

Real Estate & Mortgage News

- Covid Global Trends
- Reopening
- Rates & Employment
- Fund Update
- Q&A



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Reperformance Fund IV: Key Features

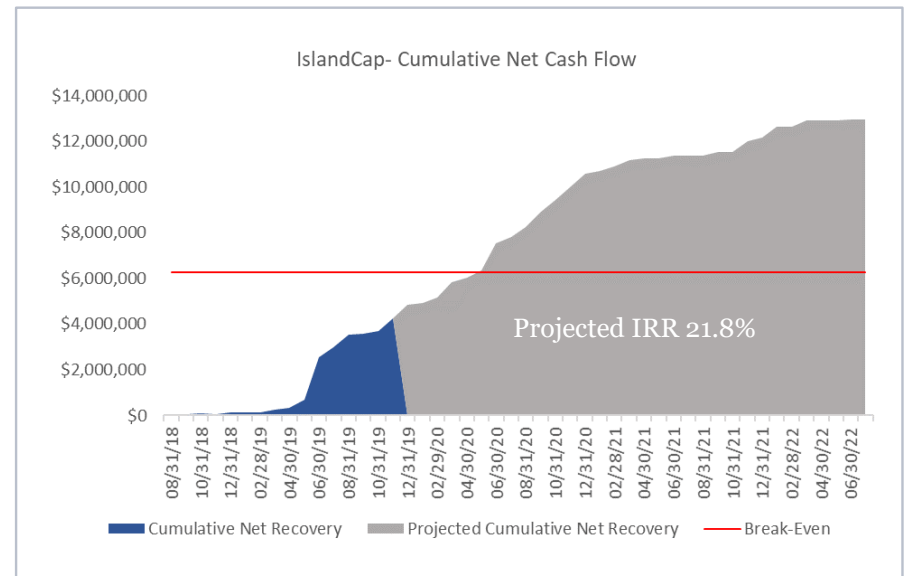
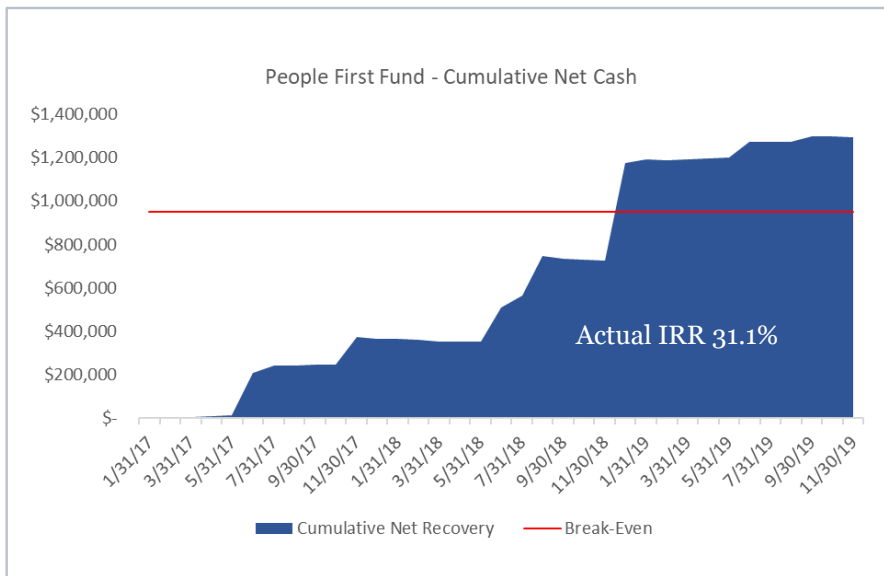
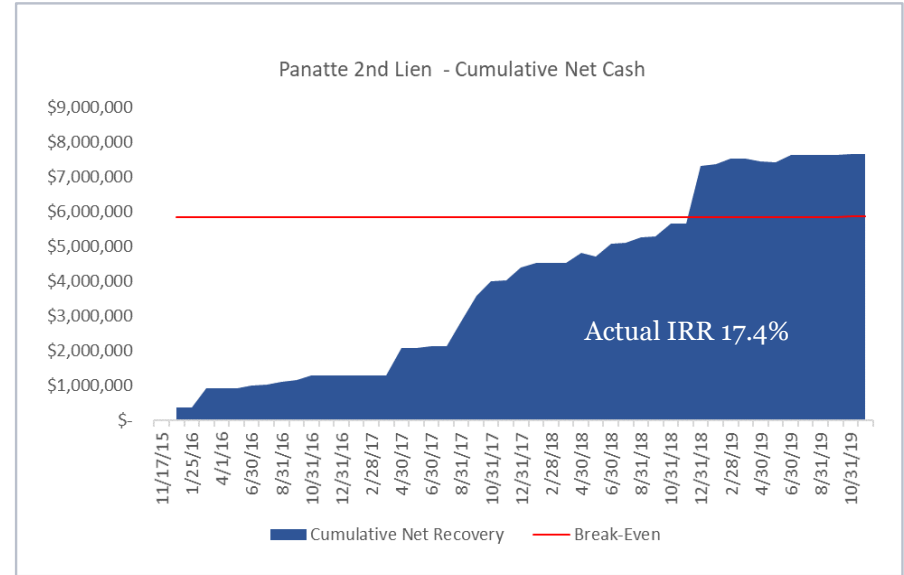
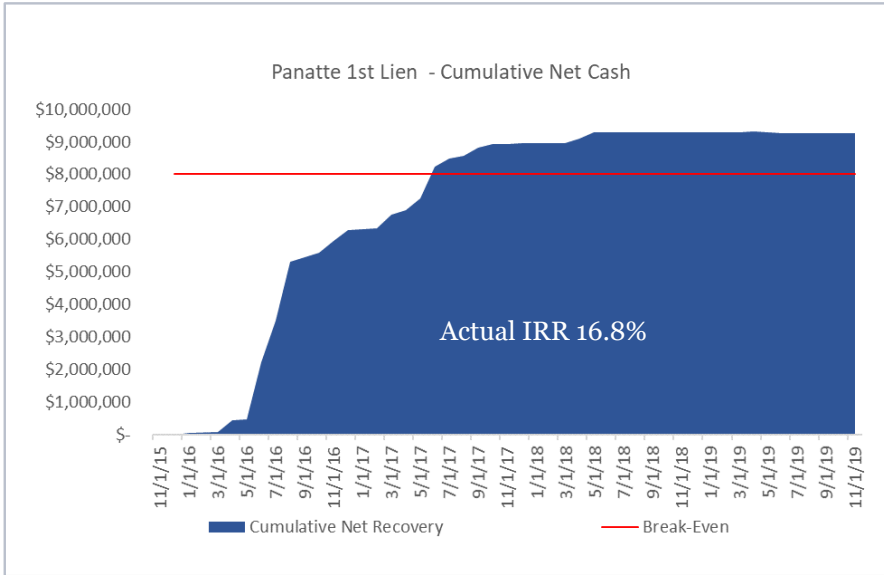
- (i) Target Return of 8% with monthly payments and best-efforts liquidity
- (ii) Buying non-performing residential mortgages, modifying terms to make the payment affordable
- (iii) Prior Funds generated average return of 21.5% but prior performance is no guide to the future

First Lien Mortgage at 40% discount to Home Value



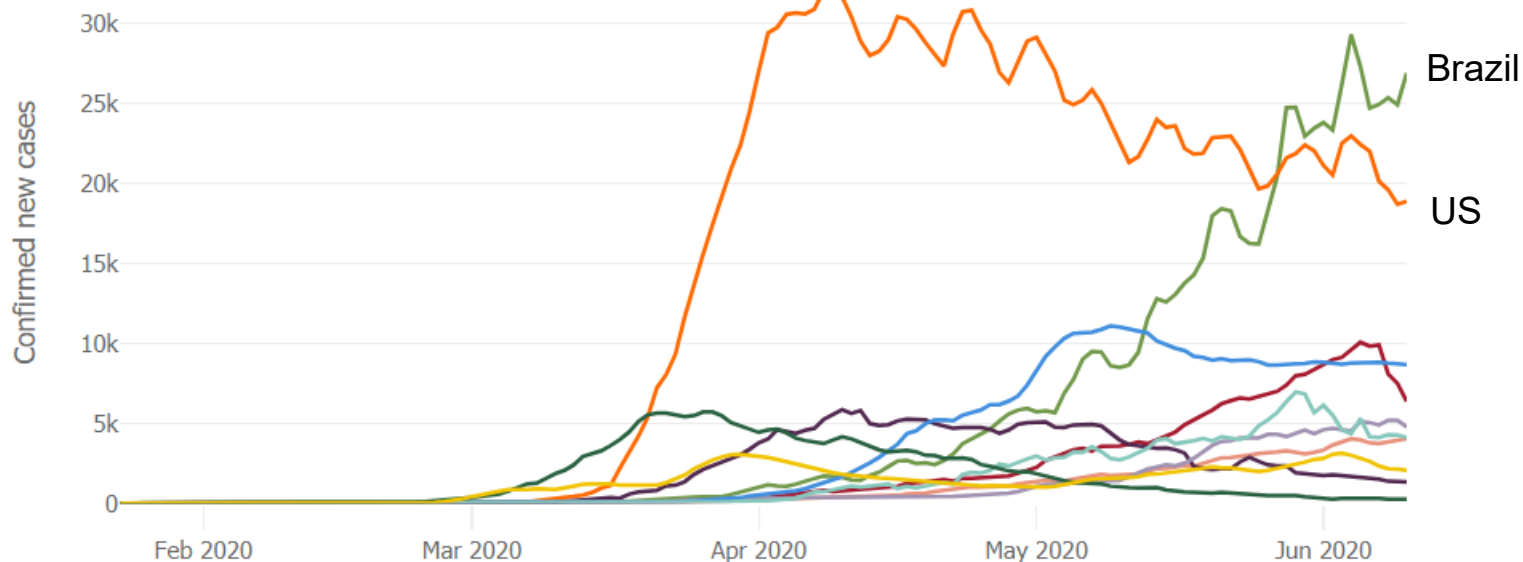
Action: Work with Borrower to get them back on track

Prior and Current Fund IRR on Track to Exceed 17%...unlevered



Daily confirmed new cases (5-day moving average)

Outbreak evolution for the current 10 most affected countries

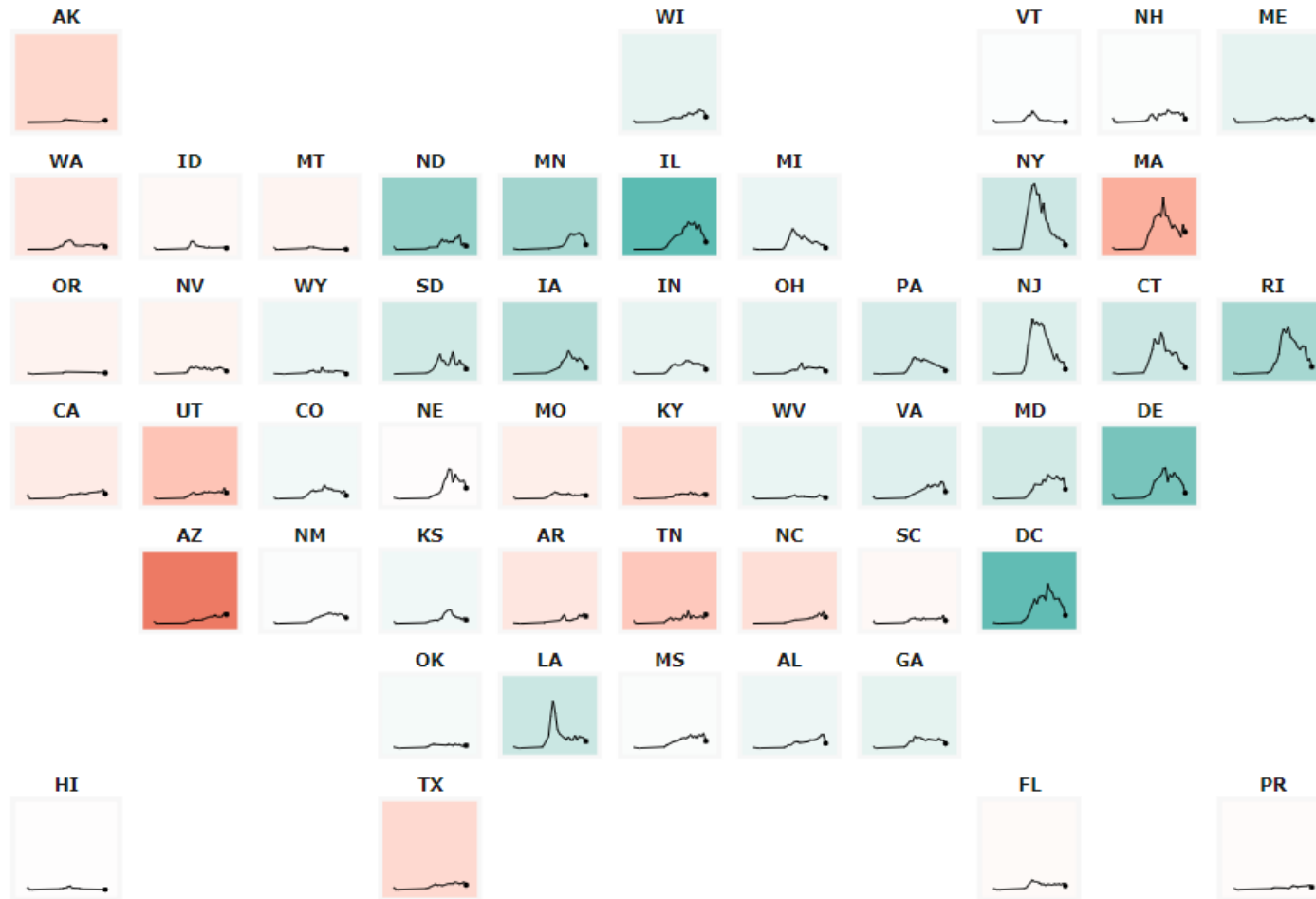


Click any country below to hide/show from the graph:

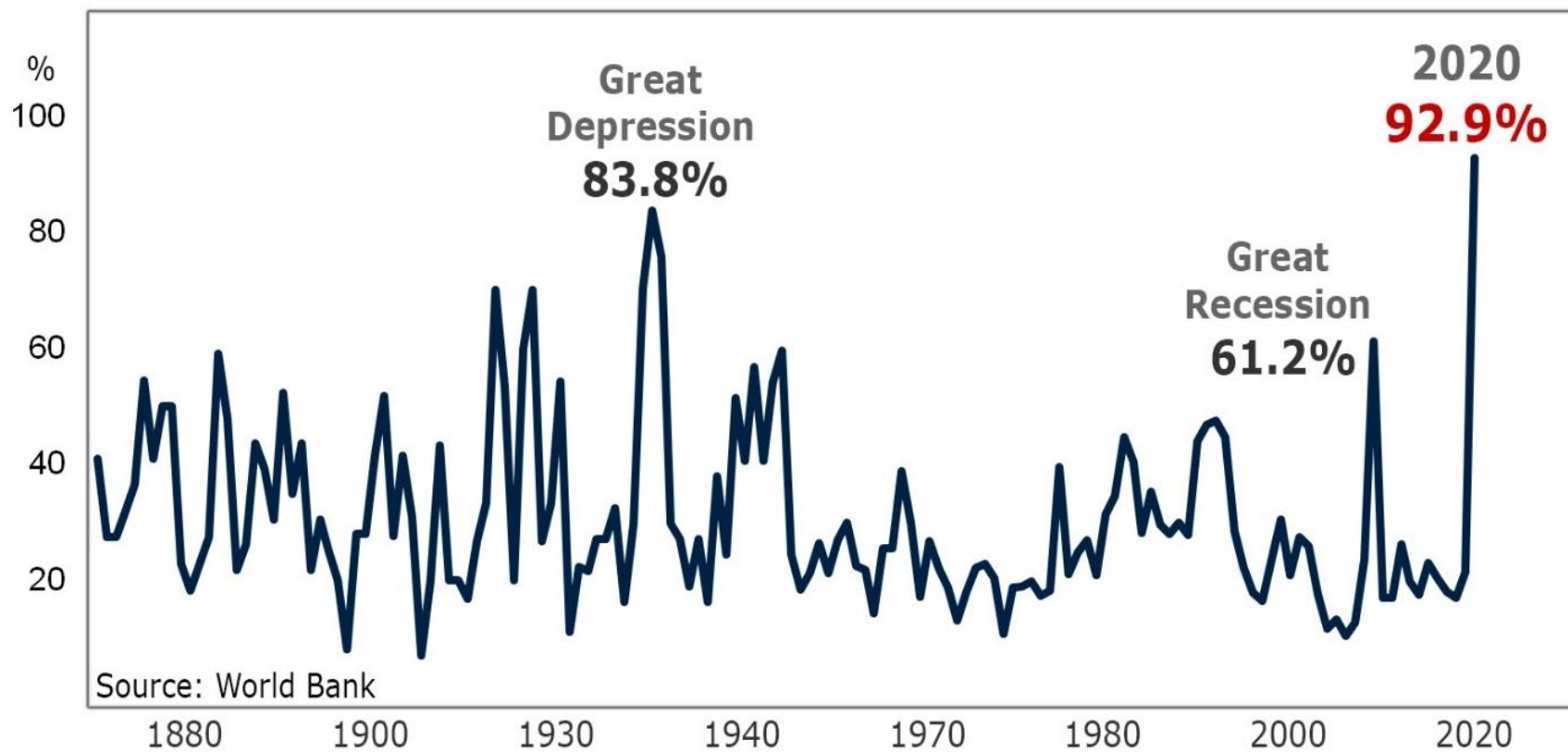
- Brazil
- US
- Mexico
- India
- United Kingdom
- Chile
- Russia
- Peru
- Italy
- Iran

Watch out for a second wave....

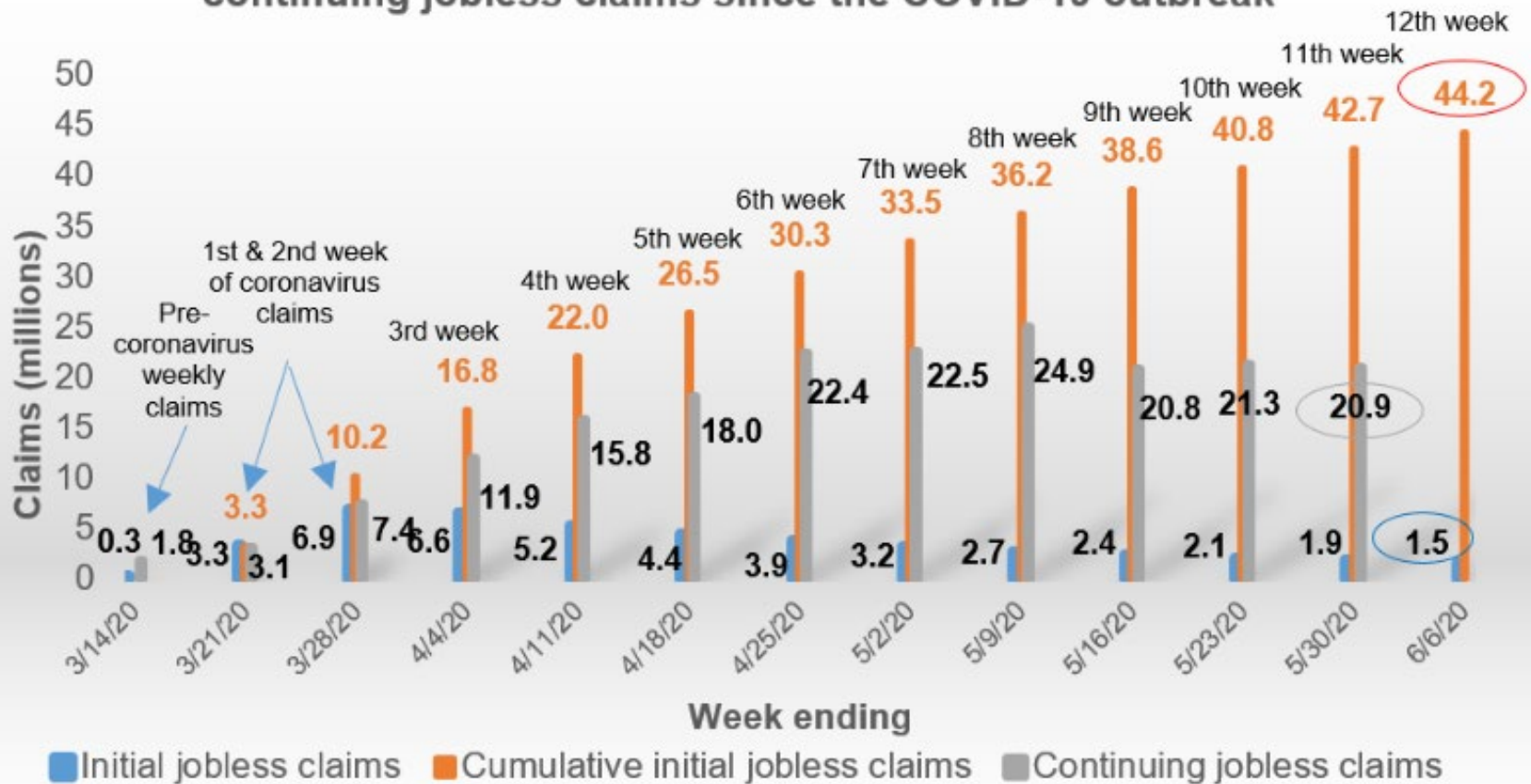
Daily New Cases per 100k people. Data shown from 1/22/20 to 6/3/20.



92.9% of World's Countries Suffer Economic Decline

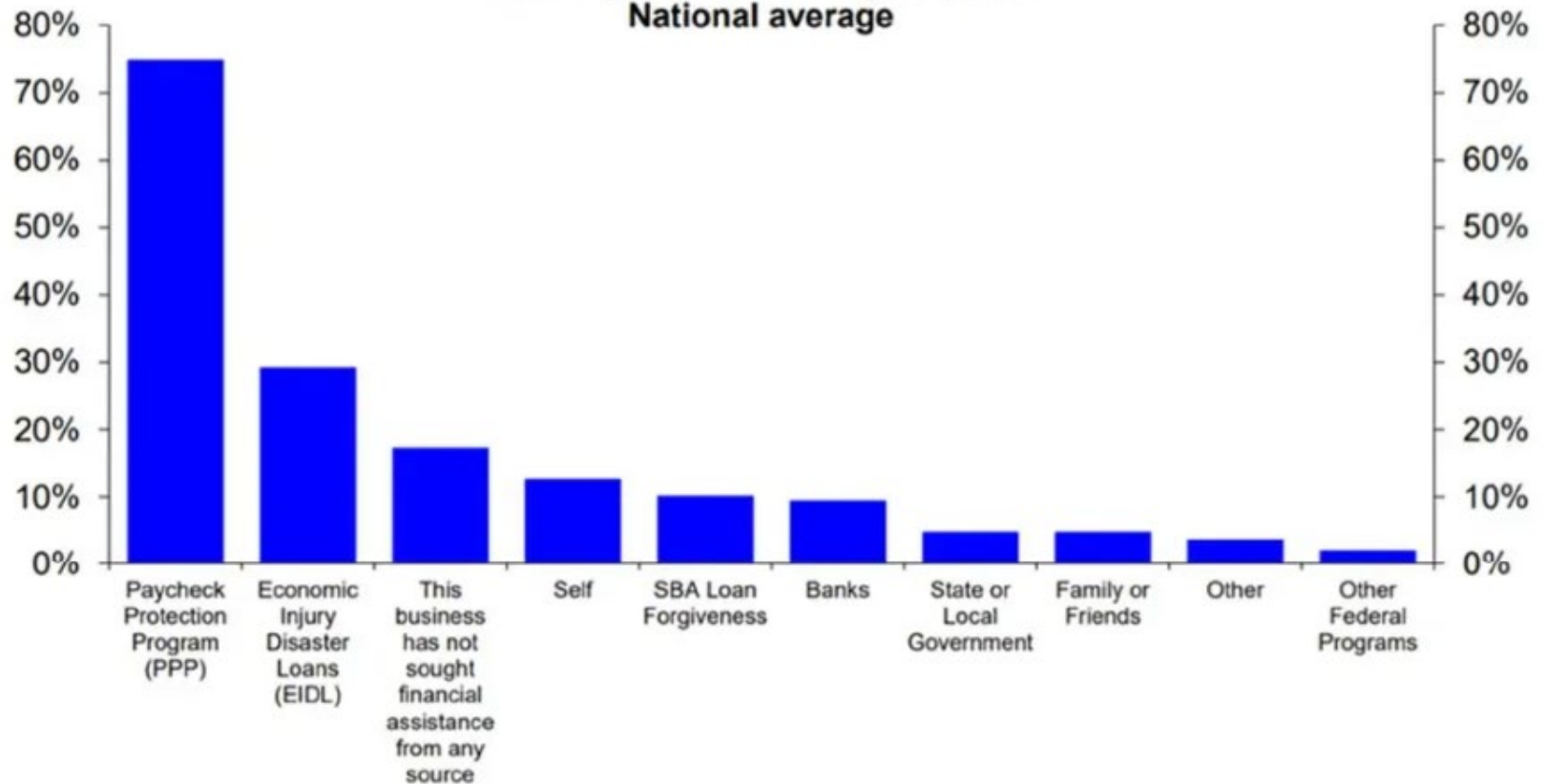


Weekly and cumulative initial jobless claims & estimated continuing jobless claims since the COVID-19 outbreak



75% of small businesses received PPP ...and other supports...

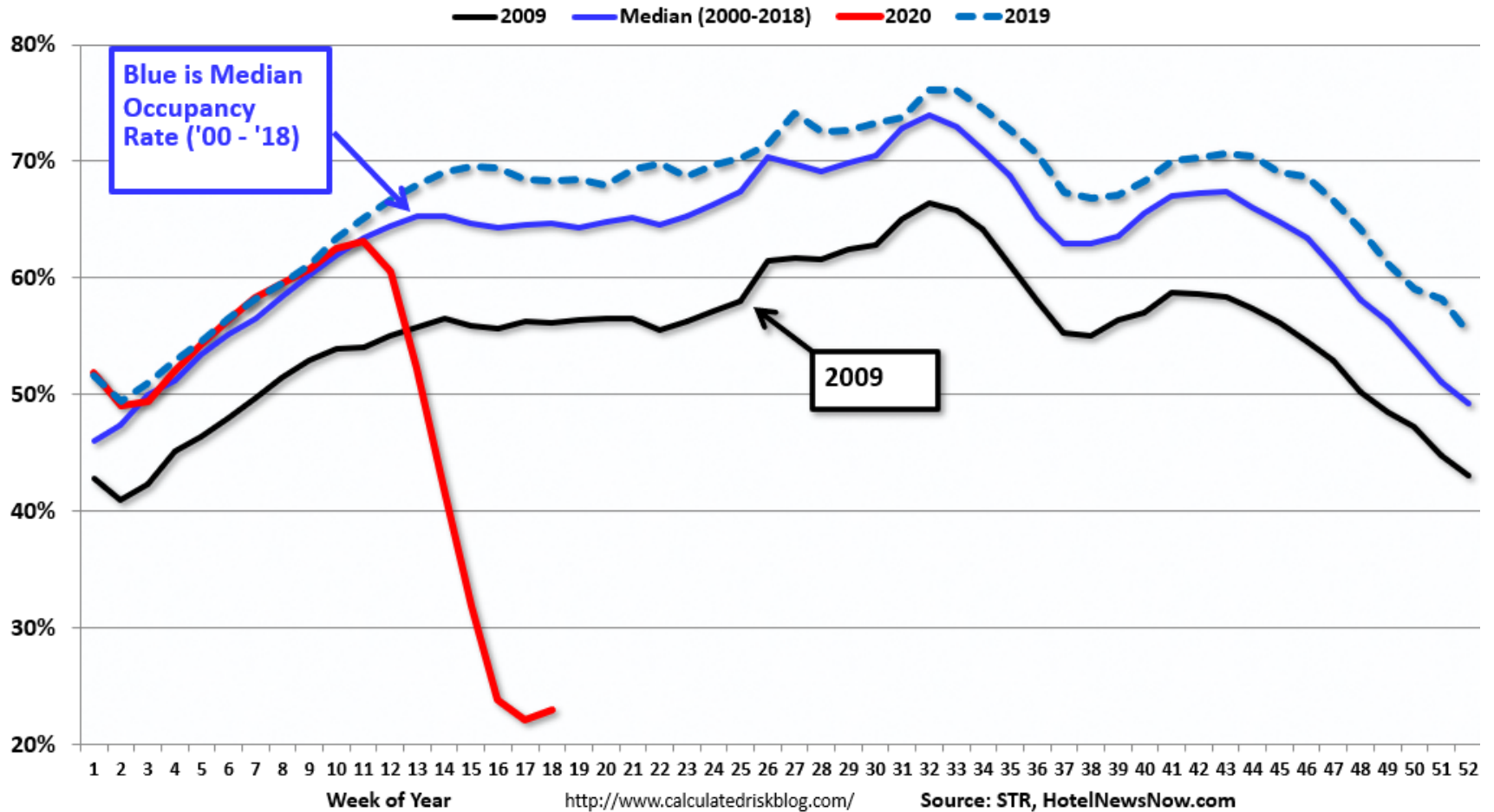
**Since March 13, 2020, has this business requested financial assistance from any of the following sources?
National average**



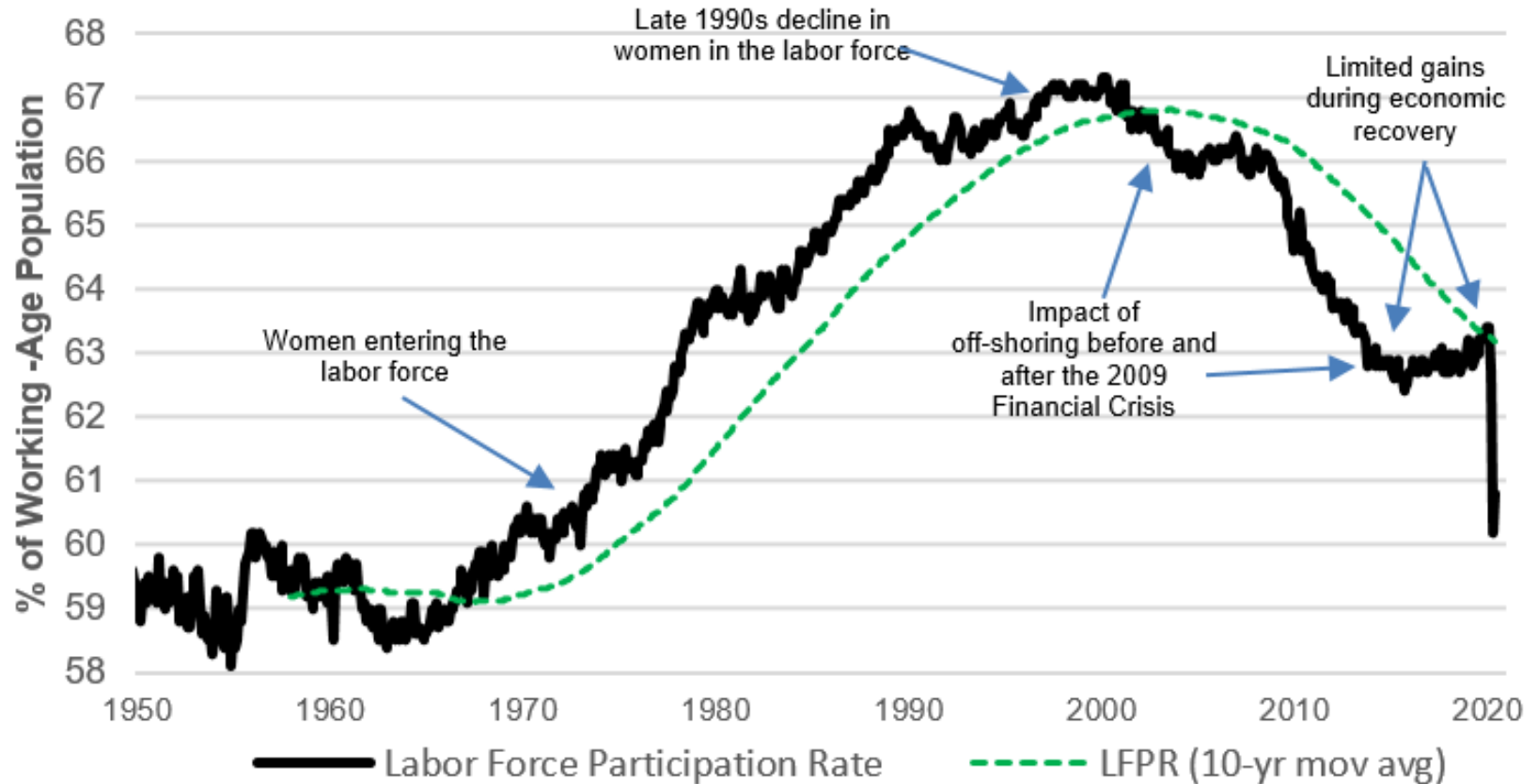
Questions that allow multiple responses may produce estimates that sum to >100%

We will not have a V-shaped recovery....it will be a U...at best!

Hotel Occupancy Rate by Week of Year (4 week moving average)

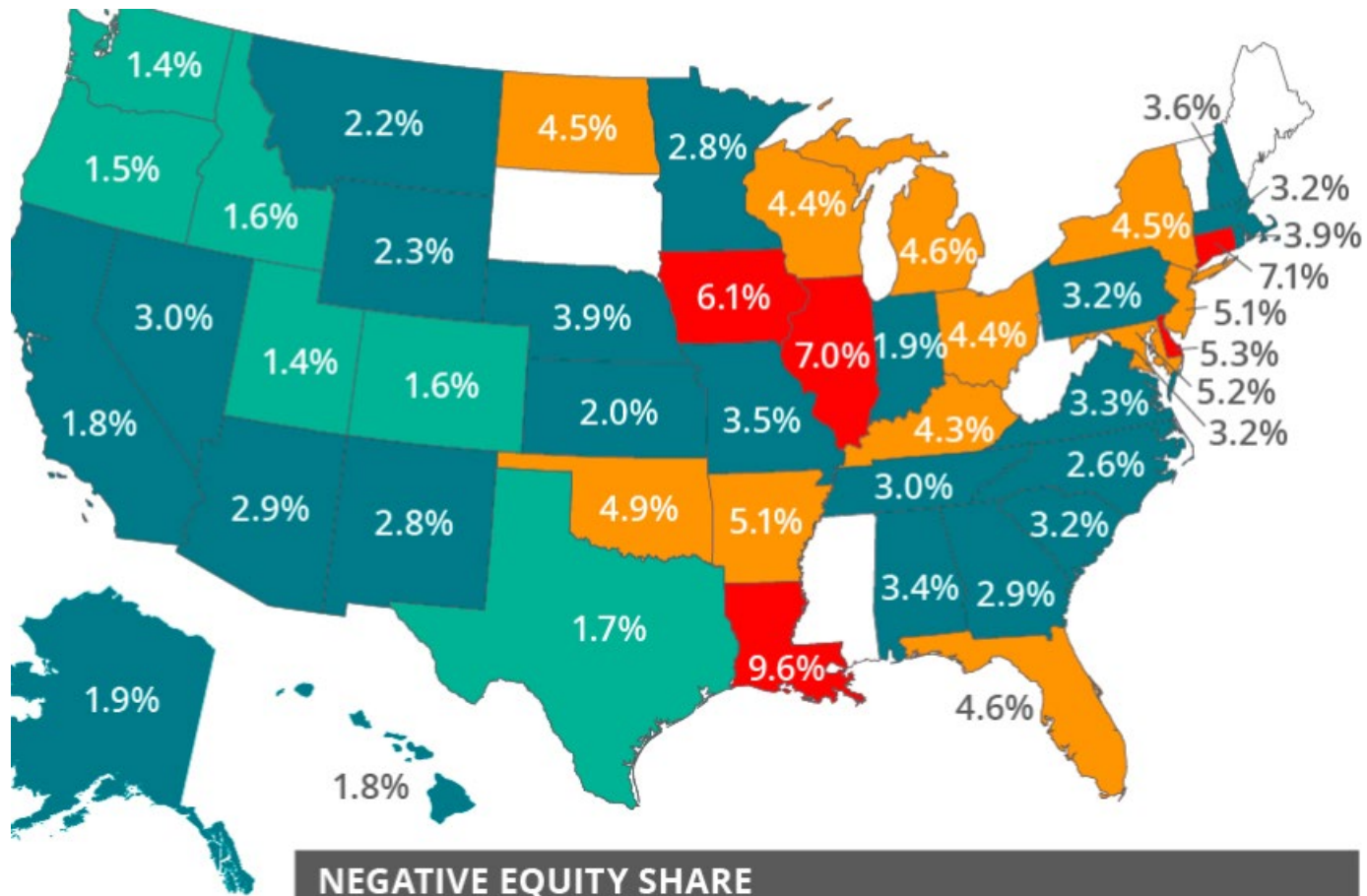


Long-term trends in the labor force participation rate



Source: BLS; Bloomberg; RSM US

There is still a lot of negative equity in the housing market....



Second Homes



Expensive N.E.



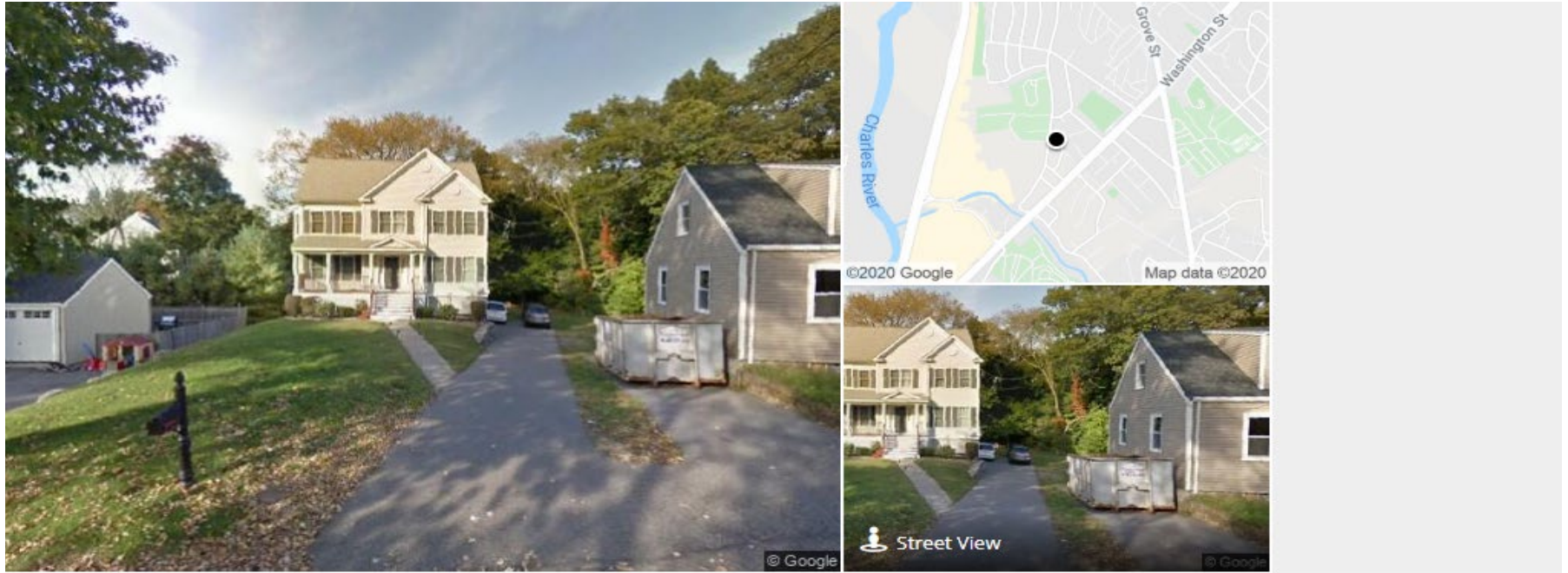
Oil Economies: TX, Tar Sands



Leisure: NV, FL



Sample Deal: Lost in the shuffle.....



[Redacted]
Boston, MA [Redacted]

4 beds · 2.5 baths · 2,827 sqft

[Redacted], MA is a single family home that contains 2,827 sq ft and was built in 2005. It contains 4 bedrooms and 2.5 bathrooms. This home last sold for \$645,000 in September 2005. The Zestimate for this house is \$891,514, which has decreased by \$3,980 in the last 30 days. The Rent Zestimate for this home is \$2,950/mo, which has decreased by \$250/mo in the last 30 days.

● OFF MARKET

Zestimate®: \$891,514

Rent Zestimate®: \$2,950 /mo

Est. refi payment: \$4,212/mo

📄 Get current rates

Home Shoppers are Waiting



Ask an agent about market conditions in your neighborhood.

Sample Deal: Lost in the shuffle.....



Background

- Mom's home, limited income, multiple generations living with her
- Prior Loan servicer: Mom didn't qualify
- Home value \$1m, Loan Balance \$1.2m
- Purchased it for \$460,000 February 2020

Solution

- Modify the loan to value of the home \$0.7m
- Down payment of \$50,000
- 30 year modification \$650,000
- Sell for \$600,000 in 12 months

Target Return: ~40% in 12 months

[Redacted]
Boston, MA [Redacted]

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Background

- No payments since 2010
- Foreclosure completed in 2015
- Serial Bankruptcies
- Refuse to engage in settlement discussions
- Refused \$50,000 “cash for keys” offer
- Paid \$355,000 in February 2020

Solution

- Eviction proceedings August
- List for sale for \$600,000

Target Return: 30% in 12 months

Boyd, MD

-- beds · 3.5 baths · 3,133 sqft

● OFF MARKET

Zestimate®: \$683,642

Rent Zestimate®: \$3,000 /mo

Est. refi payment: \$3,253/mo

📈 Get current rates

Boyd, MD is a single family home that contains 3,133 sq ft and was built in 2004. It contains 3.5 bathrooms. This home last sold for \$750,000 in May 2005. The Zestimate for this house is \$683,642, which has decreased by \$16,164 in the last 30 days. The Rent Zestimate for this home is \$3,000/mo, which has increased by \$6/mo in the last 30 days.

Home Shoppers are Waiting



Ask an agent about market conditions in your neighborhood.

Reperformance Fund IV: Key Features

- (i) We need to keep building up cash and get ready to buy – 100% of dividends paid as scheduled to date
- (ii) There will be buying opportunities for the next 3-6 months
- (iii) The end of the year will likely see banks starting to sell

First Lien Mortgage at 40% discount to Home Value

Value \$110,000

Loan Bal \$100,000

\$40,000 margin
to work with

We pay \$60,000
(60% of Balance)



Proprietary Playbook
and intelligent platform
maximizes likelihood of
getting borrower back
on track

Keep Expenses Low and Get Ready to Buy.....

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