



**Established 1987**

# ***Note Investor Guide***

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# HOW TO FIGHT BACK AGAINST LOW INTEREST RATES

**Investment Analysis**  
 \$25,000.00 INVESTMENT FOR 24 MONTHS  
 DOUBLE YOUR RETURN!

**5 %**  
 INVESTMENT  
 \$102.69 monthly payment totals \$2,464.39

**10 %**  
 INVESTMENT  
 \$207.21 monthly payments totals \$4,972.94

**EXTRA**  
 \$104.52 monthly payments totals \$2,508.55  
 total extra paid to you.

**WIN/WIN**

## “A comfortable retirement is no accident”



“We want you to get more than 5% on your money...we also want your Investment to be safe and receive a monthly income... and getting you a 10% return.”

**SPECIAL NOTE:**

Retirement Plans: Some potential investors may turn to a qualified retirement plan offered by a local bank, such as an IRA. An investor receiving 5% annual return over the next 15 years may avoid taxation but would lose ample purchasing power because of current inflation rates.

RiverBank Financial Corporation is IRA approved. This means investors can double their 5% return and still receive the same tax benefits associated with an IRA.

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Dear Note Investor:

Historically, real estate properties have survived economic cycles and appreciated in value. As economic fluctuations affect individual circumstances and the availability of real estate financing, home sellers and buyers resort to methods and strategies that are creative and innovative. One of the most common alternatives is the “seller financed” approach. In this approach, the real estate seller by taking a note, becomes the lender as the real estate is sold.

Statistics show that real estate mortgages involve comparatively low risk and high return. These are factors to consider when purchasing mortgages from RiverBank Financial Corporation. When you purchase mortgages through RiverBank Financial Corporation you are purchasing individual mortgage loans. You make the selection and always maintain control of each purchase decision. You are encouraged to obtain legal, business and tax advice before making any purchase decision. First and foremost no note is ever funded without Title Insurance. That is a policy issued by a recognized insurer, guarantying the position of your 1st Lien Note insuring that the borrower has the right to use the collateral as security for the loan, that there’s no one else in title for example, and that the title is not clouded in any way by previous judgments, loans or liens. In other words, title insurance assures you that you will get what you have contracted for.

Those who are eligible to purchase mortgages are individuals, corporations, IRAs, partnerships, insurance companies, credit unions, profit-sharing plans, trusts and other entities. Should there be a requirement for an independent trustee, additional information will be provided upon request.

As you review our guide and utilize our services, we are confident you will agree that you will have chosen to invest with the best.

Sincerely,  
Mark O. Cheeley  
*President and Chief Executive Officer*

# PROCESSING SEQUENCE:

1

## **NOTE INVESTOR/BROKER**

Submission of 1st Lien Mortgage Note Purchase Letter.  
Complete funding upon receipt of funds.



2

## **ACKNOWLEDGMENT OF FUNDS**

Status letter will give written notification within 24hrs of receipt of the investment, stating the amount of interest on your investment until the date of your closing.

3

## **CONFIRMATION OF CLOSING**

This letter is to inform you of the date when your mortgage has closed along with the amount of your interest payment until date of closing will be. Also it will state the amount and date of your first investment check.

4

## **MORTGAGE AMORTIZATION SCHEDULE**

This will give the purchaser a breakdown of each month, principal and interest and will show a monthly balance of the mortgage.

5

## **COPY OF THE MORTGAGE DEED**

This is a copy of the Mortgage Deed for the investors mortgage.  
This deed will go to the county courthouse for recording into public records.

6

## **THE ORIGINAL NOTE, THE EVIDENCE OF DEBT**

Each investor will receive their original Mortgage Note in a blue Important Papers Portfolio. This is the investors proof of ownership.

7

## **TITLE INSURANCE POLICY**

First and foremost no loan is ever funded without Title Insurance.  
That is a policy issued by a recognized insurer, guarantying the position of your loan.

8

## **1ST LIEN MORTGAGE NOTE PURCHASE LETTER**

This is a commitment between you, the Investor and RiverBank Fianancial Corporation.  
This agreement will state your initial decision to structure your investment.

9

## **MORTGAGE SERVICING AGREEMENT**

This document allows a licensed independent servicing agency to service your mortgage loans.

2



# ACCOUNT SUMMARY:

Monthly payments on your investment are paid with checks processed electronically through



## Payment History

03/09/98

1 Co Name 2

01/01/98 12/31/98

Total Tom 3

The TomTom Company  
123 College Avenue 4  
Ft. Collins CO 80525

2 Total98 -RC SMPL

123 College Avenue  
Ft Collins, CO 80525

Work: (970) 123-1234

Home: (970) 123-1234

## NOTE INFORMATION

Regular Pmt:	132.15	Int Rate:	5 10.000	Orig Bal:	6 10000.00
Escrow Pmt:	0.00	Pmt Type:	USRule 365 M	Orig Date:	01/16/98
Service Fee:	5.00	Rem Pmts:	117	Maturity:	01/01/08
Rate/Day/Fee:	2/ 5/100.00	Fee Item:	2 70	Balance:	0.00
		Next Due:	03/01/98		

7	8	9	10	11	12	Payment/Balance			
						Escrow	Rate	Int	
Pay Date	Prn	Payment	Applied	Interest	Principal	Balance	Escrow	Rate	Int
01/16/98		0.00	0.00	0.00	0.00	10000.00	0.00	0.00	0.00
02/01/98	02/01K	127.15	127.15	87.33	40.82	9912.18	0.00	0.00	-0.00
03/01/98	03/01K	127.15	127.15	84.93	42.22	9822.33	0.00	0.00	-0.00
04/01/98	04/01K	127.15	127.15	82.52	43.63	9732.33	0.00	0.00	-0.00
Annual Total:	13	381.45		249.78	147.67		0.00	0.00	-15.00
Escrow Paid Out:							0.00		
Report Total:		381.45		249.78	147.67		0.00	0.00	-15.00
Escrow Paid Out:							0.00		
Balance:						9732.33	0.00	0.00	0.00

Payoff as of 04/01/98: 9982.33

1) **Report Period** - This is the time period covered by the statement.

2) **Portfolio Number** - This is the account number assigned by M. Cheeley, Inc. to your portfolio. It is a unique number to reflect the individual ownership of your account.

3) **Vesting/Ownership** - The mortgage accounts listed on your statement represent the purchase of individual mortgage loans. Purchases are assigned legally into the account name. This field shows the exact legal title of your ownership in mortgage loans.

4) **Mailing Instructions** - This box is used to print current mailing information. If it is not correct, please notify our office immediately.

5) **Note Rate** - This represents the note rate paid by the borrow during the life of the loan.

6) **Balance** - The balance listed in this column represents the remaining amount due from the borrower after payments have been applied on the statement.

7) **Due Date** - The purchaser due date of each loan is listed. This date represents the status of the loan after payments have been applied for the reporting period.

8) **Monthly Payment** - This payment represents the amount of money the investor will receive each month.

9) **Payment Received** - Payments made by borrowers may include the periodic reduction of the outstanding principal balance. It includes both principal and interest.

10) **Interest Payment** - This column will reflect the total interest payment received from the borrower. This column had not been adjusted for appropriate new yield service charge.

11) **Principal Payment** - Payments made by borrower may include the periodic reduction of the outstanding principal balance. If applicable, principal reductions, including scheduled payment, curtailments, voluntary partial repayment, and payoffs will be reflected in this column.

12) **Ending Balance** - The amount listed represents the current balance owed by the borrower after the application of principal payments received during the statement period.

13) **Total Payment This Statement** - This represents the total amount collected on your portfolio during the reporting period.

# 1ST LIEN MORTGAGAGE NOTE PURCHASE LETTER:



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**1ST LIEN MORTGAGAGE NOTE PURCHASE LETTER**

Re: Property Address: \_\_\_\_\_  
 Original Note Amount: \_\_\_\_\_  
 Note Origination Date: \_\_\_\_\_  
 Annual Interest Rate: \_\_\_\_\_  
 Number of Monthly Payments (360): \_\_\_\_\_  
 Monthly Payment: I \_\_\_\_\_

Dear Sirs/Madam,  
 Please let this letter serve as notification of my (our) intent to purchase the above captioned real estate note for the remaining principle amount balance of \$ \_\_\_\_\_ as of the \_\_\_\_ day of \_\_\_\_\_.

Enclosed is my (our) check payable to **RiverBank Financial Corporation, Mortgage Escrow** in the amount of \$ \_\_\_\_\_ representing the full purchase price of the mortgage note. Expected Closing Date on or Before \_\_\_\_\_.

**RiverBank Financial Corporation, Mortgage Escrow** is hereby authorized to pay the purchase price to **RiverBank Financial Corporation** upon securing the following documents for (our) benefit:

1. First Mortgage.
  - One Note - I understand that there will be (\_\_\_\_) promissory notes attached to the mortgage securing the subject property, in the amount of \_\_\_\_\_.
2. **RiverBank Financial Corporation** will secure all required documentation requiring execution.
 

<b>RiverBank Financial Corporation, Mortgage Escrow</b>	<b>C/O RiverBank Financial Corporation</b>
	539 East Oakland Park Boulevard
	Oakland Park, FL 33334
3. The Hazard Insurance endorsement. The Account Holder as the lost payee.
4. Mortgage title insurance policy. I further understand that the title insurance policy is issued by a State of Florida Title Insurance Company.
5. The (copy) original notes(s) mortgage (the original will be mailed after recording).
6. Copy of the original mortgage - The evidence of debt.
7. I (We) agree to make the note purchased herein available for resale to **RiverBank Financial Corporation** (check one and initial) \_\_\_\_ 24, \_\_\_\_ 36, \_\_\_\_ 48, \_\_\_\_ 60 months subsequent to this purchase at a price not less than the outstanding principle balance at the time of sale, I (We) understand that this is a commitment of principal for a minimum of the above checked number of months. It is understood that **RiverBank Financial Corporation** is in the business of buying and selling real estate property for investment / resale purposes on its own behalf and has the right to sell / transfer any interest in said property and the transfer of said interest initiates the Mortgage Service agreement. Privilege is reserved to prepay, at anytime, all or any parts of indebtedness due hereunder without premium or fee.

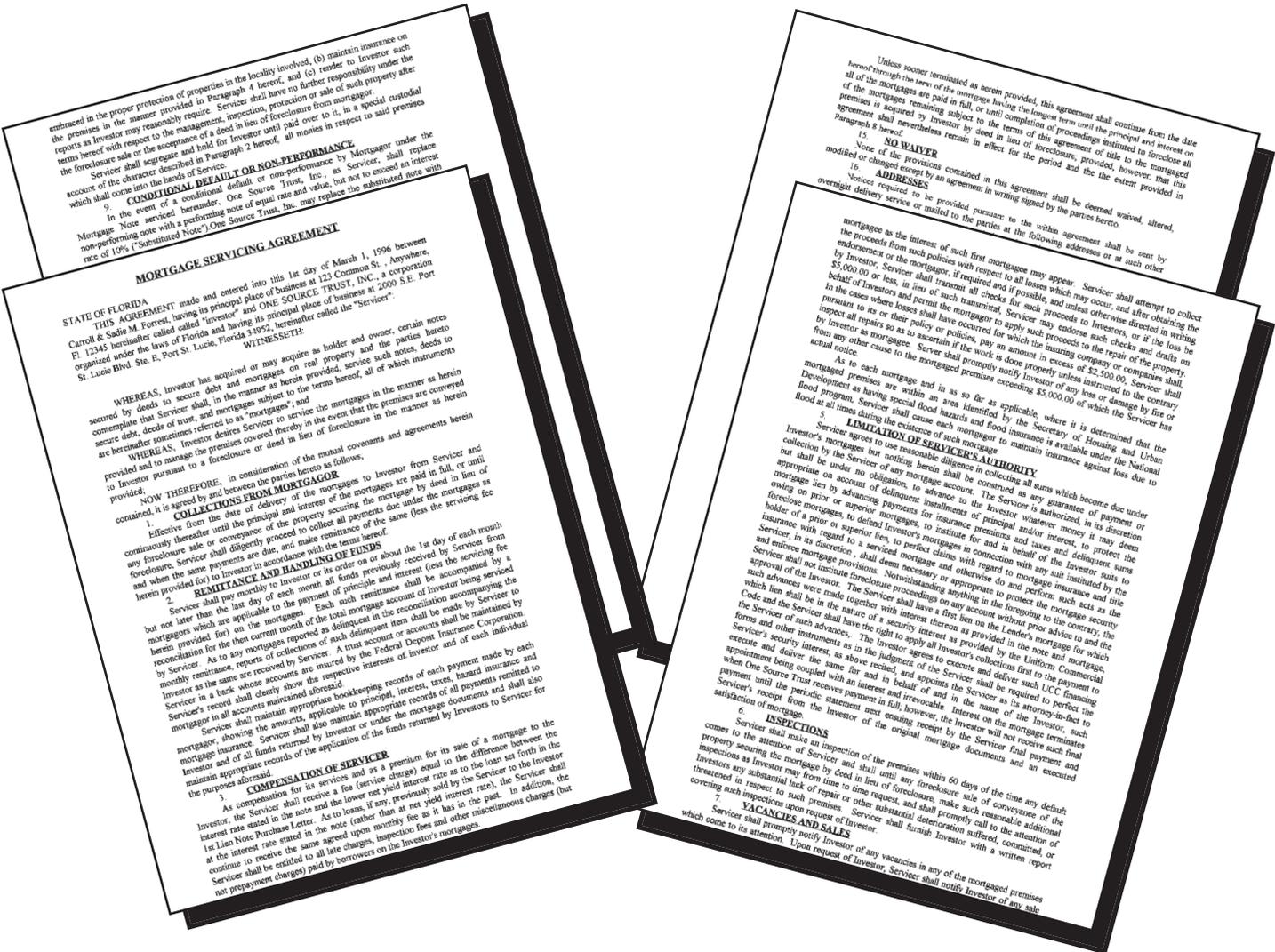
The Mortgage Note document should be titled as follows:  
 \_\_\_\_\_

All correspondence should be mailed to the following address:  
 \_\_\_\_\_

Signed this \_\_\_\_\_  
 \_\_\_\_\_ SS# \_\_\_\_\_

**SPECIAL NOTE:** 1st Lien Mortgage Note Purchase Letter: The mortgages being sold are not securities and, therefore, are not being registered under the Securities Act of 1933 or state securities laws. Therefore, neither this brochure, nor any of the other documents used for the mortgage or its sale to you, will have been reviewed by the Federal or State authorities. Further, unlike what is generally true of securities sold on capital markets, there is no sharing of risk (or profits) with other clients. Buying a mortgage is not an investment in RiverBank Financial Corporation and RiverBank Financial Corporation does not guarantee payment on any mortgage loan. Profitability and loss on each mortgage is the responsibility of the purchaser who acquires the mortgage.

# MORTGAGE SERVICING AGREEMENT:



**SPECIAL NOTE:** Mortgage Servicing: Prior to purchasing any mortgage from RiverBank Financial Corporation, a Servicing Agreement will be submitted to you for your execution and all mortgages thereafter purchased will be serviced by a licensed independent servicing agency pursuant to the Servicing Agreement. When we service your mortgage, a breakdowns of principal and interest payments received, and ending balances owed after payment received. A complete amortization schedule is provided when the loan is purchased. All disbursements of payments, partial prepayments and pay-offs will be made at the end of each monthly reporting period. Servicing fees will be collected from each payment collected. Mortgage loans are sold at a net yield interest rate which is less than the interest rate stated on the note. The difference between the rates is the licensed independent servicing agency's service charge for the loan which includes compensation for its servicing of the loan for you as well as a premium for its sale of the loan to you. Depending upon your individual circumstances, some or all of the service charges may not be deductible by you for income tax purposes. Please consult your accountant or financial advisor.



# MORTGAGE NOTE:

**MORTGAGE NOTE**

PORT ST. LUCIE, Florida  
March 1, 1996

\$25,000.00

FOR VALUE RECEIVED, the undersigned, (jointly and severally, if more than one) promises to pay

order, in the manner hereinafter

specified, the principle sum of TWENTY -FIVE THOUSAND & 00/100-----

DOLLARS

(\$25,000.00 ) with interest from date at the rate of 10.000 per cent. Per annum on the balance from time to time remaining unpaid. The said principal and interest shall be payable in lawful money of the United States of America at 123 COMMON ST. , ANYWHERE, FLORIDA 12345

or at such place as may hereafter be designated by written notice from the holder to the maker hereof, on the date and in the manner following:

THIS NOTE IS PAYABLE MONTHLY IN EQUAL INSTALLMENTS AD FOLLOWS: BEGINNING ON MARCH 1, 1997 THE SUM OF \$219.39 AND A LIKE SUM PAYABLE ON THE SAME DAY IN EACH MONTH IN EACH YEAR THEREAFTER, UNTIL THE ENTIRE PRINCIPAL SUM OF \$25,000.00 TOGETHER WITH INTEREST, AS HEREIN PROVIDED, HAS BEEN PAID IN FULL.

IN ADDITION TO THE PAYMENTS PROVIDED FOR ABOVE, THE ENTIRE PRINCIPAL SUM REMAINING UNPAID, TOGETHER WITH ACCRUED INTEREST REMAINING UNPAID, SHALL BE DUE AND PAYABLE ON 03-01-2026

ALL PAYMENTS ARE TO BE APPLIED FIRST TO INTEREST AT THE RATE SPECIFIED HEREIN UPON THE PRINCIPAL SUM OF \$25,000.00 OR SO MUCH THEREOF AS MAY FROM TIME TO TIME REMAIN UNPAID AND THE BALANCE OF EACH PAYMENT SHALL BE APPLIED TO PRINCIPAL.

This note with interest is secured by a mortgage on real estate, of even date herewith, made hereof in favor of the said payee, and shall be construed and enforced according to the laws of the State of Florida.

If default be made in the payment of any of the sums or interest mentioned herein or in said mortgage, or in the performance of any of the agreements contained herein or in said mortgage, then the entire principal sum and accrued interest shall at the option of the holder hereof because at once due and collectible without notice, time being of the essence: and said principal sum and accrued interest shall both bear interest from such time until paid at the highest rate allowable under the laws of the State of Florida. Failure to exercise this option shall not constitute a waiver for the right to exercise the same in the event of any subsequent default.

Each person liable hereon whether maker or endorser, hereby waives presentment, protest, notice, notice of protest and notice of dishonor and agrees to pay all costs, including a reasonable attorney's fee, whether suite be brought or not, if, after maturity of this note or default hereunder, or under said mortgage, counsel shall be employed to collect this note or to protect the security of said mortgage.

Whenever used herein the terms "holder", "maker" and "payee" shall be construed in the singular of plural as the context may require or admit.

Makers Address

BY: \_\_\_\_\_(SEAL)

\_\_\_\_\_(SEAL)

\_\_\_\_\_(SEAL)

\_\_\_\_\_(SEAL)

**SPECIAL NOTE:** Mortgage Note The note constitutes the obligation to pay and is typically secured by a Deed of Mortgage. The original note and proper chain of note endorsements will be required at Closing.

# FREQUENTLY ASKED QUESTIONS:

**Q: When I buy a mortgage from RiverBank Financial Corporation, is it an individual account or a pool?**

A: RiverBank Financial Corporation sells individual loans.

**Q: How do I buy a mortgage?**

A: Call the office and place your request. We will send you appropriate documentation. To complete the purchase, you must sign the 1st Lien Note Purchase Letter and pay for the loan by check or withdrawal. If we do not receive both the sign Purchase Letter and payment, we can not complete the purchase.

**Q: When I buy a loan, does it come with title insurance?**

A: Yes. When loans are funded through RiverBank Financial Corporation, we require the issuance of a title insurance policy insuring "RiverBank Financial Corporation, and/or assigns". After funding, loans are made available for sale. After sale, the loan document package, including the title policy, is prepared for deliver. Since the policy is not delivered until after purchase, Florida law requires that we disclose this fact to you.

**Q: In the event of non-payment, how long does it take to replace my mortgage with another mortgage.**

A: In the event of a conditional default or non-performance by Mortgagor, RiverBank Financial Corporation, shall replace non-performing note with a performing note of equal rate and value. This should take no longer than 30-60 days.

**Q: What if the mortgagor stops making payments?**

A: Should the mortgagor default, it may become necessary to foreclose on the real estate in order to recover the amount owing on the loan. This fact, particularly when combined with possibility of a mortgage bankruptcy, may mean an interruption of payment. The costs of any foreclosure will first be charged against the real property.

**Q: Am I responsible for collecting payments from the mortgagor?**

A: No. Through the Servicing Agreement, a licensed independent servicing agency, provides servicing for each mortgage purchased. A licensed independent servicing agency will monitor the collection of all mortgage payments, provide accounting and IRS tax reporting services and, with the permission of the owner of the mortgage, arrange for its foreclosure should it become necessary.

**Q: Can M. Cheeley, Inc., store my documents?**

A: Yes. As a free service, RiverBank Financial Corporation, will store your documents for safekeeping. If you would like to take advantage of this service please call the office.

**Q: How long does it take to get my documents after purchase?**

A: Documents are usually sent to purchasers within 30-60 days of purchase.

**Q: How long will I tie up my money?**

A: Well, we are dealing with folks, human beings, so there can't be a definitive answer. Yes, you make an initial decision going in by structuring the instruments in which you are interested in investing, whether they be 2 year, 3 year or 5 year investments. That is your decision up front, but it then becomes a function of the borrower and his needs and requirements.

**Q: How long before I start to receive my monthly payments.**

A: Monthly payments of your investment will begin no more than 30 days after closing. Payments made through RiverBank Financial Corporation

**Q: How much money do I need?**

A: Well, we have requests for loans as small as \$5,000.00 and up from there. That decision is your decision, and again is based on your goal or mission statement. And since we are dealing in percentages, the return you get will be based on the capital you have working.



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