

General Issues
**January 18, 2017… Where the Economy and What is the State of the Residential Note Market?**\* What are the most realistic economic scenarios? … What will be the impact on housing?\* The new President… What will be the impact? How will the regulations change? \* The Fed… Any surprises? \* Where are home prices going? Spreads? Yield? \* GSE spigot… Will it continue? \* Relative value across the mortgage market \* Financing and securitization trends \* Private note market
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**Mid-Sized Player… Getting to 50 Notes or More (small group meeting)**
*Do you own 25 or 30 notes and you are considering ramping up? \* Building a portfolio that can take a loss: How many notes does it take? What should be their characteristics*? *What are the returns I really should be making? What should be my 1, 3, 5 year plan? Are you wondering who the key hires should be to better operate your portfolio? This closed-door discussion will detail how a small owner can act or be big in their operations and returns.*
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**Note Default Risk Assessment**
\* Coming up with your risk criteria and tolerance \* Credit scores, payment regularity and beyond \* Role of current and neighborhood rent \* Dealing with unknown structural considerations \* Assessing HAMP/HARP loan risks \* Yield vs. risk \* Laying of the risk through partials and collateral assignments \* Note geography & tenant income source \* Risk of seconds vs. firsts \* Land vs. home collateral \* Spread the risk… Note asset allocation \* Equity rich vs. underwater note \* Balloon payment risk
xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx **Large Institutional Buyer Plenary**\* What have you been buying/selling? \* Are notes a relative value play? How does the relative value compare to other mortgage- or asset backed investments? \* When you buy a large pool what do you look to sell? \* How do you value NPLs? \* Funding and acquisition sources \* Experiences of buying from the government and GSEs \* Servicing strategy \* Doing business with large note holders
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**Pricing & Valuation: Where do you Expect it to go Over the Next 12 Months?**\* Dodd-Frank & 3rd-party due diligence & compliance concerns \* Partial purchases \* Considering property condition \* The automated side of valuations \* Pricing problem pools \* Pricing bank vs. government vs. other paper \* Cover bid price vs. BPO \* Ability to leverage vs. price you will pay \* Impact of housing prices \* Is the shift towards the Northeast impacting pricing? \* Are the existence of RPL buyers making the surety of exit easier to price NPLs? \* Pricing lower priced assets \*
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**Acquisition, Due Diligence & In-House Management-In an Environment of Declining Margins How can you Improve them?**
\* Looking at your margins on a loan-by-loan basis vs. monitoring your entire portfolio, as well \* Payment time period and amount paid \* What were the assumptions that you made when you priced and bought your note? What changes have you made along the way? How have these changes impacted your margins? \* Looking at the note owner and your options \* When is a sale the best option? \* More notes… Better margins… Can it be that simple? \* How important is speed \* Partials, selling payment streams and tales \* The ultra-delinquent \* Partnering and co-bids
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Legal Stuff,
**Taxing Note & NPL Issues… Self-Directed IRAs, Note Treatment & Entity Structuring**\* Tax due diligence on property and client \* Tax-advantaged and tax-free entity transactions: What are the best and newest trades that you are doing? \* Tax liens… What is the opportunity? \* Curing tax problems \* Comparing different types of IRAs and their note investment differences \* Preforming vs. non-performing notes
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**What are the Best Foreclosure and Bankruptcy Strategy?**\* What do you do to avoid borrower foreclosure? \* Complying with new FHFA regulations \* Under what conditions would you accelerate a loan? \* How many of your loans wind up with non-foreclosure outcomes? What is your target rate? How will you get there? \* Do you foreclose only due to non-payment? \* Borrower actions… Note holder counteractions… \* The newest on CFPB compliance \* Modification vs. deed in lieu vs. cash for keys vs. deeding it back \* Secondary lien strategy \* The politics of foreclosure \* HUD sale foreclosure restrictions xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx **Workout, Modification & Rehabilitation Strategies… Getting a Non-Performer to Re-Perform in this Low Rate Environment…**\* The regulation side… How to approach a borrower directly \* The due diligence side \* Can’t vs. won’t pay… How to treat these behaviors \* When to Charge off? What is your procedure? \* To record call vs. not to record calls \* The role of 3rd-party credit counselors/borrower advocates \* Looking between the lines to find borrower patterns \* When is modification not the best options? \* Statute of limitation considerations \* How do you compensate your servicer?\* Don’t forget the new GSE requirements\* How is your performance on re-performers? \* What kind of creditors will you give another chance to? \* Where are hardest hit funds still available?
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Acquisitions/Disposition
**Getting Inventory… What are the Acquisitions Sources you are Using for Finding a Steady Flow of Deals in this Fragmented and Inefficient Market**\* The technology side… \* HUD/GSE platforms \* Banks… Comparing the big boys vs. regionals vs. smaller banks \* The world of negotiated trades \* City-owned land banks \* Cash for keys, leasebacks and other non-foreclosure options \* Working with not-for-profits \* Comparing the opportunities today in judicial vs. non-judicial states
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**Bulk Buying vs. Buying Individually in High Numbers**\* Pluses and minuses of government pools \* Inherent risks of buying in bulk and overcoming them \* Eviction and turnover costs of big pools \* Large vs. small pools \* Impact of vacant properties \* Cost and valuation \* Financing alternatives \* Personnel & Staffing requirements \* Due diligence comparisonsxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

**Acquisition Due Diligence, Data & Analytics Driving Note Investments**\* What are the Data sources that are out there? Technology solutions? What are your favorites? \* Increasing note due diligence efficiency \* Short time… Note portfolio to evaluate… How do you do it? \* Seller reports… What do you look at? What are you skeptical of? \* Hyper-local market data: What do you use? \* Property and portfolio level due diligence in limited time frames \* Financial feasibility analysis \* Identification of most effective asset plan and profitable exit strategy \* Determination of investment proforma yield and client investor rate of return
\* Determining the lender’s obligations and rights under the loan documents \* Does the lender have its full anticipated scope of remedies upon a borrower default available? \* Identifying lien priority issues \* How much do you look to discount based on incomplete information? \* Market due diligence… What do you look at? \* What’s in the note purchase agreement? \* Assignment issues xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx **A Comparison of Disposition & Exit Strategies Upfront… Determining Time/Capital It Will Take to Reach you Return on Investment and it’s Affect on Pricing**
\* Pricing short- vs. long-term dispositions \* Impact of rehab and capital needed \* Influence of business model \* Cost to foreclose… Judicial vs. non-judicial states \* Existing tenants and vacancy timeline \* Payment structures \* Collateral impact \* Portfolio acquisitions… Flipping some loans; Holding others & other complexities\* Comparing rural vs. urban settings \* Why are you looking to sell? \* Modify into performing vs. Foreclose and other take back methods \* Gain possession through deed-in lieu then liquidate \* Rental to sale, fix and flip, or just flip (as is)… When to do what \* What might make you change your disposal strategy?
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*Large and mid-sized owners are trying to bulk up and are on the hunt for portfolios of properties… This panel will feature 2 note deals pitched to these potential buyers followed by a question and answer period for each of the transactions*
Tank Leader:-will moderate the discussion
The Buyers: Will evaluate the following projects to see if they are interested, the deal structure and how much they will pay
The Sellers: Will present the following portfolios for sale.
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Collateral/Strategy
**What is your Model and is it Evolving in Today’s Competitively Priced Note Market … Investing for Cash Flow vs Negotiating a Workout vs. Taking Back the Property; Institutional vs. Non-Institutional; Secondary vs. Primary Markets; First vs. Seconds; Performing vs. Semi- vs. Re vs. Non-Performing**\* Vacant vs. occupied properties \* Comparing with commercial notes \* Time length of notes \* Market conditions in which the property that the note attaches to is in \* High end notes \* Finance? Own? Flip? \* NPLs vs. re-performer \* Collateral quality… Is it getting better as the economy improves or worse as the non-performance become aged? \* Net vs. gross profits \* Dodd-Frank & CSFB considerations \* Current risk/return of approaches \* Cost of workouts and foreclosures
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\* For the Little guy… Examining Freddie’s Neighborhood Stabilization Pools and Fannie’s EXPO pools
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**Non-Performing Note Investing**
\* Is your strategy to get the tenant to re-perform or foreclose? \* What kind of loss mitigation was done to get the note to re-perform? \* State considerations \* Freddie sales to the small guys \* Are they banks selling? Looking at sources of supply and pricing \* Firsts vs. seconds
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**Semi-Performing & RE-Performing Note & NPL Investment Tactics**\* Comparing Non-, Re- & Semi Performing Note Investing strategy, availability and pricing \* Fannie Mae “Community Impact Pool” and other GSE experiences \*When do modifications work? \* Securitization market \* Acquisition from banks-Is there anything left? \* Loan performance \* Getting seller attention \*Counterparty vetting \* Modifications and its impact on price \* What is your strategy when the re-performer stops paying? Does it matter why? \* How long do payments need to continue to be considered performing?
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\* Firsts vs. seconds pricing strategies \* Do you underwrite to a correction? How can you win bids? \* Due diligence vs. firsts \* Special considerations for the high-end \* How can you improve your margins? \* Timeline/Exit time frames\* Evaluating the secondary seconds market \* Equity level \* Impact if the first isn’t performing \* Secured vs. unsecured \* How long to break even? \* UBPs and FMVs \* Building a portfolio \* What is your biggest regulatory concern?
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**Going from Single Family Rental Investments to Notes… What does it Take to be Successful?** (Small Group Meeting)
*Have you been a successful single family aggregator or fix and flipper and are being priced out of your market? O are you looking for different acquisition venues to acquire single family-like properties? Or are you just getting tired of the tenants and toilets aspect of single family investing. This session will discuss the similarities and differences of investing in notes vs. REO and will get you on a path to successful note investing.*

Financing
**HELOCs, Bridge Financing, Letters of Credit & Repos… The Latest in Financing Options**
\* What kind of financing are you providing for this market? \* Financing from a securitization shop vs. fund vs. investment or local bank \* Licensing needs \* Trading secondary loans \* Impact of valuation \* LTV, leverage and current terms \* Collateral preferences \* Rehab loans \*
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\* Pref structures \* Sidecars \* Joint ventures with your servicers \* Finding passive investors for partials \* What are the structures? Terms? • From the $$ partner perspective… From the deal finder partner perspective \* Agreeing on purchase parameters \* Exit strategy \* Making breaking up not hard to do \* How did you evaluate your partners?
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**Financing Shark Tank**
*This panel will feature 2 note deals pitched to potential financiers followed by a question and answer period for each of the transactions*
Tank Leader: Will act as the moderator
The Sharks: Will be financiers and evaluate the following projects…|
The Property Owners: Will present the following note portfolios that need financing
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**NPL Securitization**\* What types of loans are suitable/not suitable for securitization?\* How much “dirty” pool assets can you put in a securitization? \* Current spreads and what impacts them \* What does the bond investor look for? \* Rating agency hot buttons \* Historical/expected performance in different rate/economic scenarios
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**Selecting, On-Boarding, Communication, Building a Relationship & Supervising your Servicer**
\* When do you self-service and when do you outsource? \* The asset manager/servicer relationship \* The nonprofit/servicer relationship: What are the challenges? \* Using a servicer vs. sub-servicer \* Do you look for your servicer to take an equity stake in your pool? \* New York, Florida and other challenging jurisdictions \* How often do you communicate with your servicer on standard and out-of-the-box problems \* Do you do your own collection work or outsource? \* Matching servicer expertise with collateral