

# The Buyline

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## Thoughts from the Desk of...

October marks my three year anniversary of joining the **NoteSchool, Colonial Funding Group** and **Colonial Capital Management** family. The past year has once again been filled with exciting challenges as well as opportunities, as I look for ways to continue to improve and grow across all business lines.

In our continuous effort to enhance all three companies while maintaining a focus on our business strategy of **Learn, Trade, Invest**, I feel we have achieved key accomplishments that benefits all our clients.

In July we unveiled our new on-line trading platform **NotesDirect**. This has allowed us to streamline the loan sale process and increase trading activity. By the end of the year we will bring on trusted 3rd party sellers to increase the available inventory as well as invite non-NoteSchool members to participate on the buy-side of the platform.

Our open-ended capital fund, **Colonial Impact Fund-II** continues to be a major player in the discounted and distressed note space and has now surpassed \$15 million in assets under management.

This leads us to our **5th Annual Appreciation Event** on November 3rd leading up to **NoteExpo** 2016 taking place November 4th & 5th in Fort Worth. Our goal with this event is to bring the industry leaders together along with potential capital partners, sellers and investors while providing exclusive content, market-leading analytics and due diligence tools to help assess and monitor risk so that we can all maximize the rewards.

I hope you will plan on joining us next month.

Bob Repass  
Managing Director



## Meet Me at the Clock



Earlier this year my wife Angie and I took a tour of San Francisco which included a walk through the St. Francis Hotel in Union Square in San Francisco. The St. Francis has been one of the most prestigious hotels in the country since 1904.

On the tour we heard the story about the huge grandfather clock in the corner of the lobby. It seems meeting one's friends, family members, and business associates for drinks or meals has been a custom for many since the hotel opened in 1904. Today you can still hear the expression, "Meet me at the clock" - an expression that refers to the extraordinary Magneta grandfather clock in the lobby of the hotel.

This story made me think of business networking and connections and how as I travel across the country to meet new as well as old clients and colleagues how difficult it is at times to find them in a crowded conference lobby. How cool would it be if all the places we travel had a tradition with a landmark like this that made it even easier to connect.



## "A Look Back"

By Bob Repass

Almost four years ago, I was one of thirty mortgage servicing executives interviewed for the December 2012 issue of DS News. Each of us were asked to present their 12 month forecast for the many facets of default servicing in that time of change. Now here we are on the precipice of another key moment in time where many are asking again "What does the future hold?" Following is the forecast I presented back in December 2012.

*While 2012 was in and of itself a year of change and adaptation, with servicers focusing their efforts heavily on fully integrating the single point of contact (SPOC) model into their day-to-day operations, the latter part of the year appeared to take on more of a "wait and see" approach.*

*Well the wait is over. The political uncertainty has been removed and in 2013 the mortgage servicing industry will face an ever-increasing regulatory environment that will present many challenges, as well as opportunities.*

*Going forward it will be imperative for all servicers to stay in front of the new policies and standards that they will encounter on an almost daily basis. The issue of compliance and how to handle it will become even more of a challenge as the requirements brought on by the Dodd-Frank Act and the Consumer Protection Act face implementation deadlines in 2013.*

*Servicers must understand the importance of having a well-trained and prepared staff to meet these demands head on. If continuous learning and preparation ever stop, so will their productivity. As John Maxwell stated, "If you are preparing today, chances are, you will not be repairing tomorrow."*

*I anticipate several things to occur as a result of the compliance factor. First, look for continued consolidation among the large and medium-size servicers across the nation due to the growing inherent risk of servicing a loan along with the escalating cost of servicing that loan.*

*Secondly, the outsourcing sector of the servicing industry will be an area of continued growth. Firms providing specialized services in areas such as asset management, customer outreach, audit compliance and REO services should thrive in this environment. Servicers must find ways to increase efficiency through improved technology and outsourcing as they realize the answer is not just a continuous increase of headcount.*

*And finally, assuming Congress extends the Mortgage Forgiveness Debt Relief Act of 2007, we should expect to see continued emphasis on providing principal debt forgiveness to borrowers whether through short sales, loan modifications or refinances. The recent statistics reflecting over \$26 billion in debt forgiveness through the first nine months of 2012 is an encouraging sign that will prompt more pressure to continue this trend.*

*Overall, expect 2013 to be the beginning, as well as the continuation, of many of the issues the mortgage servicing industry has been addressing and anticipating.*

So how did I do? Anything sound familiar or relevant in today's climate. I guess as they say "the more things change, the more they stay the same." Again we face a critical point politically with the upcoming election setting the course of what we will be dealing with in the coming year and beyond.

*In The Spotlight...*

## **The Top Ten Reasons to go to NoteExpo 2016**

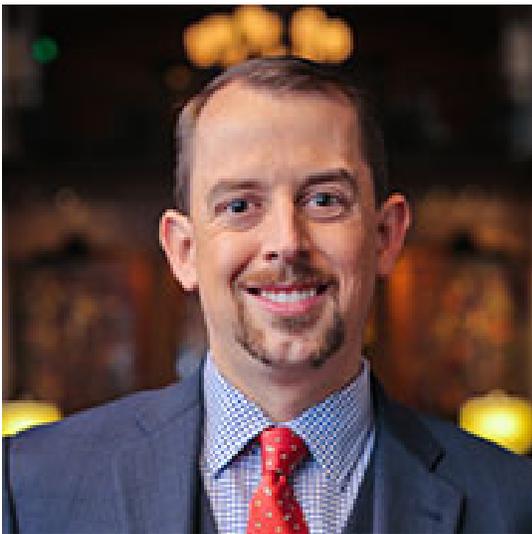


The Note industry event of the year is only a month away! No other annual trade show serves the note buying community like NoteExpo. Here are the top ten reasons you need to be at NoteExpo 2016.

The Buyline 5

1. Keep Up To Date with Trends in the Industry and Make Your Money Work Better For You!
2. A “Can’t Miss” Educational & Networking Event for the Note Investor.
3. Meet Industry Experts Detailing Current Trends & The Future Of The Note Business.
4. Networking Opportunities with Like-Minded Investors & Entrepreneurs.
5. Learn & See Why Discounted Notes Outshine Traditional Wall Street Investments & Enhance Returns In Your Personal Portfolio!
6. Discover Ways to Make Your Business More Efficient and Successful!
7. Face-to-Face Time with the Leading Vendors and Service-Providers in the Note Space!
8. Identify Capital Deployment Strategies that Provide Desired Returns Balanced with Appropriate Risk Management Measures!
9. Grow Your Business, Grow Your Portfolio and Grow Your Knowledge!
10. Did I mention – Networking, Networking, and Networking?

**REGISTER TODAY!**



*Capital Markets Update*

## Do You Need an Investment Policy Statement?

*by Ryan Parson*

As seasoned investors, we tend to have a good grasp on our preferred investment vehicles. You may prefer real estate deals, oil and gas, business development companies, collectibles, precious metals, or some combination of these and others. I’ve even seen instances where investors are partial to combinations of alternative investments like these, sprinkled with a mixture of traditional stocks and bonds.

However, despite our level of comfort with certain asset classes we have experience with or knowledge of, it's common for troubling questions to emerge over time...

"Am I making the right decision?"

"Should we do this (again) or not?"

"I've passed on this before, but might it make sense now?"

All of these questions are quite normal for us to have, especially once we add alternative investments to our portfolio.

## ***What's your North Star?***

Having a set of guidelines to steer you when these important questions arise makes the likelihood of experiencing 'investor's remorse' less likely. In my experience, regret over an investment made or not made is about much more than our expectations of yield and overt financial risk. These are critical issues, of course, but so are core values, mission, tax implications, time horizon, one's willingness to be actively involved, and a variety of other personal factors.

So – how do you create an investing model that accounts for the factors that are important to you?

*Enter the Investment Policy Statement...*

## ***Creating a Family Investment Policy***

What is a Family Investment Policy? Simply put, it's a collection of driving principles based on your (and your family's) past experiences, core values, current needs, and desired outcomes.

Think of your family investment policy as similar to your personal mission statement. It's there to help you with any investment decision (but particularly with alternatives).

## Whose Agenda?

If you think back to the last time you went to see a stock broker who sells traditional assets (stocks, bonds, mutual funds), the broker or rep may have asked you questions to determine the suitability of *their* product to your needs. In other words, in the traditional world, investment products are designed to be placed in your portfolio rather than designed or custom-made *for* your portfolio.

When you seek out alternative investments in the right places, you'll find assets that have been hand-crafted and designed... *for high net worth investors by high net worth investors.*

Getting back to the benefits of having a family investment policy, I hope it's becoming clearer how such a policy or set of key principles could help you to much more quickly identify those opportunities that are appropriate for your portfolio and the needs of your wealth accumulation and preservation goals.

## ***Not just for the Ultra-Wealthy***

You would probably expect that an ultra-wealthy family or an institutional investor would have an investment policy, but if you're not in this category, it certainly doesn't mean you shouldn't.

One thing to note about why the ultra-wealthy and large institutional investors have these policies... and that's because they understand that the PERFECT investment doesn't exist.

## ***Perfect Investments?***

What would the perfect investment look like?

- It has a high rate of return
- It has no chance of loss
- It's always liquid so that you can just snap your fingers and it will be there for you
- It triggers no income tax
- It requires no skills, knowledge or oversight to manage it

While there may be degrees of the five above components that are present in asset classes and within different investment vehicles, unfortunately the perfect investment simply doesn't exist.

That's why we all need an investment policy that truly reflects the needs of what our wealth values as it relates to the selection within the wide world of available investments.

Since we know that a perfect investment doesn't exist, what are some of the components that we need in a Family Investment policy to guide us as we make real-world decisions?

## ***Guiding Questions***

Consider the following questions...

- Why are you investing?
- How much risk are you willing to take on?
- What's the economic outlook and the potential impact on the investment you're considering?
- What role does tax and estate planning play in your investing decisions?
- What core values do you hold to be important?
- How involved are you able and willing to be with the investment?

While this is by no means an all-encompassing list, it does give you a flavor of what your Family Investment Policy needs to address.

Don't worry, it doesn't need to be a lengthy treatise that takes years to complete. Rather, it should serve you and your family as a beacon of guidance to help you decipher and determine new assets for your portfolio as well as helping you understand when you need to rebalance your existing assets within your portfolio.

## ***A Better Yardstick***

Further, your Family Investment Policy can become extremely useful to you when you're monitoring the overall performance of the selections you've made.

Not only can you assess your investments for their yield, you can also assess the extent to which they're congruent with your overall mission.

## ***Keep it fresh!***

You should also expect that for the lifetime of your portfolio, expectations or circumstances change. My rule of thumb is that one should revisit the Family Investment Policy every two to three years – or in the event of a major market transition.

As always, thanks for reading, and please share your thoughts and questions on using a Family Investment Policy to guide your decision-making.

All the best!

## ***Quote of the Month***

*"The only person who is educated is the one who has learned how to learn and change"*

**- Carl Rogers**



## ***Recommended Reading - Reel World Live – Podcast & Blog***

How many of you consistently read blogs? How many listen to podcasts? There are many blogs and podcasts available on all sorts of topics. I listen to several on a regular basis to keep up on the latest trends in the housing and real estate markets, as well as politics, sports and small business entrepreneurship.

However my favorite is *Reel World Live*. Reel World Live is a film, television and entertainment blog and podcast launched earlier this year. With all the many blogs and podcasts out there why is this one my favorite? Well the co-creator and co-editor just happens to be my son Robbie.

By day, Robbie is an Internal Auditor with Caliber Home Loans here in the DFW area. Robbie and his wife Emma live in the Deep Ellum neighborhood in downtown Dallas which is a mecca for the latest in food, music and entertainment.

I encourage all of you to check out the latest in the world of TV and Movie entertainment by going to [www.reelworldlive.com](http://www.reelworldlive.com) as well as on social media @reelworldlive.

## ***Upcoming Events***

- CFRI REIA – October 5 & 8 – Orlando, FL
- Big Money 3-Day Class – October 7-9 – Newark, NJ
- DFW Investors – October 10 & 15 – Addison, TX
- Global Forum – October 20 – New York, NY
- Utah REIA – October 25 & 29 – Murray, UT
- Rich Rewards 3-Day Class – October 28-30 – Orlando, FL
- 5th Annual Appreciation Event – November 3, 2016 – Ft Worth, TX
- NoteExpo 2016 – November 4-5, 2016 – Ft Worth, TX
- Big Money 3-Day Class – November 18-20 – Arlington, TX



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