



CONTACT US TODAY:
INFO@CRANOTEEXCHANGE.COM

FAQ'S ABOUT THE CRA NOTE EXCHANGE



HOW MUCH DO LOANS SELL FOR?

There are a lot of variables to consider when selling loans on the CRA Note Exchange (the "Exchange"), such as the interest rate and term of the loan, the location of the property or the type of entity that you sell to. For example, some non-profit organizations have 0% interest rate loans.

They can normally expect to receive bids in a range of 60 to 70% of the total remaining Unpaid Principal Balance (UPB) of the loan. In some instances, when Banks are purchasing loans to fulfill Community Reinvestment Act (CRA) obligations, banks can buy 0% interest rate loans for the full UPB or what is referred in the mortgage industry as "Par". Interest bearing loans can also sell at Par or even at a premium to the UPB depending on the interest rate being charged.

WHO IS CBC MORTGAGE AGENCY?

CBC Mortgage Agency (CBCMA) is a Native-American, public purpose driven, subdivision of a federally chartered tribal corporation, with a primary mission of fostering responsible and sustainable home-ownership for low to moderate income borrowers nationwide.

CBCMA accomplishes this mission by operating the Chenoa Fund which is an affordable down payment assistance program administered in the form of second mortgages on either FHA insured loans or conventional loans. CBCMA partners with mortgage originators on a Correspondent Lender basis to provide these loans for home buyers. CBCMA created the CRA Note Exchange to establish a platform to sell its down payment assistance 2nd mortgages.

As buyers have expressed interest in all types of loans, CBCMA decided to open up the Exchange to other purpose driven entities to help create liquidity and further their missions.

CAN I RETAIN SERVICING FOR THE LOANS THAT I SELL?

Sometimes you are able to sell your loans while retaining the servicing rights. However, in most cases, the bidder will require you to sell the loans "servicing released" in order to achieve the highest bid price for your loans. After the loans are purchased, the Buyer will start servicing the loans and your Company will transfer the servicing rights.

WHAT FEES ARE ASSOCIATED WITH USING THE CRA NOTE EXCHANGE?

There are three types of fees you can expect to see when using the Exchange:

- (1) **A Due Diligence Fee** of \$395.00 which is associated with the work that our Underwriting Staff will perform to compile each loan's documents, underwrite the file for potential issues or conditions and stacking and creating a loan that can be readily sold in the secondary mortgage market;
- (2) **Third Party Fees** associated with ordering reports or other documents that are required to transfer the legal ownership of each loan file and also to perform a Title Search to ensure that there is a proper chain of ownership on public record. These fees do not normally exceed \$245.00 per loan file;
- (3) **a Success Fee of 4.0%** of the UPB payable at the time of the sale of your loan or loans when funds are wired to your account. Please note, this fee is only earned upon the successful sale of your loans at a bid price that you accept at your sole discretion.

HOW LONG DOES THE PROCESS TAKE?

In total, the entire process can take between 90 and 120 days from the day that your loans are uploaded to our secure system until you receive the funds for your sold loans.

Our Underwriting Team will review your loans before we can post them to the Exchange, this typically takes around a week, but can vary depending on the completeness of the file and the volume of loans that you upload. Once cleared, the loans will be posted onto the Exchange and will be available for bids.

Typically, **it takes a 30 to 60 days** to garner an adequate bid. Once a bid is accepted, we start the due diligence process with the prospective loan Buyer, which needs to be completed before funding. This process can take another 30 to 45 days until the loans are ultimately cleared for funding and the money is wired to your Company.

CAN I HELP IN CASES WHERE LOANS I HAVE SOLD BECOME DELINQUENT?

In many cases the successful bidder of your loans will request a **"life of loan buy-back provision"** in the event your Borrower defaults. This "life of loan" repurchase provision not only makes your loan more valuable on the secondary market but also allows you to step in and assist your families if the loan becomes delinquent. If you want to avoid being responsible for repurchasing a loan if it defaults, the CRA Note Exchange has a program that will allow you to have the provision waived for an additional fee.

HOW TO CONTACT CRA NOTE EXCHANGE:

CBC MORTGAGE AGENCY

NMLS: 1186381

912 W. BAXTER DRIVE, SUITE 150

SOUTH JORDAN, UTAH 84095

MAIN: 385-645-1414

INFO@CRANOTEEXCHANGE.COM

