

Discounted Mortgage Grading System

This system provides insight into the **POTENTIAL** –note-by-note- as to an investor’s degree of purchase interest. This is **NOT** intended to be an absolute, fail-safe method, but rather a preliminary screening device. A LOW-RATED MORTGAGE MAY STILL BE OF INTEREST TO A LOCAL PRIVATE INVESTOR.

Instructions: Each field assigns a point value to sub-headings. From each field select one sub-heading that best describes the subject mortgage. Write a point value in Grade column. Compare total in grade column with Investor Appeal Scale below.

Over **100** points = *high* investor appeal
70 & 99 = *moderate* investor appeal
Below 70 = *weak* investor appeal

Field	Point Value	Grade
Note Seller Motivation		
Under written contract	20	_____
Shopping, anxious to sell at discount	10	_____
No contract with note seller	-50	_____
 Loan to Value (LTV)		
Up to 65%	20	_____
66% to 90%	10	_____
Over 90%	-50	_____
 Property Type		
SFR, detached	20	_____
2-4 family	10	_____
Condo	5	_____
Mobile home (less than 10 yrs old) w/land	-10	_____
Land	-10	_____
More than four residential units	5	_____
Commercial	-10	_____
 Occupancy		
By Owner	20	_____
By tenant(s)	10	_____
Vacant	-20	_____
 Geography		
Suburban	20	_____
Urban	10	_____
Rural	-10	_____
 Seasoning		
More than 24 months	20	_____
12-23 months	10	_____
Less than 12 months	-10	_____
Buying at closing	-10	_____
 Property value		
Over \$50,000	20	_____
Under \$50,000	-20	_____
 Existing Current Balance		
Under \$50,000	-20	_____
\$50,000 to \$150,000	20	_____
\$150,001 and higher	-20	_____
Total Score Is:		_____