

# Checklist for Note Sellers: How to Build a Complete Collateral File

If you're selling a mortgage note, one of the most important steps is assembling a complete collateral file. This file proves ownership, payment history, and the security behind the note. A complete file speeds up the sale and increases the value of your note.

## 1. The Original Promissory Note

- Locate the original wet-ink signed note.
- Include all endorsements or allonges showing the chain of ownership.
- Keep it safe until closing.

## 2. The Deed of Trust or Mortgage

- Include a copy of the recorded mortgage or deed of trust with property description.
- Add all recorded assignments showing transfers of ownership.

## 3. Title Policy or Ownership Report

- Provide the original lender's title insurance policy, if available.
- Otherwise, obtain a current Ownership & Encumbrance (O&E;) report.

## 4. Payment History

- Include complete records from servicer or your own ledger.
- List late payments, modifications, or forbearance agreements.
- Attach proof of payments such as cancelled checks or deposits.

## 5. Borrower Information

- Provide borrower's name, property address, and contact info.
- Include credit summary, insurance proof, and property tax receipts.

## 6. Property Information

- Attach current photos, interior and exterior.
- Add a recent valuation or BPO report.
- Include purchase contract or closing statement, and any lease data.

## **7. Servicing Records**

- Include servicing agreements and year-end statements.
- Provide escrow balance information and current payoff figures.

## **8. Legal and Compliance Documents**

- Attach origination documents such as HUD-1 or Closing Disclosure.
- Include modification or workout agreements.
- Add bankruptcy or default correspondence, if applicable.

## **9. Chain of Title and Assignments**

- Include all recorded assignments from original lender to current holder.
- Ensure any missing transfers are recorded before sale.

## **10. Final Organization Tips**

- Organize files in folders: Loan Docs, Property Data, Payment History, Servicing Records.
- Rename files clearly for easier review by buyers.

A well-prepared collateral file shows buyers you're organized and serious. Whether selling a performing note or liquidating a non-performing one, documentation is key. For help reviewing your file or preparing it for sale, contact Vineyard Fund for guidance and purchase options.