Mortgage Notes 101

With: Chris Seveney

Active vs Passive Options

Who We Are & What We Do

- 7e is a Virginia based, private Real Estate Investment Company, focused on buying and selling mortgage notes while aiming to produce above-average, consistent returns for investors.
- 7e purchases performing and non-performing mortgage notes, secured by real residential property throughout the United States.
- The team has a combined 7 decades of real estate experience, led by a CEO who has successfully managed 5 mortgage note funds, each of which exceeded commitments to investors.

- Invest in first position mortgage notes (loans) that are secured by single family homes with equity.
- Buy loans at a discount, giving us the flexibility to modify the loan to work for both the borrower and CWS
- Thoroughly investigate each loan, evaluating the asset (property), & borrower, and situation
- Create **win-win situations**, structuring deals that allow borrowers to stay in their home while making payments toward their balance
- Consistent monthly distributions to investors

Chris Seveney

Founder and Chief Executive Officer

Christopher Seveney, CEO & Co-founder of 7e Investments, brings over 25 years of real estate know-how. His journey with 7e started in 2016 when he jumped into acquiring and trading mortgage notes. Chris has built a portfolio of 750+ notes, totaling over $50 million, spanning over 40 states. Before diving into mortgage notes, he had a standout career, managing a multimillion-dollar asset portfolio and overseeing property projects worth $150 million. Throughout his 25-year journey, Chris handled $750 million in new construction projects. At 7e, Chris is celebrated for his commitment to honesty and professionalism, driving the company to set industry standards and innovate, leading teams that have earned multiple accolades for their outstanding contributions to real estate.

Our Mission

Democratizing investment opportunities, while providing win-win solutions to borrowers

What Is Mortgage Note Investing?

What is Mortgage Note Investing?

01 An investment strategy, secured by physical real estate

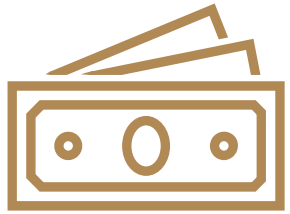
02 Note investors buy loans (mortgage notes) from private lenders, banks, credit unions, hedge funds or brokers

03 Investors purchase mortgage notes, typically at a discount, becoming the lender for as long as they hold the note

04 As the note holder, the investor has purchased the borrower's future mortgage payments & the right to repayment according to terms in the note

Overview of Mortgage Note Industry

$16.7 Trillion
Single family residential debt



$250 Billion
Dollars in single family non-performing debt

83.4 Million
Single family mortgages in the USA

1.5 Million
Homes in default

Information obtained from St. Louis Fed 2025 Q1

What causes distressed debt?

Top 4 reasons that would cause people to fall behind on their mortgage obligations:

Job Loss

Health

Divorce

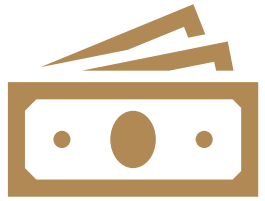
Death

Acquisition & Due Diligence

Types of Loans

Performing

Borrower is making payments and meeting repayment obligations.



Purchase loans at slight discount and collect payments.

OR

Short-term performing loans for real-estate investors and collect fees and payments.

Non-Performing

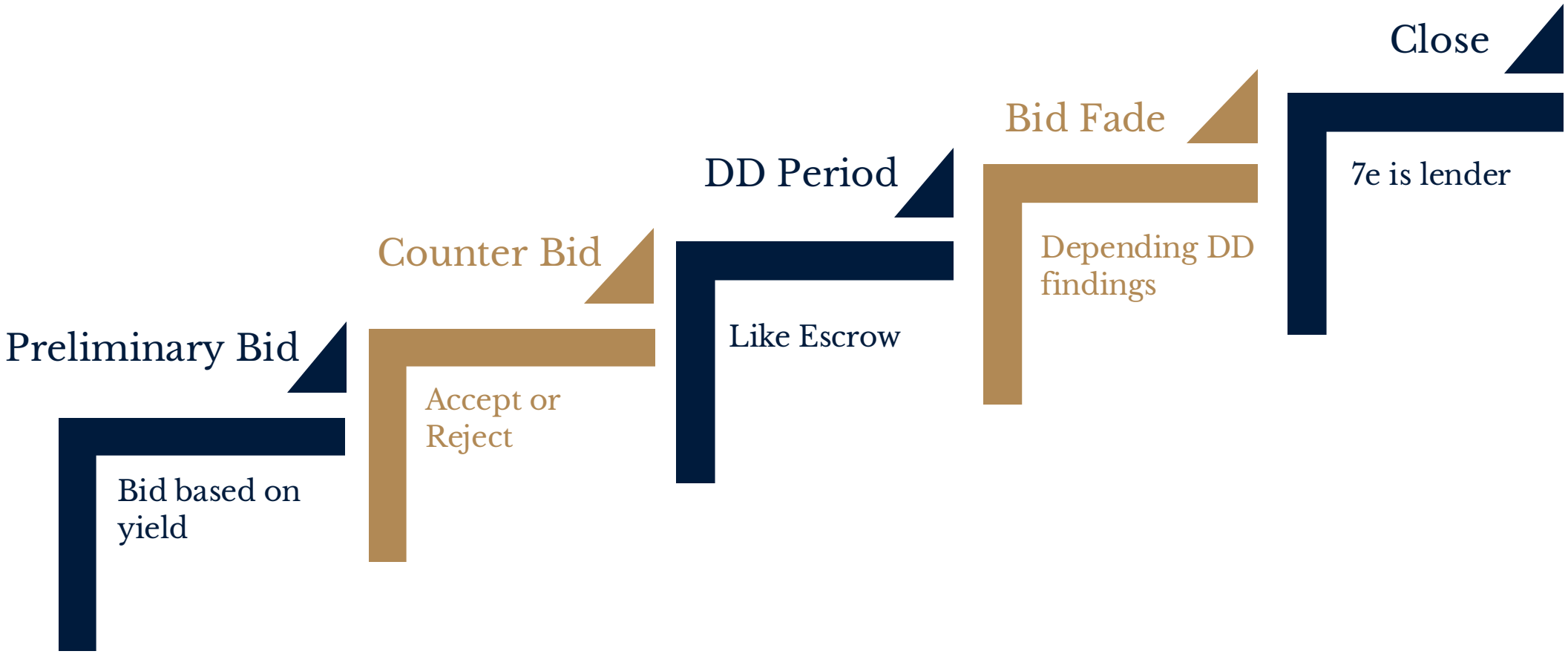
Borrower has failed to meet scheduled repayment obligations, and the loan is in default.

Typically purchased at a greater discount, up to 60% off of loan balance.

&

Work one-on-one with borrowers to "fix and flip" the loan.

Steps to Securing a Mortgage Note



Bidding a Tape

Cherry Pick the ones that fit our criteria

Run multiple scenarios for each asset using proprietary model

Bid based on desired yield (Interest rate agnostic)

ferredIntere	Interest & Advar	P&I	IR	Leg	Next Due Da	Maturity Dat	Escrow Balance	Corp Adv - Legal Fee Bal	Corp Adv -
$0.00	$39,052.36	$0.00	0.000%	REO	9/21/16	10/5/10	($33,257.32)	$510.00	$5,
$0.00	$226,263.14	$894.55	2.000%	FCL	10/1/19	11/1/55	($12,253.79)	$2,156.07	$
$0.00	$50,678.02	$1,743.88	6.948%	FCL	9/1/09	4/1/37	($36,811.69)	$1,687.78	$12,
$0.00	$2,794.08	$1,473.93	6.000%	FCL	12/1/19	5/1/44	($2,794.08)	$0.00	$
$0.00	$6,310.52	$1,126.40	3.125%	FCL	7/1/20	5/1/49	($6,310.52)	$0.00	$
$0.00	$6,962.04	$1,055.68	3.750%	FCL	4/1/22	8/1/42	($6,962.04)	$0.00	$
$0.00	$14,914.08	$696.76	7.150%	FC&BK	7/1/15	2/1/20	($2,461.82)	$3,723.96	$8,
$0.00	$60.74	$198.22	10.625%		2/1/20	5/1/28	($60.74)	$0.00	$
$0.00	$574.73	$280.74	7.000%	FCL	2/1/21	6/1/31	($324.73)	$250.00	$
$2,269.71	$6,883.73	$231.49	3.875%		6/1/22	8/1/33	($57.67)	$0.00	$1,
$0.00	$884.72	$1,044.26	5.000%	FCL	7/1/22	4/1/32	($726.90)	$157.82	$
$0.00	$6,425.44	$783.71	4.500%	FCL	12/1/19	9/1/35	($3,317.31)	$0.00	$3,
$1,429.88	$54,614.83	$587.51	4.750%	FC&BK	12/1/20	2/1/33	($6,133.50)	$567.24	$1
$115.24	$9,804.31	$85.10	3.000%	FCL	3/1/20	11/1/57	($1,361.03)	$0.00	$3,
$0.00	$3,628.96	$185.71	6.300%	FCL	11/14/21	4/14/47	($73.00)	$3,555.96	$
$0.00	$2,199.11	$303.09	4.750%		1/1/21	3/1/21	($2,199.11)	$0.00	$
$0.00	$64,612.09	$4,453.15	6.000%	FCL	3/1/20	12/1/26	($57,946.34)	$3,739.20	$2,
$0.00	$918.44	$885.56	4.950%	FCL	2/1/20	11/1/21	($488.44)	$430.00	$

Due Diligence Period:
Deep Dive 3 Ps

Property
Order Title / BPO / Inspection reports

- *Clear Title*
- *Structure*
- *Condition*
- *Value*
- *Position*

Person
Run skip trace

- *Criminal History*
- *Financial History*
- *Mortgage Payment History*

Predicament
Review servicing notes

- *Death*
- *Divorce*
- *Job Loss*
- *Situational*

Legal Standing

7e always has an attorney in the state of the property review the chain and the title report.

NOTE

Lost Note Affidavit; Missing Allonges

MORTGAGE

Incorrect legal description; Out of order assignments; Missing Recorded Power of Attorney, Recorded Mortgage in wrong county.

BANKRUPTCY

Chapter 7 discharge of debt; Cramdown
Chapter 13: secured vs. unsecured interest.

STATUTE OF LIMITATIONS

State by state laws; loan acceleration laws; matured loans; lines of credit

Management & Disposition

Managing Mortgage Notes

Legal Process

Send Demand: Bring borrower to the table

Communicate with borrower through servicer for solution

Try solution through a Trial Payment Plan (TPP)

If they are successful, modify the loan

Season for 6-12 months

Sell on the market as performing loan

Managing Mortgage Notes

Bankruptcy

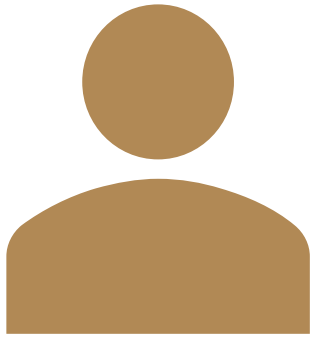
Chapter 7: Liquidation

- Borrower wants to abandon the house: deed in lieu of foreclosure
- Borrower keeps the house: reaffirmation agreement

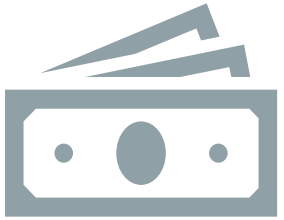
Chapter 13: Payment Plan

- Individuals keep their assets by creating a 3-5 year repayment plan for their debts
- Payment plan includes payment of mortgage and past due/charges

Multiple Exit Strategies



Through the Borrower



Through the Property

How Our Strategy Works

Buy or Originate Loans on single family homes

Liquidate undesirable loans in tranche

Negotiate payment schedule with borrower

Take ownership of the home

Exit

Sell the home

Generate cash flow from payments

Exit Options

Sell performing loan

or

Borrower sells home and pays off loan

or

Borrower refinances and pays off loan

Case Studies

Reinstated to Sold

- Acquisition Discount: 34%
- CLTV: 71%
- Status at Purchase: NPL

STORY:

- Acquired this NPL May 2023 borrower was 12+ months behind
- Initial outreach was unsuccessful; Attorney demand letter sent.
- Borrower was responsive and in November 2023 they signed a Trial Payment Plan through March 2024
- Borrower received annual bonus and fully reinstated by April 2024
- In October 2025, the borrower started falling behind again. In Feb, attorney demand letter was sent, and the borrower was responsive.

OUTCOME:

- Borrower fully reinstated in March 2025 & Loan sold in May 2025 as performing loan

PASSED ACQUISITION:

- Loan to Value: 63%
- Status at Purchase: Non-Performing

This non-performing loan came across our desk to purchase and we began our due diligence.

- It was a short-term loan that had matured in January 2024
- The property was in great condition and the Loan to Value (LTV) was
- However, when reviewing the borrower and any legal records, we found a lawsuit outlining the following:
  - Borrower had an attorney friend that encouraged him to invest in this property. The borrower signed a Power of Attorney with the attorney
  - The attorney then fraudulently used the borrower's name and forged his signature to take out multiple mortgages on this same property.
  - Not only was this case still open this led to title claims being issued on the multiple mortgages
- The risk associated with this loan was too great, so we decided to pass on this loan

Active vs. Passive Investing

Active Investing

Pros:

- Control Over Decisions
- More Flexibility
- Possible Tax Benefits

Cons:

- More Time Consuming
- Higher Barrier to Entry
- Potential Lack of Experience

Passive Investing

Pros:

- Zero time needed
- Diversify Investments
- Lower Barrier to Enter

Cons:

- Lower Returns
- Trusting a Sponsor
- No Say in Decisions

Passive Investment Option

Regulation A+

Offering

Accredited and
non-accredited investors

Term

4 years

Minimum Investment

$5,000
Bonus shares starting at $25,000

Preferred Distribution

8%*

**Bonus shares increase return*

Offering Highlights

- NQ / Qualified Accounts
- Distributions Paid Monthly
- Non-correlated asset class
- Seek up to 3x collateral coverage
- 80+ assets in current portfolio*
- No Management Fees
- Taxes: 1099s (Not K-1)

*As of June 2025

Invest Before the Offering Closes

As of November 21st, we'll be closing our Reg A offering

01

Closing to New Capital

After November 21, 2025, we will no longer accept new investments into our Reg A and Reg D equity offerings. If you have been considering this opportunity, now is the time to act. This will be your last opportunity to access our bonus share program.

02

Bonus Shares Program Ending

This will the last opportunity to participate in the bonus share program. No future offerings will offer bonus shares.

03

Reg D Profit Sharing Bond Offering

For accredited investors, our Reg D Profit Sharing Bond offering will remain open, allowing continued participation for those clients who meet the necessary qualifications.

What Sets 7e Apart & What's in it for You

Monthly Distributions

Preferred distributions for shareholders and bondholders are issued monthly

Profit-Sharing Potential (Reg D Bonds)

Potential for additional upside for early investors in the first $25M raised, benefiting from the profits of the entire company

Non-Correlated to Stock Market

Our focus on distressed mortgage notes enables us to purchase at a discount, work with borrowers and sell loans, regardless of economic conditions.

Risk adjusted returns

We carefully vet each loan and target properties with high equity for risk-adjusted investments, focus on singles and doubles, and keep a diversified asset portfolio.

Hands-Off Investing

We manage every aspect of your investment, providing a truly passive experience. No tenants, toilets, or termites—just monthly distributions

Diversification

Diversify outside the stock market, across assets and states.

Sponsor Experience

750+
DEALS MANAGED

100
MILLION $ DEAL VALUATION

40+
STATES ACROSS THE US

5
PRIOR FULL-CYCLE OFFERINGS

Managed 5 previous full-cycle offerings that met or exceeded investor expectations*

Vertically integrated team

Historically never missed distribution to investors*

**Past performance not a guarantee of future success*

Book a Call with Our Team!

Thank you!

For inquiries, please contact us:

P: 866.226.5736
E: invest@7einvestments.com
W: 7einvestments.com

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There are no guarantees of distributions or returns. Investors may lose all or part of their investment.

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- There are various risks related to an investment in the Units which are described in the offering circular. Risks may include, but are not limited to:
- The Units may not be suitable for certain investors.
- The Units will be highly illiquid, as no trading market exists. The Units may only be suitable for investors who have no need for liquidity in this investment.
- This offering is a “best-efforts” offering, and if the company is unable to raise substantial capital, the Company may be limited as to the number and types of investments it is able to make, which could have a negative effect on diversification and investment results.
- The Company is recently formed with a limited operating history and no assurance of success.
- The Company will pay substantial fees and expenses to the GP, its affiliates, and broker-dealers. These fees will increase investors’ risk of loss.
- The Company is a blind pool offering. Investors will not have the opportunity to evaluate investments before they are made.
- There are substantial risks to making loans that are secured by real estate, and real estate investments may involve additional risks including the ability of a borrower to repay a loan, delinquency, foreclosure, and loss which could negatively impact investors.
- Economic, market and regulatory changes that impact the real estate market generally may weaken operating results.

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