

The Real Wealth Guide

Investing in Mortgage Notes 101



Real Wealth Guide: Investing In Mortgage Notes

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What if your investments could do more than just grow your wealth?

What if they could actually enhance your quality of life, support your dreams, and give you the freedom to live life on your own terms?

Beyond the Balance Sheet: A New Path to Financial Freedom

Welcome to the world of lifestyle investing through private mortgage notes—where your financial goals align perfectly with your life aspirations.

What Are Private Mortgage Notes?

Private mortgage notes represent a sophisticated yet accessible approach to real estate investing. Instead of becoming a landlord, you become the bank. You provide financing to borrowers and earn interest payments in return, creating a steady stream of passive income without the headaches of property management.

Key Benefits:

- Generate stable, passive income streams
- Minimize hands-on management requirements
- Benefit from real estate security without direct ownership
- Create flexibility to pursue your passions

The Security Advantage

In today's volatile market, peace of mind is priceless. Private mortgage notes offer a unique combination of security features that help protect your investment:

- **Real Estate Collateral:** Every note is secured by physical property
- **Strong Underwriting:** Thorough due diligence processes reduce risk
- **Tangible Asset Backing:** Clear recourse options in unlikely default scenarios
- **Stable Returns:** Less volatility compared to traditional investments

Portfolio Diversification: Your Shield Against Market Uncertainty

Smart investors know the importance of not putting all their eggs in one basket. Private mortgage notes offer:

- Low correlation with traditional stocks and bonds
- Protection against market volatility
- Insulation from external economic factors
- Steady income regardless of market conditions

Real Stories, Real Freedom

The Global Explorer

Sarah turned her travel dreams into reality through mortgage note investing. Her passive income funds adventures while her investments work steadily in the background.

The Family-Focused Investor

John discovered that mortgage notes gave him both financial security and precious time with his loved ones—no more missing important family moments.

The Entrepreneur

Maria found the courage to launch her own business, supported by the reliable cash flow from her mortgage note investments.

Making an Impact While Building Wealth

Lifestyle investing through mortgage notes isn't just about personal gain—it's about creating positive change:

- Support responsible homeownership
- Empower individual investors
- Contribute to community stability
- Align investments with personal values

Your Path to Financial Freedom

Private mortgage notes offer a unique combination of benefits that can transform your investment strategy:

1. **Reliable Income:** Consistent, passive cash flow to fund your dreams
2. **Peace of Mind:** Real estate-backed security
3. **Portfolio Strength:** Enhanced diversification
4. **Purposeful Investing:** Align your money with your values

Understanding Mortgage Notes

A mortgage note is a legal document that provides evidence of a loan secured by real estate. When you invest in mortgage notes, you're essentially stepping into the role of the lender. Here's how it works:

The Basic Structure

- The note is a promise to repay a specific amount of money
- The mortgage (or deed of trust) secures that promise with real estate as collateral
- Regular payments include both principal and interest
- Terms typically range from 5 to 30 years

Types of Mortgage Notes

1. **First Position Notes:** Highest priority claim on the property
2. **Second Position Notes:** Secondary claim behind the first mortgage
3. **Performing Notes:** Current on payments
4. **Non-Performing Notes:** Behind on payments (requires more expertise)

How You Make Money

- Monthly interest payments
- Principal paydown
- Potential early payoff bonuses
- Opportunity for property acquisition in case of default

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Frequently Asked Questions

How much money do I need to start investing in mortgage notes?

While minimums vary, most note investment opportunities start at \$30,000 to \$50,000. Many private note investments are between \$40,000 and \$160,000, or more. Some investors begin with partial notes or combine resources with other investors in an entity to reduce the initial investment requirement.

What returns can I expect from mortgage note investing?

Returns typically range from 6% to 12% for performing notes, depending on the risk profile, position, and terms. Non-performing notes can potentially yield higher returns but require more expertise and active management.

How safe is mortgage note investing?

Like all investments, notes carry risks. However, mortgage notes are secured by real estate, which provides tangible collateral. Strong due diligence and proper underwriting significantly reduce risk. Working with experienced note professionals is recommended, especially when starting out.

What happens if the borrower stops paying?

As the note holder, you have several options:

- Work with the borrower on a payment plan
- Modify the loan terms
- Sell the note
- Begin foreclosure proceedings
- Take possession of the property

How do I find mortgage notes to invest in?

Common sources include:

- Note brokers
- Real estate investment networks
- Note funds
- Banks and credit unions
- Private sellers

What due diligence should I perform?

Key areas to investigate include:

- Property value and condition
- Title search
- Borrower's credit and payment history
- Loan-to-value ratio
- Local market conditions
- Legal documentation

Can I invest in mortgage notes through my IRA?

Yes, you can invest in mortgage notes through a self-directed IRA (SDIRA). This can provide tax advantages, but specific rules must be followed. Consult with a tax professional for guidance.

How hands-on is note investing?

The level of involvement varies based on your strategy:

- Performing notes require minimal time once purchased
- Non-performing notes demand more active management
- You can hire a loan servicer to handle payments and paperwork
- Working with a note fund provides the most passive approach, but also less control

Your Path to Financial Freedom

Private mortgage notes offer more than just returns—they provide a pathway to the lifestyle you've always wanted. Whether you dream of traveling the world, spending more time with family, or pursuing your passions, these investments can help make those dreams a reality.

The journey to financial freedom and lifestyle fulfillment begins with a single step. Consider how private mortgage notes could fit into your investment strategy and help you design the life you've always wanted.

Ready to Transform Your Investment Strategy?

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Your future self will thank you for exploring this powerful investment approach that goes beyond traditional returns to create true lifestyle freedom.

When you're ready to see how note investment can work for you, please reach out to us at Info@EvergreenSuccess.com