

## Commercial Loan Modification Processes & Procedures

Project Summary

October, 2009

Dear Perspective Client,

We appreciate the opportunity to present VanderSchuit Law Group Commercial Loan Modification solutions to you. Based on our conversation, we believe our On-Trac™ will dramatically improve the process flow, transaction performance in negotiation of the note and our interactions with you the client....

As discussed, we have summarized and packaged our service offerings based on our initial evaluation and look forward to discussing these various options further with you and your team.

On-Trac™ Empower the client's, their intermediates and or reps with performance and returns that are based off bank offers. Once the loan modification documentation is complete and submitted a transaction genealogy of all parties involved is created. That's it! No more involvement is required which simplifies and eases the process flow with the negotiator and client complete the process together.

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### Client Pricing Options

We are pleased to present the following pricing models for your consideration.

50% flat fee due upon signature of our agreement and is applied to total cost. 50/50 Rate and 25/75 Rate are available on loan modifications where the asset values are above \$5mm

**Flat Rate:**

1% of pre-gross

**50/50 Rate:**

.5% of pre-gross plus 5% of total reduced amount

**25/75 Rate:**

.25% of pre-gross plus 10% of total reduced amount



Balance due upon delivery of new loan modification bank offer.

**All Incomplete Loan Modifications will receive a 100% refund**

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### Service Options

On-Trac	Lead, Workflow, Data system	Available Now
OneNote	Automated Document Storage	Available Now
eSignatures	Electronic Signatures	Coming Soon

See product sheets below and Service Order options Attached

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### The System

#### Our Clients Property Types

- Strip Centers
- Shopping Center
- Hospitality
- Apartment Building
- Large Office Buildings
- High Rise
- Flex
- Shopping Malls
- Retail Centers
- Investment Commercial Portfolios
- Asset & Property Mngt Portfolios

Our data systems help our processors more efficiently manage their jackets, clients, and data and helps them streamline their negotiation.

- ✓ The mortgage holders are currently changing the terms of the original notes
- ✓ Applies to portfolio loans which are often not securitized like Fannie Mae or other single family residential loans
- ✓ Our attorneys are very effective in negotiating a solution that benefits both parties
- ✓ Investor of loan is often easier to identify and approach with commercial loans
- ✓ Federal Reserve added commercial mortgage backed securities (CMBS) to the TALF program to help off-set the current losses of commercial loans
- ✓ Banks would rather negotiate to change the terms of loan than take back property through foreclosure
- ✓ We can determine if you qualify by several factors: Equity, income, payment history and debt ratio
- ✓ Our professional loss mitigators have existing relationships with most lenders and know how to get to the decision makers



- ✓ Every case is different and our professional loss mitigators will determine which will be the best approach for you and your business asset
- ✓ You can negotiate on your own behalf but you are more likely to get a far more substantial deal if you utilize professional negotiators
- ✓ Time frame from beginning to end can take approximately 1 to 3 months, (average is 30 to 60 days)

### Features

Messages are routinely sent by your representatives for more personal information updates

- Proactive client/customer contact & messaging
- Shorten negotiation Cycles
- Reporting, Logging & Auditing
- Custom Message Creation
  - ✓ voice
  - ✓ email
  - ✓ SMS-Text



### Other Industry Solutions

- Debt Settlement
- Residential Loan Modification
  - Limited Time SB-94 (to State Assembly)
- Technology Solutions
- Management Software
- Hard Money Loans

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### STEP 3

#### The Process

### STEP 1

The written Proposal should include an Executive Summary:

- Property type, location, size, age, room count and exterior photos
- Rent Roll and copies of Lease Agreements.
- General Contact Information (work/home phone, cell phone, fax, address)
- All Mortgage(s) Information: Recent Statement, rate/term/balance, contact.
- Hardship Letter (Reason you have fallen behind.)

### STEP 2

Financial information for the borrower,

- Financial Statements, to include balance sheet and income statement, for fiscal year ended 12/31/2008
- Tax returns for the last three fiscal years.
- Personal debt schedule including, All Obligations long term.



Financial Information for corporate guarantors

- Financial Statements, to include balance sheet and income statement, for fiscal year ended 12/31/2008
- Business Tax returns for the last three fiscal years.
- Business debt schedule including, for each obligation listed, The lender, Origination date, amount, interest rate, monthly payments, maturity date, and collateral..
- Documentary evidence of all Property Taxes. (a) A tax payment plan approved by the taxing authorities. ONLY IF DELIQUENT.



### STEP 4

- In order to proceed to the Loan Modification we must have a signed [Authorization and Consent Form](#) and [Form 4506T \(request for copy of tax return\)](#) from the client, which will allow the client direct communication with an attorney.

Everything will need to signed and either e-mailed or faxed back to 760-602-6235 - A senior account representative will set-up a telephone or email, whichever the client chooses.