

Successful Trust Deed Investing

Volume 1

Introduction to Trust Deed Investing



EZ Loans 4 Real Estate

Introduction TO Trust Deed Investing

Volume I

EZ Loans 4 Real Estate

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Introduction



EZ Loans 4 Real Estate was founded to provide a higher quality investment experience to investors like you. With decades of experience, we take pride in educating investors about trust deed investments and how they can become an integral component in every investor's portfolio. This book was created to convey the basics of trust deed investing to new investors. We invite you to contact us to explore whether or not trust deed investing is right for you.

Diversifying your investment portfolio has long been held as a simple yet effective strategy. Prudent investors optimize the probability of steadily building wealth by moving a portion of their investment portfolio to opportunities that offer higher yields without the erratic fluctuations of stocks and bonds. Real estate secured trust deed investments present a good alternative that are less susceptible to market fluctuations. Everyone's needs and expectations are different. We encourage you to speak with your financial advisors prior to making any investment decision.

How to use this guide

The purpose and scope of the information provided is intended solely for those who are considering investing in real estate secured trust deed investments.

- The book contains a basic overview of the type of trust deed investments offered by EZ Loans 4 Real Estate and basic information required to determine if this type of investing is right for you.
- Investment criteria and/or guidelines are subject to change without notice.
- Investment products and programs are subject to change without notice.
- This booklet is neither an offer to sell nor a solicitation of an offer for an investment. An offer is only made by an offering circular and material disclosure package for a particular trust deed investment.
- No portion of this document may be duplicated without prior written consent of EZ Loans 4 Real Estate.

The contents of this book are a general overview of the methods used by EZ Loans to arrange real property loans.

This book is not intended to offer investment advice.

EZ Loans 4 Real Estate is not intending to solicit investors to either fund a loan or part of a loan or to purchase an interest in all or a portion of a note secured by a particular piece of real estate.

An offer is made only by an offering circular and a material disclosure package for a particular investment.

Investments are NOT insured or guaranteed by any governmental agency. Investments offered through EZ Loans 4 Real Estate are available to California residents only, are not liquid, not transferable, and involve substantial risk, including the possible loss of all principal.

EZ Loans 4 Real Estate loan investment products described in this volume may change or be discontinued or withdrawn at any time.

Examples used in this book are demonstrative only including loan interest rates and are not to be construed as a guaranty of future results. Additionally, past performance by EZ Loans 4 Real Estate is not an indication of future results.

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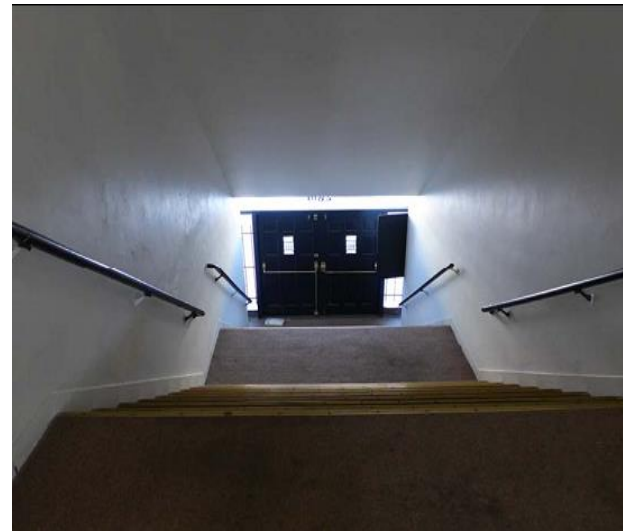
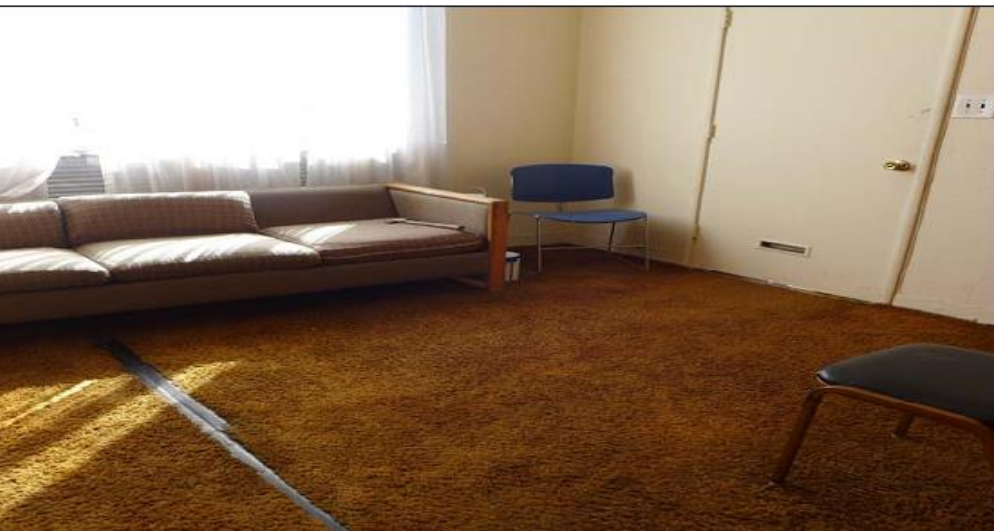
CHAPTER ONE

WHAT IS TRUST DEED INVESTING?





Trust
Deed
Investment
Example No. 1



Oakland, California

Property Type	Commercial
Loan Type	2Yr (Interest Only)
Lien Position	First Mortgage
Loan-to-Value	28%
Yield to Investor	12.50% per annum***

WHAT IS TRUST DEED INVESTING?



When you “Invest in a Trust Deed”, you are providing the funds to make a loan secured by real estate. These loans are evidenced by a promissory note, secured by a deed of trust recorded against real property, and are funded by private investors such as yourself rather than by a traditional institutional lender such as a bank. Typically the yield you would earn on a trust deed investment is much higher than that which you would earn from a traditional bank account. Currently, the approximate yield would be between 9% and 13% per annum.

Private money lending refers to real estate loans made to a company or individual which are funded by a private individuals or organizations.

The purpose of this volume is to provide basic information to those interested in learning how to earn money by lending money to borrowers that have real estate to offer as collateral.

When a private investor makes a loan to a borrower, interest is charged on the principal amount of the loan. The private investor, also referred to as the lender, receives payments based on the terms of the loan until the loan is repaid. Generally, loans may have monthly payments of interest only, however sometimes the monthly payments include small principal repayments, and there is a large balloon payment of remaining principal when the loan comes due. The due date is referred to as the loan maturity date.

EZ Loans 4 Real Estate (“EZ Loans”), an experienced licensed real estate broker, identifies and prequalifies borrowers seeking financing. EZ Loans then processes the loan on behalf of private investors, gathering a due diligence package and documentation to assist them in making a credit decision concerning a proposed loan.



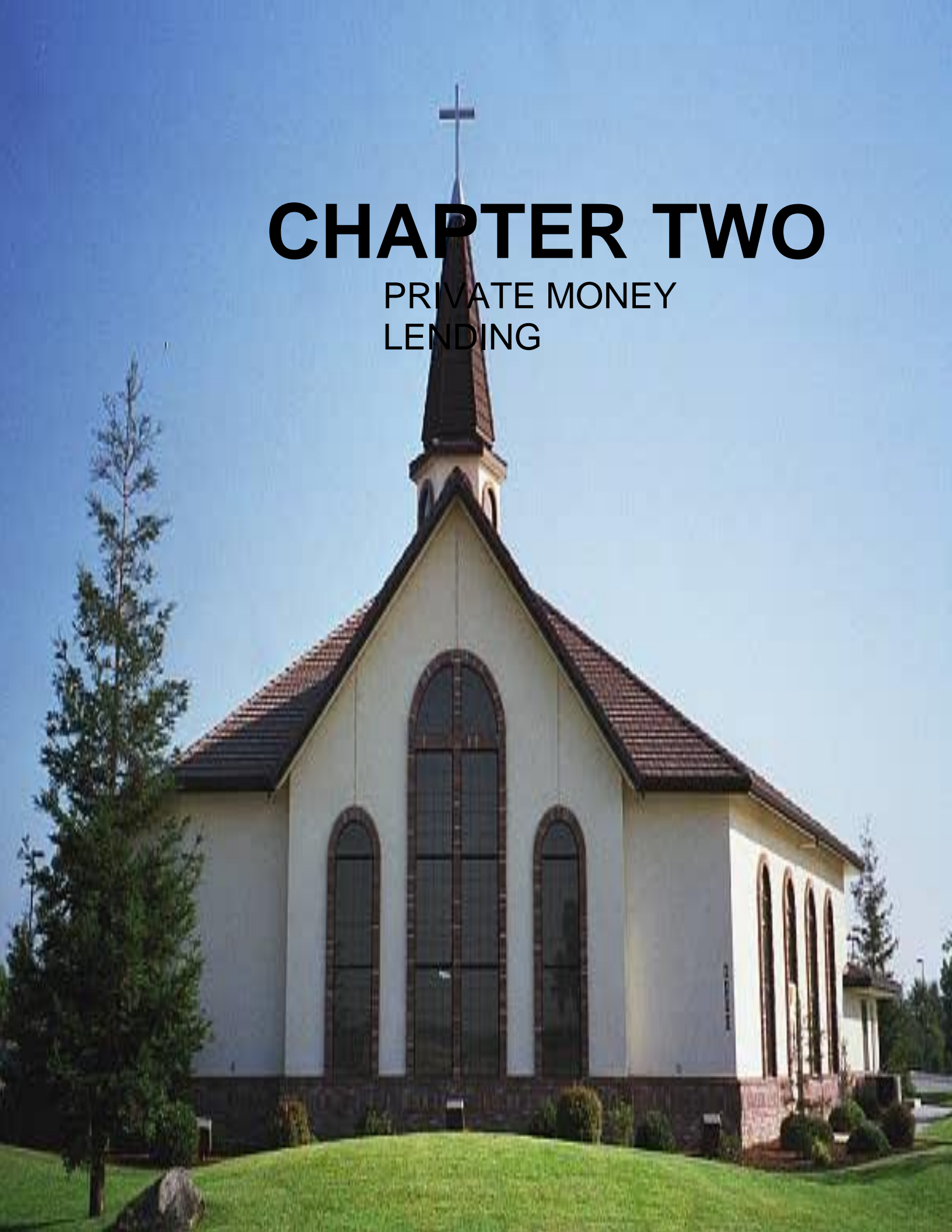
Qualified investors are identified who are interested in funding all or a portion of the loan. This is referred to as raising capital. The assembled due diligence package, offering circular and servicing agreement are provided to private investors who review all of the information to determine if the loan is one they want to fund as a lender. All loan documents are prepared by EZ Loans 4 Real Estate on behalf of the private investors. A single private investor may fund the entire loan, or multiple private investors may each fund a portion of the loan.

When the escrow is closed, the deed of trust is recorded, the title insurance is issued, and the loan proceeds are disbursed to the borrower. Subsequently, EZ Loans services the loan on behalf of the private investors for a fee. Servicing includes collecting monthly payments from the borrower. The monthly loan servicing fee owed by the investor is deducted from payments received from the borrower with the balance sent to the investor(s) in their pro-rata share.

While upfront due diligence is performed to assist private investors in evaluating the likelihood of a successful investment, all loan transactions have risk. Unforeseen circumstances may arise that impact the borrower's ability to make payments or for the property to perform as anticipated. With all loans, there are risks involved including the possibility that the borrower may not make payments when due. Servicing the loan also includes taking collection measures performed by EZ Loans 4 Real Estate on behalf of the private investors when necessary. Performance of such collection measures include following legal protocols required to ensure that the private investors' rights are enforceable, including the right to take title and possession of the security property when necessary. As such, private investors are obligated to pay the servicing fee throughout the term of the loan regardless of whether or not the borrower has made their payments. Should the property be taken back as a result of a foreclosure action, EZ Loans 4 Real Estate also continues to manage the property, list it for sale and manage its disposition. The terms of these services are contained in a servicing agreement included in the offering circular. Please refer to Chapter Five – Risk vs. Reward of this book for additional details.

CHAPTER TWO

PRIVATE MONEY LENDING





Trust Deed Investment Example No 2



Oakland, California

Property Type	Residential
Loan Type	2YR (Interest Only)
Lien Position	First Mortgage
Loan-to-Value	56%
Yield to Investor	11.00% per annum***

Private Money Lending



A real estate loan is a loan made to a borrower by a lender where the borrower pledges the real estate as collateral. The most familiar type of real estate loan is a consumer loan, such as a home loan, made for the purpose of purchasing or refinancing a primary residence.

Rather than consumer loans, EZ Loans 4 Real Estate specializes in arranging non-consumer, private money loans secured by income producing properties such as apartment buildings with 5 or more units and commercial real estate properties.

EZ Loans solicits borrowers who own real estate and are interested in obtaining a loan. Prospective borrowers may also be introduced by licensed mortgage brokers. A borrower is not limited to individual people. A borrower in a transaction can consist of individuals, corporations, or other types of entities.

Types of Borrowers

There are many types of borrowers including but not limited to:

- Individual
- Husband and Wife
- Multiple Individuals as Tenants-in-Common
- Trust
- Corporation
- Limited Partnership
- General Partnership
- Limited Liability Company

or a combination of one or more of these. They may hold title in a variety of ways such as joint tenants, community property or as tenants in common.



Types of Lenders

There are many types of lenders. The most common include, but are not limited to:

- Bank
- Savings and Loan
- Credit Union
- Mortgage Banker
- Life Insurance Company
- Private Investor

This book concentrates on private investors as lenders.

EZ Loans is a real estate broker that matches investors who are interested in trust deed investing with borrowers requesting financing.



Types of Collateral

Collateral for a real estate loan is secured to minimize (not eliminate) the risk of loss that may occur if a borrower does not repay the loan in accordance with the terms and conditions of the loan. For example, if a borrower stops making the loan payments the lender can enforce collection through foreclosure and subsequently sell the property securing the loan to recoup all or a portion of the principal balance of the loan.

There are many types of real estate that may be used as collateral (security) for the loan including, but not limited to:

Property improved with residential or commercial buildings such as:

- Residential property:
 - Single family residences
 - Residences with 2 to 4 units
 - Apartments with 5 or more units
- Commercial property:
 - Retail
 - Shopping centers
 - Strip centers
- Big box
 - Office building
 - Multi-tenant
 - Single-tenant
 - Business parks
 - Industrial buildings
 - Multi-tenant industrial park
 - Manufacturing/warehouse
 - Owner/user single tenant
 - Mixed use buildings
 - Office over retail
 - Residential over retail
 - Special purpose property
 - Medical office buildings
 - Self-storage
 - Hotels/motels
- Land:
 - Vacant, undeveloped land

- Land that has been or is being entitled by governmental agencies to be developed

Types of Transactions

There are many purposes for borrowers to seek financing. Generally the type of transaction is determined by the loan purpose and falls into four basic categories:

- Purchase Money Loan
- Refinance
 - Rate and term refinance
 - No cash out refinance
 - Cash out refinance
- Equity Loan
- Construction Loan
 - Ground Up
 - Infrastructure
 - Acquisition and Development

Purchase Money Loan

If a borrower is using the loan proceeds to purchase a property, the transaction is referred to as a “purchase money loan”.

Refinance Loan

Many times a borrower already owns their property and has an existing mortgage or deed of trust encumbering the property. When a borrower obtains a new loan that pays off the previous financing, the transaction is called a “refinance”. There are also different types of refinances. For example, if loans are available in the marketplace at a much lower interest rate or with better terms than the existing loan and the borrower just wants take advantage of improved terms by paying off his old loan with proceeds from the new one, the transaction may be referred to as a “rate and term refinance.” If the borrower needs to refinance, regardless of the terms, and is not receiving any additional loan proceeds, the loan is referred to as a “no cash out refinance.” For example, the borrower’s existing loan may have matured and there is a balloon payment due so a replacement loan is obtained. On the other hand if the borrower not only wants to refinance an existing debt but also wants additional cash for another reason, the loan is called a “cash out refinance.”

Equity Loan

When the borrower owns a property free and clear of any mortgage debt and wants to use the equity in the property as collateral for a new loan or if the borrower has a mortgage on the property but has enough equity to support a second loan the transaction is known as an “equity loan.”

Types of Transactions (cont.)

Construction Loan

From time to time EZ Loans 4 Real Estate is asked to arrange financing to construct a building. Investing in a construction loan may involve higher risk than investing in a loan secured by property that is improved with an existing building. There are several different kinds of construction loans. These are a few general examples that may be considered by EZ Loans 4 Real Estate:

Ground Up Construction

For many investors, ground up construction is the most familiar type of construction loan. Sometimes it is referred to as “vertical construction”. It contemplates an entitled piece of land and an owner that has obtained architecturally designed and engineered plans and permits to build. In this instance, the owner needs funds to pay for the construction of the proposed improvements. Construction can be of a variety of property types including but not limited to single family homes, apartments, offices, retail buildings, and industrial buildings.

Infrastructure Loan

This type of loan is typically originated to facilitate the preparation of a large parcel of entitled land for development. Financing pays the costs such as the grading, drainage, streets, curbs, gutters, sewer, underground electrical, lighting, etc. Often this precedes the building of a housing tract, shopping center or business park.

Acquisition and Development

This type of construction financing assists a buyer, usually a developer, not only with acquisition of the land from a seller but with the cost of gaining governmental entitlements for the property that will allow for future improvement. Generally, entitlements are the legal right given by governing municipalities to allow certain building types to be built in exchange for compliance with certain requirements. Many professional studies and reports may be required by the governing agencies to determine the suitability of the project from the condition of the soil, environmental concerns, topography, the availability of water and power, parking, traffic impact and community acceptance. No actual physical construction occurs, however, upon receipt of the entitlements, the property is ready for infrastructure and vertical construction. Acquisition & Development loans are often referred to as A & D loans.

Types of Transactions (cont.)

Other

EZ Loans 4 Real Estate may also consider construction financing for remodels, rehabilitation projects, subdivisions, mini-tracts and tract financing.

Occasionally, EZ Loans 4 Real Estate may consider financing to finish a project that has already begun construction. This has a higher risk of exposure because those who have provided labor, material and supplies may have lien priority over any loan that is recorded after they have performed work or provided supplies. Particular safeguards are required to protect the investors/lenders.

For construction loans, typically a licensed third party disbursement agent is hired to perform a cost analysis, periodically inspect the property to verify completion in accordance with the plans and oversee payment to workers and material suppliers upon receipt of proper lien releases.

Any investment in a construction loan should be by a seasoned investor that has adequate reserves and only after fully reviewing and understanding the project and borrower.



Types of Loans

There are various types of loans that are often identified by how interest is charged to the borrower. A loan can be:

- Fixed rate loan - the interest rate is identified in the promissory note and stays fixed at the same rate for the duration of the loan
- Adjustable rate loan - the initial interest rate is identified in the promissory note but the interest rate is subject to change upon the occurrence of a pre-determined event.

Currently, EZ Loans only arranges fixed rate loans. Rates and programs are subject to change without notice.

Types of Payment

Payments are typically calculated using two methods:

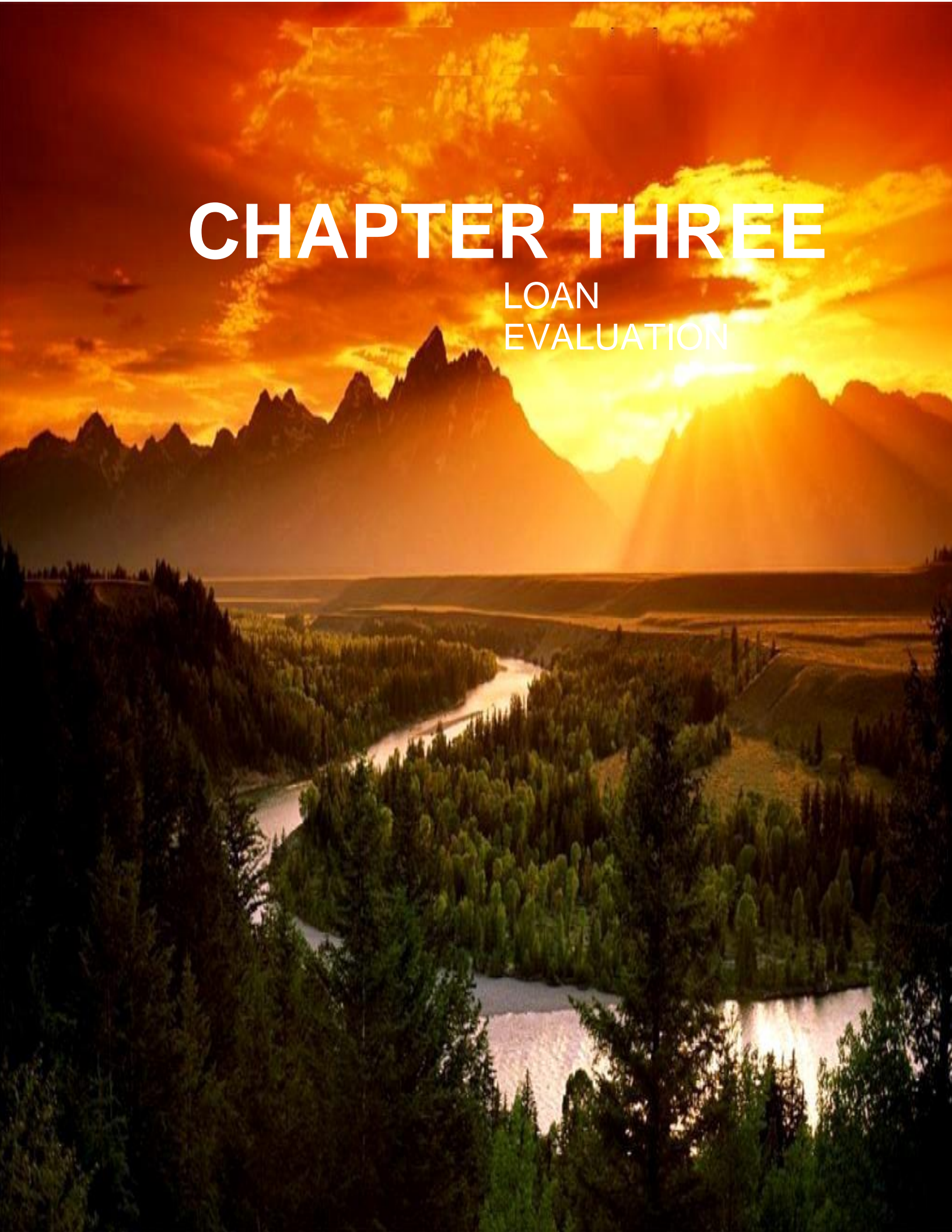
- Interest only payments - The payment consists of interest only paid monthly on the amount borrowed. No portion of the payment goes to reduce the principal balance. At the end of the term, the entire amount borrowed is due in the form of a balloon payment.
- Amortized payments (Principal and Interest) - The monthly payment consists of the interest on the balance of the loan, together with the amount of principal required to pay the loan off in its entirety over set number of years. The typical amortization term is 25 to 30 years. In this scenario, the principal balance is reduced each month as the borrower makes their payment. Therefore, if there is a maturity date less than the amortization term there will be a balloon payment due in the amount of the reduced principal balance, plus any accrued interest.

Loans offered by EZ Loans usually have maturity terms of 1, 2, 3 or 5 years. As such, there will be a balloon payment required from the borrower at maturity.



CHAPTER THREE

LOAN EVALUATION





Trust
Deed
Investment
Example No 3



Richmond, California

Property Type	Residential Income Property
Loan Type	2YR
Lien Position	First Mortgage
Loan-to-Value	56%
Yield to Investor	11.00% per annum***

LOAN EVALUATION



Before making a trust deed investment, potential investors are provided with a loan package for review. This is referred to as the “Material Disclosure Package”. Below are some key elements to consider when evaluating the risk and deciding whether to invest.

Note: these are basic considerations only to provide a general overview of the process.

- Lien position
- Loan-to-value ratio
- Protective equity
- Sources of repayment
- Borrower's character

The qualifying guidelines to obtain a private money loan differ from conventional lenders, such as a traditional bank, and may involve higher risk. The decision to make a loan is based primarily upon the equity in the property securing the loan.

Lien Position

It is important for a potential investor to determine the lien position of the proposed loan because it establishes the priority of the loan in the event of default.

When a loan is made it is memorialized by a Promissory Note that contains the borrower's promise to repay the loan in accordance with certain prearranged terms. Typically these terms include that the borrower will repay the loan in periodic installments based on a certain interest rate resulting in a monthly payment amount which will continue for the term of the loan.

When a loan is secured by real property, a security agreement called a Deed of Trust is made by the borrowers, described as the "Trustor", for the benefit of the lender, described as the "Beneficiary." The Deed of Trust is recorded to establish in the public records that the property is security for repayment of the loan.

Besides creating a lien against the property, the Deed of Trust also memorializes, among other things, what conditions would cause an event of default. For example, an event of default would exist if the borrower failed to make monthly payments when due. When a default exists, the Beneficiary has the option to commence foreclosure against the property. Upon completion of foreclosure, ownership of the property may transfer from the borrower/Trustor to the lender/Beneficiary if the property is not sold to a 3rd party at the foreclosure sale. The property could then be sold by the lender to recover the outstanding balance of the loan that remains unpaid and any costs associated with the foreclosure proceeding. Keep in mind that the property values do fluctuate and the sale proceeds may or may not be enough to fully repay the loan balance.





When the loan is originated, the Deed of Trust is recorded in the public records of the county in which the property is located. The recording date governs which lien position the trust deed will hold. Whoever records a lien on the property first establishes their lien position as a first trust deed or senior Deed of Trust. If another loan is made that is secured by a Deed of Trust on the same property and the deed is recorded after the first lien, it is in second lien position as a second trust deed or a junior or subordinate lien. Many deeds may be recorded against a property. Those subordinate to a second trust deed are referred to by their lien position, i.e. third, fourth, fifth, etc.

If a loan is in first lien position and the lender forecloses, any junior lien holder(s) can no longer foreclose upon the property because title will have transferred to the first trust deed holder. To prevent the loss of the collateral, often times the second trust deed holder will cure the default on the first by bringing the loan payments current and continue to make payments while they themselves conduct the foreclosure proceeding. In that case, when the second trust deed holder becomes the owner, they can sell the property, but are subject to paying off the first trust deed before using any remaining proceeds to repay their loan.

The majority of loans arranged by EZ Loans 4 Real Estate are first trust deeds. Second trust deeds are arranged only on a case-by-case basis typically when there is a lot of “borrowable equity” in the property value and the amount of the first trust deed and its terms appear manageable.

Loan-to-Value Ratio

Generally speaking, private money loans carry higher risk than conventional loans. To mitigate risk, private money loans are typically “collateral driven”. This means that the ability to recover the investment is heavily reliant on the ability to sell the collateral in the case of a default. Therefore, an important factor to consider is whether or not the value of collateral property will generate enough net proceeds in the event of a foreclosure to repay any senior liens, the unpaid loan balance, and all the associated fees. By obtaining an appraisal of the property from an independent, licensed appraiser prior to making a new loan, an estimate of the security property’s value at that particular date in time will be established. Generally when the amount of the loan is compared to the appraiser’s value estimate, the result is called the “loan-to-value ratio” or LTV and is expressed as a percentage.

The loan amount divided by the estimated property value equates to the loan-to-value ratio (LTV).

$$\frac{\text{Loan Amount}}{\text{Property Value}} = \text{LTV} \quad \frac{\$100,000}{\$200,000} = 50\% \text{LTV}$$

Typically, the lower the loan-to-value ratio, the less risk of loss because there is a larger cushion of equity available. Of course, property values can fluctuate over time which may affect the LTV.

LTV Guidelines:

Single family, not owner occupied	75%
Commercial and Income producing properties	65%
Single family zoned lot with installed offsite improvements	65%
Land zoned for (and if required, approved for subdivision as) commercial or residential development	50%

Generally speaking, EZ Loans originates loans within these LTV’s above.

However, from time to time under certain circumstances and subject to limitations, LTV’s may be exceeded when EZ Loans 4 Real Estate determines that the encumbrance of the property in excess of these percentages is reasonable and prudent.

Protective Equity

Another factor to take into consideration is the protective equity. The protective equity is the difference between the appraised value and the loan amount. In the example above the protective equity is \$100,000:

$$\text{Property Value} - \text{Loan Amount} = \text{Protective Equity}$$
$$\$200,000 - \$100,000 = \$100,000 \text{ Protective Equity}$$

The protective equity is an indicator (at the time of the appraisal) of the amount of cushion there is in dollars that may be available to pay fees, selling costs and carrying costs if the loan goes into default and the property needs to be sold. When the protective equity is adequate at the time the property is sold to pay such fees and costs, the amount remaining should be enough to return your investment to you.

When the loan-to-value ratio is high, the protective equity goes down. The lower the loan-to-value ratio, the higher the protective equity.

Protective equity is an important factor to minimize any loss in your investment due to changes in value.

Source of Repayment

When evaluating whether or not to make a trust deed investment, you should also consider the following:

- Where will the borrower get the money to pay the monthly payments during the term of the loan?
- When the loan reaches the maturity date, where will the borrower get the money to pay off the remaining balance of the loan? In other words, what is the exit strategy?

For income producing property such as an apartment building, typically the rents from tenants is the primary source of repayment during the term of the loan. In cases where rental income is not sufficient, the borrower's income is verified to ensure earnings are enough to pay not only their current obligations, but the new loan payment. In some cases a reserve account may be established to cover payments. The Material Disclosure Package typically contains a verified repayment source for you to consider.

Borrower's Character

The plan for the loan payoff at maturity is called the "Exit Strategy." The Exit Strategy can be from various sources including a refinance, a sale of the property, or the expectation of cash from another source. The factors that disqualified the borrower from obtaining conventional financing initially may be cured by the time the loan matures. For example, perhaps the property was recently repaired, but it lacked tenants. Prior to maturity of the loan, tenants were procured, income is established for a minimum of 12 months and now it is eligible for a conventional refinance. The Material Disclosure Package should provide a reasonable exit strategy.

The borrower's overall stability and how the borrower has performed on their past obligations is a good indication of how they will perform on the new loan and is another important factor to consider. The Material Disclosure Package will provide the borrower's current residency and employment and length of time he has been at each. The package will also provide a credit report with explanations for recent credit issues, if any. If necessary a resumé of experience may be obtained.



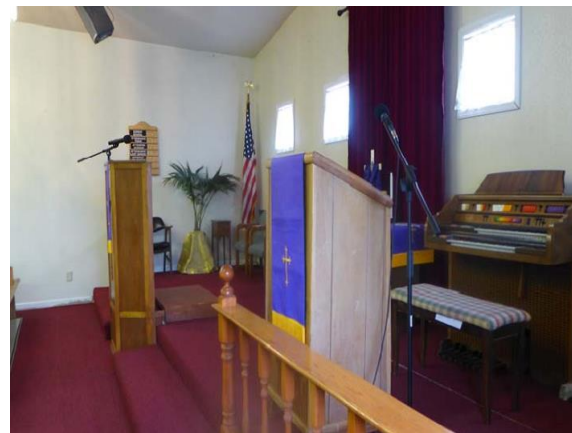
CHAPTER FOUR

Investor Criteria





Trust
Deed
Investment
Example No 4



Sacramento, California

Property Type	Commercial
Loan Type	3YR (Interest Only)
Lien Position	First Mortgage
Loan-to-Value	16%
Yield to investor	12.50% per annum***

Who Can Be an Investor?



Private investors can fund an entire trust deed or purchase a fractional interest as a part of a group as tenants in common, and may take title as individuals, or they can take the form of an entity such as:

- Trust
- Limited Liability Company or Partnership
- Corporation
- Retirement Plans such as a Pension Plan or in some instances an IRA (subject to restrictions)
- Foundation

Also, in many instances EZ Loans will form a dedicated limited liability company for the purpose of assembling investors to make a particular loan.

Federal and State statutes have been established that dictate the minimum criteria private investors must meet in order to invest. The statutes are known as Investor Suitability Standards. These standards can vary depending on the type of private investor and type of transaction. Regulators impose these standards to assure that private investors can afford to make the investment. At the time of this publication the standard requirements are as follows:

Private Investors

Private investors must have a net worth (exclusive of home, furnishings, and automobiles) of \$250,000 with an annual gross income of at least \$100,000 or more

-OR-

a net worth (exclusive of home, furnishings and automobiles) of \$500,000 with no minimum income requirement.

-In Addition-

The amount of the investment cannot exceed ten percent (10%) of the private investor's net worth (exclusive of home, furnishings, and automobiles.)

Private investors are notified when an investment opportunity becomes available. An abbreviated loan summary disclosing the anticipated yield to the investor and outlining the transaction is provided for the private investor to determine whether the transaction generally appears to fit their needs at that time. If so, the potential investor reserves all or a portion of the loan and a full Material Disclosure Package is provided to the private investor that includes details of the transaction. Generally speaking, it will include an expanded loan presentation summary, the borrower's written application, credit reports, financial statements, asset confirmation, and an appraisal of the security property, escrow instructions and title insurance information. Depending on the collateral type it may also include property income and expense information, leases, environmental reports, etc. The package will also include sample loan documents representing those that have been or will be signed by the prospective borrower. Once the package review is complete, private investors decide whether to approve of the loan and invest.

When the decision is made to invest, prior to each investment, EZ Loans 4 Real Estate will obtain a completed investor questionnaire from each private investor to confirm that the investor suitability standards have been met.





Forms of Investing

Investors may fund a portion of a loan request or the entire loan request. How you invest is dependent upon your experience, financial capacity, and tolerance for risk. Forms of investing include:

- Fractional investment as tenants-in-common with other trust deed investors
- Whole loan investment
- Membership interest in a limited liability company formed specifically for the purpose of making a particular loan

Forms of Investing (cont.)

Fractional Investment

In many instances a single investor funds only a portion of the loan request. The funds are deposited into a trust account and held until enough investors have provided enough money to fund the entire loan or the initial disbursement. When the loan is made, each of the investors are listed on the Promissory Note and Deed of Trust as to their percentage ownership. Together they are the lender holding a beneficial interest. Their relationship to each other is identified as an undivided tenant-in-common. For example, if the loan amount is \$100,000 and four investors each put in \$25,000; each investor would hold an undivided 25% beneficial interest as a tenant-in-common.

Should an event of default occur, the investor's exposure is generally limited to their fractional interest. Certain decisions to be made by the investors may become necessary and occur in specific instances identified in a loan servicing agreement signed at the time an investment is made. For example, if a foreclosure action became necessary and ownership to the property transferred to the investors, a decision such as whether or not to accept the terms of a purchase offer to sell the property would be made by the investors. A ballot would be taken and each investor's vote would be equal to their proportionate share. The decision is made based on the majority vote. There is some latitude given to the servicer/manager (EZ Loans 4 Real Estate) under certain circumstances to make decisions that are described in the delegated rights and authority section contained in the loan servicing agreement.

Fractionalized investing is the most suitable form of investment for first time investors. Generally, fractionalized investments in one loan may be made by up to ten investors. New investors typically invest in this manner until they have gained the investment experience necessary to contribute to larger loans and/or an entire loan.

Whole Loan Investment

Many times investors have the experience and financial capacity to fund an entire loan request by themselves. Whole loan investments give investors control in circumstances when decisions are required by the loan servicer to act on their behalf according to a loan servicing agreement. However, they are also exposed to any loss that may occur in its entirety.

Forms of Investing (cont.)

Membership Interest

In larger loan transactions it may become necessary for more than ten investors to contribute enough funds to close a loan. For example, if the loan amount is \$500,000 and each investor only contributed the minimum investment of \$25,000, it would take 20 investors to fund the loan. When transactions require more than ten investors, a limited liability company will be formed specifically for holding a note and deed of trust for the investors. A limited liability company (LLC) is similar to a limited partnership and is made up of members, each holding a membership interest in the percentage of their investment to the loan amount. For example, an investor who deposited \$50,000 toward the \$500,000 loan would own a 10% membership interest in the LLC. Generally speaking, when the investment is made and the LLC is formed, the members of the LLC would appoint EZ Loans 4 Real Estate as manager and loan servicer to act on their behalf. The LLC would be the named beneficiary/lender on the Deed of Trust and Promissory Note.

Generally, members would have exposure in their proportionate membership interest and certain decisions required from members would be decided by majority vote. In addition, the LLC would have additional duties and expenses that would include formation with the California Secretary of State and the filing of annual tax returns.



CHAPTER FIVE

Risk vs. Reward





Trust
Deed
Investment
Example No 5



Oakland, California

Property Type	Residential Income Property
Loan Type	2YR (Interest Only)
Lien Position	First Mortgage
Loan-to-Value	16%
Yield to Investor	12.50% per annum***

Risk Vs. Reward



Before you decide if you would like to invest in a trust deed, you must consider not only the rewards, but the risks associated with trust deed investing. The biggest anticipated reward is the estimated yield of between 9.0% and 13.0%*. Today, it is very attractive as compared to interest earnings you would receive if you put the same amount of investment into a similarly termed bank account. However, unlike a bank account, there is NO insurance offered by the Federal Deposit Insurance Corporation. As a matter of fact there are no guarantees whatsoever from any governmental agency or a guarantee of success of the investment by EZ Loans 4 Real Estate or its principals or associates. In this regard, your investment would be more closely related to a stock purchase. In addition, you expect that the borrower will repay the loan and perform in accordance with the loan terms. If they do, you will receive the anticipated yield. If they don't, and there is a default at some time during the term of the loan, the monthly interest you expect to earn may cease and you may eventually become an owner of the property in your proportionate share and be required to continue payment of the applicable loan servicing/property management fee, property taxes, maintenance and expenses of your property in your proportionate share.

There is some protection, should a default occur, in that the loan is secured by real estate. Real estate collateral is a big plus and a key difference to many stock investments. However, keep in mind that the appraised value of the real estate is based on the market data on a specific date just prior to the loan being made. That value can fluctuate over time. It may go up or down so there is no absolute assurance that the collateral will continue to be worth at least what it was appraised for at the time the loan was made.

*Yields shown are as of the date of this writing. Yields may be higher or lower and will be disclosed in each Material Disclosure Package you consider. Yields shown presume the borrower performs in accordance with the terms of the loan

In addition, if it is a construction loan, besides the “as is” value at that time, the “as complete” value may include the assumption that the improvements are completed when no construction or improvement has taken place. There is no guarantee that any improvements will be made. The risk is the possibility that once you have ownership through foreclosure that you may not be able to sell the property, pay the associated fees and have enough left over to recoup your investment. Therefore, before making your investment decision you will need to decide whether you believe that the underlying collateral will hold its value and that the protective equity is sufficient.

Additionally, like the appraisal, loans are processed as of a certain time frame contemporaneous with the loan closing. The borrower’s ability to repay is predicated upon their financial condition at that time. Typically, income generated from the property is calculated on the rents being received from tenants in place when the loan is made. Although the loan term is usually only one to five years, these income factors may also change during the term of the loan, which may significantly impact whether the borrower will have the means to repay. For example, should the borrower be unable to pay and foreclosure proceedings begin, there is also a possibility that the borrower may file for bankruptcy protection forestalling the foreclosure and causing legal fees to be incurred until the court allows the foreclosure to continue.

On the other hand, EZ Loans 4 Real Estate typically originates loans with loan-to-value ratios of 70%** or less. This provides significant protective equity at the time the loan is made. This is important in the case of a default that results in the property becoming owned by you in your proportionate share. The protective equity provides a cushion for fluctuations in the property value and to absorb the costs of sale such as trustee’s fees, management fees, real estate broker commissions and, in the case of a bankruptcy action, legal fees. Again, because the property value can fluctuate, there is no assurance that the protective equity will not diminish or become non-existent.

**From time-to-time for loans secured by certain residential property, a higher LTV may be considered due to positive offsetting factors.

Loan requests are processed, underwritten, documented and serviced by professionals with extensive experience under the supervision of a licensed CA real estate broker. As part of your decision making process you are relying on the experience and quality of EZ Loans 4 Real Estate management and staff. The managers at EZ Loans 4 Real Estate each have over 25 years of hands-on experience in real estate lending. That said, it is still **your investment decision**. It is solely your responsibility to decide whether to invest. That means that you are to read and understand the entire Material Disclosure Package and, should you want further information, review the entire loan file that is available upon request, and speak with those at EZ Loans 4 Real Estate with the most information about the loan until you are satisfied or decline to invest. Further, you should also make sure that you understand delegated responsibilities and rights by reading the offering circular (if applicable), servicing or management agreement and subscription agreement before investing.

As you can see, real estate investments are subject to a myriad of factors including economic conditions, both nationally and locally, such as, but not limited to, the rise and fall of real estate values, supply and demand, interest rates, property taxes, availability of payoff financing, changes in laws and ordinances and acts of nature. Because these things do change, you should only make investments that are suitable for your financial



condition and level of acceptable risk.

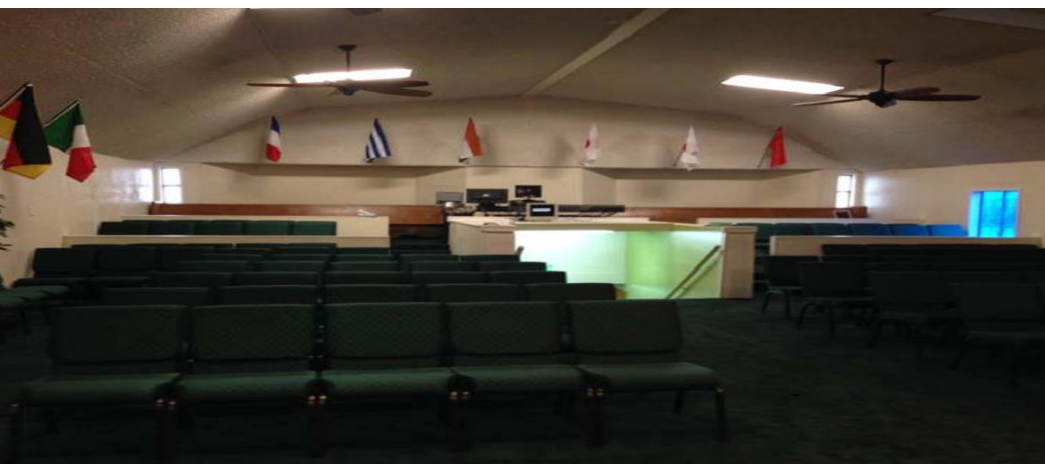
Remember that when you invest in trust deeds, your investment is not liquid. That means that unlike a bank account your money cannot be withdrawn and will not be returned to you until the borrower repays, or when the property is sold if a foreclosure becomes necessary and there are enough net proceeds. Because of the risks, trust deed investments are suited to those who have adequate financial means, who anticipate no need for immediate liquidity and will not suffer hardship if the investment is a total loss. If you have an investment portfolio, you are familiar with the risk and rewards and may want to diversify the types of investments you have. Your investment can be as little as \$25,000. You are encouraged to consult with your financial advisors and tax experts to make your decision.

Trust deed investments are a great way to diversify your investment portfolio, but they are not for everyone. It may help you to determine if such an investment is a good fit for you by reading the frequently asked questions in the next section.

Frequently Asked Questions



Trust
Deed
Investment
Example No 6



Oakland, California

Property Type	Commercial
Loan Type	3YR
Lien Position	First Mortgage
Loan-to-Value	64%
Yield to Investor	10.50% per annum***

Frequently Asked Questions



Following are a series of questions and answers that assist potential investors with their understanding about private money lending. Investing in trust deeds is not for everyone. Your total understanding of this type of investment is critical. The entire Material Disclosure Package should be read and advisors consulted prior to making any investment. Regardless of your ability to qualify as an investor, each trust deed investment opportunity should be evaluated to determine if it is suitable and consistent with your financial goals.

Who is EZ Loans 4 Real Estate?

EZ Loans 4 Real Estate is a California corporation licensed by the California Bureau of Real Estate as a Broker. EZ Loans 4 Real Estate arranges private money loans secured by real property matching borrowers with private parties who want to become trust deed investors, also known as lenders.

What is a private party investor?

Private party investors ("Investors") fund mortgage loans or a portion of a mortgage loan secured by a deed of trust because they can earn an interest rate yield and receive monthly payments on their invested capital, subject to the risks associated with becoming a real property lender.

When I invest, what am I buying?

You are purchasing all or a portion of a promissory note ("Note") secured by a deed of trust ("Deed of Trust") encumbering real property owned by the borrower. The Note is a contract whereby the borrower promises to pay the beneficiary (i.e. Investors/lenders)

principal and interest according to the terms and conditions of the Note. The Deed of Trust is recorded in the public records as a lien on the real property. As an Investor you will receive copies of the Note, the recorded Deed of Trust, and the Policy of Title Insurance. Prior to making the decision to invest you will also receive the Material Disclosure Package with all the particulars of the loan.

Does my name appear on the Note and Deed of Trust?

In most cases your name is on the Note and Deed of Trust as the lender/beneficiary reflecting the way you take title and the undivided percentage of ownership you will have in the loan. From time-to-time a limited liability company ("LLC") will be formed for a specific loan and in those cases you will own a membership interest in the LLC and the LLC will be named as the lender/beneficiary.

Why should I consider investing?

- By adding trust deed investments to your portfolio you will be diversifying your investment risk;
- High anticipated yields in comparison to traditional bank deposits
- Trust Deed Investments are secured by real estate;
- Professional management and servicing by a qualified, experienced team
- Minimum time investment from you
- EZ Loans 4 Real Estate performs the due diligence on your behalf for your review
- Documentation prepared for you
 - ◇ Complies with current laws and regulations
 - ◇ Includes protections and remedies to minimize losses;
- Low servicing and management fees that are disclosed to you in advance
- No "front load fees" like a stock or investment broker may charge;
- Short term investment from one to five years (similar to terms expected in a certificate of deposit);
- Monthly income distributed after each payment is made by the borrower
- May use funds from a self-directed IRA investment.

How much interest will I earn if I invest?

Today, the yield you receive is typically higher than the amount you would expect to receive from deposits in a financial institution. The interest rate paid by the borrower is memorialized in the Note. Generally speaking, the Note rate is reduced by the servicing fee paid to EZ Loans 4 Real Estate and the balance is distributed to the investor.

For example, when the borrower makes a payment and the Note rate is 9.00% and the servicing fee is 1.50% the annual yield to the investor is 7.50% times the amount invested.

Therefore in this example, if your investment is \$25,000:

$$\$25,000 \times 7.50\% = \$1,875.00 \text{ per year}$$

$$\$1,875 \div 12 \text{ months} = \$156.25 \text{ per month}$$

Note rates currently range from approximately 8.0% to 12.50% but this may change with the market. Servicing fees currently range from approximately 1.50% to 2.50%.

How much do I need to know about the property and borrower in order to invest?

Obviously, the more informed you are about real estate and the specifics of any particular loan the better. Based on documentation received, EZ Loans 4 Real Estate will provide you with a Material Disclosure Package that includes the financial condition and character of the borrower and information about the property securing the loan, including an appraisal report. We encourage Investors to carefully review the entire package, ask questions and have a good understanding of what they are purchasing as well as the material risk factors associated with real property lending.



Does EZ Loans appraise the properties?

EZ Loans 4 Real Estate does not employ any staff members who perform appraisal reports for the loans we arrange. Appraisals are performed by independent, licensed, third party appraisers. The entire appraisal is provided to investors to assist them in making a lending decision.

Do I have an opportunity to look at the property before investing?

Yes. EZ Loans 4 Real Estate is happy to arrange a site visit for you.

What if I want to get out of the investment early?

Trust deed investments are private securities and there is no secondary market for liquidation or trading like there is with the traditional stock market securities. Prior to investing, you must determine your willingness to commit a substantial amount of cash for at least one to five years depending on the term of the loan. Typically, your investment cannot be cashed out early. The repayment of the loan is based upon the borrower's ability to make payments, refinance, and/or sell the property securing the loan. The term of the loan and when the loan comes due is not a guarantee that you will receive the payoff on or before that date. If you are uncomfortable with the duration of the investment, it may not be a suitable investment for you.

Is Private Money Lending the same as Hard Money?

No. Often times, hard money lenders are only collateral based. Property values may be obtained using a 90 day quick sale marketing period. If the loan-to-quick sale value fits within their guidelines they may make the loan.

Private money bridge lenders like EZ Loans 4 Real Estate protect their investors by also considering other factors such as the borrower's character, identifying a source of repayment and an exit strategy to mitigate risk, and increase the likelihood of repayment for its investors.

Why do borrowers need private money lenders?

Conventional lenders such as banks often have strict lending guidelines and internal policies. The borrower or the financing request may not exactly fit the conventional lender's requirements. In many instances the bank is planning on selling all or a portion of the loan to others. As a result, they also require the transaction to meet minimum standards to meet the purchaser's guidelines. Failure to meet bank guidelines does not always mean the loan is not a good investment.

Private money loans use a "make-sense approach". Each loan request is considered on a case-by-case basis. Loans are generally structured for a shorter term commensurate with the time it should take to position the borrowers to qualify conventionally in the future. Private investors mitigate their risk by lending to borrowers with considerable equity in their property and receive higher rates than those available from conventional lenders.

The following are just a few factors that may disqualify a transaction from acceptance by a conventional lender:

- Loan Amount too small
- Tenants are too new, even if it is a newly completed building
- Rents have not been in place for at least 12 – 24 months
- Percentage vacant exceeds their guidelines even if the borrower or tenants in place provide adequate cash flow to make the payments
- Credit Score under their established minimum
- Liens, judgments or delinquencies, even if cured or to be cured with loan proceeds
- Mixed Use or Special Purpose property;
- The property needs repair, even if the loan funds are to be used for the repairs; the borrower wants short term financing.

In private lending many of these factors are not a reason for denial. While borrowers face many unforeseen obstacles, EZ Loans 4 Real Estate assesses the situation to determine if the issue has been resolved, or by making the loan the issue will be resolved.

In addition to protective equity to mitigate risk, a repayment source during the term of the loan and/or a viable exit strategy is usually determined. Reviewing the documentation and loan application package to assess the risk involved and mitigating factors is called loan underwriting. EZ Loans 4 Real Estate underwrites in an effort to bridge the gap to successfully reposition the borrower and/or the property to a superior circumstance. We listen to the borrowers and their situation. After careful review and verification it is presented to private investors for their approval.

Who draws the loan documents and collects payments from the borrower?

EZ Loans is the designated agent or manager for the private investors. From origination through payoff, EZ Loans 4 Real Estate handles all aspects of the process providing a seamless investment experience. After processing the loan request, EZ Loans 4 Real Estate will draw the loan documents and interface with an escrow company and title company to coordinate a successful closing. Generally speaking, once any closing conditions have been removed, the funds become the borrower's, the deed of trust is recorded on behalf of investors and escrow has closed, EZ Loans 4 Real Estate becomes the servicer of the loan.

Servicing includes, but is not limited to, collection of the monthly loan payments,

distribution of interest to the investors in their prorated share, loan accounting, borrower communication and monitoring property tax payments and hazard insurance. Should the borrower become late, it also includes late payment notices, collection of late charges and taking steps necessary to collect the debt, and managing the property in the event of foreclosure.

Does EZ Loans 4 Real Estate charge a fee for servicing the loan?

The loan summary reflects the interest rate the borrower will be paying on the Note and also your net yield, after deducting the servicing fee. The servicing fee is generally 1.50% to 2.50% annually.

What are the late fees and who receives these fees?

Late fees are usually 10% of the monthly payment and are typically owed by the borrower if the payment is not received until after 10 days or more from its due date. The late fee is split 50/50 between the investors and EZ Loans 4 Real Estate.

Am I really purchasing something? I thought it was an investment in which you give your money, and after giving somebody your money you would get a yield in return.

Yes. In the case of whole or fractionalized investments you're purchasing a note or a portion of a note secured by a deed of trust. The promissory note memorializing the obligation to pay from a borrower is an asset backed security. A deed of trust in which you are named as a beneficiary is recorded as a lien against the property and you have a policy of title insurance. The title insurance is insuring the fact that you're recorded in first or second trust deed position.

Is my name actually on the note and trust deed?

Yes. Your name or the LLC name of which you are a member, as the lender/beneficiary is on the note, on the deed of trust and on the policy of title insurance.

Does EZ Loans receive a loan fee?

Yes. The loan fee is separate from the loan servicing fee paid by the private investor. EZ Loans 4 Real Estate will be paid a loan origination fee paid by the borrower. Generally, the borrower will finance the loan fee through the loan and the origination fee is deducted from the borrower's loan proceeds at the closing of the loan.

Are the trust deed investments available from EZ Loans 4 Real Estate insured by the FDIC?

Trust deed investments are not FDIC insured. Investing in private asset backed securities have various risk factors that are disclosed in the offering documents provided by EZ Loans 4 Real Estate. Do not invest if you're looking for a risk-free loan.

What are my tax consequences?

Interest paid to investors on a trust deed loan will be reported as interest income. Generally, investors will receive a 1099-Interest Income form. In the cases where an LLC is formed, investors will receive a Partner K-1 tax form generated by the LLC's tax return which will have the interest income and any expenses passed through to the Investors. Depending on how you take title, the Federal and State taxes due may be different. You are encouraged to consult with a knowledgeable tax professional before you invest.

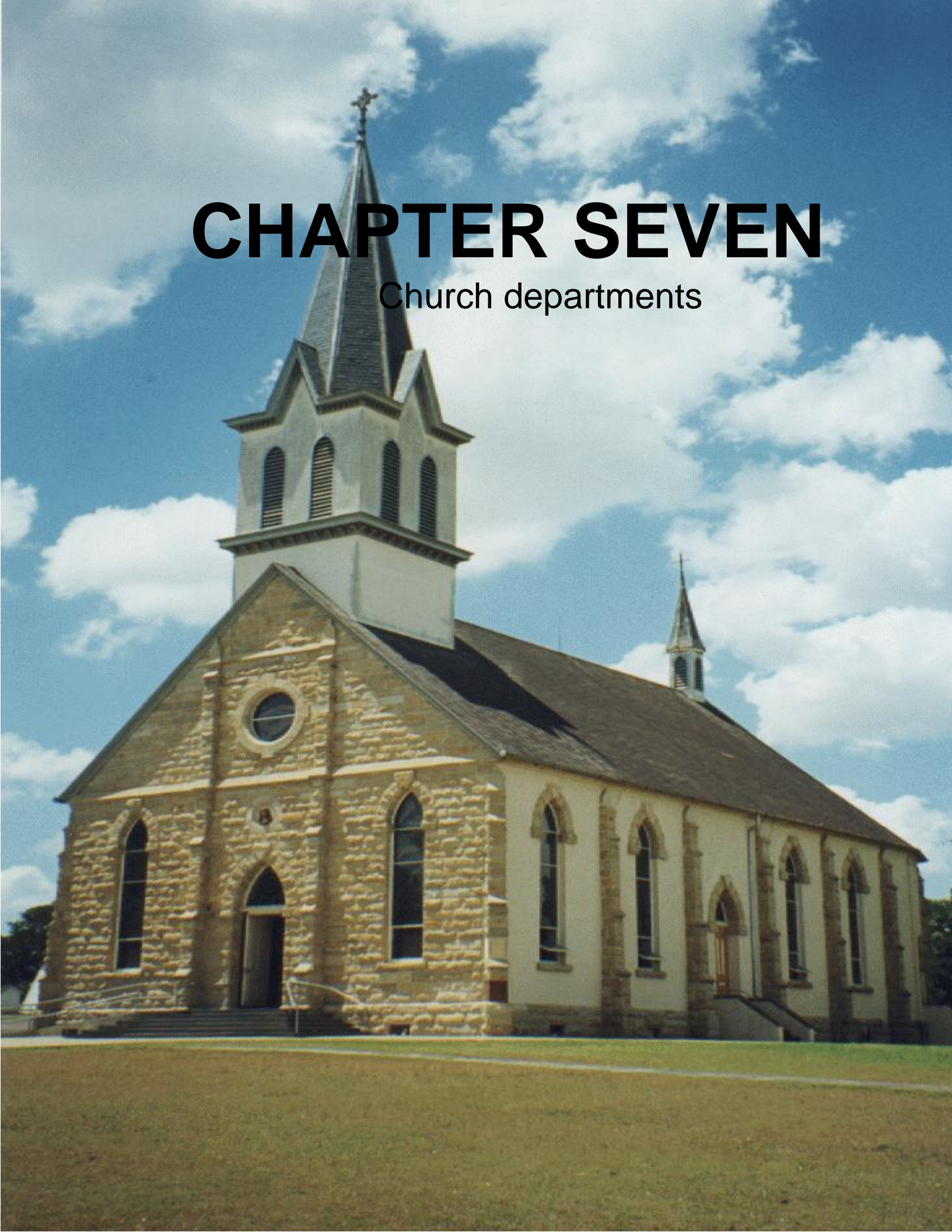
Can we use our IRA to invest in a trust deed?

Yes, but only through a trust company custodian. Typically, traditional brokerage firms handling IRA accounts such as Fidelity Investments or Charles Schwab will not hold title to trust deed investments or limited liability company interests as they are not traded in the marketplace and are considered alternative investments. There are trust companies that are fee based that allow clients to self-direct these types of alternative investments. EZ Loans 4 Real Estate can provide information about the trust company custodians we have worked with in the past for client who would like to invest IRA funds.



CHAPTER SEVEN

Church departments





Trust
Deed
Investment
Example No 7



Oakland, California

Property Type	Commercial
Loan Type	2YR
Lien Position	First Mortgage
Loan-to-Value	45%
Yield to Investor	11.50% per annum***

CORPORATE GOVERNANCE

Executive Management

The executive management team at EZ Loans 4 Real Estate has closed in excess of \$100,000,000 in real estate mortgage loans and equity transactions that have been underwritten, packaged, and sold (in whole or in part) to private investors and/or institutional lenders as asset-backed securities. They have managed up to \$50 million in assets composed primarily of commercial real estate loans for its private investors.

They have participated in advocating for the private money industry and have been active in drafting and supporting state legislation which seeks additional disclosure protection for private investors. They have been instrumental in writing legislation to raise the standards of the private money brokerage community.

Each manager has in excess of 20 years of hands-on experience in real estate transactions.

The executive management team oversees all corporate activities of the office including the Corporate Financial Management Department that controls accounting, financial reporting, asset management, payroll, trust fund accounting, etc.; the Investor Relations Department that includes the administration of private investment funding and investor communication; the Lending Department where seasoned professionals actively manage the company's loan origination, loan servicing, and property management; and the Corporate Administration Department that oversees the human resources, information technology, corporate facilities, and print production operations.

Our senior management team has worked extensively over the years with all facets of private money lending and are the driving component behind the company's success.

CORPORATE GOVERNANCE

Executive Management

Legal

INVESTOR RELATIONS

Investor Relations

Investment Funding

LENDING

Loan Production/
Broker Relations

Loan Agents

Loan Operations

Loan Underwriting

Loan Processing
and Loan Closing

Loan Servicing and
REO Asset Management

CORPORATE FINANCIAL MANAGEMENT

Accounting

CORPORATE ADMINISTRATION

Human Resources

Marketing

Corporate Facilities
and Print Production

CORPORATE GOVERNANCE

Executive Management

Legal

INVESTOR RELATIONS

Investor Relations

Investment Funding

LENDING

Loan Production/
Broker Relations

Loan Agents

Loan Operations

Loan Underwriting

Loan Processing
and Loan Closing

Loan Servicing and
REO Asset Management

CORPORATE FINANCIAL MANAGEMENT

Accounting

CORPORATE ADMINISTRATION

Human Resources

Marketing

Corporate Facilities
and Print Production

Legal

EZ Loans 4 Real Estate employs independent counsel who advises executive management and other departments regarding all legal matters, including loan-related matters, corporate matters, litigation, labor and employment matters, and general management of legal risk relative to the company's operations and duties. In addition, the executive managers are advised with regard to the creation of new products offered by the company and, directly or with the assistance of outside counsel, takes all steps necessary to create the documentation to implement the products. EZ Loans 4 Real Estate practices "preventative law" by monitoring changes in the law and proactively defining and developing corporate strategies, policies, procedures and programs to minimize legal risk and exposure of the company.

INVESTOR RELATIONS

Investor Relations

The Investor Relations Department identifies Investors who fund loans we process. This department is responsible for developing new investor relationships as well as maintaining a strong rapport with our existing investors. In addition to managing investment requests, the department provides comprehensive information about our products so that Investors can make informed decisions.

Investment Funding

The Investment Funding Department manages the funding of loans with multiple investors and investment programs at EZ Loans 4 Real Estate. This Department coordinates with all internal departments and the CFO to manage the time-sensitive coordination of Investor funds and loan closings. Investment Funding ensures that suitable investors and programs are included in the funding of all loans. They also maintain trust fund accounting compliance in connection with investor financial transactions.

LENDING

Loan Production / Broker Relations

The Loan Production/Broker Relations Department solicits loan submissions from outside brokers and/or prospective borrowers by utilizing company advertising and customer/client databases. They relieve the underwriters from basic loan inquiry calls by answering loan questions, and screening incoming loan inquiries using company guidelines. They also review preliminary loan documentation, and follows up on status calls and other special projects.

CORPORATE GOVERNANCE

Executive Management

Legal

INVESTOR RELATIONS

Investor Relations

Investment Funding

LENDING

Loan Production/
Broker Relations

Loan Agents

Loan Operations

Loan Underwriting

Loan Processing
and Loan Closing

Loan Servicing and
REO Asset Management

CORPORATE FINANCIAL MANAGEMENT

Accounting

CORPORATE ADMINISTRATION

Human Resources

Marketing

Corporate Facilities
and Print Production

Technology

CORPORATE GOVERNANCE

Executive Management
Legal

INVESTOR RELATIONS

Investor Relations
Investment Funding

LENDING

Loan Production/
Broker Relations

Loan Agents
Loan Operations
Loan Underwriting

Loan Processing
and Loan Closing
Loan Servicing and
REO Asset Management

CORPORATE FINANCIAL MANAGEMENT

Accounting

CORPORATE ADMINISTRATION

Human Resources
Marketing
Corporate Facilities
and Print Production
Technology

Independent Loan Agents

Independent Loan Agents develop business relationships between, EZ Loans 4 Real Estate brokers and potential Investors. They operate similar to the Investor Relations and Loan Production Departments, but maintain their own client database.

The Independent Loan Agents work to originate loans on various types of properties such as multi-family, commercial and industrial. They also work with Investors evaluating EZ Loans 4 Real Estate investment products for their portfolios.

Loan Operations

The Loan Operations Department works under the supervision of the President and performs EZ Loans 4 Real Estate loan origination duties. This department includes Loan Underwriting, Loan Processing, and Loan Closing. They handle all loan applications from start to finish, create content for investment offerings and work with the Legal Department and/or independent counsel to assure that loan documentation and offerings are in compliance. The Loan Operations Department works in unison with the Loan Production Department and the Investment Funding Department to coordinate the successful closing of loan transactions on behalf of the Investors.

Loan Underwriting

Using established underwriting criteria, the Loan Underwriting Department confirms that the requested loan meets EZ Loans 4 Real Estate acceptable parameters of collateral, pricing and risk. The underwriting function includes initial review and the issuance of Letters of Interest and Fee and Placement Agreements as well as drafting the Loan Summaries. This Department is also responsible for the Loan Processing and Loan Closing Departments.

Loan Processing and Loan Closing

The loan processing and loan closing functions are performed collaboratively with Loan Production, Loan Underwriting, and the Investment Funding Departments to originate and close loans. The processors assemble the loan file, collect verification documentation, order third party reports and perform other due diligence on behalf of Investors. Loan closers prepare the borrower's documents for signature, gather closing conditions and work with the title and escrow companies to be in a position to receive lender funds and close the transaction.

Loan Servicing and REO Asset Management

Our Loan Servicing and REO Asset Management Department is responsible for all post-closing loan duties and works directly with Loan Underwriting, Loan Processing and Loan Closing, Investment Funding, Investor Relations, and the Legal Department or independent counsel. The Loan Servicing Department handles the borrower and investor inquiries and correspondence, loan payment applications, disbursement of Investor checks, managing of impound accounts, fund control compliance, accounting for staged fundings, and all other loan-related tasks. This department is required to maintain trust fund accounting compliance in connection with all loan collections and investor transactions.

The Loan Servicing Department also monitors the loan portfolio for placement of insurance, payment of property taxes, demand statement requests, loan payoffs and reconveyances, and works with legal counsel on bankruptcies, foreclosures, and receiverships.

In the event a foreclosure is completed on a loan and the real estate reverts back to the foreclosing Investors, the REO Asset Management Department is responsible for working directly with the President in managing these properties while striving to obtain the best possible outcome in the ultimate disposition of the property.

CORPORATE GOVERNANCE	Executive Management
	Legal
INVESTOR RELATIONS	Investor Relations
	Investment Funding
LENDING	
CORPORATE FINANCIAL MANAGEMENT	Loan Production/ Broker Relations
	Loan Agents
	Loan Operations
	Loan Underwriting
CORPORATE ADMINISTRATION	Loan Processing and Loan Closing
	Loan Servicing and REO Asset Management
CORPORATE FINANCIAL MANAGEMENT	Accounting
	Marketing
CORPORATE ADMINISTRATION	Human Resources
	Corporate Facilities and Print Production

CORPORATE GOVERNANCE

Executive Management
Legal

INVESTOR RELATIONS

Investor Relations
Investment Funding

LENDING

Loan Production/
Broker Relations

Loan Agents
Loan Operations
Loan Underwriting

Loan Processing
and Loan Closing

Loan Servicing and
REO Asset Management

CORPORATE FINANCIAL MANAGEMENT

Accounting

CORPORATE ADMINISTRATION

Human Resources
Marketing

Corporate Facilities
and Print Production

CORPORATE FINANCIAL MANAGEMENT

Accounting

The Accounting Department controls and performs all of EZ Loans 4 Real Estate general accounting functions on a daily basis. Tasks include cash management, bank reconciliations, internal accounting controls, general ledger analysis and reconciliation, and preparation of month-end financial statements. This department also coordinates the company's independent audit and tax filings. Other duties include reconciliation of accounts payable, including interaction and research with vendors, maintaining accounts receivable, credits and purchasing.

CORPORATE ADMINISTRATION

The Corporate Administration Department coordinates all company initiatives and special projects. Corporate Administration includes the Human Resources Department, Technology Department, Marketing Department, Corporate Facilities and Print Production Department. Responsibilities include product promotion, image enhancement, developing and monitoring compliance with corporate policies and procedures and ensuring compliance with regulatory requirements.

This group also supports development of employee training programs and manages company facilities and assets. Additionally, with assistance from Corporate Financial Management they develop, monitor and report on departmental budgets and projections.

Human Resources

The Human Resources Department provides service and support in employee recruitment, employee relations and morale, benefits, compensation, training and safety. This department fosters an environment based on teamwork, integrity, efficiency, problem solving, and ethical business practices in all relationships. Human Resources promotes growth, accountability and empowerment within the company's corporate culture.

Marketing

The Marketing Department is responsible for identifying the company's target markets, selecting and creating its message, and communicating the message through various channels such as: direct mail campaigns, e-marketing, trade publications, seminars and trade shows. The Marketing Department's goal is to understand its products, customers, competition, industry and the trends driving customer preferences.

Corporate Facilities and Print Production

The Corporate Facilities and Print Production Department oversee the mail house and printing press activities which produces the company's printed marketing materials, investor packages and bulk direct mail campaigns. This division is fundamental in making every marketing project a reality. This department also ensures building security and maintenance of all facilities and furniture, fixtures, equipment and other company property.

CORPORATE GOVERNANCE

Executive Management
Legal

INVESTOR RELATIONS

Investor Relations
Investment Funding

LENDING

Loan Production/
Broker Relations

Loan Agents

Loan Operations

Loan Underwriting

Loan Processing
and Loan Closing

Loan Servicing and
REO Asset Management

CORPORATE FINANCIAL

MANAGEMENT

Accounting

CORPORATE ADMINISTRATION

Human Resources

Marketing

Corporate Facilities
and Print Production

Licensing Information

Regulatory Approvals for Engaging in Securitization of Real Estate Loan Assets:

EZ Loans 4 Real Estate conducts its loan origination and loan servicing operations under a Real Estate Broker's license issued by the California Bureau of Real Estate and pursuant to the investment contract relationship established with its Investors.

Governing Agencies

California Bureau of Real Estate

1651 Exposition Blvd., Sacramento, CA 95815
(916) 227-0931 | www.bre.ca.gov

EZ Loans 4 Real Estate

Broker's License #01884416

This license is utilized for loan broker and loan servicing activities, including threshold reporting for trust fund accounting. Quarterly and annual audit reporting is required and filed with the Bureau of Real Estate by EZ Loans 4 Real Estate and its independent auditor.



Privacy Notice

This Privacy Notice applies to all products and services provided by EZ Loans 4 Real Estate. EZ Loans 4 Real Estate is dedicated to ensuring the privacy of our clients and Investors. Our Privacy Policy has been designed to protect the information you give us while providing valuable financial products and services. **Please read this important Privacy Notice which describes our practices in maintaining the confidentiality of personal information.**

First and foremost: While other companies may sell non-public personal information to telemarketers and mailing lists, EZ Loans 4 Real Estate *does not disclose any non-public personal information about our customers or former customers to anyone, except as permitted or required by law.*

EZ Loans 4 Real Estate collects non-public personal information about you from the following sources:

- Information we receive on loan applications or other forms, correspondence, email, website, in-person or telephone conversations or by any other means. Information collected includes, but is not limited to, name, address, social security number, income, assets, credit history and other important financial information.
- Information about transactions with us or others, including, but not limited to, account balance, payment histories, account activities, parties to transactions and loan advances.
- Information we receive from third parties such as consumer reporting agencies.

We are protecting the security and integrity of customer information through procedures and technology designed for this purpose. For example:

- Our physical, electronic and procedural safeguards comply with federal standards regarding the protection of non-public personal information.
- We require independent contractors and outside companies who work with us to adhere to our strict privacy standards.
- We use technological means (such as backup files, virus detection and eradication software, and other computer software and hardware) to protect against unauthorized access or alterations to non-public personal information.
- We restrict access to your non-public personal information to those employees who have a legitimate business need to know that information to provide products or services.

If you have any questions about this Privacy Notice, please write or email to the following:

EZ Loans 4 Real Estate
Attn: Privacy Act Review
302 E. 14th St. San Leandro, CA
94577 Fax No. (510)969-7853
Info@EZLoans4RealEstate.com

The policies and practices described in this disclosure are subject to change, but we will communicate any significant changes to you as required by applicable law. The policies and practices described in this disclosure replace all previous notices or statements regarding this subject.



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