



AN INSIDE LOOK  
AT THE FIRST HALF OF

2020

VIA ONLINE TRADING PLATFORMS

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## THE PURPOSE OF THE WHITE PAPER

In the last 5 years the impact of technology on real estate note investing has become more prevalent. To show this firsthand, the two leading, cutting edge online note trading platforms teamed up to report on the trading activity during the first half of 2020.

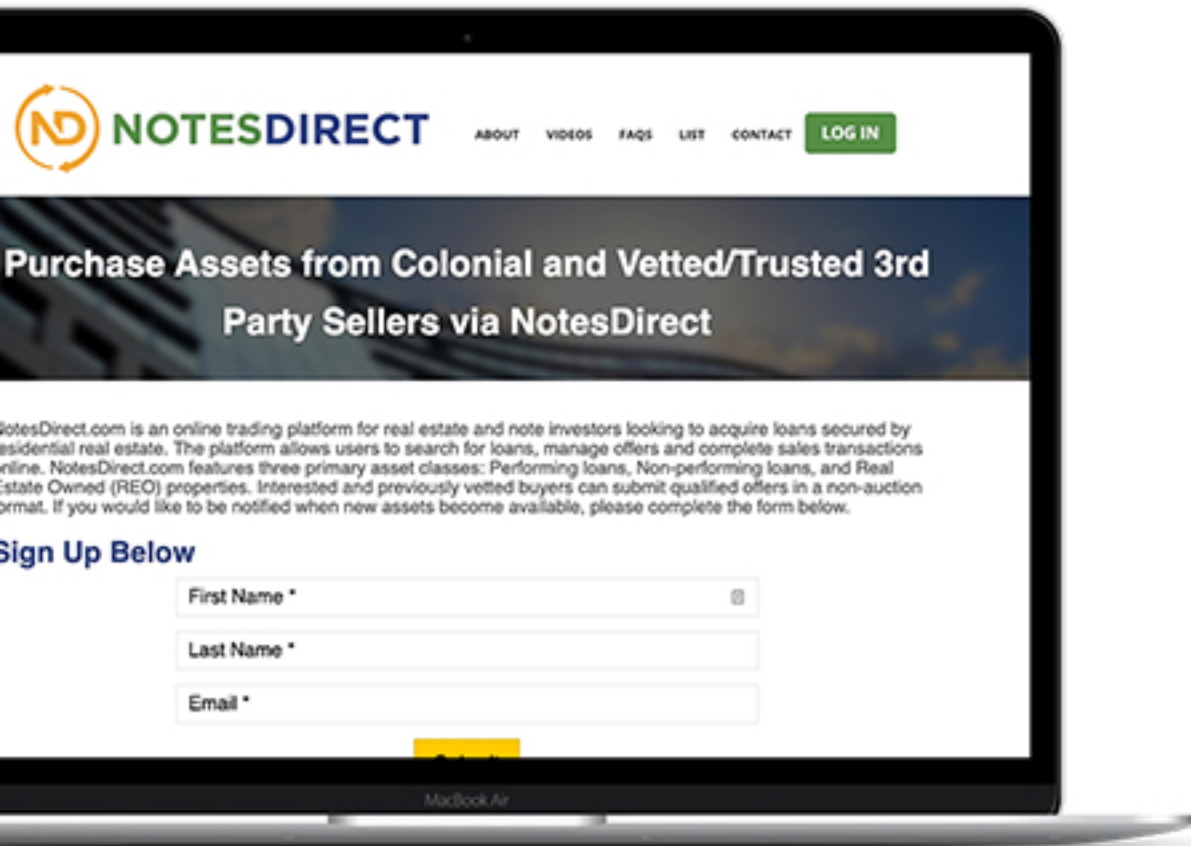
Although these are uncertain times, the findings in this report validates the continued appetite for passive investors to add real estate secured notes to their investment portfolios.

**About NotesDirect:** NotesDirect.com is an online trading platform for real estate and note investors looking to acquire notes secured by residential real estate.

The platform allows users to search for loans, manage offers and complete sales transactions online. NotesDirect.com features three primary asset classes: Performing loans, Non-performing loans, and Real Estate Owned (REO) properties. Interested and vetted buyers/investors can submit offers to purchase in a non-auction format.

It all started with three seemingly simple questions. First, how can we connect vetted note sellers direct to vetted private investors? Next, why isn't there a one-stop listing service for real estate secured notes similar to the MLS for real estate and finally where can the self-directed IRA investor find notes without the headaches of marketing?

These were not necessarily 'new' questions. They have been asked, in one form or another, for decades. However, these nagging questions had a very complex answer. As the saying goes, "Necessity is the mother of invention." This need led to the creation of the NotesDirect.com online trading platform.

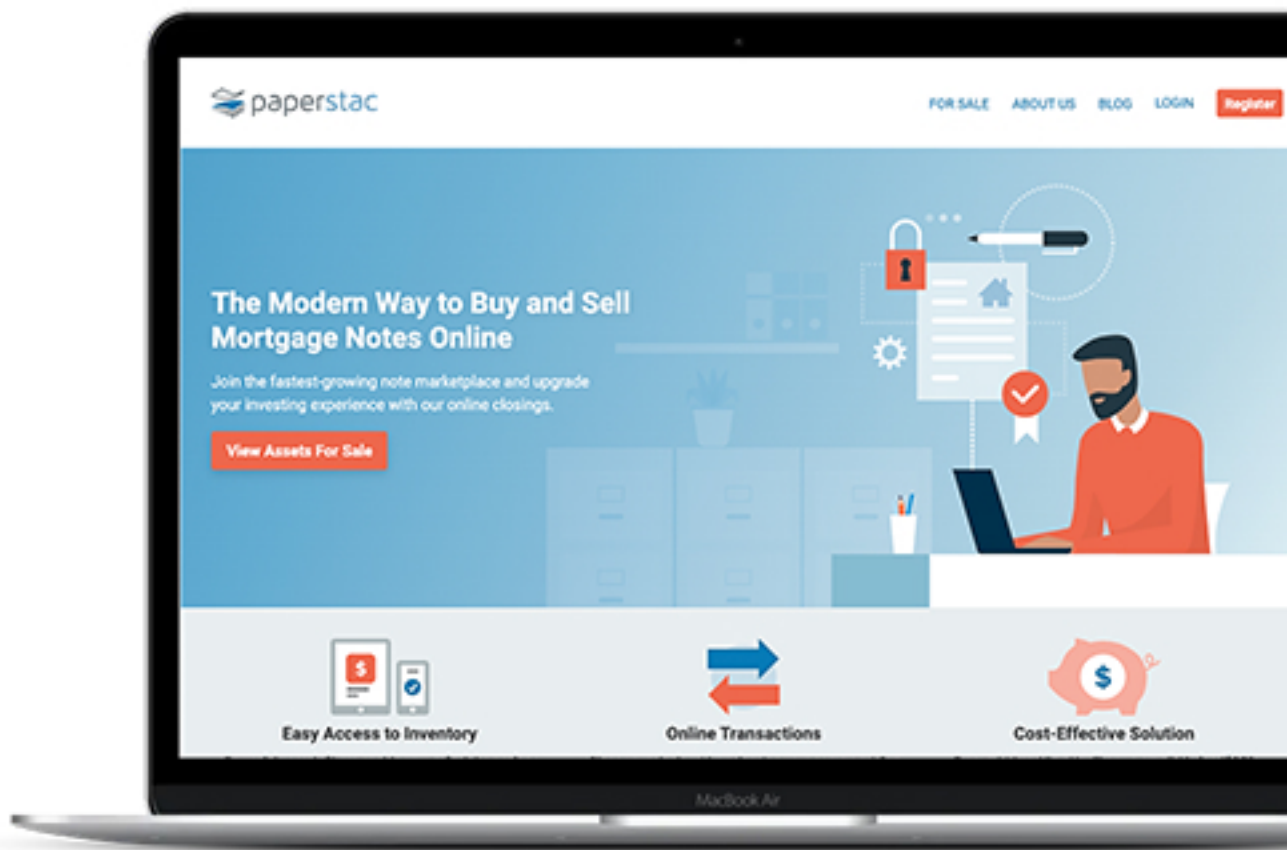


**About Paperstac:** Paperstac is an online trading platform with the first ever fully digital closing process. Our marketplace and online closings enable all users – from private investors to financial institutions – the ability to efficiently and securely acquire and liquidate assets nationwide in a fraction of the time.

Paperstac’s marketplace leverages investors' time by providing automated search tools for instant notification when assets become available. Our closing process gives investors peace of mind in every transaction by offering a collateral audit and the ability to utilize escrow.

We work with escrow agents, due diligence vendors, note servicers, shipping providers and SDIRA custodians so our users don't have to.

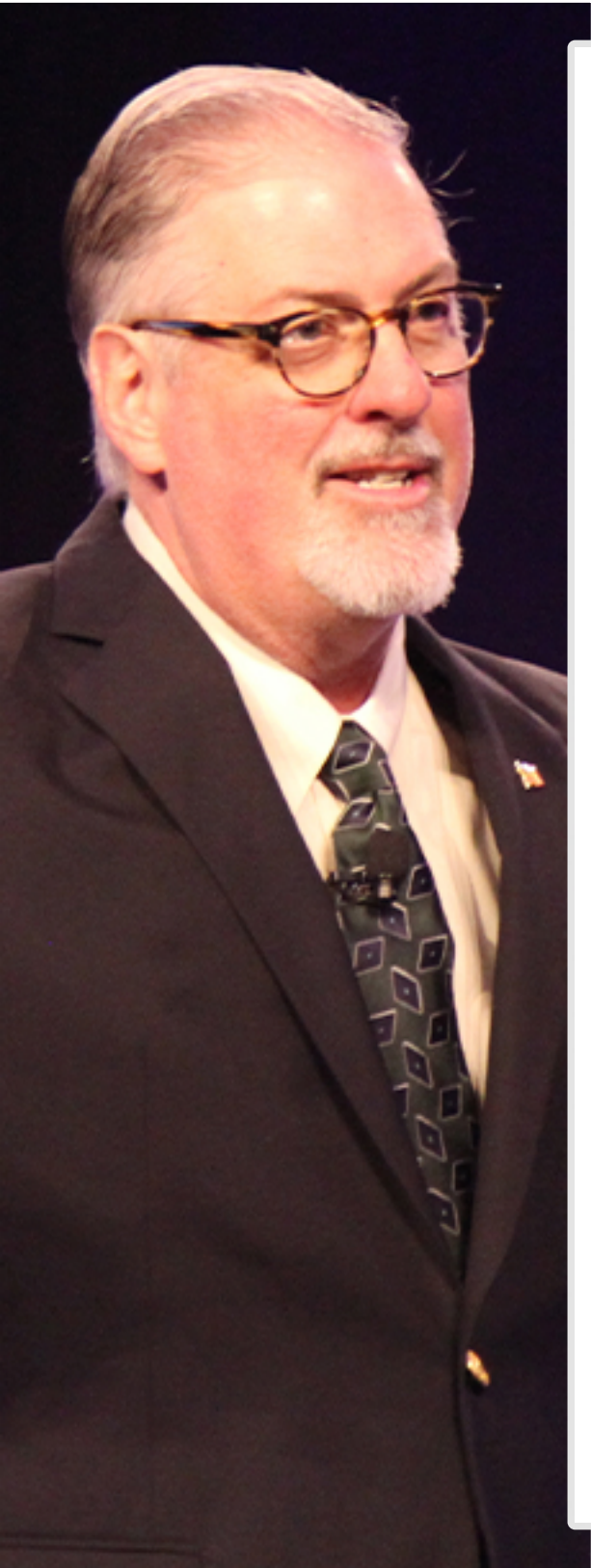
Paperstac offers multiple asset classes like Performing and Non-Performing Loans, Contract for Deeds, Land Contracts, Multi-Family and more.





## **BOB REPASS**

### **COLONIAL FUNDING GROUP, MANAGING DIRECTOR**



Bob is a 30-year veteran and expert in the seller finance discounted mortgage and distressed asset industry.

Over the course of his career, he has purchased over 40,000 performing and non-performing mortgage loans totaling over \$2.5 billion dollars in volume, giving him an unparalleled track record in the industry.

During his career in the seller finance note industry he was a Senior Executive at the largest institutional investors; Metropolitan Mortgage & Securities, Associates Financial Services and Bayview Financial.

Mr. Repass currently serves as Managing Director of Colonial Funding Group and NoteSchool, where he has overall responsibility for the management of the firm.

In addition Bob is a Managing Partner for Colonial Capital Management, where he is the Chief Investment Officer of CCM's Colonial Impact Fund II.

He also co-founded the Seller Finance Coalition in 2014 to ensure the seller finance industry would have a seat at the table going forward to protect our industry from over-regulation and continue to provide access to affordable homeownership.

## **RICK ALLEN**

### **CEO & CO-FOUNDER OF PAPERSTAC & MWMFUND**

Rick is a 15 year veteran in the distressed asset space with expert knowledge in real estate, discounted notes, and capital raising. Throughout his career he has purchased over \$100MM in real estate and discounted mortgage notes.

Mr. Allen is currently the CEO of Paperstac and is one of the Managing Partners of Money With Meaning Fund (MWMfund).

MWMfund is an offering qualified by the Securities and Exchange Commission under the exemption Regulation A. MWMfund is a socially responsible investment fund that focuses on investing for both profit and purpose, with a goal of saving 10,000 families homes.



# 1

## TRANSACTION VOLUME

260 total loan sales were transacted in the six month period. 89.2% of these consisted of performing loans.

A total of \$10,197,298 in unpaid principal balance was purchased for a total of \$7,547,474 in private capital deployed. 96.4% of the capital deployed was on the acquisition of performing loans.

# 2

## AVERAGE UPB & PURCHASE PRICE

The average loan balance purchased was \$39,220 while the average purchase price was \$29,029 which represents an average discount of \$10,192 per transaction.

**KEY FINDINGS:** THE FOLLOWING IS A SUMMARY OF THE KEY FINDINGS FROM THE COMBINED STATISTICS OF THE TWO PLATFORMS FOR THE TIME PERIOD OF JANUARY 1, 2020 THROUGH JUNE 30, 2020

# 3

## **AVERAGE % UPB & ITV**

The average percentage of the purchase price to the unpaid principal balance was 74% while the average investment-to-value was 40.75%.

# 4

## **AVERAGE CLOSING TIME**

While the closing times differ from platform to platform the average between the two was 19.4 days.

# 5

## **NUMBER OF INVESTORS & SELLERS**

131 different investors purchased loans from 47 different sellers during the six month timeframe.

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# 6

## PERCENTAGE BOUGHT IN SDIRA

19.6% of the transactions were funded through self-directed retirement accounts or other tax qualified funds. Of all transactions funded via SDIRA funds, 58.8% were handled by Quest Trust Company.

# 7

## PERCENTAGE SERVICING RETAINED VS TRANSFERRED

73.10% of all transactions had the servicing transferred from the existing servicer to a new servicer, while 26.90% retained the servicing with the current servicer. 41.2% of the purchased loans chose Allied Servicing Corporations as their servicer.

# 8

## DEMOGRAPHICS

Assets were purchased from 29 different states across the country with the top 3 states being Ohio, Michigan and Texas.

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TO LEARN MORE ABOUT THE COMPANIES PRESENTED IN THIS REPORT  
VISIT THE FOLLOWING WEBSITES:

**[PAPERSTAC.COM](https://paperstac.com) & [NOTESDIRECT.COM](https://notesdirect.com)**