Ch. 2 Real estate financing notes and Mortgage

* Notes : promisery note
  ↳ evidance of dept between buyer and Lender

← الالتزام بشراء بيت عن طريق الشيكات او الكمبيالة .

* لديه ٣ أشياء مهمة

1. specified date وقت محدد
2. responsiblities على صاحب الشك يكون اله التزام بالسداد
3. rights حقوق

* amount borrowerd → doller amount due date number at payment , rate of intrest , maturity date

* Default → يعني في شك راجع / عجز

* Palentes for by payment → وتعني انه في حال تأخر في دفع الشك يكون عليه جزاء ← (يدفع مقابل التأخير)

* future advance

* provisions for unschedule payoment يعني تأجيل دفعة الشك لشهر آخر

* Mortgage ⇒ Pledge رهن

* Notes ⇒ Obligation التزام

* Mortgagor ⇒ Borrower

* Mortgagee ⇒ Lender

* الفرق بين ال mortgage و ال Note

mortgage ← رهن غير ملتزم

Note ← رهن ملتزم

* Mortgage Requirement :

1. appropriate identifications of borrower and lender.
2. proper describtion of the property.
3. Convenant between borrower and lender → (Contractual agreement) عقد بين اثنين

* Important mortgage clauses : شروط العقد

1. fund for taxes and Insurance → على المشتري
2. Charges tittle. رسوم الطابو
3. Hazard insuranse. التأمينات
4. Maintance of the property. صيانة
5. Intrest rate. فوائد

* Additional Mortgage Concept :

Assumption of morgage

1. Liability → buyer agree to become labe1 for payment of the mortgage debt and seller relative is personal obligation.

7 اذا لم يلتزم الشخص بهذا الدين فانه يخسر الشيء الذي يمتلكه

2. property Covered Mortgage

A. Land.
B. appartment.
C. improvement.
D. Fixtures.

3. First mortgage or second mortgage

وتعني ← مثلاً شراء بيت عن طريق بنكين أو قرضين ،
حيث يتم رهن 80٪ للبنك الاول و 20٪ للبنك الثاني.

4. Soller financing → The <u>Seller</u> is willing to take back mortgage as Part of full Payment of Purchase price.

5. purchase money mortgage → <u>buyer</u> to Soller Payomen of all or Port of the purchase price of property.

6. Land Contruct →
1. Real State Contruct.
2. InStullment Sales Contract.
3. agreement to Convey.
4. Contruct or deed.
5. Seller retains the tittle.
6. purchaser has equity tittle.
7. seller Convey tittle when purcha Complete the performance obligation
8. default.

* Work outs when happen default
حلول عند حدوث عجز

1. Restructure the loan
وذلك عن طريق زيادة المدة وتقليل الدفعة او تخفيض سعر الفائدة.
(اعادة جدولة القرض)

2. Transfer of mortgage to new owner
تحويل ملكية البيت والقرض للمشتري.

3. Volluntary Conveg → borrower who can no longer meet the mortgage obligation may attend to sell equity to the bank.

4. Friendly for Closure   سيطرة البنك على العقار

5. pre packaged Bankruptcy → befor the Bankruptcy borrowers agree with all their creditors to the terms on which they will term their assets over to their creditors in exchange.

6. ForeClosure → * Redumption (الاسترداد): The process of Concilling a tittle Convey by foreClosure Sale by buying the debt.

7. Bankruptcy → الافلاس

هام ٣ أنواع الإفلاس ← مهم

1. Chapter 7 → "liquidtion" → give borrower a fresh start by discharge all of their dept and liquiding their asset.

2. Chapter 11 → [available of own business] → borrower asset while plan of reorganization the borrower form

3. Chapter 13 → [formulation of plan design for the reorganization of borrower] → provide that funding of the plan will come from future wages and earning of the borrower.