

Attorney and Real Estate Investor Dave Whisnant's Real Estate Investing Revolution:

Welcome To David Whisnant's Free Real Estate Investing Package!

Are You Sick Of Learning The Same Old Stuff In Real Estate Courses, Or Not Being Able To Implement What You Learn Successfully?

Attorney Dave Whisnant's Free Package Is Your Special Introduction To The System That Is Literally Changing The Way That Heavy Hitting Real Estate Investors of All Experience Levels Are Creating A Consistent Real Estate Buying Machine Without Tenants, Cold Calling, or Endless Searching In The Newspaper For Good Deals That Never Seem To Appear.

Our Full System teaches the fundamentals that stop most people from ever taking action, and then we teach even the newest investor how to create a marketing oriented real estate buying machine that will make sellers chase you to buy their homes.

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To get the full details on my 700 page course, go to:

<http://www.reiclub.com/products/230>

For Real Estate Investors Who Are Ready To Get Serious And Do More Deals Each Year

A Note From Dave Whisnant

Greetings!

Thank you for selecting our free real estate investing package. I am honored that you have taken time out of your busy schedule to sign up for and read our Free Package.

I realize that this free package is long, but I would urge you to read all of it. A piece of information in this material could make the difference in landing or losing your next deal.

Please check in with us often, and bookmark us, as we are always adding material and resources to our site for you!

This e-book is set up for easy printing, so enjoy. We have formatted the document as one big page so that you don't have to print each individual section. One easy click should print the entire document!

Best wishes, and thank you again for selecting our free package!

Sincerely,

David Whisnant, JD

Biographical Information: Dave Whisnant is a licensed attorney in the Georgia. Before turning to real estate investing, Dave specialized in real estate law. He comes from a family that was in the building and renovation business. Dave lives in the City of Atlanta with his wife, two daughters and two golden retrievers. He supports a number of charitable causes. For more information on Dave, visit 4-real-estate-investing.com

Here Are The Outstanding Benefits For You That Are Included In Your Free Real Estate Package...

Free Package Resources (In Order)

- 1) **Real Estate Investing Articles**—We have some great information that you can apply immediately. A small taste of some of the topics that we cover in detail in our full course.
- 2) **Common Investing Questions**—One of the things that I am most proud of is our record in getting people to start investing who have been standing on the sidelines for years. Often, a small piece of information holds people back. Because I have interacted with so many of our students, I know what holds people back, and we address those issues in detail in our full instructional program. I hope that these investing questions can help you in your investing goals.
- 3) **Virtual Real Estate Experience**—Whoever you choose to learn from, make sure that they are qualified to teach you. We rely heavily on “real world” lessons that I have personally learned in the field in teaching my full course. It is important to back up points with experiences that I have had in the field buying and selling properties so that you learn and understand each and every point to speed up your learning and success curve exponentially. You will notice that not every one of these deals works out, and they don’t in real life. You need to study the truth, not the typical seminar fodder viewed through rose-colored glasses! I find that the best way to teach and demonstrate points in my full paid course is to give you actual examples of deals that demonstrate a particular idea. The deals mentioned in this section will introduce you to the benefits of imparting information through experiences.

4) **BONUS! Carleton Sheets Reviews**—This is one of the most controversial items that we have incorporated into our site and Free Package. The intent is not to put CS down, but to show that many of the ideas taught and subscribed to in the 1970's investing world no longer are valid in the competitive markets that most of us are in. The 1970's creative techniques sound neat in a seminar, but they really do not get results on the streets. Remember that most sellers can't understand complicated offers, and that another investor is always breathing down your neck on any good deal with a simple offer. You just can't afford to do business that way anymore. You are receiving this bonus because you signed up for the free package during the bonus period.

5) **Advanced Instruction Opportunities**—We offer only one course. A whopping 700+ pages of written material (12 font—so this would be closer to 900 pages in the larger fonts/wide margins used in many courses) and 12 long-play audio CDs with our unique 22 Day Step-By-Step Property Buying System. Daily assignments and lessons will allow you to easily master and mirror my business within 22 days. You are also receiving our brand new Advanced Marketing Course that will teach you how to automate your business and keep the interested sellers calling YOU. **I want you to have everything that we offer in one shot, and do not believe that asking you to pay me for an introductory course with an “upsell” is the right thing to do.** We have received many letters of thanks from students for doing business this way, the right way.

Free Package BONUS! Foreclosure marketing tactic and contract writing lessons!

Free Package Email Components

6) **Week In The Life**--This is an email series that will come to you in 5 parts for 5 consecutive days. Just a peek into what the real estate investor lifestyle can be like—the good, the bad and the ugly!

7) **Newsletter**--This will be delivered by email on a weekly schedule typically. Information in this newsletter will introduce you to some of the areas that we cover in detail in my full paid course.

RESOURCE 1

Real Estate Investing Articles Index

David Whisnant's Free Real Estate Package

Advanced real estate training information at:

<http://www.reiclub.com/products/230>

Take Advantage of our 50% off Sale Today!

Thank you for taking the time to read our original real estate investment articles and content.

Every attempt has been made to give you some valuable real estate investing information that you can sink your teeth into and use, without the fluff. These articles contain great information for the new or seasoned investor.

Remember that this is only the tip of the iceberg. We get into more detail on these topics and others in the full 700 page course!

If these real estate investment articles are helpful to you, we would be grateful and honored if you would help us to spread the word about our real estate investing site to your friends and associates.

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Real Estate Investing Article One

Pocket Listings -- How to Be an Insider and Profit: By David Whisnant. This real estate investing article examines one of the biggest secrets in real estate investment, pocket listings. If you have ever been too late on a really good real estate deal, or if you want to find out how to get an inside track on the really big deals, this article is a must read for all serious real estate investors.

This article is reprinted below in another section of your Free Package (The Virtual Experience Mini-Course) because the subject matter was so closely related to one of the deals in that section. Using this technique, you should be able to make enough to replace your current income, and go full time.

Real Estate Investing Article Two

How to Negotiate Counter-Offers: By David Whisnant. This real estate investing article details when you do want to negotiate (and more importantly not negotiate) when buying real estate investment property. Learn how to work the seller and the real estate agent to get your best price with minimal conflict, timing your counter-offers, dealing with real estate owners who don't want to counter and more.

Note: Negotiation is the highest paid job in the world. If I can negotiate with someone and save \$3,000 in 30 minutes, that's equal to a wage of \$6,000 per hour. I take this topic seriously, and do everything I can in my full course to give you all of my experience on how to negotiate, when not to negotiate, and picking your battles. Critical information for any investor, especially new investors, to understand. The information below will give you an idea as to some of the basics.

Once you make an offer on a piece of property, it probably will not be accepted

on the first go-round. It may be, but the Seller will probably counter. Before I get too far into this subject, it would probably be helpful to have a brief discussion of when we do and don't negotiate.

Many gurus and real estate course teachers are always arguing that we should negotiate at every turn. They would tell us to squeeze every last dime of profit out of the deal. This is where they suggest that your offer include the seller's 1974 Ford Pinto. Go for the furniture, they say. Go for the mower...

I disagree. If the deal is a good one, why would you want to complicate matters by trying to get an old junky car and some worn out smelly recliners? If you want those things, make your money on the deal and go buy them for \$300. What we want to do if the deal is good (that means at least \$25,000 of profit in my book), is go ahead and do the deal. Remember, it isn't worth losing a \$25,000 profit over \$2,000 of negotiation. I'll cover this area more in a subsequent article on writing offers that get accepted.

If you make an offer that is on a "hot" property, i.e. one that you know will sell quickly because of its price, you may want to accept the counter and move on. This assumes that the counter offer leaves you sufficient profit.

I recently landed a deal because another investor did not heed this advice. The investor had negotiated a sales price with a seller, but had not signed a written contract. The investor then decided to try to negotiate a lower sales price because he determined that a \$1,000 electrical repair was needed. The price he negotiated would have made him \$40,000 in profit, but he went back to the well one too many times. The seller became enraged, and decided that she did not want to deal with the investor anymore. The seller received my name from one of my subs who was an acquaintance of hers, and we were under contract the following day. If you have an agreement that gives you sufficient profit, leave the deal alone and sign the contract.

Nickel and Dime

When you are negotiating to get to a price you can both agree on, adopt the nickel to dime negotiation strategy. You want the seller to come down a dime on price for every nickel you move up.

You will need to work the agents and the owner, and never let the agent know what you are doing, or what your strategy is. Usually when you make an offer, some response comes back fairly quickly. If the asking price was \$130,000, and I offer \$100,000, I may get a counter of \$125,000 from the seller.

What most people do, I have noticed, is keep splitting the difference. In other words, most people in my position would find the midway point between the \$125,000 counter offer and my original offer of \$100,000, which is \$112,500. The seller would then counter with a number between their last counter (\$125,000) and my counter (\$112,500), or \$118,750. Typically, this is where the action would stop. Most Sellers have the capacity to do two counter offers or perhaps three, but usually no more. I don't know why that is, but that is what my experience has shown me.

Instead of splitting the difference, I offer to increase my offer by less dollars each round. On their first counter, I would raise my initial price by \$3,000. Each subsequent counter would find me giving less each time. This tells the seller that I'm getting close to the highest price I'm willing to pay. This will help to stop things.

Thus with two counter offers, my final sales price might be \$105,000 vs. the \$118,750 above. I saved \$13,000. To play this whole thing through, I offer \$100,000. The seller counters with \$125,000. I counter with \$103,000. Seller counters with perhaps \$118,000. I counter at \$105,000. The seller will be worn down at this point. He will be satisfied that he has negotiated hard, and gotten his best price from me.

What if your seller won't even give you a counter offer, and/or if they don't feel that your initial offer is worth countering? If the sales price is too high to make any money on the deal, you may have to walk away. If they won't drop their price, it's not for you. If it could be a good deal, I might wait four or five days and make a second higher offer or ask the agent if the seller might be interested in making any type of counter-offer. They often will counter verbally, which can start the proceedings.

There are timing considerations here. If you counter immediately upon hearing back from the Seller on each of his counter-offers, he is in control. He has all the incentive in the world to keep dealing, because the negotiation is not producing any stress for him.

What type of anxiety do we want our seller to feel? That he will lose the deal if he keeps monkeying around. If you believe that the property probably will not be sold out from underneath you, take your time getting back to the seller, at least 6 hours. Tell the agent that you are really having to think about this long and hard. Tell the agent that it will be hard for you or any other investor to go as high as he is asking. Tell the agent you want to start looking for other properties, and ask the agent to fax you a list of other properties currently available in the neighborhood. Tell the agent that you would still like to complete the deal if the seller could just bend a little. The seller and agents should all be scared that the deal is going up in smoke, and hopefully bend.

Remember that regardless of who the agent is working for legally, they know on a subconscious level that they are really working for themselves. If they feel that the seller is more likely to cave in than you, they will push on the seller to consider and hopefully accept your offer. They want to get paid. An \$8,000 difference on the sales price is big to the seller or you, but not to the agent, as they are really just getting a percentage of the difference in the form of their commission (several hundred dollars). We are pushing on the agent and the seller with these tactics.

If you made the offer with an inspection contingency, meaning that you will have the right to inspect the property, and ask the seller to make repairs, sweeten this on a counter offer by saying that you'll take it "as is." However, keep your right to inspect and turn down the deal if you find something terribly wrong with the house. The goal is to give a little where you can.

When all else fails -- if the property is vacant, and there is a low mortgage or no

mortgage, tell the seller that you'll take his price if the closing can be delayed for three months, and if you can have access to the property during this period. (You want the right of possession – this means the key!) If the property is still under market value even with his sales price, you might be able to sell it to someone else in three months, and not have to deal with a loan.

If the seller won't negotiate any more with you, and his price is still too high for you to finalize, tell the agent that you'd like to resubmit the offer in a week. Do so every week. Add \$100 each time. You may provoke another round of negotiation.

And always remember that you can walk away and come back later. If you have the strength to do that, the Seller may agree to your terms immediately. (This is a little like walking out of a car dealership and having the salesman follow you into the parking lot begging you to stop.)

Thus in summary, if the deal is excellent on its face, don't mess with negotiation at all, and make it happen NOW! If the deal is not as good, or if you don't anticipate any other suitors coming along, you may want to get into some serious negotiation. You can literally make thousands of dollars per MINUTE negotiating. The nickel and dine strategy has worked wonders for me, and I'm sure it will for you as well. Remember that in the end, we will walk away from more deals than sign up. This is normal, and means that you are probably using good judgment. You never want to be so eager to do a deal that you do a bad one.

Real Estate Investing Article Three

How to be in the Top 10% of Investors Year in and Year Out: By David Whisnant. A real estate investment article for those real estate investors who have come to realize that looking in the Sunday paper for real estate to purchase isn't giving you the volume or quality of real estate buys that you need to build a solid financial future. From-the-ground-up information on using the public records to find the deals that other investors can't even touch.

Note: This is really important stuff that once learned, will place you in a category above most other investors in your area. My paid course takes advantage of my experience as a real estate title attorney, and experience in training attorneys and paralegals to use the public records. If this seems confusing at all, don't worry. We don't have space here to fully develop these ideas, but I want to give you an idea of the power of these concepts that are developed fully in my full course.

You should know that a lot of people out there in the real world have bought all the same guru courses that you have seen advertised on TV – Carleton Sheets, Russ Whitney, and Wade Cook to name a few. They are all driving neighborhoods looking for “for sale by owner” signs, and they are all looking for classified advertisements in the Sunday paper that say: “Needy seller who owns property free and clear and will let it go for 50 cents on the dollar. I'll owner finance or lease/purchase to anyone. Please come today!”

Unfortunately, these don't come along very often in the real world.

Don't worry. You can run circles around 90% of the other investors out there, and face little competition doing it. There are more deals for the "top 10 percenters" to take than for the 90% of investors who rely upon the tired technique of calling sellers from classified advertisements. (I refer to the top 10 percenters as those investors who are in the top 10% of investors in making money. They are in this position because they understand how to use the public records. This is not a difficult skill to master. Unfortunately, these skills are just not taught in any of the real estate courses I have purchased or reviewed.) I want you to become one of us and share in the action.

I have a unique mastery of the public records. This is a skill that can be learned easily by anyone, yet few people do it. As a real estate attorney, I received extensive training on using public records to perform my job. I trained both attorneys and non-attorneys to use the public records.

The tax assessor's office, the probate court, and the record room are the key areas that you will want to focus on. Unfortunately, this article does not allow me to get into the mechanics of mastering these areas of your local courthouse as my course does, but you should be aware of what they can do for you. You should also know that I am giving you more content for free on this subject than appears in Carleton Sheets' course, which as we know is NOT free!

The tax assessor's office can tell you who is paying the taxes on a piece of property. Usually, whoever is paying the taxes is the owner. If I were interested in a piece of property, I could look it up at the tax assessor's office, and it would give me the owner's name and mailing address. I would then send out one of my Magnetic Marketing Letters to their tax bill mailing address and prepare to work a deal.

Note that we can usually tell rentals from owner-occupied properties at the tax assessor's office. Rentals will have the tax bill going to another address than the property address. The landlord wants to receive the tax information, not the tenant. The tax bill is generally mailed to the landlord's home address. Other clues to check for are exemptions. A landlord should not have a homestead exemption. Rental properties are not eligible for homestead exemptions, thus if there isn't one, it's probably a rental. The mailing address for the tax bill is the primary tool that I use, but you can double-check by looking at exemptions.

Often the tax records will list ownership information in the following manner: Carl Sheets c/o ABC Property Management. While ABC Property Management may be a company owned by Carl Sheets, it probably isn't. This probably is a real property management company that is handling the management of the property for Carl Sheets, including paying the taxes. If I mail something to Carl Sheets at the above address, it will really go to the property management firm, and they probably will NOT forward it to her. (If she sells, they will miss out on their management fees.)

Most investors would just mail to ABC, and if no response is received, cross it off their list. This is great for me, because this type of property is often easy to pick up at a

steep discount. If the owner is not interested in managing the property, they probably aren't all that interested in owning it either. I may be able to land a great deal with a motivated seller.

Under our example, I could find Carl Sheets' real mailing address by looking for any property he owns where the mailing address matches the property address. This would probably be his home. Or, look in the phone book to see if you can find his name with an address. Remember, owner occupants (people who own and live in a particular house) will have tax records with the property address matching the billing address for the tax bill. Rentals will have the bill going somewhere else, usually to the private house of the owner.

It might be helpful to go to the real property record room if we are striking out (recorders office in some states, or clerk of court.) You want to go to the area of the courthouse where the deeds are filed. You would pull the most recent deed filed for that piece of property to see who holds title. If the deed is into Carl Sheets, and we found no clues at the tax assessor's office, you can do one of two things: 1) Send a letter to the tenants asking for help in finding the owner, or send a letter to all the surrounding houses asking for their help in finding Carl Sheets. You can tell them that this is a personal matter and that you are not trying to collect money or sell her anything, or 2) call the property management company and see if they will give you any clues.

I will usually dig a little deeper at this point before writing or calling anyone. Look at the three most recent deeds in the chain of title. (These are the last three deeds transferring title). For example, in January of 1985, Rusty Whitney sold to Wade Cook. In March of 1989, Wade Cook sells to Sheila Sheets, and in December of 1990, Sheila Sheets sells to Carl Sheets, who is our current owner.

If the property was conveyed from someone who is a family member (same last name), or quit-claimed with no money being paid to purchase the property, or if there is an executor's deed, you may be in luck. For example, Sheila Sheets may be related to Carl Sheets, our current owner. (Recall that Sheila sold the property to Carl in the example above.)

Write down the names of each of these family members (Sheila). Go to the county probate court and see if you can find any records involving those persons. (Look in the estates indices). If so, the court records will have an address for each heir, as each heir must be given legal notice of the proceedings. You can now mail your Magnetic Marketing Letter.

If, on the other hand, you went to the record room and found that title was actually vested in someone named Sheila Sheets, not Carl Sheets as the tax records stated, there are a couple of options.

Option Number 1:

The tax records are usually not "up to date" in that they are generally updated once a year. Carl may have in fact sold the property to someone else, who is the new owner of record, but the tax records still show him as the owner. Eventually, the tax

records would be updated (January 1st typically) to reflect the new owner. Obviously in this situation, Carl couldn't sell the property to us, as he already sold to someone else.

Option Number 2:

Carl Sheets may have recently inherited the property. We might suspect that Sheila Sheets was a deceased spouse or other relative. The tax records may reflect an order of the probate court, but the deed might not have been filed in the record room. Go back to the probate court and look for an estate of Sheila Sheets. This would give us a mailing address for Carl Sheets.

Note that we don't need to scour the public records for every deal we make, but it is a wonderful tool to use when you want to get past the guru course graduates, and make easier money for less time and effort. While this may sound hard, it really isn't. Two or three trips to the courthouse should make you familiar enough with how these records work to satisfy your goals. When you think of all the abandoned property in your area, rental property with absentee landlords, and other special types of property where finding the owner is not so easy, you can start to see how many deals are out there for the 10 percent club that are NOT out there for most other investors. If the above has seemed confusing, it is only because these remarks have been reduced for space. What I hope you come away with from this article is an understanding of how the public records can be used to further your career as a real estate investor. In addition, the public records can show us how long people have owned property, what liens are against them, what they paid for the property, and give us great insight into their general financial condition. Is this valuable? Would this help you strike the best deal you can? You bet!

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Real Estate Investing Article Four

Writing Offers That Get Accepted: By David Whisnant This real estate investment article shows how writing offers by following a few simple rules can turbo-charge your investing success. Get more deals and pay less money for the real estate that you buy. Information on the correct forms to use when submitting an offer.

Some Sellers are so eager to be rid of their property, or so ignorant of its value, that they put a sign out in the yard asking far less than the real worth of the property. In this type of situation, several offers WILL rush in. Many will be from investors, some from people looking for a personal home.

Note: Your offer must be written and constructed in such a way that it will be accepted. By carefully writing your offer, and thinking about how it will be perceived by your buyer, you can often end up with the property at the end of the day. I am

complemented often concerning the quality of the offers I make, and the letters that I use in different situations through the deal. I give you examples of all of these, and teach you how to create your own offers that will get accepted, even if they are not for the most money in a multiple offer situation!

Price

Typically, if the property's asking price is well under the true value in its present condition, (\$25,000 for me), you will want to make a full price offer to lock it up. This is especially true if there is likely to be other bidding or offers on the property. What I do now is offer \$1000 more than the asking price. That way I beat out any other full price offers. Most people just will not bid over the asking price. I don't care what anyone is asking, only what I am paying. I'll be top dog on price.

I have found in my experience that most sellers don't want to bid people against each other. They do on occasion, and I've been caught in a bidding war, but usually they just take the best offer and end the proceedings. Remember that sellers are not comfortable marketing their property, and are eager to get it over with.

Closing Costs

If I think that there may be competition for the property, I put on the contract that I will pay all closing costs. After the dust settles and they are contractually bound to do business with me, I can go back to the seller and say that my mortgage broker suggested that I finance some of the closing costs into the price. We would simply attach an agreement to the contract raising the purchase price by the amount of the anticipated closing costs. Note that this makes no difference to the seller's taxable gain, nor does it affect the size of the check he'll get at closing. I've only had ONE seller balk at this. That's o.k. 99.9% of sellers have no problem with this. (IMPORTANT – you will want to tell your mortgage broker what you are doing, because the appraisal will need to come in higher than the original contract price to cover these closing costs. Appraisals generally come in for the exact amount of the purchase price, so be sure to warn your lender, who will order the appraisal.) This will also make your loan a bit larger and increase your monthly payment by a few dollars each month.

Repairs

I almost always agree to take the property "as is." I go further than this though. On the special stipulations page of the contract, which is the blank area at the end where the parties can write in any additional terms that they choose, I state: "Buyer is purchasing the property as is. This means that Buyer will not ask Seller to make any repairs to the property or expend any money on fixing any items on the property." My offer thus contains a real benefit for the seller. Of course, we still have to protect ourselves in case something is really wrong with the house. I put in another sentence that says: "Buyer will have the right to inspect the property for 4 days. If this inspection is not satisfactory to Buyer, he may invalidate the contract and receive a refund of earnest money." This gives us an "out" in case the house is about to collapse. If it is a GREAT deal and you are fairly confident that no inspection items could make you want to turn the

deal away, write up the contract so that they can keep the earnest money if you inspect and have to cancel the contract.

Some people feel a little nervous about making an offer to buy something “as is.” Your seller will love it, and it will make you seem easy to deal with. I purchased a home in December of 1999 that I used the above language in the contract. We got the deal. However, on inspection, I found that there were about \$9,000 worth of serious repairs that I hadn’t anticipated. Did I walk away? No Way.

I went back to the seller and explained in writing (less confrontational) that I had anticipated making \$5,000 in repairs. Those repairs were new carpet, fixing the roof, painting, and updating the kitchen and the bathroom. However, I noted that there were significant structural repairs that needed to be repaired under the house. I noted that these were not mentioned in the seller’s disclosure statement, so I had no way to know of them when I made the offer. (I also noted that I was sure that he didn’t know about them either, as few people go into their crawl space. You don’t want to accuse the seller of being a liar).

I continued my letter by stating that these repairs would have to be done before the house could be sold to ANYONE. I reminded him that I had my own carpenter that would make these repairs for me cheaper than any retail structural repair company. I suggested that he credit me with \$6,000 at closing to cover the repairs. He agreed to \$4,000, which is what it cost me to actually do the repairs, and the deal closed on schedule.

You can always go back to the plate and negotiate. I try not to if the repairs are within reason. As long as you protect yourself, you have nothing to worry about. Homeowners don’t want to make repairs. By stating that I will not ask for repairs, I typically beat out any other contract with an equal or lower sales price that includes a request for repairs. (This includes all of the owner-occupant contracts, because owner-occupants ALWAYS ask for repairs). I might even beat out a contract offering slightly more money.

Closing Date & How You Pay.

If you are paying cash, or able to pay cash, state that you are paying with cash on the contract. Put a quicker closing date on it.

If you are getting a loan, remember that most loans can now be turned around in 2 weeks, so if your mortgage broker thinks he can do it, put down that the closing will be in 3 weeks to give yourself a little leeway. If you can close quicker than your competitors, this may land you the deal. Quick closings are most effective on vacant properties, and less effective on occupied properties. (People get nervous when they think of having to move everything in 2 weeks). To get around this problem on occupied properties, I always tell the seller’s agent that we can close quickly, but that the seller can have as much extra time in the house as they need (2 weeks or so) to move.

Other tricks are to include a copy of my bank statement (with account numbers

blacked out!) showing enough cash to buy the property. If I am getting a loan, I attach a letter from my mortgage broker saying I am pre-approved for an investor loan. Although I do not do this, and do not recommend that people do this, I know that many investors in my area offer to close with all cash, with no financing contingency, even if they have no cash and plan to obtain a loan.

Form Of Offer

I put my offer on the standard Georgia Realtor Contract form. No exceptions. No junky seminar contracts. You want to look professional, and also like you're trying to pull the wool over anyone's eyes with a contract that has numerous provisions that are slanted toward the buyer. You always want to be and appear fair.

This brings me to an important issue that I receive questions about from prospective students:

“Do you include contract forms (offer forms) for us to use in your course?”

The answer is that we do not include a form to use if you are buying through an agent, or are making an offer that you are going to get a loan on the property to buy. Believe me that it would be easy to draft 30 pages of contract forms to use in different situations. But, if I did so it would be doing you no favors.

If you are presenting an offer to an agent, they will basically require your offer to be written on the standard form that has been adopted by the realtors of your state. There are several reasons for this, but the primary one is so that they understand all the provisions of the contract themselves since they have been trained on the legalities of that contract. These standard contracts have a great deal of language that protects the agents and brokers from litigation, and their commissions. They do not want to deal with a contract that does not offer them this high level of liability and monetary protection. Additionally, if there are any other offers on the property, they can be more easily compared if they are written on the same form.

They should submit whatever you give them, but the reality is that they will often try to meet with you to rewrite the contract on the standard form. Realtors are busy, and they may not be able to meet with you right away, or redo the contract by fax. If another offer comes in, which it surely will if the property is well below market value, your offer may never be submitted. Or, they may counter your offer with the requirement that your offer be on the standard contract. Another offer may creep in before this can be executed. This business is often a race. Any delay can cost you tens of thousands of dollars.

The realtors have a great deal of influence and say in determining which contract is accepted. They are out for their own commission, and want the contract that stands the best chance of closing to be accepted. Using a non-standard contract makes you look like a seminar graduate who probably doesn't have the experience or ability to close the deal. Using the standard contract makes you look like a pro. Realtors know that the pros close.

Even if no realtor is involved, another reason not to use these contracts is that every seller seems to have a lawyer or real estate agent at their church or neighborhood

who has agreed to review any contract that is submitted to them. If you submit a contract that is not the standard realtor contract, written with provisions that favor you, the friend will redraft the contract, or tell the seller that you are a shady character trying to sneak something past them. If a clean contract comes in with better language in the meantime, you may be out of luck again. When I show up with my standard contract, they may not even show it to the friend, or even read it! I just explain that I am not a realtor, but that I like to use this form because it is evenly balanced between the parties. Many people have seen this contract before, or they trust that it is a fair document, which it is.

We DO give you a number of forms to use for making offers where you are not getting a new loan, or are flipping the property. However, those are for certain circumstances, and we believe that the standard Realtor form should be used where possible. Remember that any offer that is not on a standard form will get the: "I need my lawyer to look at this," comment from many owners. The delay of a week or two may cost you the deal if another offer comes in. And believe me, there is always another investor a few feet behind you who wants the deal as badly as you do, so do nothing to create delays!

The above tips should give you a leg up on getting your offers accepted. Best of luck!

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Real Estate Investing Article Five

Real Estate Investing 101 -- Building Face-to-Face Rapport With Your Seller: By David Whisnant. This real estate investment article contains practical information and sample scripts on building rapport with sellers when you go to their home to meet with them for the first time. Plus, how to ask the right questions, and find out more information.

By David Whisnant, Attorney/Real Estate Investor

Note: One of the most common real estate investing concerns that the new investor has is, "What will I do or say initially when I actually get over to a seller's house?" This is new territory in the beginning for most new investors. With the right training, most people can take the first steps of finding the area to invest in, determining market values, determining who in their area to use for financing, and mastering their public records system without much pain. When it comes to talking to sellers, however, many first-time or new investors feel pressure, and fear. Eventually, this will be perhaps the second most fun part of the job after getting your check at closing. I teach the whole package, which is wonderful for new and experienced investors alike.

When I started as a real estate investor, my main fear was that I would say something stupid to give away the fact that I really didn't know what I was doing. I had read almost every course on the market, and probably picked up a little from each one, but I still didn't know what the "rules" were when I entered the living room of the seller and started to discuss making a deal. Thankfully, your seller won't know what the rules are either, as they don't sell their home to investors every week.

When you have done this business for some time, you will realize that a house is a house. In other words, you'll know the common problems that most houses face, how to fix them, and what it will cost. For example, on houses older than 40 years, you can usually count on at least some floor rot underneath the bathroom and kitchens because of small water leaks over time.

Keep Your Seller Talking

What does differ from deal to deal, and what makes real estate investing so interesting, is the seller. Your real goal is to be a good listener and try to get the seller to talk. I always like to think of myself as an interviewer on some sort of real estate TV show. You want to ask them questions in such a way that it gets them to talk without it seeming like you are grilling them. Barbara Walters softer "warm and fuzzy" interview style that she sometimes uses is a good example.

Remember that the seller WANTS TO TALK TO YOU. They have responded to a Magnetic Letter Mailing that you sent, and they are eager to get their real estate problem resolved. Furthermore, the reason they are having a real estate problem is that they have problems in other areas of their lives. If you come across as friendly and polite, they usually will open up to you and tell you their problems. Think of yourself as a real estate therapist. I've had many deals where a good foundation was formed between the seller and myself by spending time listening to their problems, and working to come up with a solution that would benefit them and give us the profit we needed to make on the deal.

I have prepared a loose script (in the following section) to help you understand what I am saying to my sellers when I go into their homes. This script is not from one particular deal, but many deals, though I tend to follow the same formula. As I am writing this, I just returned from a seller's home, where I presented a written offer on the spot. This meeting is still fresh in my mind, and I think that this section should benefit those investors with "stage fright." Note that the script examples are not meaningless hypotheticals. Rather, they are all based on conversations that I've had with sellers.

Show Up At The Door On Time

I always show up right on the time, never a minute late, or a minute early. To do this, especially with our traffic in Atlanta, I typically try to get to the neighborhood about 20 minutes early. I'll drive around and look for active listings to verify that I have the correct impression of what homes are selling for in the neighborhood.

I dress casually, but not too nicely. If the neighborhood (or my seller) is more working class, I may wear jeans, but usually I'll wear tan pants and a short sleeve polo type shirt.

Sample Script: My comments will be in **bold**, the sellers in *italic* text.

Door Opens

Smile. **"Hi, my name is Dave. I have an appointment to meet with Russina Wy."**

They'll smile and invite you in. **"Thanks for taking the time to meet with me today. You mentioned that you work during the days, and I know it must be hard to get away during the week. I really do appreciate you taking the time to meet with me, and I believe that I really can be of assistance to you"** This is basically just a comment to let them know that you appreciate and honor their time, and that you are not trying to come off like a big shot investor. I would lead straight from this sentence into a general question that might lead to more conversation. Your next comment should be aimed at something that they have in their home, or a photograph of an interest (sky-diving) that you also have an interest in and could bond for a few minutes. I used to have a stock back up plan in case I froze up. Usually, they will have something on display that you can comment on.

For example:

"What an interesting painting, did you do that yourself?" or **"Those are great miniature houses, do you collect those...(they respond etc.)...I have an aunt that is crazy over those. She goes all over the state to shows to find them"** or **"You must love to garden. You have some really wonderful plants in the front yard...(they respond etc.)...My wife and I are planning on putting in some butterfly bushes this spring. Yours are really thriving out there."** or **"You have a nice looking family there in that picture, 4 boys? I just had my first, a little girl, earlier this year."** Kids are the best thing to talk about. Even if you don't have any, talk about your neighbors kids, or your sister's kids etc. This is a subject that people like to talk about. If they are military, always ask them where they were stationed, if they had to travel much, and what their favorite places to travel to were if they were in Europe or outside the country. This brief interlude of casual conversation before business shows them that you are a regular kind of person, not a cold-blooded weasel-like real estate investor that is out to steal their home away from them.

After several minutes (usually 3-5 at the most), begin to go to work. By this time, you have established with them that you are not a cold-blooded weasel, you have some similar interests with them, and you are a decent and kind person.

Begin to ask questions, but the right questions.

1) **"This seems like a nice area. How long have you lived in the house?"**

"About 5 years"

2) **"I noticed a lot of stores and things on the way in which must make it convenient to be in this area. When you sell your home, do you plan to stay in the same area?"**

(This is a good question because it often will get them to tell you their future plans, which are key. They may be leaving the state, or moving in with a boyfriend/parent or whatnot).

"No, I'm moving to Maine."

"Wow, beautiful state from what I hear."

"Yes, I grew up there."

"Really, what brought you to Georgia, if you don't mind me asking?"

"A bad marriage. I was divorced 4 years ago, and received the house as part of the divorce settlement. It has bad memories for me, I want to sell it and move back as soon as possible."

Hopefully, the above question gets you to the point of where they are going, and why they want to sell. Right now, we can tell that the seller is not thinking rationally about the house (bad memories), and that they are in a hurry, which means lower sales price.

3) When are you trying to get this closed by?

This is a good question, because if they have a super-specific date, this may tell us more about their financial or personal situation. For example, "I need to close by January 14th so that I can pay my federal tax liens against the property." Or, "I'm wrapping up my husband's estate, and want to be out as soon as the probate is finalized, in around 6 weeks." If they say, "No real date, I just wanted to find out what I could get for the house, or what the market would bear," they may not really be motivated enough to strike the type of deal we need.

4) "I sell properties by putting my final and best price on the home. This seems more fair to my buyers, and makes the transactions I engage in stress free. Do you have a bottom line price on this home?"

Questions like this bring it down to a point. You can find out quickly what the seller is thinking on price, and whether you are close to making a deal.

5) After getting a price, if you can, ask how much they owe on the house. Then ask if they would be willing, if you could give them their price, to let you assume payments on the house for a period of a year, or two.

Always have your contracts with you when you go to look at the house.

The above script is not necessarily something that you should memorize word for word. It does demonstrate the importance of getting together with your seller, and establishing a warm relationship before you get into the tougher questions. Remember to try and stay away from questions that have an easy "yes or no" answer. You want to keep them talking for maximum success.

Also remember to be genuine and real. While all people are different, we are also alike in many ways. Even if the seller is from a totally different background from you, you are bound to have some similar interests that can create a bond and make them want to deal with you, and not your competition.

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Real Estate Investing Article Six

Tax Savvy Investing -- 1031 Tax-Deferred Exchanges: By David Whisnant Learn the basics of section 1031 exchanges that will allow you to sell rental property, reinvest in additional properties, and avoid immediate tax liability on your gain from the sale. Make your money work for you!

Note: This is a little more sophisticated technique, but one that you will love once you start to make money. I give more details in my course on using this as part of your overall strategy.

This article is meant to be an introduction on the topic of performing tax-deferred exchanges. There are a number of legal hoops that the IRS makes you jump through to complete a tax-deferred exchange, but they are actually not that complicated once you study up on them a bit.

A tax deferred exchange allows us to sell a piece of investment (i.e. rental), trade or business property, buy a new property with the gain or profit from the sale, and not owe taxes on the sale immediately. If you eventually sell the new piece of property, you would owe taxes at that time. Generally, all gains and losses on sales of real estate are taxable, but an exception lies where the property sold is traded or exchanged for "like-kind" property. The new property is seen as a continuation of the original investment, so taxes are not due at the time of the sale.

Many people view tax deferred exchanges as being for huge corporations, or only for professional investors. I believe that everyone should take advantage of these where they can. Strategy -- purchase a rental home below market value, rent it for a year, sell it, and buy two rental properties with your gain. Note that if you do this too many times, the IRS may take the view that you are not a long term investor, and disallow such exchanges. When you get ready to do a tax-deferred exchange, you will need the services of a qualified CPA or Attorney. This is a basic introduction only, and you should always get professional advice from someone who has all the details on your deal, since so much liability is at stake. In my course I list the company that I use for these real estate exchanges. They are a national company and can help you out wherever you are in the country. I have used them for several deferred exchanges, and they have been an excellent resource and extremely competent.

Let's look at how one of these deals would work. Assume that you own a rental property that has gone up in value. You'd like to sell this property and then reinvest the proceeds into some other rental real estate. You can avoid the tax bill if you can find suitable property to exchange for. The difficulty of the tax deferred exchange is that the property you are going to purchase must be identified within a certain amount of time, and it must be closed within a certain amount of time after it is identified. Unfortunately, no extensions are possible.

Identifying Property

You must identify property in a written document signed by you, and delivered to the party assisting you with the exchange (cannot be related to you!) on or before 45 days from the date you sold the original rental property. There is a growing body of support for identification of properties, and closing of new properties before the original property is sold. This is somewhat controversial and outside the scope of this discussion.

Technical Note: You can identify more than one property as the replacement property. However, the maximum number of replacement properties that you may identify without regard to fair market value is three properties. You may identify any number of properties provided that the total value of these properties is not more than 200% of the value of the original property you are selling. Note that you don't have to close on all the properties you identify. You can name several if you're not sure what will close, or not close, but you have to observe the rules in this technical note in terms of the value of properties you identify. If at the end of the identification period you have identified more properties than you are allowed, you are generally treated as if no property was identified. This means that you pay taxes!

Time Limits For Completing the Exchange

If you have correctly complied with the identification phase of the exchange, you have up to 180 days to complete an exchange, but the period may be shorter. Specifically, property will not be treated as like kind property if it is received more than 180 days after the date you transferred the property you are relinquishing, or after the due date of your return (including extensions) for the year in which you made the transfer.

For multiple property transfers, the 45 day identification period and the 180 day exchange period are determined by the earliest date a property is transferred.

Avoid Boot!

Boot is defined as any money or any type of property of unlike kind (example, a car received as part of down-payment). You will be taxed on this boot regardless of whether or not you carry out the exchange correctly. You will want your exchange company, or attorney to examine your transaction closely to make sure you don't receive anything that

could count as boot. Special rules apply for exchanging property with assumed mortgages.

Summary

The tax-deferred exchange is a great way to maximize your wealth. By keeping your investments growing without immediately paying taxes, you can do wonders for your net-worth. You will need to search out a good intermediary. I am happy to provide the name of mine for our members. This may seem like a dry subject, but it is important to understand when you begin to accumulate some rental properties.

Remember that this article is to provide basic information only. If you are planning on doing a tax deferred exchange, you really need to speak with a professional that handles these transactions on a regular basis. Information here is subject to change by IRS regulations or statute, so be sure to use current information provided by your accountant or other professional when planning a strategy involving tax deferred exchanges.

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Real Estate Investing Article Seven

Why You Should Know About FHA Lending Limits: By David Whisnant. This real estate investing article discusses FHA lending limits, and how they can help you determine which neighborhoods to invest in. Also, our experiences in selling properties to buyers who receive FHA financing.

The subject of this article is very important to the investor who wants his rehabs or flips to have the largest possible pool of potential buyers. While I do invest in houses of all price ranges, I have found it easier and faster to sell homes that fall within the FHA lending limits.

Note: When I say that I am serious about determining what neighborhood to invest in, I mean it. Tools like this are more fully developed in the course so that you can really find the IDEAL area to invest in property. I will NOT give any lukewarm statements like, "Look for a bread and butter neighborhood." I know that you need more than that when you are considering an important business undertaking. This article is one of my most requested by real estate groups and associations, and has received great praise from both active and new investors who have emailed me when it was incorporated in their local real estate group newsletters.

FHA loans are designed (and guaranteed by our government) to encourage home ownership for buyers with limited financial resources and often imperfect credit. There are several programs floating around that will actually let you get into a house with an FHA loan for nothing down. Again, I want to make the point that nothing down is easy in the present day and age, finding the deals is the hard part. Your mortgage broker

would know about these, as they are national in scope. The credit score is not nearly as important with FHA (or VA) homes as with conventional loans. In general, the underwriting requirements are easier than on a conventional conforming loan, and the closing costs are extremely low. Borrowers can qualify with minimal cash reserves.

The drawback of FHA loans is that the homes sold must meet FHA standards, which means that the appraiser does not want to see any deferred maintenance due on the property. If you are selling a beaten up house, you should be careful before accepting an offer in which the buyer plans to obtain FHA financing. You may have to make some repairs, at your cost, to get the house up to the appraiser's standards. In the next article (The Average Appraisal and the "Flip"), I discuss the requirement in most owner-occupant loans that the property be in "average" condition. The FHA requirements are generally stricter than this requirement as a rule of thumb.

"I heard that FHA loans are terrible from the Seller's Perspective . . ."

There are opinions about FHA financing that range from good to bad from the seller's perspective. Many of the bad opinions concerning FHA loans arose under the old way that these loans were set up. Under that system, there were requirements for the types of finishes that would be inside the house. You have probably heard the expression "FHA grade carpet or vinyl." FHA required that the carpet be of a certain pile if they were going to do the loan.

In lieu of hypotheticals, I can give you some real examples of deals done with FHA lending. An investor who works in some of the same neighborhoods that I do recently sold a house to a buyer who obtained an FHA loan. The FHA guidelines as quoted by the appraiser required my investor friend to erect hand rails off the back steps, put in gravel for a driveway, put screens on all the windows, and fix numerous other small items. My most recent FHA sale had no requirements (it was on a total rehab), the one prior to that required splash blocks under the gutter downspouts. Another house I sold FHA required that a screen door be fixed. Not a big deal. These are really aggravation items, but nothing that could break a deal.

Side-Note: VA Loans generally require the house to be in excellent shape. When our family business was building new homes, many of these were sold VA in some subdivisions that we developed. VA put numerous requirements on the properties before they could be conveyed, and made demands that really verged on cosmetics. Recently, my wife's family sold a home, and the seller sought financing through a VA lender. The only requirements they were given were to clean ants off the electric meter and turn up the hot water temperature. Strange, but no big deal . . .

If you are selling homes that are in generally good and clean condition, you have nothing to worry about.

How This Relates to Choosing Your Target Neighborhood

FHA loans are important to think about when you are beginning your real estate investing career. When we select a neighborhood to invest in, one thing for us to consider is whether or not we could rehab the property and sell it via an FHA loan. FHA

has a maximum amount that they will lend in each given area, or county. This amount is moved up or potentially down to reflect the actual cost in an area for acquiring a fairly nice property. Thus, in my county, which is metro-Atlanta, we have a much higher limit than in a more rural county with lower housing values.

Many people just cannot qualify to buy without FHA, and if we shut them out with a higher priced property, it may take a little longer to sell our home. If you are selling your home within the FHA limits, you also know that you are right in the thick of the market.

Thus, if you are trying to decide on two different areas to invest, and all else is equal, go with the area where you can market your properties within the FHA financing price limits. Another advantage generally on dealing with this type of buyer is that they often are younger buyers who do not intend to stay in the house forever. You can thus market smaller properties to them (though I prefer 3 bedroom homes!), and properties that are neat and clean but not trimmed out expensively inside. They are probably coming from an apartment, so the house will seem nicer than where they have been.

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Real Estate Investing Article Eight

The "Average" Appraisal and the Flip: By David Whisnant. If you are planning on flipping torn up properties, better read this first for the real world considerations that the gurus don't mention!

Note: As I said before, one of the key things that you will get from my course is "instant know how and experience." This critical information is incorporated even into this free package, because it is info that you need to avoid losing money, or having a good deal go bad. Because I want you to succeed, I condense and give you as many of my experiences and true-life examples along with step-by-step techniques in the full course.

One of the strategies that is in almost every real estate course involves finding a torn-up and ugly property at a cheap price, pay someone \$300 to clean out the personal belongings of the prior owners (if you even do that much), and then resell it to a homeowner as a "fixer-upper" with little or no work. This type of deal seems to benefit everyone. You get a nice quick profit, and your buyer gets the house for a good price.

We love flips, and we've done many. However, you should be aware of a potential hurdle that you have to get over on this type of deal. With the information in this article, you can sell your ugly properties for more money, and to the correct buyer.

If you are selling the home to a homeowner, you generally will need the appraisal by their lender to say that the house is in "average" condition. This means that the home doesn't have to be cosmetically perfect, but it also can't be a total wreck. Nor can it have

significant repairs that need to be made. Basically, it must be habitable, as a reasonable person would view habitable.

The "average appraisal" requirement almost sunk a deal for us when we decided to flip a foreclosure that we bought and sell it "as is." It needed \$25,000 in work. With that work, it could be sold for \$160,000. We paid in the 80's for the home, and priced the house for \$120,000 "as is," receiving a contract the same day. The house was not perfect by any stretch of the imagination. Problems with the house included broken windows, rotten exterior wood, no light fixtures (all removed). Some interior doors were torn off their hinges, significant holes in interior walls, and there was no carpet (only plywood floors) in the den.

We typically would market a home like this to another investor, but decided to try to retail it (selling to an owner occupant). The house was in a really sought-after neighborhood, and we knew we could get top price for the property from someone who was looking for a fixer-upper to live in.

The loan process was smooth, and the buyer qualified with no problem. The only condition left for getting the loan was a satisfactory appraisal, which meant that the house had to be in "average condition" according to the lender.

The appraiser came out to the house and almost killed the deal. The appraiser graded the property as being in "poor condition." His report stated that all broken glass had to be fixed, that the plywood floor had to be covered with vinyl or carpet, that the exterior rotten wood had to be repaired and replaced, and the holes in the wall needed to be patched and painted to match the surrounding walls. He also took issue with the dishwasher, which had been kicked in, and the central air conditioning, which did not work. His opinion, and thus that of the lender, was that all of these items had to be fixed before the loan could be made. I thought this might have been a problem with this particular lender, that their requirements were more rigorous than most. I called my personal mortgage broker and he confirmed that residential lenders required average condition as a rule regardless of whether or not the house appraised for the loan value in its current condition.

Of course, I did not want to have to make all of these repairs, and sell it for only \$120,000. If I was going to do all of that, I might as well rehab the house and get the higher money that it would bring fixed up. The buyer whined and complained, and stated that he couldn't see fixing these items at his expense prior to closing. He didn't want to invest his time and effort in case the house couldn't close for some reason, which was reasonable.

To make a long story short, I decided that the other appraiser was too picky, and persuaded the lender to call a different appraiser. Basically we reached the same result, but the a/c and dishwasher did not have to be fixed. We did have to fix the windows, cover the plywood floors, and perform some of the other repairs. I offered to fix the windows, and do half of the repairs if the buyer would install the carpet and handle some of the repairs. He agreed to do so, and we closed.

You can make these deals work out, but do whatever needs to be done to get the average appraisal before putting it on the market to flip. I know that I could have gotten more money for the property if I had done these repairs before selling. If I had known this information at the time, it would have put an extra \$10,000 in my pocket. It was a good deal for me at the price it sold for, but doing the repairs would have made the process go quicker, and probably persuaded some more timid "fixer uppers" to bite at a higher price.

Sometimes It's Better To Sell To an Investor, or Educate Your Buyer on the Right Type of Financing

When we have flip properties that really need a significant investment to get into acceptable condition for a lender's appraiser, these generally need to go to investors. If you're going to take the time to fix a long list of items, you might as well finish the job and sell it as a rehabbed property. Investor loans usually do not require the house to be in "move-in" condition. The downside of this is that most investors will not pay as much for the house as an owner-occupant might, but if you really don't want to do much work to the property, this is the way to go.

The total wreck property *can* be sold to an owner occupant "as is" if that owner occupant gets a property rehab loan. Under such a loan, the property would be appraised for the value that it would have fixed up, and the loan would be based on that value with the repair money left in an escrow account to be disbursed as the repairs are made. In real life, the example would work as follows: the buyer finds a property for \$70,000. Fixed up, it would be worth \$100,000. There are \$30,000 worth of repairs that need to be done. The loan would be made for up to 95% of the improved value, or \$95,000. The loan would thus be made to buy the property for \$70,000, with \$25,000 left in escrow to be disbursed by the lender after their appraiser verifies that work has been done on the house. As you are probably starting to guess, these loans are not obtained by many homeowners. These loans are complicated to apply for, and to underwrite. Most homeowners don't really know about them, much less how to get them. If you are trying to flip a property like this, getting some information from your mortgage broker on this type of loan to give to prospects is a must if the house is torn up.

Conclusion

The quick flip is one of the most fun transactions in real estate. You can make almost as much on some of these then if you rehabbed and resold the property. Generally, a fast nickel is better than a slow dime. If the property needs repairs, you may want to do a few of them before putting it on the market so that you can get an average appraisal. In speaking to different appraisers, these requirements are: absolutely no broken out or boarded out windows, coverings of some kind on plywood floors, and light fixtures in all rooms, or blank plates over where light fixtures are wired. Exterior rot must also be repaired if particularly bad, as on our home. If the property is totally destroyed, you might do better to sell to an investor, rehab it yourself, or educate your owner-occupant on how to get a rehab loan so that the condition of the property doesn't kill your deal.

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Real Estate Investing Article Nine

Rehab Scheduling Part I: By David Whisnant. Learn how to get your rehab scheduled to finish quickly and do more deals each year. This is part one of a two-part article.

Note: It is important to know how to run and implement a plan to fix-up the properties that you buy. You deserve a written plan, and practical advice on finding good subs, which I give you in my full course. Hiring high school kids, as a couple of gurus suggest, is good for a sub-shop, but not a real estate business. I have tried that and found that the pros are faster and often cheaper when time is factored in. In the full course, we really get into fixing up houses for flipping, the colors I use, and the actual costs that I pay for a laundry list of repairs!

One of the most common questions new investors have is -- "Once I have a property, and once you have found and identified the subs you want to use (covered in my course), how should I go about scheduling the job?" We've probably all seen rehab jobs that seem to take forever. I pride myself in getting my jobs done faster than just about any other local investor I can think of. This takes no special abilities, only some solid planning before you begin work. If you take a year to get each house done, and I've seen some take as long as a year and a half, your profit will fly out the window in the form of payments and holding costs. The purpose of this article is to give you a structure and method for organizing your rehabs. The goal here is to do these steps in a certain order so that workers will not tear up what the workers before them accomplished. Scheduling is the key to making sure that "Worker B" does not destroy what "Worker A" did.

I am assuming for this article that you are not required to permit this job. If you were required to permit, you would need a list of repairs you plan to make to the property, and the projected total cost. Take these down to your local permit office, and you will receive a permit. The price you pay for the permit is usually a flat fee plus a percentage of the value of the repairs you intend to make. If you are adding a bathroom, or addition to the house, you will need a plan. It doesn't have to be pretty, or by an architect (at least here in Georgia), but it needs to be drawn to scale.

Starting Your Rehab

To start a project, the first thing to do is get at least a 30 yard dumpster, and probably a 40 yard dumpster. Dumpster prices don't increase much to get a bigger one, and you'll be amazed by how much waste each job generates. Hire some day workers, or dependable labor to go in and get out all of the prior occupant's junk. (Many of the properties we buy have couches, clothing and general junk left by the prior owners. I like to get that out first). If anything is good, you can donate it to the Salvation Army. You get a tax write off and someone else can put it to use.

Street-Wise Tip: If you are in an area that has low-income residents (perhaps an

area that middle class residents are moving back into), do not put bags of trash by the street. The other residents will dump them out looking for items of value, and destroy all the clean up work you have done. We've learned this the hard way SEVERAL times.

Your cleanup will take a day or two at most. If any sheetrock is in terrible condition, where you cannot cover it with thin 1/4" sheetrock on the walls, or 1/2" on the ceilings, rip it out now while you have your labor. The prime example of the wall that should be torn out (gutted) is one that has suffered heavy water damage and is bowed or not solid anymore. If the kitchen is going to be replaced, rip out the cabinets as well. Tip: See how the cabinets are attached. If they are screwed into studs, provide screwdrivers or a drill with a screw bit for your laborers to use. If the cabinets are nailed in place, provide a pry-bar. Make sure to tell them to be careful with the kitchen walls. You don't want to tear up anything that you don't have to tear up.

If the yard is a wreck, have the guys spend an hour or so mowing, trimming overgrown hedges etc. The neighbors will be VERY thankful, will probably come over to thank you, and will be a good future source of referrals.

You presumably have your general plan by this point. You may be planning on adding a bathroom, or just simply repainting and putting in new trim or doors.

At the start of the job, and after the old cabinets are removed, invite your kitchen designer out to look at your kitchen. You should be down to bare walls in your kitchen at this point. I use a company to install my kitchens that does nothing but kitchens. They primarily cater to builders, and are priced 40% less than you would pay at Home Depot or another superstore for cabinets. As part of their service, they send out a designer to measure and design my kitchen. I cover the brand and style of cabinets that I use in my course. Also, make sure to find out how long it will take between when you actually order your kitchen and when they install it.

You will next want to have your electrical rough work and your plumbing rough work done. I'll give the electrician (or plumber) a seven day head start, starting the plumber (or electrician) seven days later. We are only worried about large repairs here, i.e. running new wiring, replacing a fuse box with a breaker box, replacing bad plumbing/fixing leaks, installing water lines for new bathrooms. We want to do all of the rough stuff that would tear the house and walls up if we did them at the end of the process. If there is an area where both electrician and plumber will have to work together, make the first contractor finish his job in that area as the first thing they do. That way, the second contractor will not have anyone in his way if they overlap. I am not installing new sinks in bathrooms, new outlets, or anything that could be damaged by the painters/carpenters at this stage!

Repairing rotten wood on the exterior of the house can be done either before or after the electrician. The electrician will probably need to turn off the power to the house, so carpenters should be scheduled before or after the electrician comes for the rough in work. (Carpenters need their power tools!) Place them under strict orders to not work inside where they'll get in the electrician's/plumber's way. Replace all rotten siding at this point, check for rotted fascia board, and make repairs to porches or decks.

This is also a good time to work under the house, addressing any structural repairs.

Once the plumber and electrician are gone, make sure to complete all carpentry items on the exterior of the house, structural work that involves jacking up any floors, and any new framing inside that you plan on doing. (For example, we often have bedrooms in older homes that have 2 entry doors, one to a hallway and one to the kitchen. We usually close the kitchen door off to give more usable wall space, and “sell” the room as a bedroom and not a den.)

This beyond creative real estate investing article is continued in Rehab Scheduling Part II

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Real Estate Investing Article Ten

Rehab Scheduling Part II: By David Whisnant. The second part of our how-to schedule your rehab article. Must read information for real estate investors interested in getting their rehabs done quicker than the competition, and freeing up their money to do more deals.

The next subcontractor is the sheetrock man, who will come in to skim and repair any walls that are in poor condition. I typically schedule him for one week after the electrician and plumber told me that they would be done. He may hang some new sheetrock, or skim areas that are heavily abused. Many of the houses we rehab are in bad shape, and there usually is a good deal of work to be done on the walls. Make sure that absolutely no jacking is going on underneath the house when you reach the sheetrock stage. This jacking can crack the walls and/or ceilings that the sheetrock contractor/plasterer has already fixed. If you are going to replace all the trim and moldings in the house, these will need to be removed prior to the arrival of your sheetrock person. These trim items should be removed by your laborers at the start of the job.

Remember, at this point, rough plumbing, electrical, and outside carpentry are complete. Next, focus on the inside carpentry work. This means replacing doors, putting up new moldings, etc. The goal is to get everything ready to paint. It also should be about time to order your kitchen. I usually try to get my tile work done during this period as well. This would include new tiles in any bathrooms, and tile or wood floors in your kitchen as well. I usually run new flooring wall-to-wall in kitchens, and not to the base cabinets after the new kitchen is installed.

I schedule the painter for one week after the carpenter told me he would be done. If the carpentry is lagging behind, and the painter cannot change their schedule and come back a week later, I get them to start on the outside work first. This buys 3 days for us. After the exterior is completed, the inside is painted. Note that you always want to have

in your agreement with the painter that he will come back for touch-up at the end of the job. I specify 16 hours of touchup. (2 guys, one day.) Hold back \$200-300 until this is complete. Agree to this hold-back before the painting work starts.

When the painting starts, get an estimate for the amount of time it will take to complete. Usually, accounting for weather and missed days, it takes my painters about 10 days to really complete the job, inside and out. My wood floor contractors need two weeks notice, so I usually call them when the painting starts and line them up for 2 weeks (14 days) ahead.

Wood floors are refinished after painting. This process usually takes 5 days, depending on how quickly the floors dry. Notes on selecting the appropriate stain, and sheen are detailed in my course along with the color that I use to conceal old stains. I now put wood floors in my kitchens, so these are done at this time.

My outside landscaping is being done at about this point. I never want to do it too early, because I don't want to have to water the plants for too long.

Next is the kitchen installation. Your kitchen contractor will handle his job for you. Always make sure that you don't have any outlets that will be covered by cabinets, or have a need for more outlets. Your electrician should have taken care of these needs at the start of the job. This is another good reason to meet with your kitchen designer early.

The plumber and electrician come back again at the end of the job. The plumber mounts toilets, sinks, and connects the ice-line in the kitchen, etc. The electrician hangs light fixtures, hooks up the disposal, etc. Your carpenter may also come back for minor items like door knockers, door knobs, and other final items.

Finally, the painter comes back for final touch-up. A cleaning crew comes after the painter, and the house is ready for the market.

Note that I do not list or show the house until everything is done. Buyers cannot visualize what your completed product will look like, and you are far better off to wait.

If you follow these steps, I am confident that you will cut a good deal of time off your rehab time, and do more homes each and every year. Your subs will also thank you for building a flexible schedule that allows extra time for the inevitable delays that happen.

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Real Estate Investing Article Eleven

Can I Start With No Money or Credit? Is Flipping Legal? By David Whisnant. Yes you can, and yes it is! We detail how to start with no money or credit in our Full Course. We give you real workable techniques without any pie in the sky stuff. You will feel

confident and legitimate employing the techniques that we provide for starting with nothing.

This is a critical article to read if you have a strong desire to be a real estate investor, but do not have any savings or income to operate on a conventional playing field.

Remember that to get a loan from a lender, all you need is cash OR credit. Thus, if you have some money in the bank, or a 401(k) with some money, lenders will loan you money even with poor to marginal credit. If you have excellent credit, you can get a loan with no money in the bank. Thus, you only need credit OR cash to get loans.

Remember that after your first deal, you will have filled that requirement, as you will have cash. (Don't blow that first \$30,000 in a BMW!) The hard part is learning how to do that first deal, and we teach you multiple ways to attack that problem that avoid making embarrassing or confusing offers.

If you have neither credit nor cash, and still want to operate on a conventional playing field where you get loans for properties and pay all cash with no "crazy" no money down TV seminar type offers, I have great news for you--Hard money lenders. Most hard money lenders could care less about you or your credit. They look to the property as their security. If you don't pay on the loan, they know that they can turn around and sell the property for enough to get their money out. We go into more details on this in the full course. We will give you a system to track these lenders down in your town in our Full Course, will loan based on the property. If you strike a good deal, they will loan 65% of the value of the property in renovated condition. Thus, if you find a home that is worth \$100,000 fixed up, and you can buy it for \$60,000, the lender will give you 65% of the fixed up value of the home, or \$65,000. \$60,000 of that will get you into the property for no money down, and the extra \$5,000 can be used for closing costs and/or repairs. You can then flip this property to another investor for cash, or rehab it yourself for maximum profits. The great thing about these loans is that you can typically close within 7 days. The only drawback is higher fees, but let's face it, a few extra points on the loan to close is still cheaper than having a partner.

We detail still other techniques in the full course that will allow you to purchase any type of property and flip it to another investor purchaser or conventional buyer. A new technique that you will learn revolves around an innovative option strategy that creates a total "win-win" for the seller. We call it our **"Win-Win" Program**. Signing up deals with this technique is a piece of cake. Furthermore, if you have any interest in becoming a property wholesaler, this technique will be the primary tool that you use to control properties that you flip to your wholesale list.

I started with nothing and leveraged credit cards to get into my first house, so starting with nothing is something that I know about personally and can teach within the framework of the present economic realities.

We do not teach the tired 70's stuff like discounted mortgages, taking people's cars to make up the down payment, or any other nice sounding but unworkable theories. We

will teach you how to run a huge business without lenders at all, but I believe that eventually you should use lenders as another tool.

A point on flipping: We have received questions from students as to whether or not flipping is illegal. It is not. What IS illegal is taking a property, getting false appraisals through corrupt appraisers, and over-financing the property with corrupt lenders. Once the property has had tons of cash pulled out, the corrupt group would then walk away and pocket the money. The lender would be left holding the bag.

That is not what we are about. Owning a property for a short amount of time and reselling is completely legal, and the basis on which this economy is built. There is nothing wrong with owning something for a brief period, using your skills to find a buyer, and reselling that property. People do this every day in the stock market. Car dealers do it every day with cars that they buy and immediately wholesale. The word flipping has attached to the illegal activities that you have probably read about in your local papers, but owning for a short time, is not and never has been illegal.

The only problem that you will have is convincing the appraiser that the property you bought last week for \$100,000 is now worth \$130,000. We have a DETAILED section in the full course on how to make sure that the appraiser finds the correct value. In a worst case scenario, your buyer's lender may require several appraisals to verify the increased value.

FHA and The Flip...

Many students have written to us with concerns over a recent Department of Housing and Urban Development ruling that flipping properties is illegal. They are referring to fraudulent flipping, and not flipping in the way that most investors use the word. Dhud states, "Property flipping is a practice whereby a recently acquired property is resold for a considerable profit with an artificially inflated value, often abetted by a lender's collusion with the appraiser." The key here is how they define flipping, which does involve illegal activities in their definition of the term. The type of flipping that they have a problem with is a big deal, and it is costly to the industry and our tax dollars as fraud is involved. Perhaps a better way to state this is that fraudulent flipping is illegal.

Legal flipping involves buying and selling a property quickly, or perhaps not even taking title and selling to another buyer in a double closing. The buyer is paying what they believe to be a fair price, and an appraiser that is not crooked or working with the parties to make a profit.

Here is how a huge fraudulent flipping ring operated near Atlanta in the town of Stone Mountain. A crook and a crooked appraiser get together with a straw buyer and form a little criminal ring.

The crook buys the home for say \$100,000 on the open market. The straw buyer who is working with the crook puts a contract on the house for \$170,000 to purchase the home. The appraiser appraises the home for \$170,000 in exchange for a bribe/payoff, even though the house is probably worth only \$100,000. The property closes, and the criminal ring is holding \$70,000. The appraiser is paid off, and the straw buyer is as well. The

crook makes the payments on the house with the money left over while he goes out and does this illegal transaction many many many more times. Pocketing \$50,000 or so per deal, after 20 deals the crook just walks away from the mortgages with close to a million in cash. The properties are foreclosed, and found to be worth far less than the loan balances.

This is the type of activity that DHUD is referring to.

How does this affect us?

FHA loans cannot be obtained on properties that have been owned for a limited period of less than 90 days. Thus, if you are going to flip a property (the legal way!) you cannot sell to an FHA buyer.

This is not really a big deal in my book, since most buyers have many other options than FHA for getting loans if they have bad credit or few assets. 10 years ago, this would have been a disaster, but not now. There are so many excellent programs out there, and we detail many types of these in the full course, that you will be able to find the money for your buyer to close. The only thing you WILL need to do is make your realtor aware that you are not interested in accepting any offers with FHA financing as part of the deal, since you will have owned the property for less than 90 days in most cases.

Real Estate Investing Article Twelve

Hidden Profits In Resort/Lake Real Estate. Learn how to exploit this suddenly hot real estate investment market the same way that we are! By David Whisnant

As many of you that keep up with my real estate investing site know, we were fortunate enough to buy a property at Jackson Lake near our home in Atlanta for a second home. What I did not realize before I started toying with the idea of looking at this type of real estate was the immense profit potential that resort or vacation properties hold. This point was further driven home to me by a student who is starting to successfully work the condo market in a resort area on the east coast. He and his wife have bought and sold several of these properties in a very short time frame, and the profits are over \$40,000 per deal with little if any renovation/rehab! Sounds like a nice way to buy real estate!

Resort/Vacation real estate can make some great profits for several reasons:

- 1) This type of real estate is generally by people who live some distance away from the property.
- 2) There is a high likelihood that this real estate is not used much anymore because the owners do live so far away, and is thus an unwanted expense in both time and maintenance for the owner.
- 3) The owner is not able to necessarily fully keep track of the rate of appreciation on his or her real estate. Furthermore, with the decline in the stock market of the last year or two, many more dollars have been flowing into these types of properties making them rise greatly in price. Even if the owner knew the market value two

years ago, that may be very low in today's market. This type of real estate is more liquid than in the past because of the demand for them by owners.

- 4) The properties are vacant, and not full of people's best furniture, so the owners are more likely to be willing to allow you to option the property or lease/purchase it with the right to access it so that you can show it to prospective buyers.
- 5) Your buyers will not be as picky on cosmetics or other common owner occupant issues because it will not be their primary home.

To give you an illustration of how you can literally buy real estate like this, even at full retail, and create immediate substantial profits, I will walk you through my personal deal on our lake house.

We purchased our property at a discount from the appraised value. The property was priced in-line with other one-bedroom properties on the lake. I know what you are thinking -- who would want a one-bedroom property?!? Not me! Not with two kids, two dogs, a wife, in-laws and friends. A little too many people in one room for me.

What is unique about this property, and several others that I have seen since I have been following this market, is that this one bedroom house was actually very large, approximately 1300 square feet. What I saw was that it could easily be cut into a three-bedroom house for a thousand dollars or so, which would raise the price some \$50,000 at a minimum. Thus, some of these properties can literally be turned from one bedroom to three or four with some new walls and doors. Walls and doors are cheap.

We had pondered selling the house after cutting up the rooms, but have decided to keep it and make it a base of operations to find other similar properties that we could work with. We are implementing the following system to make money while we are riding around on the boat and enjoying the water:

- 1) Get a recent list of comps from a local realtor for recent sales at the lake. Drive around and look at these to learn what areas of the lake sell for more etc. A market like this can be learned in a day.
- 2) Write down the address of each property that we see that looks neglected, overgrown, or in need of repair. (The address must be posted on the docks by law on our lake).
- 3) Write the handwritten letter in our course to each of those owners.
- 4) Call to follow up with those owners. If they do not respond to my letter.
- 5) Ask if they are willing to sell, and if so what their best price would be?
- 6) If too high, ask if that is the best price that they could give on this real estate.
- 7) Propose an option/lease option or a straight purchase to acquire the real estate.

- 8) Market the property through newspaper advertisements and signs on the dock facing the water.

If you have trailers on nice lots, the “break up and liquidate” strategy is also something you should consider. Speak to several used trailer companies and advise them that you are acquiring some lots at the lake with trailers on them and would be interested in selling the trailers so that you could do new construction on the lots. Ask them what they are interested in and the prices they could typically pay for single-wides, double-wides, or triple-wides. We have been given a general number of \$15,000 for a nice double wide. They will come out, take it, and cut you a check the same day. If you can find a lot with a mobile home that is priced for the land only, might it make sense to sell the home and sell the lot after the home is removed? This could be an easy \$15-20k payday even paying near to full retail.

In closing, this is a neat market that really is primed to be lucrative because of the current economic situation. People are buying this type of real estate like never before, and owners often do not know what they really have because of recent appreciation. I would urge you to consider this strategy as something to work into your real estate investing tool kit. I would urge you to especially look at one bedroom properties on the market, even listed ones, and see if you can break them up into more bedrooms which will give you a huge immediate profit with little effort or expense. This market is not small. We saw several other properties that could have been cut into more bedrooms like the property that we bought, but the water is deeper and wider where we purchased. If you are buying lake property, and cannot decide between two properties, deep-water properties always sell faster and are worth more. You can get a topographical map of any lake to see where these lots are. I hope that this new source of real estate deals will be lucrative for you!

Real Estate Investing Article Thirteen

Effectively Using Real Estate Comps

Confusion over how to use comps stops many investors. This primer will help you understand what to do with comps, and how to use them for determining purchase and sales prices. By David Whisnant

One of the keys to the real estate business is establishing market value. In informal polls that I have taken with students, the inability to feel comfortable using real estate comps is one of the things that really keeps people from taking action. “What if I offer too much, or sell it for too little?” These questions can lead to a “paralysis of analysis” that kills your chances of doing real estate deals. Remember that the name of the game is speed in real estate investing. Getting or not getting a deal often comes down to who can make the offer first. Thus, I want to walk through how to make sense of the comps and use them to determine market value.

First, for those that worry about selling for too little – I guarantee that you will do this at some point, so relax! There is always a buyer out there who will pay more for any property, but waiting weeks or months for this buyer is not worth it to us as professional

real estate investors. The name of the game is to get in and get out. Buy it and sell it quickly. Thus, every house you sell SHOULD be a good deal for your buyers. If you sell quickly, you can do more deals each year, and make-up the extra few thousand you could have made on any given deal. The key is that you made money. If you can do it once, you can do it a hundred times, so do more deals and don't worry that you absolutely maximized the profit on each real estate deal. Remember that we make our money when we buy. Buying low is our primary focus, because if you do that right, everything else will be fine.

It goes without saying that the more recent a real estate comp is, the more valuable it is to us in terms of establishing market value. It also goes without saying that a property that is listed for a certain price is not a comp. The key is what things have actually sold for, not what they are currently for sale for. After all, the sales price is just someone's best guess as to what a property will bring. A comp is an actual sale shows what a real buyer getting a real loan has paid in that neighborhood.

There are areas where you will have plentiful comps, and neighborhoods where there simply are not many comps to choose from.

Where you have a good supply of comps, your job on establishing market value is much easier. First of all, the more recent a comp is, the more use it is to us. You will want to get your comps from Realtors. Realtors are a key part of this business, and you need to go out and establish a relationship with a Realtor to help you get the best information you can. I know that there are sites on the internet that claim to be able to give you comps, but without exception I have found their information to be dated or incomplete compared to what I can get from my Realtor. We want the best information that we can get, so use your Realtors! Remember that after you do your first deal with one, they will be eager to help you in any way they can. (They will help you before that too, but once you get the first one done, you are really in business).

Basically, in using the comps, you will be acting like an appraiser. You will be doing what is known as a comparative market analysis. This is just comparing other properties with recent sales to the property that you are considering purchasing, or getting ready for sale. Adjustments are made by the appraiser for condition of the property, square footage and features etc.

You will have a stack of recent sales in front of you. The original listing information will be included with each of these. You will thus know the square footage, number of bedrooms and baths, any renovation clues from the Realtor's notes on the listing sheet ("New kitchen! New tile or carpet throughout!") You will also have the days on the market and the original asking price and sales price. Listing sheets can also tell you if the property is in rough shape. Details like "New Carpet Allowance, or Fixer Upper" let you know that the property is probably in rough shape. If you are looking at a house that is in rough shape, information on what other similar homes sold for is invaluable.

What I like to do is first group these by their proximity to the real estate that I am interested in. If I am learning an entire neighborhood, I typically will group them by street. Assuming that I am pricing a particular property that a seller has contacted me

about, or who I am meeting later, I would stack up the comps that are right around that house from top to bottom by how clearly they mirror the house that I am looking at. The closer to the house a comp is, the more weight it has assuming that it is a good match for the property we are looking at. I would know the preliminary details in terms of bedrooms and baths from the seller in our initial conversation. Or, I could simply pull this information from the tax assessor's office online. Remember that the tax assessor's office is not always perfectly correct. By looking at these, I would begin to get a picture of what a house is worth in that area.

If some of the comps for a 3 bedroom 1 bath are at \$120,000, and some are at \$90,000, and we don't have much more information than that, we can assume that the ones that sold for \$120,000 were in good shape. They might even be updated and mildly renovated. Again, the original listing sheet can give us that information, as can a "drive by." If the paint is new, with a gleaming kick plate on the door and fancy hardware, you can assume that this property was fixed up "first class" to get that particular sales price.

Appraisers will deduct for square footage if the particular property is smaller than a comp that is used. They may add to their appraisal if the property they are appraising is larger than the other comps. We have found that the percentage of difference in size does NOT relate to a direct percentage in value. In other words, a thousand square foot home is not worth 50% less than a home that is 50% larger (1,500 square feet) on the same street. We have found that the best indicator of value is the number of bedrooms and baths. If we can add a bath to a house, and are willing to do so, we know that we can get a price for the home in line with other 2 bath homes. A one bath home will generally be worth 20% less than a two bath home in my markets. Thus you can see how it pays to add them where you can. We compare apples to apples where we can. Thus, trust comps that have the same number of bedrooms and baths in your area. If your home is larger (say 4 bedrooms in an area of 2 and 3 bedroom homes), I generally use the comps on the three bedroom properties if three bedrooms is the typical number of bedrooms for homes that have sold. I know that the 4th bedroom will help the home sell faster, but I don't want to pay for that homeowner's overbuilding of his or her home.

Always be careful on comps that you are comparing the same architectural styles. We have found that ranch houses sell at a significant discount to craftsmen style bungalows, even though they may be very close to each other on a street or in a neighborhood. Thus, make it a point to actually look at the comps and always knock off some money if the architectural style is not as desired if the area has different architectural styles. I usually figure about 15-20% for this deduction if I can't get good comp for what a ranch house (less desirable) sells for in my area vs. a craftsman style home (more desirable). This is also a good rule of thumb to follow if you have an area with one architectural style, and you are looking at buying the "lone ranger" home that is different from the rest. Note that learning if any style is more preferred than another is part of your market research. Typically, ranch style homes are the least desired, with older stately architectural styles bringing top dollar.

When selling, we generally try to push the market where we can. Remember that we counted on getting what the other "average" homes sold for when we figured out what to pay for the property in the first place. We would make a profit on our pretty house even

if we sold it for what the others sold for, but we generally have repainted and cleaned up, so we should do somewhat better. If most of the houses sold were sold in kind of average owner occupant shape, and we really went for it and made it very pretty, we SHOULD get more for the house than the other houses sold for. That is only logical, and the appraiser should see that. We have literally pushed entire neighborhood prices up with some of the comps we have sold, and get calls from Realtors who need to have a good comp to justify an appraisal in areas that we are known to invest in. If we go in and do a quick clean up, we should sell for what other homes have sold for.

Be conscious of square footage as well and the number of rooms. If you have 5 comps and each of them has a square footage that is 20% or greater than your square footage, even with the same number of bedrooms and baths, be careful. You probably are going to need to discount your offer somewhat to account for the lesser size. We generally will deduct 10% or so for up to 20% in lesser size assuming that we have the same rooms (bedrooms and baths) that they have.

Generally the larger a home is, and the more baths and bedrooms, the more quickly it will sell. Thus if you are going to buy any small homes (900 square feet or less) with two bedrooms, be prepared for a longer holding period. It can take up to double the time to sell a smaller property than its larger neighbors. Thus, if the average home sells in 30 days, you should count on 60 days+. Figure those into your holding costs.

The biggest problem that people have is determining market value where they do not have many comps. If you have a lot of comps, it is pretty easy to find some homes that are very similar to the home you are trying to reach a value for. We recently had some experience with the type of neighborhood that had just a few comps, and I will give you our plan for dealing with this type of situation.

Tucked between a strong boundary (a major road), and a higher priced neighborhood, a neighborhood of 400+/- houses sat. No one had really rehabbed properties in the area, which had 1950's brick ranch boxes in mostly decent shape. They were owner occupied by blue-collar owners. The streets had a nice feel overall, and it really seemed like a good place to try and buy some properties. The problem was that not many homes had sold within the last year. Thus, looking at this as investors, there was less available proof as to what properties would sell for. I looked at the comps that existed and saw that they were definitely not rehabbed properties. They looked more like relatively decently maintained properties that were sold more or less "as-is" to other owner occupants.

The zip code that these properties were in had been appreciating at a rate of around 20% a year, so it looked solid as a prospective neighborhood to work. What we did was assumed that the comps that we had were accurate for the market value of the homes in the neighborhood generally. All the homes were typical 3 bedroom 1 bath or 2 bath homes, so it was really an apple to apple comparison. We took the recent comps (only two or three) and gave those equal weight with the six or so comps over the last couple of years. I knew that the area should have appreciated somewhat since those homes sold, but I treated them as if they were recent comps to be conservative so that even if the area had not appreciated much, I would still be covered. Furthermore, we assumed that the properties that sold were in clean shape comparable to the condition of a clean rental.

That meant new interior paint, clean kitchen with decent countertops, nice bathroom sink and cabinet, and decent looking toilet. I knew that all of the comps had central heat and air from the information on the comp sheet, so I knew that any property that did not have central heat and air would be worth \$3,000 or so less to me (cost to install central heat and air) since I would have to install a system for that amount of money.

Thus to generate a value for a particular property, I simply had to take the average sales price for similar homes within the last couple of years (which I had to go back that far because we had so few sales in that area), and adjust for the cost of painting and minor fluff up. Subtract out my minimum profit of \$20,000 and I had a top price that I could afford to pay. Ordinarily, I would not care about any comp older than 6 months if the market is appreciating. However, I had to consider older comps here as these are all that were available.

Note that on the selling end with a property like this, you would not use the comps to set your sales price. Because of the higher priced properties nearby, and the general huge appreciation in the general area, these houses would be priced significantly higher than the comps and inline with what you could get in a comparable neighborhood with comparable houses in architectural style and feel etc.

Do you want to go into areas like this where there is not much clear market value on comps? If you have not done your first deal, probably not. You should let someone else take the first shot in the area. Let someone else buy and rehab and establish what the new market price is. Then you can dive in and buy everything that you can get your hands on. If you were a beginning investor, you could wait and watch an area like this. Once you have more experience, working in an area like this will be a “no-brainer” as you will really start to understand your market and what the average homebuyer would think of this area and react to different pricing levels.

Finally, there are areas where there are only a few comps or even a larger number of comps, but the properties are all VERY different. Some have acreage, some do not. Some homes in the neighborhood are contemporary, some traditional, some ranch style, some may be just a plain mishmash of styles. In these circumstances, establishing value is very difficult. We do not like to work in areas like this if at all possible. In the rare occasion that we would, the price on the house has to be very low so that there is a great margin for error. We always want to stick to areas that have a common style and where properties can be compared relatively easily. As we have discussed, not having many comps will not stop us from establishing market value where the houses are of a common style. If the properties are all wildly different, having few comps is a recipe for disaster.

Remember that you never have to estimate the value of a property perfectly. If you build in at least \$20,000-\$25,000 profit (A MINIMUM!), a little wiggle either way will not be fatal. With even a small number of comps, you should be able to get close to a value that someone will be willing to pay for a property within a reasonable amount of time.

Addition To This Article:

I recently corresponded with a student who had a lead on a home in an area that was rapidly improving in the center of a northeastern city. His high comps were all from the west of his property. His property was on the fringe of the improving area. I explained that in these situations, you should consider the worst case scenario, which are the comps to the east (in this case), or away from the higher values. That way, you can sell for the lower price and make money if you need to, but hopefully the tide of higher prices will make your price rise when you are ready to sell. Buyers may feel that his property is more similar to the higher priced properties, but he won't assume that they make that connection. Thus, do not assume the best case scenario, but the worst, and your investing career will be longer and more stable.

Real Estate Investing Article Fourteen

Never Reduce Your Sales Price! Increase Your Content.

If your real estate will not sell quickly, NEVER reduce your sales price. Learn how we actually raise our price and sell the house more quickly! By David Whisnant

We RARELY reduce our sales price, and often raise them on slow moving properties. That makes no sense does it? Actually it does!

We had a letter from a student recently who was having trouble selling a property. He had the property listed with a Realtor, who was now insisting that the price should be reduced \$10,000. The student said that he would still make money at the lower price, but that it would mean the difference in trading his old car for a brand new sparkly one, or a slightly less ugly used car. The student asked what I thought, and I responded as follows:

People typically shop for houses by the monthly payment they can afford. In other words, if they are comfortable making a \$1,200 per month payment for their home, the mortgage broker or Realtor tells them what they can afford in terms of price at prevailing interest rates.

People thus want to get the most they can for their \$1,200 or whatever their magic payment number happens to be. Reducing the price by \$10,000 is going to be less than \$100 per month in terms of payment. No Buyer is going to say, "Well, I wouldn't pay \$1,200 per month for that house, but sign me up NOW for \$1,160!!!" You are not likely to move into a whole new group of buyers by reducing your price that much. You may catch one or two potential folks who can afford \$1,160 on their top end, but you are not going to open the floodgates by any stretch of the imagination. If you cut the price \$60,000, you would get more buyers in who could not afford the higher price, but such a cut is not likely if you want to avoid losing money on this deal.

Thus cutting price is not an effective solution, as you are really not going to be able to cut the price ENOUGH to get a great deal of additional buyers in to look at the house

and get a sale. The realtor is grasping for straws, and cutting price is the only way that they can think of to sell homes for the most part.

What I do, and we do cover this in the course, is boost content. I want to give them more with the house than I gave originally. I can spend a few extra thousand and greatly increase the wow factor of the house, and get people excited. People buy houses on emotion, and then seek to rationalize their decision with logic, payment tables, and statements on how great of an “investment” the home will make.

The most common thing that we have done is add a deck onto the back of the house. This ALWAYS has worked for us when we could not get a house to sell. Typically we will get an offer within 2 weeks when we have added the deck. I have even increased the cost to cover the cost of the deck. Even if I don't raise the price, do you see how spending \$2,500 on a deck and keeping the same asking price (which effectively is equal to a \$2,500 price cut) is superior to a \$10,000 price cut, or even a \$15,000 price cut? A big new deck will excite people much more than a \$60 monthly savings any day. People think that decks are much more valuable than they are in terms of our costs to build them. We received a quote recently of \$1,200 plus materials for a deck on a house.

Other ideas are picket fences for homes with small front yards, landscaping and/or sod, security system and appliances, add crown molding or wainscoting to key rooms such as the living and dining room. You can also include a home warranty with the home if the systems or plumbing are old (get the Realtor to agree to pay half). Accessorize the bathrooms with guest towels, pretty soaps, and candles (not lit) to create more mood. Add new carpet if the old carpet is looking ugly, or paint if you were trying to sell the house without repainting. Refinishing hardwood floors also can help.

We have been caught in the partial mini-rehab spiral a couple of times. Sometimes we like to get in and do minor work to clean it up and sell without much of a fix-up. This is a great strategy that I still endorse. We get more than we would by wholesaling to another investor, and can often sell directly to a homeowner/owner-occupant. We get in and out quickly. However, sometimes we don't do enough, or a house just can't sell unless it looks really pretty. We have pulled such properties from the market, done some more fix up (especially with paint and whatever we can do for the least cost), and put it back on the market. This typically is enough to get them to sell. A minimal investment of a few more thousand trumps a radical price cut.

Thus in short, do not cut price if you have done your market research and feel that the price you are asking is really fair. Spend a little more and glitz up what you already have. Decks are the best return on the dollar in my market. We generally go for 14x16 if there is space. Realtors love to cut prices out of panic. As investors, we have to keep a level head and go in and figure out what has to be done to add some “sizzle to the steak.”

Real Estate Investment Article Fifteen

Real Estate Owned (REO) Foreclosures and VA/HUD Properties.

Get the real nitty-gritty on these well known real estate sources, not the pie in the sky treatment seen in most courses! By David Whisnant

REO Properties, as I am sure you know, are properties that are owned by banks. The primary reason that they are owned by a lender is that they were foreclosed on and there were no bidders at the foreclosure sale, thus the lender took them back. VA/HUD Auction Properties are properties that had loans backed with VA or a HUD guarantee. Those loans were foreclosed on, with no successful bidder at foreclosure, and the property thus reverted back to the VA or to HUD.

Generally, the easier it is to find a deal, the higher the price you will pay. The great bulk of investors do not know how to find deals in the way that I do with the techniques that I teach in my course. They thus go after the properties that they can find—listed properties, REO properties (which are typically listed), and the VA/HUD Properties. Because so many people with limited experience and larger checkbooks can find these properties, the prices paid are too high to make any real money.

On REO properties, remember that the lender will typically bid at the sale for the amount they are owed plus interest, penalties, and legal fees. If there is equity in the property beyond this point, other bidders will bid above the lender's opening bid until the bidding stops with a successful bid. REO properties are by their very definition lacking in equity. Otherwise, they would have been sold at the auction. The sole exception to this might be if no one showed up at the auction, but in my market, as in most, there are plenty of people bidding at the sales. Most do not really understand what they are doing. They buy one property for too much money and are never heard from again. The next month, someone else steps into their shoes. This makes it tough to make a living at a foreclosure auction for real investors. We like the pre-foreclosures before the sale. Fewer people are willing to work on those even though there is much more profit in them.

Lenders now are showing an increased willingness to repair REO properties before putting them on the market. In past years, they would put a sign out in the yard after they took the property back. Typically the house needed work, scaring off owner-occupants, and leaving investors as the only buyers. It was possible to get a decent deal on a house like that. Now, lenders have found it to be a better move to go in and fix sheetrock, paint, and generally clean up the property. They can sell directly to owner-occupants and get a much better price on the property. Thus, many REOs are too pretty and nice to get the kind of price we want to get on them.

Even lenders who don't fix are a little stubborn as well. They often get an appraisal on the property and price the property as if it were in better condition. Remember that they probably made a loan relatively recently on the property (hence there is no equity in the property), and they had an appraisal done at that time. The lender thinks that this appraisal was probably right, and will feel justified in asking for that amount or more. They will not entertain or accept any offer that is not near to their asking price. After months and months of not selling, lenders may come around and be willing to take less, but it takes time. Typically if you give a house enough time, a homeowner or the

ignorant investor will come in and spend too much on the property before enough time elapses to pay what it is really worth.

Finally, on REOs that are actually priced well, your odds of getting them are very remote. Unlike dealing with private sellers, where I can make an offer today, and no whether or not this offer was accepted within 24 hours, lenders move VERY slowly. It may take two weeks or more to hear back from them. Everything decided by committee. And during that time, guess how many other investors have seen the property and made offers? Lots. And what are the odds that your offer will be the highest of all of those, when many investors are not afraid to overpay? Not great. Thus, even on the few good deals, the knowledgeable investor has the deck stacked against him or her.

The one exception to this is if you find a REO that is SO torn up that it scares away all of the new TV seminar graduates or doctors who decide to buy a couple of homes as an investment. However, these are fewer and farther between now that lenders are fixing up these properties themselves. Also, most REOs have recent loans, so the odds of the property falling apart since the loan are remote.

REO listings are often controlled by a relatively small number of agents in a given city. Thus if you are not in the loop, it is hard to hear about the good deals before the rest of the world does. If you ARE in the loop, and can find these “pocket listings,” there may be some potential in this area. However, subscribing to a list of REOs in your area, or waiting until a deal hits the MLS system is usually not a way to proceed and make money in this area. I typically thus advise against subscribing to such services, which have dated information at best. You are better to have a relationship with a Realtor to find REOs in your area if that is what you are interested in doing.

VA/HUD Properties are not the best deal in the world for most investors for similar reasons that the REOs are not. These basically are REO's that are owned by HUD or the VA. Thus the same considerations apply, and we do not need to rehash those again.

The primary problem with these deals is that people buying these homes to personally live in them are able to bid on the property before investors are able to bid. Thus, the really good deals are picked off first at this stage. Many investors lie and say that they are going to buy for themselves, and later “change their mind.” I am not comfortable doing that, and do not believe in committing fraud to obtain houses. There are too many deals out there to move into these murky waters. If you are truly looking for a personal home, this is an area to check out, as once in a while a few homes are wildly mispriced. The scraps left to investors after the owner-occupants have had a chance to buy or pass are not worthwhile in my book.

A relative has an interesting strategy that he uses to buy these properties in Florida. He helps his kids (over 18) buy them in the town where they live and go to school. They live in the home for a year and resell. Enough is made on the homes to pay for the mortgage payments plus a little extra. On some, the properties are rehabbed after the kids move out, so more money is made. If you have college age kids, or will soon, this is an interesting strategy to think about. It is the only way that doing these types of houses makes sense to me.

I hope that this information has been helpful, and not too discouraging! I am asked my take on these subjects quite often, and I thought that every one would benefit from this info. I want to make sure that you spend your time looking for deals in the best fishing holes, and not where everyone else already has a line. I know that some people reading this will have done some good deals on REOs, and I do not doubt that there are some out there. However, my goal is for you to spend your time working only the most lucrative markets, and not to spend time looking for deals where they are harder to find, and where there is much more competition. In my career, I have encountered very few good deals, and the slow committee-like manner that the banks evaluate deals leads to many other offers competing with mine because of time delay.

Real Estate Investment Article Sixteen

Real Estate Negotiations -- When It All Falls Apart.

Sometimes, deals cannot be reached. Don't give away 30% or more of your real estate income by not taking these simple actions. By David Whisnant

One thing that is not covered in much depth by many real estate courses is what to do when you just can't reach a deal with a seller. Sometimes, you know that you will not be able to. If they have a pretty house in a nice area, and they are not in financial trouble and understand what they have, your odds of doing a deal on that property are low. This is true no matter how long you follow up with them.

The deals that really hurt are ones that get away where you know that the seller SHOULD sell that property to you or another real estate investor. The property may need work. It may be plain ugly, or not be in good enough condition to attract and land a retail owner-occupant type homebuyer. The factors for getting a good deal may be all there—equity, unhappy owner, poor condition, but you can't get it done. The owner may want \$100,000 and you know that the most you can pay is \$90,000 and neither of you will budge.

In the past, we used to walk away from these real estate deals and move on to the next deal. We were giving away probably 20-30% of our income in doing so. I would invite you to learn from my mistakes and organize your real estate business along the following lines.

- 1) At the meeting with the seller, whether that be on the phone, or in person, you will ask if that is really the best that they can do. Ask them if that is the only price they will take, and ask if there is no way for you all to do business if you cannot meet that price. This may bring them back into the fold with a lower number. This is a classic negotiation technique know as the "take-away." They do not want to see the negotiations end any more than you do. They want to sell the home. Telling them that you are a hair away from leaving will inspire them to cut their price if they can.
- 2) If that price is the only price they will accept, and we know that we just can't meet it, we now ask the seller what their plans are if they do not sell the property

to us. Will they renovate it? Will they list it? Will they make double payments if they are not living in the house, etc.? If they are going to renovate it themselves, just note that this is a lot of work and but that they should be able to raise the price with some work on the property. Generally, whatever they want to do is fine by us. If the house is in foreclosure, and they are going to declare bankruptcy, tell them that they could benefit from the fresh start, but that declaring bankruptcy will not always keep the creditors away from their home. We are not trying to scare them, or make them feel stupid for whatever course of action they are taking. Just tell them that it sounds like they have a plan, and give them a one sentence downside to this course of action, but wish them well.

- 3) Never run down the house to try and close the negotiation gap if they are aware of the condition of the property. If they have not been there in 20 years (or live 7 states away), you might want to politely fill them in on the condition of the property, but never run down anyone's home as a rule. If it is a pit, they do not think it is a castle.
- 4) After wishing them well on whatever their plan is, I promise to stay in touch with them in case they decide to change their mind, or think that I could be of assistance in the future. Tell them that this will be like having a back-up plan. You will be there to help them if they need it in the future.
- 5) Write back to them every 2 weeks or so if this is a good deal. Continue to write until they sell it or until they threaten to beat you up with a 2x4 if you send any more mail. Then, get a hard hat and keep mailing! :o)

What we found was that we were leaving a great deal of money on the table by not following up. People's needs and circumstances change. A homeowner may insist on \$100,000 now, but after seeing no more buyers for several months, he or she may decide that our \$90,000 offer was pretty good. Of course, we may be willing to pay only \$80,000 now, but who knows!?!)

You always want to take this approach with properties that are not fit to be sold to an owner occupant in their current condition (ugly dirty thirty type houses) and foreclosures. Especially foreclosures.

To walk you through one that was "saved," here are the details of an actual deal that we did:

The owner was an elderly man who had owned the property for some years. He found himself in foreclosure due to a loan he placed on the property. He still had a great deal of equity in the property, but we could not persuade him to sell. It wasn't so much of a money problem with our negotiations as his desire not to have to move from the property. Eventually, he started asking about bankruptcy. Numerous investors were trying to get his attention, and just as many bankruptcy attorneys were also soliciting him. In the end, the bankruptcy attorneys did a better sales job on him than I did, and he decided on bankruptcy.

I briefly outlined the pros and cons of bankruptcy for him, but knew that he was sold on it. Trying to convince him to not declare bankruptcy at this point would lose his trust forever. I also knew that he probably would not be able to stay in bankruptcy and make his payments under the plan, so he probably would be right where he was that day within a few months.

I simply told him that he should go for it if that is what he wanted to do. I told him that if he did not declare bankruptcy that he should do business with us, as we could close quickly, give him time to move out, and help him with the actual move. He declared bankruptcy. In follow up communications, we stressed that we were here for him if his case was dismissed from the court, and that we still wanted the house. Regular follow ups resulted in a deal when his case was dismissed because he was not making the minimum plan payments to the court every month. We bought the home before the new notices of foreclosure were even published in the paper. Our competition had gone away by this point, and we were the only game in town. We landed the deal, which was a huge money maker for us after an easy rehab.

Thus the point here is that you **MUST** develop a system to stay on top of your leads that did not work out for you on the first shot. This will greatly increase your income without spending more money on prospecting for deals. You leverage more deals from the marketing and efforts that you make. This sounds like simple advice, but hardly anyone is doing it. You just need to do a little more than your competition to be the cream that rises to the top! Happy real estate investing!

Congratulations if you have taken the time to read our entire series of real estate articles! If these have been helpful to you, I invite you to check out our 700 page course at 50% off and at no risk to you!

Advanced real estate training information at:

<http://www.reiclub.com/products/230>

Take Advantage of our 50% off Sale Today!

Dave Whismant

Free Real Estate Package Resource 3

Real Estate Questions

Take Advantage of our 50% off Sale Today!The following real estate investing questions were posed by our great students! Per suggestions from several members, we are now pleased to publish those questions that would interest our growing real estate investment community.

Advanced real estate training information at:

<http://www.reiclub.com/products/230>

I work 60 hours a week, how can I really get started as a real estate investor?

Dave Whisnant Answers:

This is a very common question. It seems that we have less time to get everything done in our lives, and the thought of adding anything else can be overwhelming. When I started as a real estate investor, I owned and ran a growing real estate law practice. My partner and I worked a minimum of 60 hours a week. We had a ton of stress, and I felt like I never had a chance to see my wife, or enjoy my life because of my work.

I decided that my options were to keep doing what I was doing, and lead this hectic lifestyle for the next 30 years, or do something about it and follow my dream to be a full-time real estate investor, which I had held for years and years.

I determined that the only time I had was about 2 hours on Saturday, and 2 hours on Sunday. I made it a point to block out this time to work on my real estate investing career. I drove neighborhoods, learned market values, and soon began to make offers, and acquire real estate.

Eventually, I was able to walk away from my law practice, and lead the life I always dreamed of. I definitely do not work 60 hours a week now EVER. If you are challenged on time, you must devote whatever time you can, on a regular basis, to get started. Even if that is only 2 hours a week, just do it. The other thing to do is examine how you spend your time currently. When I was getting started, I noticed that I was watching an hour of TV per day, or 7 hours per week. I gave up TV and found the extra time to launch my real estate investing career.

The point is that you can get started with little or no free time. Just devote a small amount of time each week. Make this time an appointment that you **MUST** keep, and you will succeed. Eventually, you can dump the job or career that is eating up your time, and have a better lifestyle if that is your goal.

For a complete discussion on starting with no money or credit, and the legality of flipping properties, please read Real Estate Article Eleven above.

I have always been nervous about having to deal face-to-face with sellers. It is keeping me from really taking action. Help!

Dave Whisnant Answers:

It is common to feel a little nervous when you are talking to sellers for the first time. This is how we grow, doing things that make us uncomfortable. Eventually, it becomes

easy. You just have to go through a few of these face-to face meetings before it becomes old hat to you. There are a few tips and tricks that can help you:

1) Don't believe for a minute that you have to cold call --

I never cold call on the telephone. I am much more a believer in marketing for real estate. I mail out my Magnetic Marketing Letters, and wait to be called by sellers. I have them leave a message, and call them back once I've had a chance to do a little homework on the property that I wrote them about.

2) If they call you, they want to talk to you --

Once they call you, they are really chasing you to do the deal. They have read your material, and feel comfortable enough with you to invite you into their homes to discuss the most valuable asset they own, their home.

3) Remember, these are people just like any others --

When you meet with sellers, remember that they are people with interests and hobbies, just like you. If you can find something that you have in common, from gardening, to living close by, to having kids, your job is easier.

4) Think of yourself as helping --

If you feel like you are going into their home to swindle steal their home from them, you will have a harder time. I think of myself as helping them. They know that I am not going to pay full price for the property, and that I am there to make a profit. In exchange, they get an easy quick closing, and the sum that they need to proceed with their future plans.

For more information, check out our free download on some real deals that we did. Also review our real estate articles for information on dealing with sellers.

When should I start to accumulate rentals? I don't have much if any extra money in the bank right now, and owning rentals makes me a little nervous.

Dave Whisnant Answers:

My advice differs from many gurus on this subject. I don't think that it is smart for people with limited financial resources to own rentals. Instead, they should focus on doing flips. Once you have money in the bank, that's the time to consider buying rentals.

A rental property is really like a new business. Each one will make money over the long haul, but they really are money losers for at least the first 24 months. The reason for this is that if you are buying a property for a cheap enough price to rent it out for a profit, the house is probably neglected. Unless you are putting a large amount down, a reasonable figure to hope for on single family homes is \$150-\$200 month positive cash flow. If you buy the property, paint it, pay 2 or 3 payments while fixing it up and renting

it, update the appliances, and replace carpet and make other repairs, your \$2,500 +/- of positive cash flow per year is really gone. If you have a serious repair, your cash flow may be eaten up for an additional 8-12 months.

There is no glory in having a huge net worth from rentals, but not having enough money to pay your light bill. In my opinion, and increasingly in the opinion of many lenders, you should have enough money in the bank to cover 6 months of expenses before you buy a rental property. That cushion will protect you from long term vacancies, an ugly eviction, or unexpected expenses.

When you do buy rentals, please take the time to consider what type of property you want to own. In other words, if you are not comfortable hanging out in economically depressed areas, you have to consider that, and look for properties in areas that you are comfortable with. You will be spending time at the properties showing them, doing minor repairs, or meeting contractors. As you slide down the economic ladder, you will have to collect more rents in person as well.

How can I really enter into this business with so much competition from other investors. What will set me apart from the pack in getting deals?

Dave Whisnant Answers:

When I am out in public, it seems that everyone is jumping into the real estate investor game. Thankfully, however, they seem to be jumping in the wrong way. 99% of the people are doing the same things, and looking for the same easy deals. It's like looking in a creek bed for a gold nugget and not turning over any rocks. You may find something on the surface, but you'll probably have to go a little deeper.

I have made it my philosophy to break out from the pack, and try to market my services as a buyer like any other professional would market his services. I believe that people want honesty, and fairness, which I deliver. There is so much real estate investing misinformation out there, with crazy no money down techniques and tactics that my approach will seem like a breath of fresh air to most sellers.

The other thing to remember is that as a real estate investor, you won't be doing 100 deals a year. You won't need to. Pick your deals so that you'll make \$40,000 on each one, do five per year, and be in the top 2% of earners. Even if every investor out there was killing themselves to find deals, once they have made their quota, they will be done for the year. I have tossed aside many great deals that I was just too busy to handle. With more advanced marketing techniques, you will not face competition that will deny you the income that you desire.

How can I motivate my friends and spouse to be supportive? I have tried various types of businesses, and I think they will scream if I announce that

I want to become a real estate investor. Any suggestions would be appreciated.

Dave Whisnant Answers:

Hopefully, your friends and spouse will be supportive of your activities, but they may not be. As for your friends, I would not tell them your plans until you have actually gone out and successfully done a property. It's unfortunate, but people get nervous when those around them begin to strive and try to achieve. Perhaps it makes them feel bad about themselves, that they haven't worked harder on their dreams. In any event, such friends may try to hold you down or discourage you with totally irrelevant stories of people they knew that failed as investors, or "tease" you about your past failures.

I believe that you should always be honest with your spouse about your plans. If this is something important to you, you should tell your spouse what you want to accomplish, and why. Communicate your desire to spend more time with the family, and have more free time in general. Explain to them that your new career will only be part-time at first, and that it will not mean that you will shirk any of your duties around the house or at work. Tell your spouse that a marriage is a team, and that if you and your spouse could work together, this would mean a great deal to you. If your spouse can take on helping you in this business, perhaps you could take on a chore that is usually done by your spouse? The trade is well worth it. Once you have done a money-making deal, your spouse will be all over this business, but until then a little bribery never hurts.

Most spouses are threatened that your new activity will somehow affect them negatively. Find out what their concerns are, and reassure your spouse that this will not cause any harm to any aspect of your life, and may in fact be the start of a great new life for your family.

More Questions:

Hi Dave. I have purchased tons of courses on real estate investing over the years. I really don't want to spend more money, but I still am just not "getting" this business the way I want to. Is your course really that different from other stuff that I have?

It absolutely is. I have bought almost every course out there (and continue to do so), so there is nothing that I have not read or been exposed to. I can thus tell you that my course is very different in process and content from what you probably have purchased in the past.

I have spent literally thousands (upon thousands!) of dollars on courses, and I do it to make sure that I am not missing anything that I can apply in buying and selling homes, and that you always have the best information possible. Education is a lifetime process, and I continue to try to gain education, both in written form and in the field to best serve my real estate business and hopefully yours!

I would also like to emphasize that I offer a full 12 month unconditional money back guarantee. If you don't like it, send it back for a refund. You risk nothing here.

Dave, I am down to my very last dime, and need to make money by next Thursday. Will this work for me?

It takes a little bit of time to get things rolling, like any business, and the amount of time it takes is totally dependent on you. We have had some testimonials from people who have bought the course and immediately gone out and done something. Some people bought the course, read it, and let it percolate for a few months before going out and having some great success.

My best and most truthful advice is that if you need money by Thursday or a week or whatever, you should find a job to supply your expenses at least in the short run while you begin to work on real estate. Work your real estate business part time. When you get that first check, you can ditch the job. Think about it—It will be very difficult to locate, buy and sell a property in the next 4-5 days. Any guru or course author that tells you differently is worried more about getting your money than your well being.

Dave, How much money do I need to start in this business?

As I have often said, money and credit make everything easier in real estate. The next level down is having money and no credit, or good credit and no money. No money and no credit is the hardest place (no surprise here) to start from.

If you have no cash, there are plenty of ways to get started in this business on a shoestring. That might mean that you substitute labor for the convenience of outsourcing your property marketing. I had a letter from a student some time back to wrote tons of handwritten letters to sellers to save money at .37 cents apiece. A person with money might hire out the printing of postcards of letters. When you have more time than money, you can use that time. The key is to use money that you can afford to invest, and do everything that you can to create a winning outcome. The other factor is that starting with no money will determine the types of properties that you invest in. For example, you are more likely to control a torn up wholesale type property than chase a million dollar mansion for your first deal.

I will tell you that this business is far cheaper to start, in my opinion than opening any other kind of business. You don't need overhead. You don't need employees or complicated SBA loans. If you are sincere about getting started, and currently have no money, all that you need is that first deal. After that you will have money, so many more opportunities will open up for you.

Dave, what is your return policy?

Return the course any time during the first year of ownership for a full refund. I am really taking all of the risk on this, and have designed my course to give you the best information possible that you can use to make money in real estate.

Dave, I can't get loans! Is this business something that I can do?

First of all, I have spoken with so many students who said this. They were subsequently amazed that they COULD get a loan, that I can't count them on all of my fingers and all of my toes! Loan programs exist for almost everyone, including recently discharged bankruptcies! Hard money loans, as we detail in the course, are always out there. Those lenders are typically not so worried about your credit or a down payment, as long as you can bring them a good property, which we teach you how to do in the course.

Even if your credit is terrible, and my over 100 pages of credit improvement information could not help you, after your first deal you should have enough money to get a loan anyway. Lenders will almost always lend if you can put enough down. You can do that first deal with wholesale techniques and other items covered in our starting with no money section of the course. After that first deal, it is all downhill!

Dave, am I going to have to do stuff that is going to make me feel stupid?

I hope not! You will probably have to do some things that you have never done before, but we are NOT going to have you doing the stuff that most of those 1970's courses advise you to do that can and will make you feel embarrassed and foolish in the field. For example, I won't tell you to ask for the seller's car so that you can resell it for the downpayment money. (I actually made that offer early in my career. The seller said, "How am I going to leave the house if you have my car!?!)" Good point...)

I am not interested in hypothetical weird stuff that you see in some courses, only teaching you what I know is effective and business like. Wherever possible, I give you scripts and detailed advice down to the last detail to give you every feeling of confidence that I can. (For example, ever heard of a real estate course detailing where to park, topics to talk about, what to wear, and whether to accept food or drink when meeting a seller? Mine does, as these details often make all the difference in landing tough deals.)

Dave, is my market saturated with your course?

Absolutely not! My course is sold in very limited quantities compared to the big boys, and even if you did have someone else in your market, they won't get every deal, and they probably won't even work your same area. I wouldn't worry about it at all. I used to not sell my course to people in my area, and I finally realized that I should practice what I preach. I've never had anyone send me one of my marketing letters for any of my rental property, and never lost any deals to students in my market. There is nothing to worry about here at all!

How do you ship the course? How long will it take to reach me?

We ship via UPS. You will receive a tracking number by email, and most packages are delivered within 3-5 working days.

Why is this course more expensive than some other courses I have seen?

On the hard cost side, we have over 700 pages with 12 CDs. We pay to ship this entire course to you as part of the purchase price as well. This is not an ebook or flimsy manual. I couldn't produce this course for what those types of products sell for.

The course at \$794 (NOTE: NOW SALE PRICED AT \$397!) really is cheaper than other courses. We do not have the obligatory lead in product that other marketers do. I think that marketing that way insults your intelligence. They sell you a cheap product for \$100 or so, then try to sell you thousands of dollars in additional products. This product is the only product and course that I offer. Unlike the cheap lead-in courses, this is a full-fledged course that gives you the actual tools that you need. Finally, having the right information is worth every penny of the cost. A year from now, you could have built your business with the right information, or stagnated with the wrong information.

Dave, I am in a very expensive market. Will this work for me?

The course works great in markets that are cheap and expensive. Working expensive markets is more fun, as you can often mark things up a little more and get away with it, as opposed to investing in cheaper properties. When I started investing in Atlanta, prices were fairly cheap. Now, prices for the ugliest houses have risen to far above what we used to sell completely renovated homes for. I now consider us to be an expensive market. Sellers are the same, and marketing works the same. Getting started in expensive markets is a little harder, but once the first deal is done you will be in perhaps a better position.

Dave, I heard that you only buy X type of property. Is that true?

Probably not. I like to buy any type of property that I can make money on! We recently purchased a lake house to rehab, enjoy for a year and resell. I have purchased pretty houses and ugly houses. You name it, I've done it. I hear all kinds of things from prospective students about what they have heard that I like only this type of property, or that type of property. The truth is that I want your business to be as multi-dimensional as possible, so you will be looking at all types of properties. Plus, in your market you will probably have a type of property or seller group that I detail in my course.

Dave, is it true that real estate investors have better golf games than other people?

No... :o)

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Welcome! The purpose of this e-report is to share with you several deals that we made over the course of the last year. These deals are representative of situations we routinely encounter. Each had its own challenges and rewards. Most real estate courses simply tell you that a seller was found, the deal was made and closed, and how much the profit was made. What most real estate courses omit is the chain of events from the time initial contact is made up until the closing.

If a friend has forwarded this report to you, we invite you to visit us at <http://www.reiclub.com/products/230>

All of these deals were found with techniques and methods that are more fully developed and explained in a step-by-step fashion in our course. I invite you to check out our web site for information on our new real estate course. We have information and techniques that are not included in the major courses that we have looked at. Our method is the first new trend in real estate investing in the last 20 years.

Deal Number One: The Ex-Husband Still On Title

The first deal we will consider is a house that we bought this year. This house is your typical 1960's brick ranch: Three bedrooms with 1 1/2 baths, in a nice solid middle-class neighborhood. We found out about this house from someone that we bought a house from approximately eight months earlier. Our present seller was in foreclosure and she needed to sell quickly. She'd been approached by over 22 investors and had received numerous visits and solicitations to sell her home.

I was on vacation in Florida at the time she called. I cut my plans short, and returned to Georgia the *next day*. When I arrived back at my office, I did some market research on the value of her home. I was not very familiar with her neighborhood. I did know that it was in a good neighborhood, but had not done any rehabs in that area. I was able to pull several comparable sales using my access to the county tax records. I drove the neighborhood, looked for active listings, and asked my real estate agent to find the prices for those homes and recent sales in the neighborhood.

I set up an appointment with the seller that evening to look at the house.

When I arrived it was already dark, about eight o'clock at night. The seller had several teenage children who lived with her. They had drawn graffiti all over the walls, and generally trashed the house. The wood floors were destroyed. The kitchen was a mess. Countertops were beaten up. It was evident that paintball had been routinely played inside the house. I walked through the home and said positive things where I could. I went outside and shined my flashlight on the roof. I looked at the condition of the paint, and peeked under the house to see if the plumbing was copper, which it was.

Big Rule: It's never a good idea to put down or insult someone's house. Remember that they live there, and they don't want to hear that they're living in a slum. If you carry a checklist around, and write down things and groan, you're likely to be tossed out of the house. That's the truth.

Finally, we sat down at the kitchen table and she asked if I would be interested in buying the house. (Of course, I would be interested in any house at the right price, but I did not tell her that). She asked me how much money I could pay. I knew that houses in the area had been selling for \$160,000-\$180,000 on average, with a few larger houses selling for as much as \$200,000. Remember that we never want to be the first one to say a price.

Note: This is a key rule of negotiation that we develop in the course. Many people ask me on a daily basis how you establish the price that you offer. I don't. I let the seller speak first, and I have some techniques that I mention in the full course to draw it out of them even if they don't want to speak first. Remember that he who speaks first loses!

I asked her what amount she was looking to get for the house. I told her that I didn't want dicker back and forth, but I just wanted to know what she would consider to be a fair price. She finally said that she wanted to sell it in the high 90's, just under a hundred thousand. I told her that this seemed fair. (I came into this deal hoping to get the house for around \$100,000, which would have guaranteed me at least a \$30,000 profit.)

She asked me to come back the next morning with a contract. I had a contract with me, but she really wanted to look at it when she was fresh in the morning, and I was not going to push her. It was night already, and I was fairly sure that no one else would come after me that night. Instead of coming in at the low end of the "high 90's," I offered her \$98,000 for her home. Remember, the idea is to lock up the deal instead of making an offer that would require her to think it over for a day or two. By trying to save a few thousand, I could negotiate myself completely out of the deal. Keep in mind that numerous other investors were after this house, so I knew that time was a real factor. We signed the agreement right there on the spot. I asked her if anyone else was on title or held an interest in the property. She mentioned that her ex-husband was still on the title to the property. They bought the property together some years earlier and had divorced. She was supposed to buy the property from him according to the divorce agreement, but never did. According to divorce agreement, she was to receive title to the property after she paid him \$5000. She'd never paid this sum to the ex-husband, nor had he never requested or demanded that this payment be made.

From a technical standpoint, the contract was not fully binding because all of the people on title had not signed it. She could only convey what she held title to. However, the ex-husband was obligated to give up his interest in the property upon the payment of the \$5000 by court order. I felt that if we offered the money to him, he was obligated to convey his interest in the property to me or his ex-wife. In any event, this contract would be sufficient to bind up her interest in the property, and keep any other investor from legally signing a contract with her.

I determined that what we would have to do to close this deal is to contact the ex-husband, pay him his money, and get a quit-claim deed from him for his interest. This would not necessarily be easy. He might not agree to honor the court's order. However I really had nothing to lose here because I did not give her any earnest money. I inserted a provision in the contract, agreed to by the wife, which gave me the right to cancel the contract if the cooperation of the ex-husband could not be secured. I obtained the telephone number for the ex-husband from the seller and left the property.

The next day I called the ex-husband's number. He did not call me back. The following day I call the ex-husband's number again. Again, he did not call me back. I then called the seller, and asked her why she thought he was not returning my phone calls. She said that she had bad news -- that she was afraid that he did not want to go through with the transaction. The ex-husband said that the house was worth approximately \$40-\$50,000 more than I was buying for. The ex-husband further stated that if she were going to sell it for \$98,000, he would buy it for himself.

This was not a great development. I felt that without the ex-husband's cooperation it would be hard work anything out on this. Certainly the option was there to sue over the property. We would offer him his money, and state that he had to relinquish the title by law. If he wouldn't do that, we could sue in court to have the court order the title transferred. I did not want to have to sue to get this property. It's not really worth your time to do so.

I decided that the best route was a direct one. I prepared a letter offering him \$5000 for his interest in the property. This offer was only good for four days, and could be revoked at any time. Before I mailed this offer, I took a trip down to the courthouse to review the final divorce decree, and verify the wife's story. It turned out that he was only entitled to an additional \$3500. \$1500 had been given to him at the courthouse when the divorce was finalized. I went back to my office and change my offer to say that I would give him the \$5000, and no more, even though he was only entitled to \$3500. To get the money, he must act within 4 days. I stated that the extra \$1,500 would compensate him for the interest he would have earned had she paid him his money on time, and also for his inconvenience in having to meet and close on such short notice.

I drove by his house and saw him standing in his front yard talking to a friend or neighbor. He was in his mid-50s, and solidly built like an ex-football player. I decided that if I were to walk up to him when he was talking to his friend, that he might try to show off and tell me that he was going to fight me and not let me "steal" his old home.

So, I went to lunch, and came back in an hour. He and his friend were gone so I dropped the letter off, with a stamp on it, in his mailbox.

That evening around 6:00 p.m. I received a phone call from him. He stated that he received my letter, and that the house was worth a lot more than I was paying for it. He said that he didn't know if he wanted to sell his share, and that he would really have to think about this.

I told him that I appreciated him calling me back. I reminded him that we were prepared to pay him the amount quoted in the letter, and that it was our best offer. The key to situations like this is to get the other party to like and trust you. Engage them in conversation about the house. I asked him about the house, and what it was like when they bought it. I said that it had some nice features like French doors and wondered if these had been there when they bought the house. This opened the floodgates. He told me all of the improvements that had been made to the house, and about his disagreements with his wife. He told me about his kids, how he couldn't see them as much as he wanted to, and about the environment that they were being raised in. He mentioned some legal

trouble that he was involved in, and I volunteered a couple of names of people who might be able to help him out on that. We probably talked for 45 minutes, and we closed with him stating that he would get back to me the next day with his decision.

The next day he called me up and told me that he would take the \$5000. I offered to close the matter out that same day, and he agreed. He mentioned that he could not drive and would have to find a neighbor to take him to the lawyer's office. This sounded like trouble, because I felt like he might have transportation problems and not make it to the closing. Today he might want to close, but tomorrow he might change his mind. I told him that I would be in the area and would be happy to pick him up.

I called the closing attorney and explained the situation. The attorney was made to understand that if he couldn't squeeze me in today to sign with the ex-husband, I might lose the deal. The closing attorney agreed to squeeze us into the schedule; I picked up the ex-husband and paid him his money.

While driving the ex-husband to the closing he confessed to me that his ex-wife had been speaking to other investors after we signed our contract. My seller was trying to get a little more for the house, and double cross me if the ex-husband could be believed. I took care of this problem by signing and filing an affidavit at the courthouse explaining that the property was under contract so that anyone who might be trying to buy it would have legal notice of my contract.

Approximately one week later, I closed with the wife, and the property was mine.

We're keeping this deal as a rental at this time. It turns out that our initial estimates of market value for the neighborhood were too conservative. (If I don't know the area really well, I always try to be conservative.) A similar house down the street recently sold for well over \$200,000. The house across the street has been appraised for over \$250,000. It would seem that we have over \$80,000 worth of equity.

While this deal had a number of steps and personalities to work with, it is the type of deal that you will be able to do with the right training and experience. The payoff was big on this deal, and we did what we needed to do to get it to close.

Deal Number 2: A Seller Who Wants An Easy Closing

The next deal will consider is a house we bought in Decatur, Georgia. We had been cultivating a list of residents in a particular neighborhood to give us referrals. This was done by mail and also personal contact. I received a call from a gentleman who told me that his neighbor was interested in selling her house. He told me that she wanted to sell quickly and that she needed to move out of the house within the next two to three weeks.

Note: When you study our full course, you will see that assembling a list of people in a given area that can give you referrals is not difficult if you have the right training and information. I developed my ability to assemble lists like this while working as a title attorney, a period that I learned how to fully use and manipulate the public records to find the deals that other investors cannot find. These techniques are yours in my course.

I called the potential seller on the phone. I told her that I would very much like to talk to her about her house. (Always make sure to tell them how you got their name. If they think you are a total stranger they will be more reluctant to talk to you.) She said that she wanted to sell the house, and mentioned that she knew several realtors who were planning to come by the next day to look at the house. I knew that if the realtors looked at the house, they would probably try to out do each other on their estimates of what the house was worth, and I would not be able to convince her to take a price that I was willing to pay. I told her that I really needed to see her that night, because my schedule was getting booked for the next day. I did have a busy schedule the next day, but I really wanted to meet with her that night to strike while the iron was hot.

She finally agreed. I assured her that it would not take much time. I was very familiar with the neighborhood, and knew that the house was probably worth around \$170,000+ fully rehabbed.

My wife and I drove down and made chitchat for a little while, then walked through the house. Again, we were complimentary about the house and the furnishings and additions they'd done to the house. The kitchen cabinets had been painted a bright red. We remarked that this was a neat color, which it really was, and asked how long they had been painted like this. We finally sat down again, and she asked what I would pay for the house. Again, I don't want to be the first to say a price. I asked her what price she needed, but she would not quote a price. Obviously if someone will not give you a price, you can't make them. To get around this, I usually will quote them a price range. I told her that I would pay between \$75,000 and \$90,000. She said that she wanted to get more, she thought, but that she might be able to do something on the upper end of that price range. As a negotiating tactic, I then said that I wanted to see the family room again. I went in and looked at it, and made some rough measurements of it, and stated that indeed I could do slightly better than my first estimate, and could do \$95,000 as my highest offer. This was accepted. I had the contracts on me, which we all signed, and the rest was history. We performed a light rehab on the property, and resold it for \$175,000.

One potential issue did creep up in this transaction. The seller did have some adult children who did not legally have to approve of the deal, but who might try to discourage their mother from selling if they wanted the property for themselves, or thought that the house might be able to bring more on the open market. I made it a point to stop by to introduce myself when the daughter was over at the house one day. She seemed comfortable with me, and no mention was made of what was really a super low price for the neighborhood. The person that gave us the tip was called the following day and immediately presented with a check for \$500. Again, note how you have to be persistent in terms of setting up the appointment as soon as possible, and always having contracts with you if the seller is ready to sign when you look at the property.

They Don't All Work Out In The End . . .

Students write to me all the time wanting to know how the deals are actually done, and I hope that this e-report helps you to discover how things really work at the kitchen table. As I am sure you realize, we don't get every deal that we go after. We have had requests for details of deals that didn't work out, as these could be instructive as well.

Note: One of the key advantages of my Advanced Course is that you don't have to make the same mistakes that I have. I actually have kept a journal over the years to record things that I did that did not work out when trying to get a deal, what I learned, and the correct steps to take in the future. I have integrated all of this experience into the full course for your benefit. You will literally have more experience after a thorough reading of the course than some investors who have been at it for years!

The Agent Sunk Me

A good example of a deal that did not work out was actually the first deal of my investing career.

At that time, I was really aching to get started in real estate investing. I had read almost every book on the subject, and seen countless seminars, all promising to hold "the answer." I found a great house to buy, a brick ranch with four bedrooms and two baths. It would make a nice rental down the road, or it could be sold for a profit. My intention at the time was to live in the house for a year or so. The owner of the house was deceased, and the kids wanted to sell the house immediately.

The condition inside was pure move-in. Fresh paint and new carpet. The price was probably too low, and the neighborhood was rapidly appreciating.

I met with the agent and we walked through. She seemed nice enough, but was a grizzled veteran, and blew me out of the proverbial water. The conversation went something like this:

"So, do you work close to here?" asked the agent.

"Yes, in Decatur. I have my own practice," I beamed proudly. I thought this would sound impressive. The spider moved in on the fly (me).

"Oh, that sounds great!" She smiled and looked at me. "How long did you say that you had been working for yourself?" She smiled again.

"For 9 months," I replied. "We're really trying to make a go of it."

"That must be tough. How much were you thinking of putting down? You must have most of your money tied up in your new practice . . . My cousin wants to go to law school. I know he'd love to talk to you about what you're doing. Anyway, what were you thinking of in terms of down payment?"

“Well,” I stammered, “I really haven’t thought about it in detail. I don’t have much extra money right now, but I could probably borrow some money from my family or sell my car if I had to.”

“Fine,” she said. “Here’s my card if you want to fax an offer...”

I was excited. I left the house and made a full asking price offer. The house was worth it, and I wanted my offer to be accepted. I faxed it off and waited. And waited.

I heard nothing, and finally called the agent.

“Hi, this is Dave Whisnant. Just wondered what the scoop was on the offer I made. Have you been in touch with the sellers?”

“Oh, hi Dave.” This time she was not so friendly. “We accepted another offer.”

I was amazed and shocked. I knew that my offer was the first one on the table and that I was the first person to get into the house. I reminded the agent of all this. Her response?

“Dave, I didn’t think you were a serious buyer. It sounded like your financial situation was iffy. You have been self-employed for less than two years, and you didn’t really seem to have down payment money. I couldn’t advise the seller to accept such an offer.”

I was angry. Really angry. But I blew it. Whenever you are talking to an agent, they are sizing you up. Always. I mean always! Project strength and the ability to carry off the deal. This is why I advise people to buy a house, live in it, and sell. Agents don’t expect you to be a pro when you’re an ordinary owner-occupant. If you announce going in that you are an investor, you really do need to look like you know what you’re doing to be credible. You don’t want to give yourself away to them and have your offer flushed down the toilet. Dress nicely. Act like you have it even if you don’t. This is a word to the wise.

Hopefully this will keep you from repeating my mistake when you are talking to agents!

Property Sold To A Friend or Business Partner of The Agent

Another example of a deal that didn’t work out happens every day in competitive markets.

Note: If you are trying to get started in this business, you need to know the types of things that really go on, and I am happy to provide this information to you. I am shocked at the lack of "real world" information that courses costing over \$1,000 have. You deserve and need to have the most information possible to really succeed in this business.

The situation is as follows:

I was working on a rehab in a hot area of town, and was driving to my job early one morning to see what work was done the day before. There was a large home around the corner from my rehab that I had tried to buy several years earlier, but the timing wasn’t

right. Today, however, an agent was putting a for sale sign in the yard. Furthermore, it was very early, so I knew I could get an offer in before anyone else saw the sign. I had rehabbed a house with the same floor plan a year before, so I knew the layout of the house. I called my agent to find out the price, knowing that fully rehabbed I could sell it for right around \$200,000.

My agent called the listing agent's office and found out that the price was only \$45,000. WOW! I knew that I could make it perfect for an additional \$50,000 in improvements, and would have a huge profit potential of around \$100,000 on that deal. I made an offer for full asking PLUS \$1,000. I figured that there might be other offers, and I wanted to be the high one. I had my agent fax it in immediately. We offered to pay all cash with a super-quick closing. We also agreed to let them have up to a month to move, but wrote on the fax cover sheet that we could give them more time if they needed it. My agent asked if I wanted to see it inside. I told her that I didn't need to see it because I had bought and rehabbed an identical house several months before. I just wanted the deal. Of course, to protect myself, I gave myself the right to reject the contract if an inspection of the property was not satisfactory to me.

The weirdness then began several hours later when my agent called to follow up with the seller's agent. The seller's agent announced that it was "sort of" under contract. We asked if it was under contract, or not, and the agent was evasive. My agent asked if another written offer had come in, and again the agent was evasive.

As you can imagine, by this point I was starting to pull out my hair. \$100,000 of profit was sitting on the table, and something fishy was going down. The agent stated that she didn't think that she could present our offer for some time, because the seller was not home. I knew, however, that this was a lie, because the tax records indicated that the owner was a woman who had owned the house for 20 years, and a middle aged woman was out in the yard raking leaves. I knew the owner was in fact at home, and I wondered why she would not be telling me the truth. An hour later, I received a call that they had decided to go with another offer. I received a fax back with the words "rejected" written on the signature lines of my contract. No signatures or initials were on the contract to indicate who wrote this.

I decided to take matters into my own hands. I don't know if this was a good idea or not, but under the circumstances, I felt that I needed to do this. For that much profit, sometimes you've got to go for the gusto. I called the seller, explained who I was, and asked if they had received my offer. They had received one offer, but not one from me. This made me wonder who had written rejected on the contract. I explained that I had made an offer for more than asking price. This got their attention. I stated that I would pay all cash, give them their money in a week, and that I could give them as long as they needed to move out. I also stated that I was buying the property "as is," so that they would not have to make any repairs. They were amazed by all of this, and told me to contact their realtor. Their realtor was trying to give me the slip, so I knew that I couldn't depend on her. The seller then mentioned that the agent was coming by that evening with a contract for them to sign. The seller did not have a fax, so this was being done the old fashioned way.

I asked the seller if she had signed any contract yet, and she said no. There was still life for me. I grabbed a copy of my contract and sped over to the seller's home, where I presented her with a copy of my contract. She said that she would look at it before she signed anything.

That evening, we were phoned by an angry seller's agent who announced that her client had signed the other contract. We were out of the loop on this one, and did not have the house or any hope of getting it. I told the agent that I would like to do a backup contract on the house. This time I was not going to play around. I made my offer for \$5,000 over asking, and submitted it. Strangely, we received this offer back rejected as well.

What happened here? We either lost out to the agent herself, or to a friend of the agent. The agent may have priced the home intentionally low, and planned on picking it up herself, or letting a favored client buy it and re-list with her after the rehab was complete. She may have wanted a family member to buy it and make some cash, who knows. My offer for \$5,000 over asking was probably never submitted. If the agent was trying to hoodwink the seller, my high offer would probably make the seller wonder if the house had been priced too low. If the buyer was the agent or a friend of the agent, the agent may have been worried that a backup contract for significantly more money than the first contract might tempt the seller to try and back out of the first contract.

Whenever a deal does not work, I always take time to look at what happened and think what I might have done differently. Steps I could have taken would have been to have at least looked at the house. While I knew that I was stealing the house at that price, a seller might think it strange for me to want to buy a house that I haven't even seen inside. Since this time, I have always looked at the house in detail before making the offer.

The other thing that might have hurt me here was going through my agents with the offer. If the listing agent sells it herself, she can pocket the full commission (less her broker's share). If my agent brings the buyer to her, she'll just get half the commission (less her broker's share). Unfortunately, it is true in this business that some unethical agents will push their sellers to accept the offer that will get them the most commission. Most agent's are ethical and submit all offers equally, but there are many that do not.

While I was furious at the time, I had to realize that I have often been on the right side of such deals. The following article appears on my site, and is reprinted here because it really is important to understand. I have inserted it in a different font if you have already read this article and want to skip forward. It tells you how to get on the right side of such deals:

Pocket Listings--Be an insider and Profit

By David Whisnant

Attorney/Real Estate Investor

One of the most frustrating things early in my real estate investing career was to see a "For Sale" sign go up on a listed piece of property, call the agent that same day, and hear that the property went under contract the day before the sign was even put out.

Furthermore, these deals were often great ones that I would have snapped up given the chance.

What is really going on here is that the agent obtains a “fixer-upper” listing. The agent then “pockets” the listing, offering it to a few insider investor clients. One of these investors sweeps it up, and the deal never hits the larger market. By the time you see the sign, it’s too late. In some areas, a surprisingly high percentage of the houses sold fall into this category, with the agent selling the property before it is even on the market. Agents love to sell a house this way because they make the whole commission (no splitting with another selling agent), and they keep their investor clients, who have listings to give them in the future, loyal to them.

This practice MAY be slightly unethical for the agent, as it is really in the client’s best interest to have the property out on the general market. For example, if the agent advertises the property on the computer MLS (Multiple Listing) system, and places a sign in the yard, numerous parties may want to make an offer, potentially bringing in a higher price. On the other hand, one might argue that the agent helps the client by getting a quick sale, and that the client doesn’t have to accept any offer that is not high enough.

As an investor, we don’t really care. We just want to be on the call-list for this type of deal. We want to wrap these deals up before anyone even knows they are out there. How do we do this? Here is our game plan.

1) Select our agent:

When you have narrowed down the area you want to invest in, and you are familiar with the market, you need to create ties to an agent. The agent that you want to select is an agent that does a lot of business in our target area. You can find this agent by simply driving the neighborhood and seeing who has the most “for sale” signs up.

2) Send a letter to that agent with the following:

a) A statement that you are interested in buying investment property in that neighborhood. You don’t mind fixer uppers, and are looking to buy, renovate, and resell properties. The agent will realize that you are going to resell, and that you probably will need to list properties in the future. This gives the agent two chances for profit: The first when you buy, the second if you list with them when it is time to resell the property.

Include a business card with this letter. Optional: attach a magnet onto the back side of the card. Magnets to stick on business cards are available at Office Depot/Staples for a reasonable cost. Your cards can contain the information on which neighborhoods you’re looking for. (Example: “Interested in buying homes in xyz neighborhood to renovate and resell.)”

b) Attach a letter from a mortgage broker showing that you are pre-qualified to buy an investment home in the approximate price range of the homes in the target area. In the alternative, get one saying that you have met with the mortgage broker, and the mortgage broker will be handling your financing needs for rental properties. Feel free to let the mortgage broker include some PR about his firm in your packet. The mortgage broker

will bend over backwards for you in the future because he will see that you are helping to build his business. This letter from the broker will make you seem like a real player, i.e. someone who can close on the deal and pay the agent. Mortgage brokers are happy to hand out letters like these to anyone with a pulse. That's a big secret that most sellers don't know, but now you do.

c) Optional, but recommended: Attach a newsletter that you come up with each and every month. In it, give information on helpful homeowner tips. You can get your raw information out of any number of books on the subject at your library local bookstore. Rewrite the content in your own words so you don't violate any copyrights. For example, you might have one on how to fix a roof leak, or how to select a contractor. The articles should be valuable to her clients. Tell her that she can copy these and distribute them to her clients. (Leave the top blank so that there is space for her to insert her name with a word processor). Get one to her each and every month. It will keep your name front and center. Topics you can use include:

How to unclog plumbing leaks without a plumber.

Replacing broken windowpanes.

How to find good sub-contractors.

How to avoid being ripped off by subcontractors.

Why you should always keep gutters clean.

How to select the right plants for your house.

How to replace a cracked tile.

How to paint a room.

Why Realtors are critical when it's time to sell your home.

New loan programs and refinancing ideas (from your trusty mortgage broker!) Basic yard maintenance.

Question and answer format is great, i.e.:

Q: "My house recently had a new roof put on. Unfortunately there are some old water stains on the ceiling left over from the old leaky days. I tried to paint over them, but they keep coming back. What would you suggest?"

A: Use a quality primer made to cover water stains, like Kilz. The oil or shellac based primer is the product that you will need to use, as opposed to a water based primer. Either of these products may be covered with oil or latex paint. (Check the packaging.) The odors on these primers are extremely strong, so be sure to open as many windows as you can and ventilate the area. You will want to make sure that any loose paint is removed before painting, and that the surface is totally dry. If the stains are especially bad, 2 coats of primer may be required.

Because it can take up to 24 hours for old water stains to bleed through the primer, it is a good idea to wait before applying your finish coat.

(There is a good magazine called Family Handyman that contains some great articles you can use for inspiration and accurate content. It should be available at larger bookstores, and is available at Home Depot. Also see This Old House Magazine).

d) If you buy or sell a property, let the agent know with a letter. Note to her that you are still very interested in finding more properties in area x. This will demonstrate that you are a serious investor, move you up in the pecking order.

e) If you list the property, and don't have a particular reason to list with another agent, list with the agent you are cultivating. This will bind you to them. I've personally listed properties with an agent to establish a relationship even when I think I could have sold the house "by owner." If that agent brings me 4 deals with \$30,000 of profit each, the extra \$7,000 I spent on a commission for one deal was well worth it!

f) If you have good subs that you really like, make a list and give it to the agent. Explain that you have used these folks in the past, and that their names might be helpful to her clients. Such lists are super-valuable to the agent because they help her to sell houses. For example, a house may be perfect for a buyer, but it needs repainting. The agent can tell the buyer that he knows a great painter who can handle the job, and potentially close the sale. This will also make your subs loyal to you. If your job or another client's job must be delayed, yours won't be if you are keeping a steady stream of referral business going to the sub. These subs will see you as so important to their business that they will also give you a great rate for your work.

I would use this technique with the top few agents in your target area. I now work with only a select handful of agents. All are totally committed to the success of my business.

End Of Article

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Listed Properties With Ethical Agents

We have picked up some great deals on properties that were listed with real estate agents. Usually listed properties are not the best deals in the world. As I stated before, the usual process that a seller goes through is to call several agents when they are considering selling. The agents come out and look at the house, and make statements to the seller as to the market price they think the property can bring. Many agents are honest, and try to give the most accurate information they can. Others try to quote a high price, and hope

that the property can bring that, or plan to get the seller to adjust the price downward if the house doesn't have much activity. Sometimes, the seller may be willing or satisfied with a lower price, but the agent fills his or her head with images of a huge price. The seller then adjusts their expectations upward, and will not presently accept an offer that they would have jumped at a week before.

Note: This is why I teach students who take my course how to actively prospect for deals instead of relying upon listed deals, or houses advertised in the paper. This is a competitive business, so why play where there are the most competitors, and the thinnest margin deals? The process is step-by-step to do this (each of these receives detailed treatment in the course so that even the newest investor can implement the ideas like a pro): target a neighborhood, learn it, target particular properties and types of owners, make contact and offers according to our plan, and lock up the deal using our proven negotiation strategies.

We were called on a deal in a neighborhood that we owned a rental property in. I was extremely familiar with the pricing in that area, and knew that the price was a total steal when I heard the details. They were asking \$77,000 for a house worth \$135-140,000. The house was potentially more valuable than that because it was a 1920's era "craftsman" style home. These sell for a premium in our market.

I went with the agent to see the house, and made an offer for \$1,000 over asking price, offering to buy the property in "as is" condition, with a quick closing. This is essentially the same offer I made on the house we lost out on with the crooked (probably) agent. There were 7 other offers that came in on the property that day. This was the first day the property was on the market. My offer won out because it was clean (no contingencies), and the price was right. We currently hold this property as a rental. We refinanced after owning it for 6 months, pulling out our original down payment, money we spent on repairs, and around \$20,000 extra. Not a bad morning's work.

Note: I'll tell you the types of agents you need to work with in my full course, and how to keep them interested in doing business with you over the long haul so that you can get your share of these deals. They aren't enough good listed deals to make a living, but there are enough to put a solid \$50,000 or more in your pocket each year. It is just one spoke of our real estate wheel.

The point here is that if you see a good deal, take it. Don't try to bargain, just lock it up and advance to go.

An Owner-Finance Deal

The final deal that I would like to detail in the buying section is a home that I purchased in a rapidly improving area of town. This home was the worst looking house on the street, with an overgrown yard, peeling paint, and dead trees in the front yard that looked like they would topple over at any minute.

A "for rent" sign went up on the house. My wife called the owner to see if he might be interested in selling. He was a landlord who lived in another city over an hour away.

The owner was at retirement age, and I think that he was growing tired of having to manage the property and maintain it. The owner told my wife that he would be interested in selling the house. I promptly called the landlord, and he asked me to take a look at the inside of the house before we talked price. The tenants were still in the house, and he said that they could let me in,

The house was terrible inside. Pet urine was all over the carpets, and it smelled so bad that it was all I could do not to hold my nose in front of the tenants. It was a real mess. This didn't bother me too much, as I knew that all of this could be straightened out.

I called the owner and told him that I would be interested in doing something on the house. We hemmed and hawed on price for a while, neither naming a figure. I told him a figure based on a formula that I teach in my course, and asked if that was the type of figure he would be comfortable with. He agreed to this, so long as I didn't ask him to make any repairs.

My problem here was that all of my money was tied up in other deals. I really didn't want to fork over the down-payment money that I would need to purchase the house. I could have gotten a hard money loan (covered in my course) on the property and flipped it, but I really wanted to buy and hold this one, because prices were going up at an incredible rate. We set up the deal as a lease/purchase. The contract forms for this began to get overwhelming, as both sides had different issues about how various items were to be handled. Finally, the seller asked me if I would just buy it outright so we didn't have to settle all of these points. I told the seller that the loan process might take some time. I told him that instead of having to pay taxes on his profit, he might do better to spread that out over time, and receive a monthly payment instead of a lump sum that he would have to invest. I suggested that he could take back a note for most of the purchase price (owner financing), and that I would pay him money each and every month. This sounded good to him. He asked about down payment money, and I told him that I could give him \$3,000 down, which I pulled off of a Visa. This seemed low to him, but I stated that the property needed repairs (which he knew), and that I would need to hold back my money for repairs and improvements. He agreed.

An interesting note on this deal was that once he agreed to sell the house and owner finance it, he did not want to sign a written contract, saying that he didn't need one - - my word and his word were good enough. I knew that this left the door open for him to sell to someone else, but decided that I couldn't stop him from doing that, so I would play it his way. An important note here is that if you are dealing with a "handshake" type of person, don't press them. I had a gut level trust with the seller that I decided to honor. He would have been insulted if I had insisted in making him sign a contract. The house closed as agreed. I rehabbed this house, rented it out for a year, and sold it for a \$40,000+ profit.

When you are dealing with sellers that have a great deal of equity, and you can't or don't want to get financing, you can try the owner finance card. Owner financing is difficult to get, but it can be done. This deal was a major boost in the early stages of my investing career.

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Bonus Free Real Estate Package Resource 5

**Carleton Sheets Reviews and General Commentary on
1970's Techniques**

Carleton Sheets Articles Index

Dear Friends,

I hope that the following articles evaluating Carleton Sheets' (sometimes incorrectly spelled as Carlton Sheet, or Carlton Sheets) real estate investing course No Down Payment are helpful to you. We have made every attempt to be fair, giving praise and criticism where warranted. These articles contain information on Carleton Sheets' course, and also some good general real estate investing information. We are not affiliated with Carleton Sheets in any way.

It is not my intention to "trash" Carleton Sheets or his course. I am giving what is my legitimate and honest opinion based on the experiences that I have had as a real estate investor in an extremely competitive market. If you have purchased his course already, it is a good place to start to get your feet wet. If you feel like you must have it, you can check on E-Bay for low cost used editions, or buy Robert Allen's book, No Money Down. Robert Allen himself says that Carleton Sheets and Dave Del Dotto copied his teachings, which I think is probably accurate.

Some, including myself, have found that the old 1970's based techniques taught in most mass marketed real estate courses do not work for them. If you are looking for new techniques that are on the cutting edge of the next "big" idea in real estate investing (marketing based deal prospecting), I would invite you to check out my full length course which I am offering for a special price in e-book form.

If these Carleton Sheets articles are helpful to you, I would be grateful and honored if you could help spread the word so that others can find the Beyond Creative Real Estate site. All comments relate to the tenth edition of Carleton's course.

Sincerely,

David Whismant

Carleton Sheets Overview

By David Whisnant

Attorney and Real Estate Investor

Carleton Sheets (sometimes misspelled as Carlton Sheet, or Carleton Sheet) is the author of the course No Money Down that has been running on late-night television for years. Carleton Sheets started his real estate investing career in 1970, at a time when freely assumable mortgages combined with higher down payment requirements by lenders gave birth to a frenzy of creative real estate practitioners. Lenders eventually got smart and closed the barn door on such freely assumable financing.

Many investors purchased Carleton Sheets' No Money Down course at the beginning of their real estate careers. Carleton Sheets' course primarily is of interest to the first-time investor, with less information that is useful to the intermediate or seasoned investor. This may have been Carleton Sheets' intention since the full title of the course is How To Buy Your *First* Home or Investment Property with No Money Down. (Emphasis added.)

I tried to evaluate Carleton Sheets' course as if I were a beginner, and found that critical information that I absolutely need and use on a daily basis to evaluate deals and profit from real estate was not included. For example, in my opinion, the cost of repairs, different types of investor financing, negotiation tactics, how to beat out other investors, and market trend analysis should be covered in more detail. More "I've been in the trenches and here's what you'll really encounter," information should have been incorporated into Carleton Sheets' course. All levels of investors would benefit from such information.

It is true that no course can give someone every bit of information that is out there. However, we all know that courses that don't explain things fully often wind up in the back of closets or on bookshelves, never to be read again.

Carleton Sheets' course has a high cost (\$179.85), and it should be a complete system for that price in my opinion. Most of the examples in the No Money Down Course appear to be hypothetical. (There is no claim that I can find that the majority of these techniques have EVER been used by Carleton Sheets personally. These techniques are presented as a laundry list of options.) Someone with Carleton Sheet's experience should be able to give some examples of real deals, and real numbers. It does affect credibility somewhat. Many of Carleton Sheets' hypothetical examples do not match up with what I have seen in my marketplace in recent years. Many of the techniques and methods, like those of fellow guru Wade Cook, appear to be based on many of the real estate investing techniques and methods that were widely used in the 1970's and early 1980's. There is thus some question as to whether these techniques have become so dated that they have outlived their usefulness. This is especially true in our present economic climate where lenders (through mortgage brokers) will lend 100% of the purchase price to people with good or even bad credit. Amazing.

That said, Carleton Sheets' No Money Down Course is a good primer for real estate investors. Nonetheless, real estate investors must consider if they are willing to pay a high price for Carleton Sheets' material that may not be current and that may gloss over some key areas that should be covered in more detail.

Carleton Sheets --

Does He Motivate You To Succeed?

By David Whisnant

Attorney and Real Estate Investor

One of the things that I commend Carleton Sheets for is including some basic goal setting material in his No Down Payment course. Goal setting is and always has been critical for success. It is amazing how few people do it, and if his course inspires someone to make goals, it would be worth its cost right there.

Carleton Sheet's motivational material is fairly basic, and if you have ever read any type of goal setting material before, you are probably familiar with the ideas of setting long term goals, short term goals, planning, and making commitments. If what you want is pure motivation, you would do better to buy Napoleon Hill's classic Think And Grow Rich, or check out Tony Robbins' books and CDs. If money is tight, I'd focus on Think and Grow Rich. Think and Grow Rich is an excellent book, and many of Robbins' ideas appear to have been borrowed from this all-time classic.

I decided after reading numerous motivational and human potential books, to create my own system. I kept what was really good in each, and developed a system that I think is particularly suited to real estate. I think that if you want to be successful, you really do need a motivational system to follow. Having such a system will insure that you take action, and accomplish all that you can. I would urge you to create a similar system for yourself, or invite you to use mine.

Carleton Sheets On Financing

By David Whisnant

Attorney/Real Estate Investor

Carleton Sheets (sometimes misspelled Carlton Sheet) does NOT draw attention to many of the incredible programs that are now offered through sub-prime real estate lenders, hard money real estate loans, and special low-documentation real estate investor programs. With the money Carleton Sheets makes from selling books, he probably has little need to access newer types of financing. I am an active investor, and understand that mastery of financing programs is a key to my continued success. There is more money out there for investors of good, bad, or no credit in the current market than you can believe. All you have to do is go out there and take it.

Carleton Sheets spends a larger amount of time on his creative real estate techniques, which to me seem unnecessarily complicated. These are presented as a string of hypothetical techniques that may or may not have ever been used. Furthermore, with all of the excellent money available for real estate investors to borrow, **SOME WITH NO MONEY DOWN**, why go through the hassle of making complicated offers that your seller will not understand? If they don't understand it, they usually won't accept it. If the seller were that bright, he wouldn't be selling under market value. That's just the truth. Keep it simple where you can.

When Carleton Sheets started in 1970, most loans required a large amount of money down. That was a problem. However, most loans were freely assumable by anyone, unlike today, and creative techniques were able to give the seller something for his equity and close the sale. Owners had a harder time selling because it was harder for people to get loans, especially when the 20% interest rates hit in the early 1980's.

Now, almost any mortgage broker worth his salt can get you in a house for no or low money down. The handyman who works on my rentals was complaining the other day about his landlord, and I suggested that he buy a house. He stated that he had no down payment. I told him to call a mortgage broker, that he didn't need a down payment. He didn't believe me, but followed through. The next time I saw him, he told me that he could get 100% FHA financing, for 7.25% interest. Your credit doesn't have to be perfect to get a loan like this, and there are programs out there for people with any credit background.

A friend of mine bought a house last month for over \$200,000. In Carleton Sheets' early years, he probably would have had to put down 20%, or \$40,000. My friend doesn't have this much money, so he might have tried some creative techniques like assuming the existing mortgage on the property, or trading equity in another property for a down-payment along with discounted notes.

Now, he simply had to fill out a loan application, and walked away with the house for less than \$2,000 out of pocket, and a decent interest rate. That's less than 1% down folks. Many of the old creative real estate techniques aren't needed anymore, and would probably have scared off the sellers and their agent.

The key to our present market is not how to finance the property. That's the easy part in the year 2007 and beyond. This is true if you have money or if you don't. Good credit or bad. The key now is finding the properties, and that's where aggressive marketing techniques are needed. These will be discussed in a later article on this site.

Carleton Sheets on Realtors

By David Whisnant

Attorney and Real Estate Investor

Carleton Sheets (sometimes misspelled Carlton Sheet) does have a brief section in his materials about dealing with real estate agents. While I personally buy more properties that aren't listed than properties that are, I understand that your relationship

with agents is critical if you want to succeed in real estate investment. If you are selling a house, they control who sees it. If you are buying a listed property, they can influence the seller to accept or not accept your offer.

Carleton Sheets correctly states that real estate brokers and agents are not well versed in creative real estate concepts. In fact, most agents are reluctant to present such an offer, even though they are under a legal obligation to do so. Carleton Sheets is correct in stating that you need to find an agent who is willing to work with investors, preferably agents who are investors themselves. (This is a mixed blessing however. Such an agent will often take the best deals for him or herself).

Carleton Sheets' solution to dealing with inflexible selling agents is to have a clause in the contract that states that you reserve the right to accompany the agent to present the offer. There are a couple of problems with this in my opinion:

First, most agents today don't physically present the offer to clients. When Carleton Sheets started in 1970 before FAX machines were commonplace, presenting offers personally was the norm, but not anymore. Today offers are usually faxed to clients. Most people either have a FAX machine or have one at work that they can use. There are exceptions, but based on my experience in buying listed properties in recent years, the agent typically uses a fax wherever possible to save time.

Second, do you really want to put yourself in a direct sales situation with the seller? Remember, you'll be judged by appearance, dress, your car, and in every other way by the seller. You may look like someone he doesn't like, or remind him of an old boss. If the seller doesn't like you for some reason, that could kill your deal.

Most people hate direct sales. When you go into a living room, that's what you're doing. I like to limit variables as much as possible. I have done my share of "belly-to-belly" house buying and negotiating, especially with foreclosures. I think that if you can avoid it, you should, unless you are totally confident in your abilities.

I use an idea similar to one used by Carleton Sheets, but it is much more suited to the way things are actually done in the year 2007. Instead of meeting with your seller, you should include a letter with your offer. This letter makes the ideal presentation that you would make if you were at the seller's house. It puts you in complete control of what is said, or not said. The letter should be referenced in the offer and attached to it.

Carleton Sheets should give a little more attention to the mechanics of dealing with agents. Seller's agents are constantly judging buyers when they meet them. You should always be aware that they are sizing you up for your ability to close the deal. My course goes into more detail on this subject, because it can make or break deals for you.

Carleton Sheets also has his own real estate forms that he uses to make offers to agents. I actually used this on several offers I made on listed properties as an experiment, and was greeted with an almost outright refusal to accept the contract on that form. The agents always wanted to rewrite the deal on the standard state realtor form. You can fight an agent on a point like this, but why? They won't like you, and they will not be enthusiastic about dealing with you. If they don't like you, and another offer appears,

guess who the agent will suggest that their seller go with? (Not you!) Again, the point here is that some ideas and propositions put forth do not seem to work in today's real estate investing world.

Carleton Sheets on Marketing

By David Whisnant

Attorney and Real Estate Investor

Marketing receives basic treatment in Carleton Sheets' course. Carleton Sheets (sometimes misspelled as Carlton Sheet) covers business cards, newspaper ads, looking at ads in the newspaper, putting out flyers etc. These are general ideas that are found in many real estate books in the bookstore. Again, all of these things are just presented, with none of them saying, "Here's the exact ad that I use today, or here's what my typical response rate is when I run this classified ad." There is little, if any, content on direct marketing, or sending out low-cost high-response letters to targeted sellers.

In my opinion, real estate marketing is the key factor that will determine your success. Knowing 89 ways to lease/option a property won't help you if you don't get a certain number of prospects in front of you. Different ideas are mentioned by Carleton Sheets, but how to specifically implement them is not really given to us.

To be successful in real estate investing, you must become a master of marketing. If you have to learn this process yourself, it can take YEARS of experimentation. Before launching any type of marketing program in real estate, I always advise people to read as many general marketing books as they can find, and use some letters, such as mine, that have generated a predictable and reliable source of prospects over time.

Hint: If you are looking for some more low-cost marketing ideas, in more detail than Carleton Sheets gives, check out [The Guerilla Marketing Handbook](#), by Jay Conrad Levinson. It is only \$16.20 at Amazon, and is a good book. While it is not specifically written towards real estate investment, many of the ideas do work in this arena. My local library has many copies of this book for free, and I'm sure yours does too. I am more of a believer in targeted marketing with human motivating language, but have incorporated some Guerilla marketing ideas into my marketing, with modification for real estate of course.

Carleton Sheets on Using The Public Records

By David Whisnant

Attorney and Real Estate Investor

Carleton Sheets (sometimes misspelled as Carlton Sheet) acknowledges that the public records area in the courthouse holds the key to making a great deal of money in real estate, and that few people know how to use them. This is totally true. Investors who can use the public records always do better than those who can't. Always. Real estate investors who can't utilize the public records can't generate their own leads, and

thus depend on Realtors, or classified ads for leads. Too slow.

Strangely, Carleton Sheets doesn't give any real specific information on how to use the public records, merely defining the primary areas of the courthouse that hold real estate records: the tax assessor's office, the recorder's office (record room), and the tax/mortgage foreclosure area. (Note in Georgia and many other states that there is not a separate area of the courthouse for real property foreclosures. This is because of a technical reason. These states are not judicial foreclosure states where filing suit to foreclose is involved.)

I have years of experience as a real estate title attorney, and have run thousands of real estate titles at the courthouse. I am probably in the top percentage of investors in terms of proficiency with public records. That is why my students always learn how to use them, and how to find owners when your competitors will be stumped. I have included an article on public records on this site for your information.

Carleton Sheets on Determining Value

By David Whisnant

Attorney and Real Estate Investor

Carleton Sheets correctly states that investors must keep their emotions in check when buying real estate. As I like to say, act like one of the old vulcans on Star Trek – show no emotion and use only logic.

Carleton Sheets (sometimes misspelled Carlton Sheet) gives a brief statement and explanation of the three "textbook" methods for market analysis for real estate -- Market Sales Analysis, Reproduction Cost Analysis, and Net Income Approach.

The Market Sales Analysis is the only one of these that you really need to know when looking at single family homes in my opinion. As such, it is worthy of more development than it receives in Carleton Sheets' course. Market Sales Analysis (in a nutshell) involves looking for similar properties located close to the property being sold that have themselves been sold recently. Appraisers either add or subtract from that value based on the features in your house. For example, if your house has a second bathroom, and the other nearby houses that sold didn't, the appraiser would add some dollars to the appraised price of your property to reflect the second bathroom.

My students are using an innovative way to not only pinpoint market value in a given neighborhood, but to also spot trends and bargain areas before the rest of your investing peers.

It would also have been helpful if Carlton Sheets had detailed the importance of dealing with appraisers when you are selling a property. This relationship is critical, as the appraiser can scuttle your deal. If you rehab properties, you will probably sell your real estate on the high end of the price spectrum for a given neighborhood. I'm

constantly breaking new ground on prices where I renovate. You have to be able to effectively deal with appraisers, and show them why the sales price is warranted. You need to be able to show them why the neighborhood's prices are increasing in general (close to stores, shopping, or a new higher priced development), and make the appraiser feel comfortable that if the property were to be foreclosed on, it really is worth what the bank is lending.

Free Real Estate Package Resource Six:

Advanced Instruction: Save 50% For A Limited Time!

Go to <http://www.reiclub.com/products/230> today!

BONUS ITEMS IN YOUR FREE PACKAGE!

Writing Offers That Will Double And Redouble Your Closing Rate With Motivated Sellers

Once you learn how to offer things other than money to your sellers, you will close more sales, earn more profit per deal, and literally become immune to the “circling sharks” (who WERE formerly known as your competition!)

I literally doubled and redoubled the number of signed contracts and closings that I did when I changed my mindset in the way that I made offers.

The Biggest Mistake That Most Investors Make

Where there are multiple offers, a homeowner will usually choose the highest offer in the absence of any reason other than money to take a lesser offer. The biggest mistake that investors make is not giving sellers something that doesn't cost them much money, but that is valuable to that seller.

Don't Compete On Price, Compete With Something Much More Powerful...

Offer Less Than Your Competition And Still Get The Deal...

I don't like to compete on price. I know that my offer must be "in the ballpark" with what the competition is offering.

But, I prefer to compete on SERVICE, CONVENIENCE, AND TOTAL ATTENTION TO THE NEEDS OF MY SELLERS vs. competing solely on price.

For every dollar of benefit increased service provides the seller, I only pay twenty cents. If my offer is close to another investor's offer, or within the ballpark of what a seller would consider, my offers WILL be accepted more often than not.

The Number One Way To Find Out What Your Seller Really Wants...

Simple – Just ask! Use the following simple script word-for-word when speaking with sellers.

Script:

"I am really here to serve you and make this the most pleasant home-selling experience possible. What is the biggest thing that you dread about selling or moving? Perhaps I could be of assistance there."

This simple script has produced the following responses, paraphrased of course, from ACTUAL real life deals – no theory here. Everything I teach is based on fact. These responses allowed me to make my offer irresistible, even though I was not always the high bidder where other investors were breathing down my neck.

Here's What The Sellers Said And What I Did...

"My husband has some car parts in the crawl space, and I am scared to go under there to get them." Result: I agreed to help remove them at my expense. Deal signed that night.

"I want to get some cash for these old junked cars, but I don't know who to call." Result: I handled that problem for the seller. Deal signed the next morning.

"I can't bear to pack my stuff." Result: I had someone come and pack the whole house for \$100. Deal signed that night.

"I need to close now to get the money to move. Plus, I want to move over a few weeks to make my life easier." Result: We closed now, held back \$1,000 to be paid at move-out, and gave her 30 days to move. Deal signed at the first meeting.

Here are 10 clauses that, if you use them, WILL allow your offers to be accepted more quickly, and for less money than your competition is prepared to pay. You'll be giving Ritz-Carleton levels of service and pampering, and doing so doesn't really cost you much extra effort or money.

After sitting down in many living rooms, you will discover that most sellers have the same problems, or requirements. They have very similar needs. That is why I typically incorporate the following clauses into my contracts to make my offer unique after determining from my conversation with them if each particular clause might appeal to them or benefit them.

Each deal does not, of course, use ALL of these clauses. You may not be able to use some of these at first if you have truly limited funds. However, this begins to move you towards thinking about what you CAN do to help. Have a truck? Offer them the right to use it. Offer to provide food for them while they are moving. Do whatever you can to make the experience trouble-free and pleasurable.

Note: I Am The Buyer On All Of These Clauses. I Cover Selling Clauses In My Full Course

Deal Closing Clause One: We Buy "As Is" Only!

"Buyer is purchasing this property "as is." Seller will not be asked to make any repairs on the property AT ALL. Buyer does reserve the right to inspect the property for 5 days after the contract is signed. If the inspection is not satisfactory to Buyer, Buyer reserves the right to cancel this contract and receive a full refund of earnest money."

Notes: Explain to seller that you know there are repairs to make and that the only thing that could cause you to be alarmed is if the house is literally about to cave in. If you are putting a small amount of earnest money down, which I suggest, you can even reword this so that they keep the earnest money if the inspection is not satisfactory. This removes all risk from the deal for them. I'll typically look in the attic and under the house on my first visit to make sure there is nothing truly terrible happening with the house.

Deal Closing Clause Two: We Handle The Termite Inspection/Fee

[Used where there is no termite bond on the property, which is typical. If there IS a bond, offer to pay the inspection fee.]

"While the contract calls for the Seller to pay for the termite letter, Buyer will pay the termite letter fee to a pest control company of Buyer's choice. If any treatment is required, Buyer will pay up to \$500 for that treatment, paid by Buyer at closing if and when this transaction closes."

Notes: People eat this one up. Most contracts require the seller to pay the termite fee of \$75 or so. Agree to pay this yourself. A cash strapped seller will REALLY appreciate this. Tell your seller that if there is not a termite bond on the property that treatment will probably be required, which it usually is, and that you will handle almost all of the cost on that. You will have inspected the property prior to the

termite inspection, so if the house is falling down with termite damage you already will have walked away under clause one above. Note that you have no obligation to pay for any spraying if the house does not close. On houses that we have bought with extensive active termites, spraying has rarely run more than \$500.

Deal Closing Clause Three: No Cleaning!

“Seller does not need to clean the home prior to closing. Buyer will handle all clean-up including bathroom, kitchen and appliances.”

Notes: This clause really amazed me when I started using it. MANY of my sellers are concerned about having to clean the house when they move. With couples, usually the wife is going to be doing more of the cleaning, so this really appeals to her. Remember, the wife usually makes the decision on selling, so we do all we can to appeal to her!

Deal Closing Clause Four: No Yard Work!

“Seller does not need to mow the grass (or take leaves if fall/winter) from the date the contract is signed through closing. Buyer will maintain the yard prior to closing.”

Notes: This is a great clause. Taking away small tasks, or things that people don't enjoy, will give them a pampered feeling that makes you seem like their solution. When people sell to investors, they want to simplify their lives. We are giving them what they want at minimal cost to us.

Deal Closing Clause Five: No Worries About Unwanted Items

“If there are any unwanted items in the home that Seller does not need, Seller does not need to move or dispose of these items prior to closing. Buyer will handle the removal and disposal of any such items after closing.”

Notes: Again, this is reinforcing in them that dealing with you will be easy. You are taking away many of the worst things about moving so that they don't add any more worries to whatever is currently on their plate.

Deal Closing Clause Six: Packing Stinks - Let Us Help You!

“Buyer will provide two helpers to pack interior items in boxes for Seller for one day.”

Notes: Call Manpower or another temporary labor company. This will run you about \$160. You'll do this packing after closing, so you'll have the deed in hand when you write that check. I have also used high school kids to help with this for half the price. The idea of packing overwhelms most sellers. We have taken that worry away. I cover clauses and tactics to make sure your sellers vacate in my course.

Deal Closing Clause Seven: We'll Keep Our Mouths Shut.

“Buyer will not disclose to ANY neighbor the price paid for this property, or any other personal information about Seller to any neighbor.”

Notes: This is a clause that never would have occurred to me. But, I have been asked so many times by motivated sellers to not tell anyone what they sold the house for, or show them around in the house after closing, that I finally picked up on this concern. This clause has made the difference in landing real live deals for me.

Deal Closing Clause Eight: We'll Pay To Move You

“Buyer will write a check to the moving company of Seller's choice at closing for up to \$1,000. Seller may keep any portion of that money not used for moving.”

Notes: Since our sellers typically move out AFTER closing, we already own the house when we have to pay this money. Moving, in talking to sellers, is something that

completely stresses them out and gives them a reason to try and stay in the house and not sell. I take that problem away.

Again, my offer reflected the expenses that I knew I would incur for benefits like this, hiring a maid to clean after move-out, or a lawn guy to mow their grass. No cash to do this? Offer to pay for a U-Haul.

Deal Closing Clause Nine: Here's Some More Money!

“Buyer knows several individuals who buy appliances. Buyer will help put seller in contact with these appliance buyers if seller wants to sell any appliances prior to closing or move-out.”

Notes: Again, the red carpet treatment. Most appliances are not worth much money, and are a nuisance for us to get rid of. If seller tells you that they don't want or need their appliances, propose this.

Why not do something that the seller will see as an additional benefit? Plus, if they have no appliances in the house they will move out faster!

Remember, all that you have to do to find out if this might be something they would like is ask them, “By the way, what do you plan to do with the appliances? Will you need them where you are moving?”

Deal Closing Clause Ten: Gives You A HUGE Foreclosure Advantage

Here is a clause that REALLY will win you some business, especially on foreclosure deals. You will need a little cash to do this, and if you don't have it now, you will have it after your first deal. Use this for deal #2 forward!

After closing, Seller may elect to move into a duplex owned by Buyer at (address). This unit has been freshly painted and carpeted. All yard work is done by Buyer on this

unit. Seller's rent will be \$1 per month for 12 months. Seller to sign a lease for those terms upon move-in.

Or, assuming that you don't have a vacant unit:

Buyer will pay up to \$700 a month to Seller for 12 months to cover the rent on Seller's new home or apartment. This will give Seller the ability to save money and pay off other debts.

As always — I am accounting for my actual cost of offering this in my price. I am paying him less than I would have on a straight sale. People REALLY like this!

Prove To Yourself That Convenience And Service Typically Beats Price

Sellers give me larger discounts because of the service that I provide. Think of trading in a used car at a dealership.

People trade in their cars knowing that the dealership will resell them for thousands more than they are getting on the trade. They know that they are leaving money on the table.

Houses are the same way. Just because the numbers are bigger does not mean that people don't bring the same considerations and behaviors into the situation.

Remember: Give your sellers what they NEED and WANT and you will ethically put yourself in a position to compete on more than price.

How To Increase The Number Of Foreclosure Deals You Land By 200% or more.

Implement This Strategy Immediately To Dramatically Increase The Quality and Quantity of Your Foreclosure Deals.

Want to double or even triple your foreclosure income this year? This technique is that powerful. It's so easily applied that you will immediately grasp why 1% of the investors typically make 99% of the profits. Success is all about having the right tools and tactics. Work smarter, not harder. Don't create another job – create a lifestyle.

I Saw At Least \$40,000 Sitting On The Table.

In looking at the foreclosure notices, I saw a real plum. It was a home in a \$200,000 neighborhood with a modest mortgage for less than half of that amount. I smelled at least a \$40,000 profit.

Before You Get A Seller To Say YES, He or She Must Say This...

I first approached the seller with the proprietary marketing techniques that I teach in my full course. The marketing materials pre-qualified him and made him want to at least have a face-to-face meeting with me. He agreed to meet, which means that he was really saying the key word of maybe. *Maybe* he would consider selling.

The seller was one of the nicest people I have ever met in this business. A retired janitor at the Centers For Disease And Control in Atlanta, he had bought the house 20 years before with his wife. She had died several years earlier. He had a son who was an executive chef, and another son who was a professional in Seattle.

After his wife died, things kind of fell apart for him financially. He got into credit card debt, and could not afford to maintain the house, which was now in pretty rough shape. His sons, while they made decent money, were not able to help him financially.

I gave him the standard step-by-step foreclosure buying script that I teach.

But...

There Was An Obstacle To Getting His Signature That Day.

He asked me this: "I got these letters from lawyers who told me that I could declare bankruptcy and stop the foreclosure. What do you think of that?"

It would have been easy to say the standard real estate stuff here like, "Bankruptcy will ruin your credit. Bankruptcy is no solution. Or, I can't wait around forever, we need to do this today."

Those statements just weren't true. His credit was already shot from the late payments on his mortgage and credit cards. Bankruptcy actually was a solution, as it would stop the foreclosure. Finally, I would be happy to wait around as long as it took to land a deal like this.

He finally said, "What would you do if you were me?"

There is no need to lie in this business to make money.

The high road has a better view and keeps your feet out of the muck.

I told him honestly that he probably should declare bankruptcy if he wanted to stay in the house. If he was tired of the maintenance and wanted to move to be closer to his kids, which he had indicated as an interest, he should go ahead and sell now.

I offered a contract to him to sign if he wanted to sell. I could get the ball rolling for him that day.

He could not make a decision, and I left empty-handed. (Yes, it does happen to me too!)

I continued to follow up with him on a daily basis via phone and mail with the marketing materials that I use and share in my full course.

Two weeks later, he told me that he would NOT be selling to me or anyone else. He had declared bankruptcy, and the foreclosure was off.

What would you do then?

Most investors would shrug their shoulders and get ready for the next month's foreclosures. These were about to be released in just a few days.

It is easy to think that you fought the good fight, it didn't work, and that's that.

What I Knew From Practicing Law Gave Me An Angle.

From practicing law, I knew that most people who declare bankruptcy do not stay in their plan until the bankruptcy is totally completed and the debts are discharged.

The court can dismiss the bankruptcy for many reasons that we don't need to get into here. Just because a person files for bankruptcy does not mean that they will necessarily remain under the protection of the bankruptcy court.

Once the bankruptcy is dismissed, the lender starts the entire foreclosure process over again from scratch. The lender has to send a series of letters to the borrower/seller before they can file public notice of the foreclosure. This means that the seller is basically in foreclosure, but no one knows about it except the lender and the borrower/seller.

There is a magic window that you and I will absolutely profit from

There is a significant period from the date the bankruptcy is dismissed by the court through the date that notice is given to the world of the foreclosure through public notice.

The lender starts the foreclosure immediately after the bankruptcy case is prematurely dismissed by the bankruptcy court. But, the lender can't make a public notice of the foreclosure until certain requirements are met by law. That takes time, and a number of required letters between the lender and the homeowner.

During this window, there are no other people trying to buy the property.

Other investors have moved on. They think that this deal should be forgotten about once bankruptcy is declared. The sharks keep swimming forward, while you and I wait and bide our time like a fisherman waiting for a big strike.

The homeowner has probably thrown out other offers from other investors prior to the bankruptcy. The other investors business cards and offers are all gone.

Except for mine (and now yours!)

Why? Because you and I are following an exact step-by-step plan to keep us front-and-center with the homeowner. If they escape from foreclosure once, the odds are that they will be back in foreclosure again within a few months.

You will literally double or triple your foreclosure business if you do this:

Simply continue marketing to any seller who either comes up with the cash to stop the foreclosure, or who declares bankruptcy. Easy enough? I'll even show you the exact mailing pieces that you'll need to send in just a couple of minutes.

How Do You Make Money With This Technique Starting NOW?

- 1) First, proceed as normal and try to land the foreclosure before the auction. My full course teaches how lenders foreclose in different jurisdictions. Not all states handle foreclosures the same way. Based on my legal training in all methods of foreclosure in law school and in my practice, I can accurately and clearly teach you how to gain advantages in ANY state over your competition.
- 2) Stay in touch with every seller that you are able to contact and talk to. If they declare bankruptcy OR find the money to stop the foreclosure, you will want to continue marketing to them over a 12 month period. I'll show you exactly what to send.

Even if they find the cash to stop the foreclosure once, they probably won't find it again. The underlying cause of their financial problems is probably still there. If they declare bankruptcy, that bankruptcy probably will be dismissed by the court prior to it being discharged or the lender will get permission from the bankruptcy court to foreclose. This means that the foreclosure is back on, but no other investors know about it YET.

How Long Will It Take Until You Are Ready For Your "Celebration Trip?"

I like to take a trip with my family when I find a great deal. I love Disney World.

My goal is to help you get to Disney, a sun-drenched island, or to whatever life affirming experience that is overwhelmingly inspiring and empowering to you and your family as quickly as possible.

Typically this strategy only takes 60-90 days from the day you implement it to when you start seeing really lucrative deals come to you. You've got to give your seller the opportunity to get into financial trouble again, or have the bankruptcy dismissed.

When you follow this strategy, you will find yourself as the only person in your market that is actively chasing the best deals. Many people feel that there is too much competition in pre-foreclosures. That is NOT true when you do it my way.

You Won't Have To Write 12 Cards To Hot Prospects. It'll Happen Much Faster.

People typically will find themselves back in the same position after a few months, so two or three contacts after they stop the foreclosure is typically all that you have to do.

I market for 12 months because the potential payoff is huge in risking a simple postage stamp each month.

I will give you an actual series of cards that you can use.

Remember, this is for people that you actually had a face-to-face meeting with, or chatted with on the phone. You heard their story, and know something about them.

Once again, you are going to mail to these people each and every month for up to a year, or until you hear that they have sold the house to someone else.

A Few Rules To Increase The Effectiveness Of This Technique By 58-120%

Step-By-Step Rule One:

Better Let Your Letters Be Delivered On These Two Days!

I like my letters to arrive on a Tuesday or Wednesday to insure that they will be read. The weekend mail gets tossed more often than not.

Step-By-Step Rule Two:

Mess Up How You Address The Envelope And Lose Over 50% Of Your Profits!

Always hand-address your letters so that the recipient will not think this is junk mail. If you cannot hand-address, make sure to not use peel and stick labels for the recipient's address. You want your mail to get opened and not thrown in the trash. Even if you have to print the *inside* of your letter at the printers or on your computer, make sure to hand address the *outside* of the envelope to make sure it is not thrown away prior to being opened.

Step-By-Step Rule Three:

Warning! Only Use This Kind Of Postage!

ALWAYS use a real “live” first class stamp so that the recipient does not think this is junk mail. No exceptions to this! No metered postage, or third-class stamps!

Step-By-Step Rule Four:

Always Send The Letter To The “Boss!”

If you are writing to a couple who is in foreclosure, I write to the female primarily. Thus, the address on the outside of the envelope would be to Cindy and Ray Jones, not Ray and Cindy Jones, or Mr. and Mrs. Ray Jones, or Mr. and Mrs. Jones. Women make the decisions typically. Don’t fight it, just understand that and work with it!

There are a few rules to months 2-12.

Step-By-Step Rule Five:

Market For 12 Months To Your Best Prospects.

For these persons, where the expected profit is \$25,000 or above, I send a Hallmark style greeting card every month for up to 12 months.

If there are holidays, pick a holiday themed card. Happy Thanksgiving, Merry Christmas, Happy St. Patrick’s Day, Happy Valentines Day etc. Otherwise, just pick a card that will not offend but that is light-hearted. There are some good animal type cards you can use for this. Cards with cats playing or dogs playing with blank insides are great. You can use the messages I will give you inside the card whether it is customized for a holiday, or just a cute blank card.

Step-By-Step Rule Six:

Don’t Mail On A Holiday! People Are Too Busy To Open The Mail.

You should mail a week before the holiday if the card is holiday-related, with the letter arriving on Tuesday or Wednesday. As you will see, the campaign I use to these sellers has a tie in to each month’s holiday. (There actually is one almost EVERY month!)

Step-By-Step Rule Seven:

Do everything as cheaply as possible.

I am a serial Dollar Store shopper. You can usually find some good boxes of cards for a dollar.

I typically have around ten really good deals per month that I want to give this type of treatment to. I am in a big city, so your list may be slightly smaller. I have found greeting cards to be the best response mechanism. If your budget is VERY tight, look for cards at dollar stores. Or, buy a box of stationary at a hallmark store. Much cheaper than cards, and it will still look more personal than a standard business envelope. Remember to hand address the envelope at a minimum.

Step-By-Step Rule Eight:

A 50% Gain By Doing This...

A handwritten message and address works and pulls the best. If you cannot write by hand, or get someone else to do it, you can get these messages printed on your cards for you. I suggest, and have used, the font you see here on the letters. It is called Comic Sans. Make sure to sign each one personally! **You should still have excellent results with printed messages for months 2-12. In my testing over the years, handwritten letters/cards pull about 50% more responses than printed/typed ones.**

Step-By-Step Rule Nine:

This Additional Simple Activity Will Directly Translate Into A Higher Income And Faster Profits.

People like to do business with people that they have a relationship with. Thus, if you can, enclose an article or newspaper clipping in the second card, and others if you can. Try to do it every other month. Inspirational stories work great. Get those from Dear Abby in the paper. You can photocopy it and send it to everyone.

When they do decide to sell, they are going to want to work with YOU. You will have shown an interest in them, stayed in touch, and treated them with respect. No one else will be able to compete against you.

The other REALLY easy way to get some content every month to them is to get a book of inspirational quotes or quotes related to *their* hobby and send a quote or two to them every month. I would print it across a standard sheet of paper and put your contact info underneath it. Cut the paper into slips. The quote slip should only be as big as it needs to be to get the quote on it. Just put it inside the envelope with your card or letter.

Example for a dog lover (your seller is a dog lover — not you necessarily):

The best thing about a man is his dog.
----French proverb

Joe Investor 404-555-5555 (phone) 404-555-5554 (fax) joe@investor.com

Remember — once you have a collection of clippings built up, you can use and reuse them for years!

Since you talked to these people on the phone, and probably went to their house, you have some ideas about what they like.

Step-By-Step Rule Ten:

Increase Your Business By Asking For These — Always!

People in financial trouble almost always know other people in trouble. Ask for referrals!

You'll notice that I am asking for a referrals in these letters. I have found that people with financial problems tend to have friends in the same boat.

I don't know why, but referrals are so easy to get, yet no one asks for them. I just know that it works for me, and it will for you.

Asking for referrals alone will bring an extra \$100,000 in income to full-time investors, and at least one extra deal per year for part-time investors. Again, start to think where you will take your celebration trip!

Step-By-Step Rule Eleven:

Make Sure They Can Find You When They Need You!

The last letter and the first should have your business card on a magnet for them. You can buy the stick on magnets at any office supply store. Each of your other letters will have your business card enclosed.

Let's Break This Down To The Nitty Gritty So That You Can Implement This NOW.

Here Are The Actual Letters To Use!

Letter One: A Greeting Card

Who Gets It:

If you have spoken with the person who was in foreclosure, and they stopped the foreclosure by either bankruptcy, or somehow raising the money to make up the back payments, send a greeting card to them.

What Kind Of Card:

It should be hand addressed on the outside and in a greeting card envelope. I generally send one that says, “Congratulations” on the outside. Blank on the inside. The actual text that I use follows.

[Remember, this card is used in situations where you actually worked with the person and they eventually told you that they would not sell to you because they were doing bankruptcy, or found the money from friends or family to stop the sale.]

Outside of card: says “Congratulations.” (Printed on card by manufacturer).

Inside of card: Handwritten with neat handwriting. (Yours or high school kids if you have bad hand writing).

Dear (first name of female and then male of the house):

It was my pleasure to make an offer to you on your home recently. I am glad to hear that you have stopped the foreclosure. I know that is a huge relief to you and [husband's/partner's first name].

I am still interested in purchasing your home if you decide that you would like to sell in the future.

I've enclosed my business card on a magnet to keep my name handy on your refrigerator if I can be of service to you.

Absolute best wishes!

(your name and phone numbers)

(business card enclosed with self stick magnet on back—available at Office Depot/Staples etc.)

Months Two Through Twelve

The Appendix at the end of this package for the precise language and marketing letters that you will send out in months two through twelve to convert each month's "dead foreclosure leads" into a true profit making machine.

Why fight the competition when this system will deliver motivated sellers to you consistently, quickly, and without competition?

If you follow this simple plan, you WILL double your business very quickly. Start planning that celebration trip now!

Common Questions Regarding This Foreclosure Tactic Which Is Designed To Double Your Foreclosure Income In The Next 12 Months:

Q: How do you know that the people you are mailing to still own their home, or that your letters will reach them?

A: If you have spoken to the people and made them an offer, they will have told you that they either stopped the foreclosure with bankruptcy, came up with the money to stop the foreclosure, or sold to someone else. You market to them on the first two, but obviously don't if they sold to someone else.

Since I send my letters first-class, if there is a forwarding address, it gets to them. Typically, if they did sell, they will call and tell me that after getting the card.

Q: Is this expensive to implement?

A: Not compared to the results it brings in. This whole system can be run for a year for the same cost as one decent "shotgun" mailing to a neighborhood, or a trip to Starbucks for a large expresso each day.

The profit potential is higher than random prospecting because you know that these people have equity and that they may need to sell. (My course has more details on deciding which deals to chase). You are spending your time and resources on an activity that has the highest likelihood of getting results for you.

Q: Does this take a lot of time?

A: No, because you can fit it in around everything else you do. You can always sign envelopes when you watch TV. You can also get someone else to do all of the writing. Just go to elance.com and put out a request for bids. You'll be amazed at how cheaply you can get someone with great writing to do all of this for you. You can always print these as well in Comic Sans font, 12 point if handwriting is not an option.

Remember, this still works amazingly well even if you have all of the cards printed with generic messages at your printer. I am assuming that you want the techniques in their most potent form, but even a half-hearted implementation of this strategy will propel your foreclosure business through the roof.

Q: This system is designed as a way to contact foreclosure sellers who stop the foreclosure on their own, and who I at least talked to during the foreclosure process. What about people who I can't reach? They might not answer their phone or whatever. Nonetheless, they DO manage to stop the foreclosure. Can I market to them as well?

A: YES YES YES. There is not time to get into that here, but I do send a more generic campaign to those people that had homes with equity that I could not actually talk to for whatever reason. My feeling is that 1/3 of the people will sell to someone else before the sale. 1/3 will find the cash to stop the sale, and 1/3 will declare bankruptcy. (Probably less find the cash, and more declare bankruptcy). In any event, sending a letter to the owner who wouldn't talk to you every month for 6 months (typed is o.k.) expressing interest in buying the home WILL result in more deals for you. Here is a letter you can use for these folks.

Dear (their name with a Mr. or Ms.),

Just dropping you a note to let you know that if you ever decide to sell your home at (address), I am here to serve you.

I would buy it "as is," so you wouldn't have to make repairs. I can even help you pack and move your belongings to make everything stress free! We always pay a fair price.

If you are interested in selling, or would like to speak with me at no obligation, I'd love to chat with you. We also pay a \$1,000 referral fee on homes we buy if you know of anyone who might be interested in selling.

Warmest Regards,

(Your Name)

(Your Phone Numbers)

(Your Business Card Enclosed)

(Remember, first and last letter have a magnetized business card!)

Q: Do you go to bankruptcy court to check the people's bankruptcy status? Do you check to see if they are still protected by bankruptcy, or declared bankruptcy etc?

A: I used to, but I found that just making monthly contact saved me from spending that time, and got my name in front of them at the time they needed it. There was not that much of a gain from keeping precise tabs on people vs. following an automated marketing strategy and plan.

Q: How do I know which foreclosures are money-makers? How do I find the foreclosure listings in my area? How do I structure the deal with a foreclosure seller....?

A: These fundamental questions are detailed in my full course. There just isn't space here unfortunately!

Q: If I send a monthly card each and every month, does the card have to reflect the holiday? It isn't easy to find Arbor day cards!

A: No. The key is to send something that looks decent and personal. If you can save money buying more generic cards, that is fine. Again, you will probably be the only game in town doing this, so even a half-hearted implementation should garner positive results beyond your expectations.

Section Three

17 More Reasons Why People Are Raving About *The Complete Real Estate Investor Program*

These testimonials represent the unique experiences of these individuals. Legally, I cannot promise that you will receive the exact results that they did. I WILL promise to give you everything that they used to achieve these results and take all of the risk if my techniques do not produce these same outstanding results for you after one year!

These testimonials are a fraction of the MANY testimonials, success stories and personal breakthroughs that my course has created all over America.

1. \$150K PROFIT USING DAVE'S TECHNIQUES, INCLUDING A \$35,000 DEAL INVESTING ONLY \$400 PLUS A NEWSPAPER ADVERTISEMENT!!!

I started putting your ideas from your course to work last February. Since then I have made 150k. **My biggest profit from a rehab was just recently and netted me a profit in the high 60's!** I also found a unique niche last year where I located and put under contract several properties and then turned around and sold the contracts to several builders who wanted to tear down the houses and build new ones... I did make 35k off the selling of one contract and only invested \$400.00 for an inspection and newspaper ad! :o) Thanks again for your valuable course! Please let me know if you ever have updates. P.S. I have set a goal to make 500k this year!!

- Scott McElhaney, Virginia via email

2. NEW INVESTOR FOLLOWS DAVE'S BLUEPRINT AND MAKES \$34,000 IN LESS THAN THREE MONTHS!!!

Dear Mr. Whisnant, Thank You! Thank You! Thank You! I purchased your ebook and read it several times before taking action. Mostly because I have no real estate experience and it was a huge risk for me. Your ebook is not only a roadmap, but also a blueprint for success. I followed your "Blueprint" and acquired my first house on October 1... I rehabbed it and sold it on December 20... **The bottom line is that I walked out of the**

closing with a \$34,000 profit. Once again Thank You! Thank You! Thank You!

- L. Almaguer, Florida via email

3. COURSE CHANGES LIFE -- SELLS FIRST DEAL WITHIN TWO HOURS OF LISTING IT FOR SALE!

David, Thank you for writing a course that has already changed my life -- it is the "life application bible" of real estate investing! Not only do I have a whole new outlook on life in general, but also I have a new challenge. **After purchasing your course, we were able to purchase our first property ... for \$175k (furnished), minimally refurbish (spent about 3k) and sell it for \$202k (unfurnished) within 2 hours of listing it for sale (we got pretty lucky), all within a short period of time.** (Not a huge amount of profit, but a good start)...We will have a portfolio of properties in the next few years...all by using your step-by-step course....We have worked 60 hour + weeks for the last 15

years...hardly seeing our child. This course will change our lives!!!

- S. Sparks via email

4. THREE DEALS IN THREE MONTHS, INCLUDING A \$54,000+ IN PROFIT AFTER FILING FOR BANKRUPTCY THREE SHORT YEARS BEFORE

David ... in the course of looking at homes in my farm area I ran across a home in the foreclosure process which had been abandoned by the couple that owned. They were in the process of getting a divorce and she moved out first and the house caught on fire in May of this year. ...The fireman kicked down the back door and between the water, fire and smoke the home sustained \$30,000 worth of damage.

...I contacted the individual the next day and he was a real great guy to deal with...He advised me to send him a bid of \$40,000 for the house and he would accept it. The fair market value on the home was \$114,900. I faxed him an offer last Friday, and he immediately faxed me back his acceptance on the condition we would close by the following Thursday (the 31st)...I had gotten his authorization to secure the house and begin the clean up work.

Over the weekend I had new locks installed and put temporary repairs in place so the kids in the neighborhood could no longer get in. I arranged for a dumpster and a clean out crew to be there on Tuesday. I also put an ad in the paper advertising the house for sale to Investors for \$60,000 As Is.

I got 22 calls on the ad and six people showed up Tuesday morning and the first one agreed to buy the house for cash AS IS for the full asking price, \$10,000 down payment that day and agreed to close on Thursday afternoon plus use the same attorney I was using to close...As far as the Investor Buyer was concerned, I had already bought the house. **The attorney did a back to back closing and I walked out of his office with a total of \$19,000 profit.**

I have now finished three deals in three months, made over \$54,000 and have two more working for November. Not bad for a guy who three years ago had to file for bankruptcy when his business failed, had no money to work with to start this program and is being divorced by his ex-wife. Life cannot get any better! Thanks again.

- **John Grot via email**

5. COURSE PUTS STUDENT "HEAD AND SHOULDERS" ABOVE OTHER INVESTORS AND LEADS TO TWO NICE DEALS!

Hi Dave! ...The insight and information in your course puts me head and shoulders above the other investors who are begging for deals from the MLS and newspapers, while I get motivated...owners that call me back and continue to call until I give them an offer! This course really gives me hope of financial freedom, but especially more control over the time I can spend with my family! By the way, the 13k offer I told you about with the ARV of about 45-50k got accepted at an even lower purchase price of 10k!...I signed up another house for \$60k under market. Needs a little work though. **That's two for this**

month!

- **Ron B. in Texas via email**

6. DRY WALL CONTRACTOR LANDS FIRST DEAL IN 3 WEEKS, AND DOES IT AGAIN WITH DEAL NUMBER TWO! ALL OF THIS SEVEN YEARS AFTER GIVING UP HIS DREAM OF BEING A REAL ESTATE INVESTOR

Thank you Dave, I just purchased my first property! After having given up my dream of being a real estate investor 7 years ago. I am one of those who have very little money to work with and my credit needs a little work. But not much, I'm not totally destroyed. I have bought almost every no money down scheme you could think of. And after reading them, I realized I'd just been duped. As a self-employed construction worker my income is not steady. I have always looked at real estate as a way of achieving a more steady and higher income. But with no money to start, below average credit and with no practical advice on how to get started, I gave up on my dream 7 years ago. And I have just continued to work hard as a dry wall contractor.

....Well to keep this as short as possible I will just say that I got your book about 3 weeks ago, read it 3 times, (I'm not the sharpest knife in the drawer) and bought my first property...Your program is the only program that offers practical advice on how to get started with no or little money and bad credit. **I bought the home from a landlord on a lease/option, using the techniques from your book. It's a 4 bedroom, 1 bath single story home. I got it for \$46,000 no money down. It appraised at \$65,000 as is. And this house needs some work. Mainly interior drywall and paint.**

This is exciting for me. I've been a drywall finisher for 14 years and took on hanging about 8 years ago and currently still do both. I'm going to sub-lease it to someone that could actually buy it now instead of at the end of the lease, they just don't know it yet. That, of course, I learned from you.

Well, I will stop there, if you would like any other information just let me know in your response... Thanks Dave,

- Jeff Crenshaw, Ohio via email

P.S. I already have a Lease/Option drawn up on my second property but no signatures yet, our meeting is tonight. You may be wondering how I read the book three times and bought a property in only 3 weeks. I got started after the first read. I didn't wait till I understood it all. I will learn and understand better as I go and as I read more and more and more and more.

[Dave's note: Jeff followed up later with this note. The meeting went well!] "I got the second home. I'm really excited but really nervous too. But as they say, courage is not the absence of fear. Courage is acting when the fear is present and eventually overcoming it."

7. \$22,000 PROFIT WITH A REPO!

Hi Dave ... This is Mark. I spoke with you a while back (approx 4.5 mos. ago about a bank repo I was buying)...Looks great. I anticipate approx 22,000 gross profit....

Sincerely,

- Mark S. via email

8. COURSE DELIVERS MARKETING INFO!

Thanks Dave ... We stayed up late last night and did 40 more letters last night. Most of the dirty 30 in our areas are owner occupants so I've done a 4 step letter process similar to the landlord letters but for owner occupants. There is about 4/1 ratio of occupants/landlords. This is in popular, trendy but affordable areas in Denver... **I've also ordered \$1,000's worth of tapes and books, seminars, etc - and your program is by far the most helpful when it comes to marketing! And marketing is the key to this**

business! Thanks again,

- Byron. W., Colorado via email

9. \$292,000 TOTAL GROSS PROFIT, AND A MILLION DOLLAR ESTATE FOR \$620,000!

Dear David ... I have taken your advice & had some Major recent PROFITS!! Sold one rental \$50,500 profit paying taxes!! Sold Two rentals 1031 exchange!! \$242,000 **Total gross profit \$292,500 I am escrow now buying a million dollar estate for \$620,000. This new property will be paid for in two years.** Thanks for the nuts and bolts!
- Mike M., via email southern California

10. "ONLY" A \$10,000 FLIP

I purchased your course a few months ago. I have flipped one property in that time...I only cleared about \$10,000 on the deal, but I knew that going into it...I found your course to be very helpful, and it's the one I always refer to when I run into a problem. Thanks,
- Ricky H. via email

11. SMALL HOME WILL DELIVER A \$30K PROFIT!

OK, my deal is this. Purchased a small house in a very good neighborhood for \$103k. Will put \$20k in it...Should easily sell for \$165...**Should net \$30k.** Thanks Dave and if you can use my comments please do.
- Julie G. via email

12. ANOTHER SUCCESS STORY!

Master David, good morning to you sir ... Well the good news is, I have taken "Deed" to a property that was due to be "foreclosed" on the balance was 37.5k. Prop worth 90k solid. I then "Deeded" it to a man for 10k... David, praise the LORD for your course that brought me the knowledge and direction to my desires. I just have to stay hungry now and keep going. Your student,
- Michael C. via email

13. 26 YEAR OLD CREATES ALMOST \$24K ON FIRST DEAL!

Dear Dave ... I just wanted to share this wonderful success story with you. I am a 26 year old Information Technology Manager with a global manufacturing company...I came across your premium course one night at about 1 am while researching real estate investing. I had already read several books that I picked up at the local bookstore, but I felt that they were really lacking in specific methodology. After reading some of the sample material on your web site, I decided that spending the money was worth the chance to finally get rolling.

I read your book day and night highlighting important information and taking notes along the way. Once I had finished, I had a list of important things to do before I got started...Once I had the above taken care of, I set out to find the first property. I drove relentlessly, taking pictures and sending letters to the dirty-thirty. I had so many leads that I built a database...I received several calls with serious sellers and found quite a few properties that needed rehab with sellers who were ready and willing to sell.

For my first property, I was looking for something that did not need too much work, I just wanted to get my feet wet before jumping into major rehab... I was able to assume the existing FHA loan for \$60,350 with no money down, and paid the \$2,500 in legal fees at the closing. (There was also a \$130 lien from the water department that had to be paid). So, my immediate profit, had I sold the place would be \$17,200. I decided that rather than flip the property, I was going to option it out on a 2 year note with \$2000 down and a 6% monthly rent credit towards the final price. I figured a 5% per year appreciation, and optioned the property two weeks later to a young couple with 2 young children for a \$2,000 option, \$675/mo and a final sales price of \$87900 with a 6% rent credit. In two years, my total profit will be \$23,900...

Now I have my first property with nearly \$24k in profit...! I can not thank you enough for sharing your methods and experience with me. Your course is worth every penny! I sincerely hope that others are willing to spend the money to purchase your course so that they can share in the success. I know that there are a lot of families who are living paycheck to paycheck out there, and I truly believe that your methodology can be their

ticket to financial success as well! Sincerely,

- **John R. via email**

14. WORKING ON A \$35K WINDFALL!

Hi Dave ... I just bought your course and I want to thank you wholeheartedly. I must tell you (although you have already been there and done that) like you I have spent thousands on various guru courses. To date I have spent more than I have made on all of them. I am juiced by the meat and potatoes approach to your course and have a house that I am working on now that may net us 35k plus...Thanks so much for your want to share this valuable information, if we ever get a chance to meet dinner is on me. Take good care.

Sincerely,

- **Rick M. via fax**

15. WHOLESALE FLIP EARNS STUDENT A SWEET \$20,000!

I can't get Duron paint in the Dallas TX area. Can you please give me the color codes of the special wall paint you mentioned in the course on page 225 and 226? Thank you in advance! By the way, your course is great...I just finished my first deal using your

material...it was a wholesale flip and I made 20k! Thanks Dave. The item that caused the great profit was your letter to the Appraiser talking up the neighborhood. It worked like a charm and got my appraisal bumped up from 104k to 120k. Thanks again!

- **Randy C. via email**

16. MAILING 14 LETTERS YIELDS \$25K MINIMUM PROFIT! (IMAGINE SENDING OUT 100!)

...I just put a contract on a property for \$89,000. With rehab that will cost in the \$10-15k range, it should sell for about \$140,000. I should definitely clear at least \$25k on the first deal. So I guess that's a pretty good return on the... investment. The way I got the deal might interest you...**Out of 14 letters, I got 2 responses with people interested in selling and another guy that just wrote back to me for the heck of it.** I made an offer based on drive-by and online assessment research on one that was turned down. On the other, the lady didn't want to sell that property, but had another she wanted to sell - so that's the one that I made the deal on. (I let her make the first offer here, which probably saved me alot.) Thanks for your excellent book and information and I will keep you

posted on this particular story and further successes.

- **Andy J. via email**

17. STUDENT ENDS YEARS OF DREAMING AND STARTS DOING -- BUYS TWO DEALS!!!

Dave ... this course changed my life. For years I have wanted to become a real estate investor and...I never actually did it. It seemed hard to do but this book gave me the encouragement to actually get started and I already bought 2 houses! I found that if you really work at it you can buy houses for under enough value that you can get back your entire down payment. **(Dave Whisnant) isn't just somebody trying to make bucks off you like the guys on TV. This guy is an actual investor... I am telling you this is the greatest investment I ever made!** Everyone that has ever thought about making money in real estate needs your information and they are crazy if they don't invest that little bit

of money to get it. Thanks again David,

- **David Parrott, Major Accounts Manager, via email**

That's All For Now!

I Invite You To Take The Next Step Today.

Sign Up Today To Receive My Full Course On A 12 Month Preview No-Risk Basis. Increase the abundance and freedom in your life through real estate. I'll take all of the risk - you make up your own mind.

I am a hands on investor and real estate attorney who will give you the exact step-by-step sequences to reach whatever your personal goal is.

Whether you are looking for an extra deal per year (or to replace your full time job asap), the solution you are looking for is in my course.

What I teach is ALWAYS:

- 1) Step-By-Step so that you can accurately implement what I do.
- 2) Battle Tested in extremely competitive markets of all price ranges.
- 3) Always Up-To-Date (No 1970's Junk Here). I know you have limited time, and I want to help you spend it on the real estate activities that will give you the fastest and highest positive outcome.
- 4) Designed for every income, experience, age, and credit level.
- 5) Designed to give you every advantage that I have gained by virtue of my legal expertise. Understand and apply these ideas quickly.
- 6) Priced at much less than the years of scientific trial and error it has taken me to put this system together. This will be your last real estate course!

Get the full details today, special limited bonus and price incentives at:

<http://www.reiclub.com/products/230>

All The Best! I Hope That You Reach All Of Your Goals In 2007!

Dave Whisnant, JD

Appendix:

Marketing Letters For Months 2-12 Foreclosure Window System

For The Second Month, And So Forth, Start With The Next Month After You Wrote The First Card. Send The Second and Subsequent Month's Cards A Week Before Whatever Holiday Is Happening That Month If Your Message Refers To A Holiday.

Example: If you missed out on a property in set to be auctioned in April, you would send the first card immediately after the auction in April, and start the monthly card (2nd of 12) in May with the May card.

January

Dear (their first names):

Happy New Year!

Enclosed is a clipping I thought you might enjoy.

If I can be of service, or if you know anyone who might want to sell their home quickly with no hassles, please let me know. (You can get a \$1,000 referral fee if I buy their home!)

Warmest Regards,

(your name)

(phone numbers)

(enclose your business card!)

February

Dear (their first names):

Happy Groundhog Day! Hope warmer weather is coming soon!

If I can be of service, or if you know anyone who might want to sell their home quickly with no hassles, please let me know. (You can get a \$1,000 referral on homes we buy!)

Warmest Regards,

(your name)

(phone numbers)

(enclose your business card!)

March

Dear (their first names),

Happy St. Patty's day!

If you need some "extra green," just wanted to remind you that we pay \$1,000 for referrals on homes we buy. If you are ever interested in selling, remember that we are here to serve you.

Warmest Regards,

(your name)

(phone numbers)

(enclose your business card!)

April

Dear (their first names),

Happy Arbor Day!

Enclosed is a clipping that I thought you might like.

If we can ever help you with your home, just let me know. Or, if you would like to earn a \$1,000 referral fee on homes we buy, give me a call also!

Warmest Regards,
(your name)
(phone numbers)
(enclose your business card!)

May

Dear (their first names),

Happy Mothers Day! [Assuming that you are writing to a female/mother!]

Enclosed is a neat Mother's Day clipping that you might like.

Please let me know if you decide to sell your home, or if you know anyone who is interested in selling quickly with no hassles.

Warmest Regards,

(your name)
(phone numbers)
(enclose your business card!)

June

Dear (their first names),

Happy Flag Day!

I hope all is going well for you and your family.

Just a reminder that we are paying a \$1,000 referral fee on homes that we buy if you know of anyone who might want to sell their home. We are always here if you ever need us as well!

Have a wonderful summer!

(your name)
(phone numbers)
(enclose your business card!)

July

Dear (their first names)

Happy 4th of July!

I hope you all have a great holiday. Enclosed is a great recipe I found that you might like.

Just touching base to let you know I am here if you need my services!

Sincerely,

(your name)

(phone numbers)

(enclose your business card!)

August—Make sure to send before school starts back if sellers have kids!

Dear (their first names)

Hard to believe that summer is winding down!

I'd love to pay you a referral fee if you know of anyone who wants a fast and easy way to sell their home. If we buy the home, you'll get a check at closing. (And, if you ever change your mind about selling, we would love to help you with that as well!)

Absolute Best Wishes,

(your name)

(phone numbers)

(enclose your business card!)

September

Dear (their first name),

Happy Father's Day!

Wishing you the best for Father's Day Tom [use name of father in house].

Neat clipping enclosed from Abby. [Father's day related clipping].

If you ever decide to change your mind about selling your home, I would be interested in purchasing it. If I can be of service to you in any way, just let me know.

Warmest Regards,

(your name)

(phone numbers)

(enclose your business card!)

October

Dear (their first name),

Hope all is going great!

I just wanted to touch base and let you know that I am still paying \$1,000 for referrals on homes we buy in your area. I am looking for two or three homes right now.

Enclosed is a card to keep handy with a magnet on the back so that you can find us!

Warmest Regards,

(your name)
(phone numbers)
(enclose your business card!)

November

Dear (their first name),

Happy Thanksgiving!

Neat Thanksgiving clipping enclosed from Abby. (Or, enclose a recipe).

If I can be of service to you, just let me know. I am interested in buying several more homes before the end of the year, and will pay \$1,000 for referrals that I buy.

Warmest Regards,

(your name)
(phone numbers)
(enclose your business card!)

December

Dear (their first name),

Happy Holidays!

I can't believe this year is almost over!

If I can be of service to you, just let me know. I am still interested in buying several more homes before the end of the year, and will pay \$1,000 for referrals that I buy as well.

Warmest Regards,

(your name)
(phone numbers)
(enclose your business card!)