

# THE SELLER'S GUIDE TO PARTIAL NOTE SALES (7 PARTS)

Turn the next 24–36 payments into cash now—keep the rest  
(60 by request)

## **Part 1 — What this is (easy as cake) 🍰**

Your note is like a cake with many slices (each slice = one monthly payment).

A “partial sale” means you sell just the next 24 or 36 slices for a lump sum today.

After that, every slice flips back to you automatically.

You keep ownership of your note and all long-term upside (including any balloon that comes after the partial term).

### **Why people do it?**

- Get cash this month without selling the whole note
- No appraisal, no showings, no chasing checks (a licensed servicer handles payments)
- Close in ~10–15 business days when docs are clean

### **Picture it:**

- Total “cake”: 300 slices (months) on a typical long-term note
- You sell slices 1–24 (or 1–36) today
- Slice 25 (or 37) onward automatically goes back to you
- If there's a payoff early, your buyer gets their agreed slices first, and you get the rest immediately

## **Part 2 — When it makes sense (and when it doesn't)**

### **Great fits**

- You sold with seller financing and have 6–24 months of on-time payments
- Clean first-lien note (or a wrap only if the servicer will escrow and pay the senior loan monthly)
- Taxes/insurance current; documents organized

### **Not a fit (for now)**

- Borrower is behind (non-performing)
- A balloon due inside the next 12–24 months, and you want a partial that would cross it (we'll shorten the partial or discuss a full-note sale instead)
- HOA/tax sale looming with big arrears (we can fix first, then proceed)
- Very few payments left (e.g., < 6 months)

### **What you'll provide (simple)**

- Copy of the promissory note and mortgage/deed of trust
- 12-month payment history (or as much as you have)
- Taxes/HOA status and proof of hazard insurance
- Any modifications/forbearance agreements

### **Part 3 — How the process works (step-by-step)**

**Day 1–2:** Share basics (payment amount, months left, pay history, taxes/insurance). We confirm a clean first lien and seasoning.

**Day 2–3:** We present your 2-option offer (24 vs 36 months; 6O by request) with clear math.

**Day 4–7:** We open escrow, coordinate with the licensed servicer, and prepare the paperwork.

**Day 8–12:** You sign; escrow holds originals under a bailee letter; we e-record a collateral assignment.

**Day 12–15:** Escrow disburses your funds. The servicer remits the next X payments to us; after X, payments flip back to you automatically.

### **Who handles what**

- **Licensed servicer:**
  - Sends hello letters;
  - Collects from your buyer;
  - Remits to us for X months; then flips payments back to you
- **Title/escrow:**
  - Holds funds,
  - Records assignments,
  - Disburses your money
- **You:** Choose your option and provide basic docs (we keep it light)
- **Us (Obsidian Prive):**
  - Price,
  - Package,
  - Coordinate everything (you don't chase paperwork)

## Part 4 — Pricing, with examples you can feel

### Key idea

You receive a lump sum that's a percentage of the payments you sell. The percentage depends on pay history, property value, state, and document quality.

### Examples (illustrative)

Your buyer pays \$1,200/month (P&I)

- 24 months = \$28,800 “face value”
  - Typical lump sum (clean, seasoned): ~70% ≈ \$20,160
- 36 months = \$43,200 face
  - Typical lump sum: ~70% ≈ \$30,240
- 60 months (by request) = \$72,000 face
  - Typical lump sum: ~65–70% ≈ \$46,800–\$50,400 (file-dependent)

### What affects your price

- **Stronger:**
  - 12/12 on-time pays,
  - Low LTV,
  - Clean first lien,
  - Friendly state,
  - Current taxes/HOA
- **Lower price:**
  - Short/near-term balloon,
  - Tax/HOA arrears,
  - Missing assignment chain (we can often fix)

## Part 5 — What if the borrower pays off early? (make-whole protection)

We attach a simple schedule called an Unpaid Investment Balance (UIB) to your agreement.

If your buyer sells/refinances during your partial term, the servicer first pays off the remaining UIB owed to the partial buyer; the rest of the payoff goes to you immediately.

Plain English: **You still get your share right away—no waiting.**

### Easy example

You sold 36 payments; the payoff happens in month 18

The servicer consults the UIB schedule, pays the partial buyer's remaining balance first

The remainder of the payoff goes to you, and future payments (after month 36) are all yours again

## Part 6 — Risks (real talk) + how we reduce them

- **Early payoff:** Protected by UIB/first-out waterfall—your portion is paid first.
- **Docs/title gaps:** We verify original note, endorsements (allonges), and recorded mortgage/assignments up front. If anything's missing, we fix or don't close.
- **Taxes/HOA surprises:** We verify and either cure at closing or adjust price—no surprises.
- **Wraps:** If there's a bank loan underneath, we proceed only if the servicer escrows and pays the senior first each month.

### Costs (honest and simple)

- We typically cover: servicer setup, recording, and standard escrow fees
- Your lump sum is a discount to the total of those payments (that's the trade-off for speed and certainty)
- **Florida note:** Association estoppel and municipal lien search fees are customary owner costs and may be deducted from proceeds or netted into pricing (standard practice)

## Part 7 — Quick checklist, FAQs, and your 2-option offer

### Checklist to get a same-week offer:

- Note + mortgage/deed of trust (scan)
- Pay history (screenshot is fine)
- Taxes and HOA status (current/amount if due)
- Insurance proof (declarations page)
- Any mods/forbearances

### FAQs

#### Do I lose my balloon?

No. If your balloon occurs after the partial term, it's still yours. From any payoff, the partial buyer's remaining balance is paid first; the remainder (including any balloon) goes to you.

#### Do I keep my note?

Yes. You sell only a defined set of payments; everything flips back to you afterwards.

#### Who collects payments?

A licensed loan servicer. You don't chase checks.

#### Do I need an appraisal or showings?

Typically no. We verify value and title; no open houses or appraisals.

#### How fast can I close?

Often ~10–15 business days on clean files.

## **Your 2-option offer (template)**

**Option A: 24 payments — Lump sum today \$[X]**

Payments 1–24 go to buyer;

The 25th payment flips back to you

**Option B: 36 payments — Lump sum today \$[Y]**

Payments 1–36 go to buyer;

The 37th payment flips back to you

**By request: 60 payments — Lump sum today \$[Z] (file-dependent)**

Payments 1–60 go to buyer;

The 61st payment flips back to you

### **CTA**

Click “Get My 2-Option Offer,” answer 6 quick questions, and we’ll deliver numbers within 24–48 hours.

No obligation, no hard sell—just clarity so you can decide.

## **Compliance note (place in small print)**

Not legal/tax advice. Offers depend on documents, property value, and payment history. We close via licensed escrow/title and use licensed loan servicers. Early payoff protection is documented via a make-whole (UIB) schedule. We do not contact your borrower.