## SEVEN ESSENTIAL ELEMENTS OF TRUST DEED INVESTMENTS

## Seven Essential Elements

- 1. Knowledge, experience, and integrity of the MLB through whom the transaction may be made or arranged.
- 2. Market value and equity in the Property and the security for your loan.
- 3. Borrower's financial standing and creditworthiness.
- 4. Escrow process involving the funding of the loan or the purchase of the promissory note.
- Documents and instruments describing, evidencing, and securing the loan or purchase of the promissory note.
- 6. Loan servicing provisions, authority and compensation.
- 7. Recovering your investment when the borrower fails to pay.

The information that follows will assist you in considering the seven essential elements of a loan transaction which you should understand before funding a loan or purchasing a promissory note. Just read on!

CALIFORNIA DEPARTMENT OF REAL ESTATE