O&E report (if you ordered one)
- h. copy of BPO (if you ordered one)

- i. copy of all credit reports
 - j. copy of all skip tracing data
 - k. property profile report
 - l. copy of tax report
3. Workout/Modification Docs
- a. copy of senior lien payoff quote
 - b. copy of senior lien note
 - c. copy of arrearage & late fee spreadsheet
 - d. copy of amortization schedule spreadsheet
 - e. copy of modification agreement
 - f. copy of title report
 - g. copy of all foreclosure documents {all invoices, letters, NOD/NOS (Notice of Default/Notice of Sale)}
 - h. Door Knock Letters
 - i. Include all documents delivered per door knock
 - ii. Label as follows: #1 Door Knock, #2 Door Knock, #3 Door Knock
 - i. Internal Demand Letters (Sent by Note Owner)
 - i. Contains Response Deadlines
 - ii. State Disclosure Requirements - Vary by State {Refer to State Matrix}
 - j. External Demand Letters (Sent by Attorney)
 - i. Foreclosure Alternatives, Proof of Collateral
 - k. Final Complaint Letter (Sent by Note Owner)
 - i. Sent via email and mail, contains all legal fees for foreclosure proceedings
4. Financial Docs
- a. If the borrower {debtor} is interested in any type of workout such as these listed, then financial documents will be needed and should be filed in this folder:
 - i. Trial Modification
 - ii. Loan Modification
 - iii. Deed in Lieu
 - iv. Short Sale
5. Bankruptcy Docs
- a. All bankruptcy communication from debtor's attorneys, bankruptcy courts, or debtors directly regarding bankruptcy would be housed in this folder.

6. Outbound Mailings

- a. copy of demand letters
- b. copy of tax frenzy letter
- c. copy of door knock packages and letters
- d. copy of settlement/payment plan offer letter
- e. copy of monthly statements
- f. copy of dunn letters

7. REO Docs

- a. Homeowner's Policy
 - i. Required to insure as landlord if you plan on renting out
 - ii. Required to update loss payee and insured name
- b. Register with city as vacant property
- c. Property Preservation
 - i. Securing property & Rekey property
- d. Property assessment for condition and bid to get turn key ready
- e. Market property for sale or for rent

8. Invoices

- a. Create individual folders according to vendor and service provided
 - i. Example: Richmond Monroe - Assignment Recording
- b. Label each uploaded invoice according to the vendor, service, date and price.
 - i. Example: Trustee Corps - NOD Filed - 4.2.15 - \$1,500
- c. Prepare an expenses spreadsheet that will track all expenses at a loan level price. This will save you a lot of time when you prepare your taxes and keep your books organized.

Upon Execution of LSA:

- 1. Note Seller will sign and email the final Bill of Sale page to Note Buyer
- 2. Note Seller will email Note Buyer a Note Transfer Form
 - a. See Exhibit A.

Exhibit A.

Collateral File Shipment Information {EXAMPLE INFORMATION ONLY}	
Company Name	Capstone Funding Group, Inc.
Company Address	11403 W Bernardo Ct Ste 200 San Diego, CA 92127
Phone Number	888-555-8888
Contact Name	Aaron Gatsby
RESPA Servicer Information	
Company Name	Land Home Financial Services
Correspondence Address	1355 Willow Way, Suite 250 Concord, CA 94520
Payment Address	1355 Willow Way, Suite 250 Concord, CA 94520
Hours of Operation	7:00-5:00 PST
Days of Operation	M-F
Phone #	
Toll Free #	877-754-1992
Contact Name / Dept	Peter Thiel