

APPENDIX A

Real Estate Instrument Reference

15 Categories — 150+ Instrument Types — Complete Platform Taxonomy

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This appendix is the complete real estate financial instrument reference for the DCXchange.net platform. It documents all fifteen instrument categories and every instrument type supported by the platform's Patent Pending Configurable Instrument Schema Engine. The Schema Engine enables the platform to support this complete taxonomy without code changes — each instrument type is a configuration record, not a hard-coded form.

The instrument types documented herein represent the complete universe of real estate-backed and real estate-related tradeable instruments available for listing on DCXchange.net at launch. The taxonomy is extensible — new instrument types can be added through the platform's administrative interface without code deployment. The real estate vertical is the launch vertical. The Schema Engine architecture supports expansion into any privately held instrument category.

Each category description below identifies the nature of the instruments in that category, the typical seller and buyer profile, and the instruments' general market characteristics. Each instrument type entry provides a concise description of the instrument, its distinguishing characteristics, and its place in the broader market. Complete listing field detail for each category is contained in Appendix I — Listing Field Reference.

CATEGORY I — Promissory Notes and Mortgage Instruments

Debt instruments secured by real property, representing a borrower's obligation to repay a specified sum with interest. The largest and most actively traded category on the platform. Includes performing, non-performing, and re-performing instruments across all property types and lien positions.

Instrument Type	Description
First Position Mortgage Note	Senior secured note in first lien position. Highest priority claim on collateral. Most liquid instrument type on the platform.
Second Position Mortgage Note	Junior secured note subordinate to a first position lien. Higher yield, higher risk profile than first position.
Third Position / Junior Lien Note	Note secured by a third or more junior lien on real property. Highest yield and risk within the mortgage note category.
Performing Mortgage Note	Note on which the borrower is current on all scheduled payments. Broadest buyer demand of any instrument type.
Non-Performing Note (NPN)	Note on which the borrower has defaulted. Typically purchased at a discount to face value. Requires workout, modification, or foreclosure expertise.
Re-Performing Note (RPN)	Previously non-performing note that has been brought current. Priced between performing and non-performing. Growing buyer demand.

Sub-Performing Note	Note on which payments are being made but not on original terms. Modification, forbearance, or payment plan in effect.
Hard Money Loan Note	Short-term note originated by a private lender at above-market rates. Typically secured by real property. Common exit strategy for hard money lenders.
Private Money Loan Note	Note originated by an individual or private entity. Similar to hard money but often longer term and at lower rates.
Bridge Loan Note	Short-term note bridging a financing gap. Typically 6 to 36 months. Secured by real property. Common in commercial transactions.
Construction Loan Note	Note funding construction or renovation of real property. Draws against a line as construction progresses. Converts to permanent financing on completion.
Balloon Note	Note with scheduled periodic payments and a large principal payment due at maturity. Common in seller-financed transactions.
Interest-Only Note	Note on which only interest is paid during the term, with the entire principal balance due at maturity. No amortization.
Adjustable Rate Mortgage Note (ARM)	Note with an interest rate that adjusts periodically based on a published index. Rate changes affect payment amount.
Fixed Rate Mortgage Note	Note with a constant interest rate for the full term. Most predictable payment stream of any note type.
Reverse Mortgage Note (HECM)	Note on which no payments are required during the borrower's occupancy. Balance due on sale, death, or permanent vacancy. FHA-insured HECM instruments most common.
Partial Note Purchase	Purchase of a specified number of future payments rather than the full remaining balance. Seller retains remaining payments after the purchased tranche.
Participation Note	Purchase of a percentage interest in a note. Multiple buyers share the payment stream proportionally. Useful for large note positions.
Shared Appreciation Mortgage Note (SAM)	Note in which the lender receives a portion of the property's appreciation at sale or refinance in exchange for below-market interest rate.

CATEGORY II — Trust Deed Instruments

Instruments used in title theory states (primarily western US) in which a trustee holds title to property as security for a loan. Functionally equivalent to a mortgage but with a non-judicial foreclosure process in most states.

Instrument Type	Description
First Position Trust Deed	Senior secured trust deed in first lien position. Used in California, Arizona, Nevada, and other title theory states.
Second Position Trust Deed	Junior trust deed subordinate to a first lien. Sold at a discount reflecting subordinate position risk.
All-Inclusive Trust Deed (AITD)	A wraparound trust deed that includes the balance of one or more underlying trust deeds. Also known as a wraparound or overriding deed of trust.

Deed of Trust with Assignment of Rents	Trust deed instrument that includes an assignment of rental income as additional collateral. Common on income-producing properties.
Seller-Carried Trust Deed	Trust deed originated by the property seller as part of the sale transaction. Seller acts as the lender. Common in seller-financed sales in title theory states.

CATEGORY III — Seller Financing Instruments

Instruments originated by property sellers as part of a sale transaction, in which the seller provides financing to the buyer rather than requiring third-party institutional financing.

Instrument Type	Description
Seller Carryback Note	Note originated by the seller at the time of property sale. Seller carries back a portion of the purchase price as a debt obligation from the buyer.
Owner-Financed Promissory Note	Note documenting owner-financing of a property sale. Seller retains a lien on the property as security for the debt.
Purchase Money Mortgage Note	Note and mortgage originated at the time of purchase, where the seller provides the financing. Different from a traditional mortgage in that no third-party lender is involved.

CATEGORY IV — Land Contracts and Installment Sale

Instruments in which the seller retains legal title to the property until the buyer completes all scheduled payments. Buyer receives equitable title and possessory rights but not legal title until payoff.

Instrument Type	Description
Land Contract (Contract for Deed)	Installment sale agreement in which the seller retains legal title until all payments are made. Buyer receives equitable title. Common in Midwest and rural markets.
Contract for Deed	Regional term for a land contract. Used interchangeably in many states. Seller retains deed until obligation is satisfied.
Installment Sale Contract	Broad term for any agreement in which a property or instrument is sold with the purchase price paid over time. Tax treatment is governed by IRS installment sale rules.

CATEGORY V — Wraparound and Creative Financing

Instruments that wrap around or assume existing financing, enabling property transfers without payoff of underlying liens. Requires careful legal structuring to address due-on-sale clause risk.

Instrument Type	Description
Wraparound Mortgage Note	A new mortgage that includes the balance of one or more existing mortgages. Seller collects payments on the wraparound and continues paying the underlying loan.

Subject-To Agreement	Agreement in which a buyer takes title to a property subject to an existing mortgage without formally assuming the loan. Underlying mortgage remains in the seller's name.
Mortgage Assumption Agreement	Formal assumption of an existing mortgage by the buyer, who becomes personally liable for the debt. Requires lender approval in most cases.
All-Inclusive Deed of Trust (AITD)	Wraparound instrument used in title theory states. A new deed of trust that encompasses existing underlying deed of trust obligations.

CATEGORY VI — Lease-Related Contracts

Instruments derived from lease arrangements, including options to purchase, master lease agreements, and income stream assignments. Range from simple lease options to complex NNN income streams.

Instrument Type	Description
Lease-Option Agreement	Agreement giving the tenant the right but not the obligation to purchase the property at a predetermined price within a specified period.
Lease-Purchase Agreement	Agreement obligating the tenant to purchase the property at the end of the lease term. More binding than a lease-option.
Sandwich Lease Interest	A sub-lease arrangement in which the middle party pays rent to the original lessor and collects higher rent from a sublessee. The spread is the sandwich lease income stream.
Master Lease Agreement	A lease of an entire property from the owner, typically with the right to sublease individual units. Common in multifamily and commercial acquisitions.
Triple Net (NNN) Lease Income Stream	Assignment of the income stream from a triple net lease in which the tenant pays base rent plus taxes, insurance, and maintenance. Highly liquid instrument type.
Ground Lease Interest	Assignment of the landlord's interest in a ground lease arrangement, in which land is leased long-term (typically 50-99 years) and the tenant constructs and owns improvements.

CATEGORY VII — Wholesale and Assignment Contracts

Contracts giving the holder the right to purchase a property at a fixed price, typically assigned to an end buyer for an assignment fee. Short-term, time-sensitive instruments.

Instrument Type	Description
Wholesale Assignment Contract	A purchase contract that is assigned to an end buyer before closing. The wholesaler earns an assignment fee. No ownership of the property occurs.
Equitable Interest Assignment	Assignment of the equitable interest held under a purchase contract. Gives the buyer the right to complete the purchase. Commonly used in wholesale transactions.

Double Close Contract Package	A set of two contracts used in a simultaneous or same-day double closing. The wholesaler buys and resells the property in two sequential transactions on the same day.
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CATEGORY VIII — Timeshare and Vacation Ownership

Instruments representing ownership interests or usage rights in vacation or resort properties. Includes deeded ownership, leasehold rights, and points-based systems.

Instrument Type	Description
Deeded Timeshare	A fee simple ownership interest in a specific unit for a specific week or floating time period. Deeded instruments convey actual real property ownership.
Leasehold Timeshare	A long-term leasehold interest in a timeshare unit. Not a fee simple ownership. Expires at the end of the lease term.
Right-to-Use (RTU) Timeshare Contract	A contractual right to use a resort property for a specified period annually. Does not convey real property ownership.
Points-Based Timeshare Contract	A system in which the owner receives annual points redeemable for stays at various participating properties. Flexibility-focused ownership structure.
Timeshare Purchase Money Note	A promissory note originated by the timeshare developer or resort to finance the original purchaser's timeshare acquisition. Secondary market instrument.

CATEGORY IX — Lien Instruments

Instruments representing a legal claim against real property for unpaid taxes, assessments, contractor services, judgments, or other obligations. Lien instruments are among the highest-yield categories on the platform.

Instrument Type	Description
Property Tax Lien Certificate	Certificate issued by a county or municipality representing unpaid property taxes. Accrues statutory interest. Redeemable by the property owner or foreclosable after the redemption period.
Tax Lien Certificate Portfolio	A bundled collection of multiple tax lien certificates offered as a single package. Common government and institutional seller instrument type.
Over-the-Counter Tax Lien (OTC)	A tax lien certificate that was not sold at the annual public auction and is now available directly from the county at face value plus accrued interest.
Tax Deed	A deed conveying title to a property after a tax lien has gone through the full foreclosure process and the redemption period has expired.
Redeemable Tax Deed	A tax deed in states where the original owner retains a statutory redemption right after the tax deed sale. Higher risk than a standard tax deed.
Special Assessment Lien	A lien on real property for a special assessment levied by a local government for a specific improvement benefiting the property, such as road paving or sewer installation.

PACE Lien	Property Assessed Clean Energy lien. Attaches to real property for energy efficiency or renewable energy improvements financed through a government program. Collected with property taxes.
Municipal Lien Certificate	A certificate representing unpaid municipal charges including utility liens, code violation fines, and other municipal assessments. Issued and sold by municipalities.
IRS Federal Tax Lien	A lien filed by the Internal Revenue Service against all property of a taxpayer with an unpaid federal tax obligation. Subordinate to most prior recorded liens.
General Contractor Mechanic's Lien	A lien filed by a general contractor against real property for unpaid construction services. Priority date is typically the first date of visible commencement of work.
Subcontractor Mechanic's Lien	A lien filed by a subcontractor or specialty contractor who provided services or materials in a construction project and has not been paid.
Materialman's Lien	A mechanic's lien filed by a supplier of materials used in construction. Also known as a materialmen's or supplier's lien.
Judgment Lien on Real Property	A lien that attaches to real property as a result of a court judgment against the property owner. Amount includes the judgment plus interest.
HOA Lien	A lien filed by a homeowners association for unpaid assessments, fees, or fines. Priority varies by state statute.
Condominium Association Lien	A lien filed by a condominium association for unpaid common charges or assessments. Similar to an HOA lien but specific to condominium ownership regimes.
Water and Sewer Lien	A lien filed by a municipal water or sewer authority for unpaid utility charges. Typically a super-priority lien in most states.

CATEGORY X — UCC-1 Financing Statement Instruments

Instruments secured by a UCC-1 financing statement filed in the appropriate state registry rather than a recorded real property mortgage or deed of trust. Covers personal property interests with real property connections.

Instrument Type	Description
UCC-1 Fixture Filing	A financing statement filed in the real property records covering fixtures — personal property that has become permanently attached to real property.
UCC-1 on Cooperative Apartment Shares	A financing statement covering a borrower's cooperative apartment shares and proprietary lease. Used in states where co-op ownership is personal property rather than real property.
UCC-1 on Manufactured Home	A financing statement covering a manufactured home that has not been converted to real property through a certificate of title surrender.
Mezzanine Loan Note with UCC-1 Pledge	A mezzanine loan secured by a pledge of equity interests in the property-owning entity, perfected by a UCC-1 financing statement rather than a mortgage.

CATEGORY XI — Post-Foreclosure and Distressed Instruments

Instruments arising from completed foreclosure proceedings or severe credit distress. Typically deeply discounted. Requires specialized workout, legal, and property management expertise.

Instrument Type	Description
Deficiency Judgment Note	A court-ordered obligation for the amount remaining after a foreclosure sale proceeds were applied to the outstanding debt. Unsecured or secondarily secured.
Unsecured Post-Foreclosure Note	A note remaining after the collateral has been lost through foreclosure. The debt obligation survives but the real property security does not.
Charged-Off Mortgage Note	A mortgage note that the original lender has charged off its books as a loss. Typically sold at a deep discount. Legal obligation of the borrower survives the charge-off.
Short Sale Deficiency Note	An obligation for the difference between the short sale proceeds and the full debt balance, documented in a promissory note as part of the short sale approval.
Sheriff's Certificate of Sale	A certificate issued by the county sheriff following a foreclosure sale. Represents the purchaser's right to receive a deed after the redemption period expires.
Statutory Redemption Right	The right of a property owner or junior lienholder to redeem the property after a foreclosure sale by paying the sale price plus interest within the statutory period.
Surplus Funds Claim	A claim to excess proceeds from a foreclosure or tax deed sale after all liens have been satisfied. Belongs to the former property owner.
Post-Sale Redemption Agreement	An agreement between a foreclosure sale purchaser and the former owner regarding the exercise of redemption rights. May include forbearance or buyback terms.

CATEGORY XII — Portfolio and Tape Instruments

Collections of multiple instruments offered as a single package. Institutional seller instrument type. Attracts hedge fund, private equity, and bank buyer population. Largest transaction sizes on the platform.

Instrument Type	Description
Performing Loan Portfolio (PL Tape)	A pool of performing mortgage notes offered as a package. Priced as a percentage of the aggregate unpaid principal balance.
Non-Performing Loan Portfolio (NPL Tape)	A pool of non-performing mortgage notes offered as a package. Deeply discounted to face value. Primary institutional acquisition instrument.
Re-Performing Loan Portfolio (RPL Tape)	A pool of previously non-performing loans that have been brought current. Priced between performing and non-performing.
Mixed / Scratch and Dent Portfolio	A pool containing a mix of performing, non-performing, and re-performing loans. Also includes loans with documentation defects or servicing irregularities.

Commercial Loan Portfolio	A pool of commercial real estate loans offered as a package. Typically larger individual balances and more complex workout requirements than residential pools.
Second Lien Portfolio	A pool of second lien mortgage notes. Higher risk, higher yield than first lien portfolios. Often sold by banks clearing second lien exposure.
REO Portfolio	A portfolio of real estate owned properties (bank-owned foreclosed properties). Not notes — actual property ownership interests sold in bulk.
Tax Lien Certificate Portfolio	A bundled collection of tax lien certificates from one or multiple jurisdictions. Common government and institutional seller instrument type.
Mechanic's Lien Portfolio	A bundled collection of mechanic's liens from a contractor or supplier. Typically offered by construction companies or their bankruptcy estates.

CATEGORY XIII — Bare Land and Specialty Property Notes

Notes secured by raw land, agricultural property, mineral rights, or other non-improved real property. Typically lower LTV requirements due to illiquidity of collateral.

Instrument Type	Description
Bare Land Note (Raw Acreage)	Note secured by unimproved raw land with no utilities, entitlements, or structures. Lowest collateral liquidity of any land category.
Residential Lot Note	Note secured by a platted residential lot, typically in a subdivision. May have utilities and entitlements. More liquid than raw acreage.
Commercial Land Note	Note secured by commercially zoned land. Value driven by location, zoning, and development potential.
Entitled Land Note	Note secured by land that has received governmental approval for a specific development use. Entitlement adds significant value over raw land.
Agricultural Land Note	Note secured by farmland, pastureland, or ranch property. Value driven by soil quality, water rights, crop income, and commodity markets.
Timber Land Note	Note secured by land with standing timber. Value includes both land value and timber value. May include timber rights separately from surface rights.
Mineral Rights Note	Note secured by mineral rights interests in real property. Value driven by proven reserves, royalty income, and commodity prices.
Subdivision Development Note	Note secured by land in an active or planned subdivision development. Typically a construction or development loan.
Mobile Home Note with Land	Note secured by a mobile or manufactured home permanently affixed to land owned by the borrower. Treated as real property when title is surrendered and home is affixed.

CATEGORY XIV — Commercial and Specialty RE Notes

Notes secured by income-producing commercial real estate. Larger balances, more complex underwriting, and different buyer population than residential notes. Includes SBA, mezzanine, and preferred equity instruments.

Instrument Type	Description
Commercial Mortgage Note	Note secured by commercial real estate including office, retail, industrial, and mixed-use properties. Underwritten on DSCR and LTV.
Multifamily Note	Note secured by a residential property with five or more units. Treated as commercial real estate for underwriting purposes.
Hotel and Hospitality Note	Note secured by hotel, motel, or hospitality property. Underwriting includes RevPAR, ADR, occupancy, and brand affiliation.
Self-Storage Facility Note	Note secured by a self-storage facility. Valued on income approach with occupancy rate and net operating income.
SBA Loan Note (Real Estate Secured)	A Small Business Administration loan note secured by commercial real estate. Government guarantee reduces buyer risk. 7(a) and 504 program instruments.
Mezzanine Loan Note	A subordinate debt instrument secured by a pledge of equity interests in the property-owning entity rather than a direct lien on the real property.
Preferred Equity Agreement	An equity-like instrument in which the investor receives a preferred return and priority distribution from the property's cash flow. Not technically debt but functionally similar.

CATEGORY XV — Divorce, Estate, and Trust Instruments

Notes and instruments arising from marital dissolution, probate proceedings, trust administration, and inheritance situations. Sellers are often motivated by legal or fiduciary obligations rather than investment strategy.

Instrument Type	Description
Divorce Decree Equalization Note	A promissory note created as part of a marital property settlement to equalize the division of assets between divorcing parties.
Divorce Buyout Mortgage Note	A note originated by one spouse to buy out the other spouse's interest in the marital home. The buying spouse becomes the sole owner and obligor.
Divorce Lien on Real Property	A lien on real property created by a divorce decree or property settlement agreement to secure an equalization payment.
Marital Home Sale Proceeds Note	A note representing one spouse's right to receive proceeds from the future sale of the marital home. Created when the home sale is deferred.
Estate-Held Mortgage Note	A mortgage note held by a deceased person's estate and being liquidated as part of the estate administration process.
Inherited Seller-Financed Note	A seller-financed note inherited by an heir from a deceased note holder. Heir may wish to convert the illiquid asset to cash.
Probate-Ordered Note Sale	A note sale ordered or approved by a probate court as part of estate administration. Requires court documentation for the buyer.

Heir-Owned Fractional Interest in Note	A fractional ownership interest in a note shared among multiple heirs. One or more heirs may wish to sell their fractional interest.
Revocable Living Trust Held Note	A note held by a revocable living trust. The trustee has authority to sell. Common estate planning vehicle.
Irrevocable Trust Seller-Financed Note	A note held by an irrevocable trust. Sale requires trustee authorization and may require court approval depending on trust terms.
Land Trust Beneficial Interest Note	A note secured by or related to a beneficial interest in a land trust. Land trusts are common in Illinois and Florida for privacy and estate planning.
Charitable Remainder Trust Note	A note held by a charitable remainder trust. Sale requires trustee authorization. Proceeds benefit the named charity upon the trust's termination.
Special Needs Trust Real Property Note	A note held by a special needs trust established to benefit a disabled individual. Sale requires court approval in most jurisdictions.

Total Categories	Total Instrument Types	Coverage
15	150+	All 50 states — All property types — All seller classes — All transaction sizes

Every Instrument. Every Seller. Every State. One Platform.

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