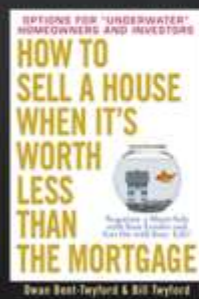
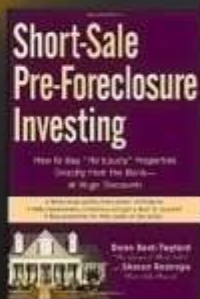


# FORECLOSURE FORTUNES IN YOUR OWN BACKYARD



*Dwan is your Key to Success*



**DWAN BENT-TWYFORD**

[www.InvestorsEDGEUniversity.com](http://www.InvestorsEDGEUniversity.com)

## *Investors Edge University*

*Presents...*

# *Foreclosure Fortunes*



## *In Your Own Back Yard*

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# Foreclosure Fortunes in Your Own Back Yard

About the Author	4
Personally Work With Dwan	8
Mission Statement	9
FaceBook and Social Sites	19
Knocking on Doors	17
Pre-foreclosures	32
Cash for Your House Postcards	36
The Postcard	39
Brokers' Listings	40
For Sale by Owner	44
Code Violations	47
Websites	50
Divorce Situations	52
Probate Situations	55
Networking and Word of Mouth	58
Bail Bondsmen	61
Pawn Shops	64
Clean Up Companies	66
Radio and TV Advertising	68
Newspaper Ads	70
Courthouse Steps	73
HUD	77
VA	79
Auctions	81
Magnetic Car Signs	89
More Deal Finding Favorites	91
Helping a HO Reestablish Credit	93
Credit Repair Services	95
Steps to Rebuild Credit	98
Formula for Paying off Credit Cards	103
Final Thoughts	111
Going To the Next Level	112
Hear What Others Are Saying	125
Bonus Section	131

## ABOUT THE AUTHOR

Throughout my adult life I have worked an endless string of dead-end jobs ranging anywhere from waiting tables at Denny's, to selling vitamins on the phone, to owning a tanning salon. Most of the jobs in my past paid okay, but were unrewarding and required me to work many hours. I went from job to job looking for something that I could really sink my teeth into without much success.



I thought I had found it with the tanning salon. As it turned out, I was tied to the salon seven days a week. Every weekend when one of my girls called in sick, guess who had the privilege of working? Right... me. I got to the point where I hated the business because of the insane hours. I went for two years with hardly a day off. I decided to sell the business and get my life back.

Around this time I met a man, decided to get married, have babies, and be a stay-at-home mom. At 29, I had a baby on the way and life was looking pretty good. But, things happen, and a year later I found myself with an eight-month-old daughter going through a divorce. Life as a single mom had definitely not been in my game plan.

As a result of a very messy situation, I now had no money, no car, no job, and \$75 in the bank. It was a bleak situation. I had to borrow money from an aunt to buy a car so I could job hunt. I desperately needed to go back to work, but the idea of leaving my daughter in day care, working for someone else all week, and then paying my hard-earned money to the day-care center was unacceptable. This just was not a sacrifice I was willing to make! I needed a new game plan and I needed it now!

As fate would have it, around this time I met a group of guys who seemed to be leading a pretty leisurely life... golf every day, always traveling, constantly going out and spending money. You name it, they were doing it. Turns out, they were real estate investors. I knew I had found the answer to my prayers. Being a real estate investor would allow me the freedom to work from home and raise my daughter myself. I learned as much as I could and went for it.

I bought my first dump and went to town. I became such a regular at Home Depot and asked so many questions that when the guys saw me coming, they would run the other way. They knew if they stopped to answer "just one quick question," I would keep them for an hour asking details about my next step of rehab. I took all of the weekend classes they offered, learned what I could, and got my rehab underway. I did all the rehab on the property myself: paint, tile,

plumbing; you name it, I did it. I started to see a light at the end of the tunnel. The more I worked, the better my property looked.

After the repairs were completed, I put the house on the market, sold it *four* days later, made over \$20,000 on my first deal and never looked back!!!!!!

When I worked my dead-end jobs, I would work all year long to make \$20,000. To make that in one deal, working from home, and having my daughter by my side was a dream come true. I decided at that moment that real estate investing was for me. I never dreamed it would turn into such an amazing career!

As I began making a dent in the real estate market in South Florida, folks started asking me to teach them the secrets of my success. One thing led to another and soon I was teaching nationwide.

Several years ago, I was teaching at a three-day convention in Colorado when I met a great guy. We struck up a conversation, went on a date a few weeks later and got married! The funny thing is I swore I would never date an investor. I figured I already “eat, sleep, and drink” real estate and didn’t want to spend all my free time talking about it as well. God has a funny way of bringing you exactly what you need even if it’s not what you think you want.

Along with Bill came two bonus kids, so now we are a family of five. We spend our time teaching, doing deals, and spoiling the kids. Folks, you never know what can happen by getting involved in real estate. I now have money and a man ... I can't help you with men, but I can certainly help you make money☺.

After all these years in the business, I still love it. I love to do deals and I love to teach new investors how to become successful. Honestly, nothing gives me greater joy than to receive letters from students who have just closed their first deal and earned a huge check. I get tears reading the letters I receive. I am humbled that I have been placed in your life today so that you can change your financial future.

Keep your eyes and ears open and always be prepared for opportunity. There are deals around every corner!

*Be a Blessing,*

*Dwan Bent-Twyford*

## **PERSONALLY WORK WITH DWAN!**

**I want to give you an opportunity to work with me personally.**

**We have a Coaching Community where my husband and I do LIVE coaching each week. That's right, you can get on the call and ask your real estate related questions LIVE and we will walk you through your deals right then and there!**

**Our Coaching Community members are in love with our site. We offer a full Documents Library, Training Videos, live Coaching Calls, a live Forum and so much more and the BEST part is that you can try all of this for just \$1!**

**That's right – Just \$1!**

**Friends, if you are serious about your real estate investing career then you are crazy for not giving us a try for just \$1.**

**[www.investorsedgeuniversity.com/realestateprofits](http://www.investorsedgeuniversity.com/realestateprofits)**

**If you are not 100% satisfied then just cancel...it's that simple!**

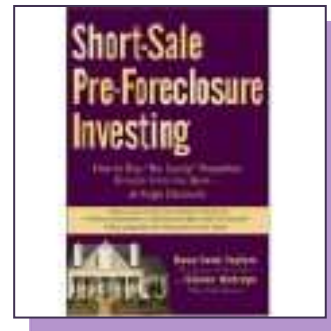
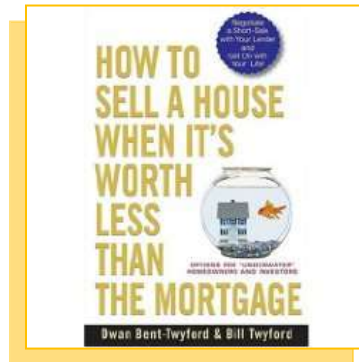


Mission Statement

**Investors Edge University**

To teach others how to successfully buy and sell property and increase their quality of life. The seeds you sow today will be the harvest you reap tomorrow!

**I have also been blessed to write THREE best-sellers:**



Purchase ALL of these books at [www.amazon.com](http://www.amazon.com), write a positive review for them, email proof to [Dwan@investorsedgeuniversity.com](mailto:Dwan@investorsedgeuniversity.com) and I will personally coach you for 60 days!

## FACEBOOK AND OTHER SOCIAL SITES

The biggest issue I have with social sites is that it makes investors **LAZY**. We have to check our email, tweet, update our facebook status and by then it is noon so we stop for lunch. Then we take a quick nap because we are tired from eating, update facebook again, check to see if we got any new emails, make a few personal calls, and next thing you know it is time for dinner. Does this sound familiar?

Social site-ing and emails have taken the “**human factor**” out of business. **Be honest:** When you try to call a company for a customer service issue, how frustrated do you become when you are forced to deal with a computer voice before you can get a LIVE person?

Worse yet, you get someone in another country and can't understand their accent! When was the last time you tried to call the airlines – “Do you want domestic or international? I'm sorry we did not understand your answer. Please try your call again later...click.” It makes me want to jump through the phone and choke someone☺.

If these things drive you crazy why would you want to put a stressed-out homeowner who is in foreclosure through the same thing? Pick up the phone, call the people, go to their door, speak to them face-to-face, and bring the human factor back to your business! I guarantee

that you will be a thousand times more successful and your clients will be much happier.

I also realize that some of you will never do that so here are some fantastic methods that are tried and true and work wonders in this crazy market.

If you have facebook, go there right now and follow along with these instructions so that you can see how simple this really is:

## FACEBOOK MAIN PAGE...

Your profile and picture are here.



**Create an Ad is here.**

1. Click **Create An Ad** and it will take you to the ad page.
2. On the upper right hand corner is a green button **CREATE AD** that says click that.

You will see the page that allows you to design your ad. In Section 1 follow these directions:

- a. Type in the web site where you would like your ad to go to. If you don't have a web site, go to [www.godaddy.com](http://www.godaddy.com)

and pick a name and use their service to get a site and hosting.

b. Put the title for your ad. Think about what or who you are attracting and type it in. I have an ad running that searches for distressed homeowners and my title simply says: “**Facing Foreclosure?**” That’s it. I get a ton of hits every single day.

c. Next, type in the text that want people to read. Make sure it attracts the type of people you are looking for. Here is a sample of the **Foreclosure** ad that I run:

d. In the image box, put your picture or whatever you are promoting. If you are giving away a free report, put the cover here. If you have nothing to give away, simply put your picture so that the people you are trying to attract can see



your SMILE and feel more comfortable working with you. As you can see by my picture, it is close-up and I look trustworthy – at least I think so 😊. I am smiling, friendly, and approachable.

2. The next decision you will make is where to advertise your ad. I usually run mine nationwide. I am confident doing deals nationwide, so it makes no difference to me where they live. If you are more comfortable dealing locally, then type in the city in which you live. As you can see, you can run your ad in a

specific state or city. So if you live in Nashville Tennessee, you might want to run your ad only in Nashville. You could also type in surrounding cities and maybe run your ad in several surrounding counties as not to limit yourself so much. Click the “city” button and type in Nashville.

- a. Next, you pick the ages of the people you would like to attract. Since it is unlikely that anyone 18 will own a property that is in foreclosure, you may to look for someone a little older. I usually choose 27 to 64. Facebook doesn't let you go higher than 64 (so I assume it reaches everyone over that) and I don't want teenagers. From teaching for so many years I know that many young families get into trouble as do folks who are a bit older. I find 27 to 64 works best for me.
- b. I tried to target people on their birthday. I know everyone gets online on their birthdays because every person they know says happy Birthday. I thought maybe they would look at it like a “sign” and contact me. I got zero results. I guess on birthdays we all want to have fun and put our problems aside for a day 😊.
- c. I do not click a specific sex. I ran several ads with different wording and ran them specifically for men and women. In the ad for men I offered “solutions” because men are solution oriented. For the women I used words offering “relief of stress” because women work off of emotions.

The ads pulled about the same, so I use an ad that combines both and appeals to couples.

- d. I do use keywords. Since it is unlikely that you will find keywords that say, "I am in foreclosure," I look for other things. I use words like real estate, Donald Trump, Dwan Bent-Twyford☺ (hey, why not), business, mortgage, investor, stay at home mom, and things like that. Using keywords does not limit your ad only to those words, it searches for those words first. Using real estate related words attract people who might have some knowledge of our business and are therefore more open minded to work with an investor.
- e. I don't care anything about their education so I don't click anything here.
- f. I also don't click anything in the workplace section. Remember, I am looking for people in foreclosure and they work every place.
- g. In the relationship area, again, I don't click anything. Having taught for so many years, I find that most people I work with are single parents or going through a divorce. I'm not saying that there aren't plenty of people in foreclosure who are married, but more are single who can't make it alone because they qualified for the loan with two incomes and now one income is gone. I don't want to limit who contacts me.

- h. I leave the rest of the boxes blank: Interested In, Languages, Connections, and Friends of Connections. Again, we are trying to find people who are behind in payments so we need to keep it open.
  - i. Below that you will see the estimation box. If you leave everything blanks, you will have 100,000,000. Way too many people. It would be best if you would keep clicking things to get it narrowed down to just a few million. Maybe go back and narrow the search area and the age. I have run ads where only 3,400 people qualified. I chose a small search area and got a ton of hits.
3. In box number three, click “create a new campaign.” I change my ads up all the time and I make new campaigns often. I have at least 15 different campaigns that I use. Some are for distressed homeowners, others are looking for investors to attend my next training class, a few are for people to buy my books, and several others. They all do very well. They have a hook, like the free report that I offer to distressed homeowners. It hooks them and causes my ads to get many, many clicks. I offer the ad for free and I charge a \$4.95 processing fee because a staff member has to follow-up with the email. If you would like to use my free report on your website, just go to [www.investorsedgeuniversity.com/upsidedownhomeowners](http://www.investorsedgeuniversity.com/upsidedownhomeowners) and download it for free, with a \$4.95 processing fee☺. It is a great

report, the homeowners get something of value, they will call asking questions, and you won't have to write a 53 page report.

- a. Next you will want to set a daily budget. I use budgets as small as \$7 a day. That's it. I usually pay .52 cents a click. You want to pay for clicks, not impressions. You may get millions of impressions and zero clicks and you will waste valuable money. You will get impressions waiting for people to click. There is no need to pay \$2.00 for clicks because facebook will run all ads in the que to run up your daily limit. At just .53 cents a click, I hit my limit each and every day.

4. Then place the order. It is that simple.

Facebook usually takes a few hours to approve your ad and it will run until you stop it.

In addition to running paid ads, start fan pages, look for people who need help, are interested in investing (buyers for later) and so on. The entire world loves to social site and share every detail of their lives, so why not you.

Jump on twitter, start a blog, and just have fun! DON'T forget to use "old school" methods as well. The next method still yields the #1 results for over 20 years! Don't be shy- just do it!



## KNOCKING ON DOORS

We're going to start with my favorite method for finding great deals: knocking on doors. I realize that right now, I just lost half of you 😊. You're already thinking, "Knocking on doors? Is she nuts? If I have to knock on doors, I want to return the program right now. I'm not going to just knock on a door and speak to strangers. No way!" Folks, it's okay to feel like that. I can still vividly remember my palms sweating, my stomach feeling nervous, and being afraid of what the homeowners might say or do.

These are unwarranted fears. The homeowners are more surprised than you are nervous. Honestly, folks, door knocking is the fastest way to get deals. In this program, I'm going to show you lots of methods that work great. Most of these ways require you to *WAIT* for business. I say, suck it up and go *GET* the business. By knocking on just 20 doors, you should have at least four properties under contract. You can do that in one day!

- ➔ **This first section has a lot of tips on building rapport, scripts, and more. These are to be used with all the methods, not just this one.**

When I first started investing in real estate, this was the only way I knew of to find homeowners in distress. I would go to the courthouse, write down the addresses of the foreclosures, and knock on doors.

For years I would knock on the door, state that I was at the courthouse doing some research, saw that they were in foreclosure, and that I wanted to buy their house. I since learned that the blunt approach is not the best approach. Although I got quite a few houses this way, it's amazing that I didn't have more doors slammed in my face. I have since learned a kinder, gentler approach.

There are different thoughts on door knocking. Some say:

- ✓ Don't do it
- ✓ Take a notary with you and get the deed
- ✓ Offer them \$500 to move

I say: **do it, but do it right.** To this day, I still knock on doors. Door knocking is so great because most investors hate to do it. Don't be like the typical investor, do something different. The average homeowner gets over 300 postcards, while only one or two people knock on the door. You have a better chance being 1 of 2 rather than 1 of 300. Don't get me wrong, I use social sites, mail postcards, but door knocking ALWAYS produces faster results.

By the way, I'm totally **against** bringing a notary with you and getting people to sign deeds at their kitchen table. It's a very poor way to do business. You are sitting at the kitchen table where they eat dinner with their family every night and asking them to deed away ownership of their property. Mentally they don't feel as if it was an official transaction.

If the deal turned sour and the homeowners took you to court, all they'd have to do is tell the judge that you wouldn't leave their house and they were scared, and you'd probably lose and have to deed the house back. I have all my homeowners sign deeds at a bank or title company. This way there is never a question as to what transpired.

When knocking on doors a typical conversation goes something like this:

YOU: I was doing some research and I see that you are in foreclosure. I'd like to help you by purchasing your property.

THEM: I already took care of it.

YOU: What did you do?

THEM: I called an attorney.

YOU: What did he tell you to do?

THEM: He told me to file bankruptcy.

YOU: What bankruptcy are you filing?

THEM: Why are you asking me so many questions? Who are you again?

You keep asking questions trying to get to the bottom line and they feel badgered. Most investors do it this way. The more questions you ask, the more they want to get rid of you.

From now on, you are going to do three things:

- ✓ **Repeat**
- ✓ **Approve**
- ✓ **Respond**

It sounds like this:

YOU: Mr. Smith?

THEM: Yes.

YOU: Hello, my name is \_\_\_\_\_. I was doing some research and I see you have a **pending problem** (never use the “F” word...foreclosure) with your property. My company specializes in helping folks just like you to solve their problems and I was wondering... what can I do to help you?

THEM: I took care of it.

YOU: You took care of it? (repeat) Great! (approve) What did you do? (respond)

THEM: I hired an attorney.

YOU: You hired an attorney? (repeat) Smart move. (approve) What is your attorney going to do? (respond)

THEM: I'm not sure. He mentioned filing bankruptcy.

YOU: He wants you to file bankruptcy? (repeat) Hmmmm, interesting. (approve) Do you realize that filing bankruptcy will not stop the foreclosure; it will only delay it for a few months? (respond)

THEM: No, I didn't realize that. My attorney said I could live for free.

YOU: Your attorney said you could live free? (repeat) That's interesting. (approve) Unfortunately, in just a few months you'll be right back where you are today. As I said, my company specializes in helping folks like you. Let me ask you this: If you were to move, where would you go? (respond)

THEM: Well, I'd probably move in with my sister for a while, while I get back on my feet.

YOU: Move in with your sister? (repeat) Great! (approve) When I show you how I can help you, without hurting your credit any further, put some money in your pocket, and help you get a fresh start, would you be interested in listening to what I have to say? (respond)

THEM: I suppose I would.

YOU: You would! (repeat) Great! (approve) Would it be best to meet now or should I come back when your spouse is home? (respond)

THEM: We can talk now, everyone is home.

This is a very simple form of Neuro Linguistic Programming – NLP. NLP teaches you how to use language patterns so you can communicate better.

☞ **By repeating their answers,** you sound familiar. People like other people who are like themselves. Have you ever listened to yourself on tape? When you played it back, were you shocked at the sound of your voice? Everyone is. This is why repeating is so important. We don't hear how we sound or what we say. All the homeowners know is that you seem familiar. You seem familiar because you just repeated what they said and it seems as if they have heard it before. They have...two seconds ago. Investors always ask us if the homeowners realize that we are copying them. They never do. Most people are not aware of language patterns; therefore, they will never realize you are repeating what they say. However, they will like you in a very short time. We are going for instant rapport here. You have a very short time to build trust and confidence. Use every tool you can.

☞ **By approving,** you are making them feel as if you think they make smart decisions. When you approve their decisions, subconsciously they like you because you make them feel good about themselves. Homeowners are bombarded with banks and creditors calling and the reinforcement of good decision-making is a much needed relief.

There are other things you can say that sound approving besides - great and good. Try: interesting, hmmm, very interesting, good decision, curious, clever, and good choice.

☞ **By responding**, you are asking questions and moving the conversation in your direction. Basically, you are taking control. Who is in control of the conversation? The person asking the questions. It is very easy for homeowners to take over the conversation. As long as you keep asking questions, you can control the outcome of the conversation.

With a little practice, you'll sound like a pro in no time. It typically takes me five minutes to get in the house and begin putting my deal together.

When door knocking, be certain you are speaking to the actual homeowners. The person answering the door could be a tenant, visiting relative, or friend. I have blurted out my whole script only to find it was to a visiting relative with no knowledge of what was going on.

If no one is home, instead of leaving a card, leave a door hanger. You can buy them at the local office supply stores. Use the wording on the postcard and print it on the door hangers. The mental mindset of the homeowner is much different when they receive a door hanger.



- ➔ Have you ever come home from work to find a door hanger on your door from the local pizza place? Do you think they just came to your door because you might be hungry or do you think they went to every house in the neighborhood? Right, you think everyone got one. This is how the homeowners see your hanger. They think it is a stroke of luck and must be a sign from God that you came through their neighborhood and they just happen to be in distress.

When they call you back, the conversation is much more relaxed.

**Here are some dos and don'ts when you knock on doors or meet a homeowner in person:**

- ✓ Do not wear sunglasses. Homeowners can't see your eyes and subconsciously you seem suspicious.
- ✓ Never wear a hat, like a baseball cap. Again, homeowners can't see your eyes and seem suspicious.
- ✓ Always have a clipboard in your hands so that both of your hands are visible. If you tend to stand with your hands in your pocket or behind you, the homeowners will think you have a gun and are going to rob or kill them and will not hear what you are saying.

- ✓ Never wear cologne or perfume. I know this one seems strange, but let's look at it from the homeowners' point of view. You're a guy and you wear Eternity. You show up at the door and a woman answers. Her husband used to wear Eternity. He ran off with another woman and she still hates him for it. You are wearing what the ex-husband used to wear and subconsciously, you remind her of him. She now dislikes you without knowing why. The same goes for the girls, too. You don't want to remind the homeowners of someone they now dislike.
  
- ✓ Be aware of what color your clothing is. Green promotes trust, while red promotes dominance. I like warm colors like green, blue, pink, or brown. Stay away from reds and blacks.
  
- ✓ Dress casual, but professional ... no suits. Also, lose the jewelry. Homeowners losing their home do not need to see that you own a Rolex.
  
- ✓ Be aware of what you are driving. If you drive a Rolls Royce, you may want to consider getting a middle-of-the-road car for meeting homeowners. Yes, homeowners need to see that you are successful to feel confident that you can help them. No, they do not need to see that you have become a millionaire from distressed properties. You never want them to wonder if you

have taken advantage of others and that is why you have so much stuff. People are leery to begin with, don't feed in to it.

- ✓ Be certain you are speaking to the right person. Instead of blurting out why you are there, ask if this is Mrs. or Mr. so and so first. Once you are sure, continue with your conversation.
- ✓ Never use the "f" word ... foreclosure. State that you were doing some research and see that they have a **"pending problem with their property"** and that you would like to help them. This puts the blame on the property, not the person.

**Let's look at establishing rapport over the phone:**

- ✓ Speak at the same rate of speech as the homeowners. For example, if the person who answers the phone speaks slowly, do the same. If they speak fast, do the same. People who speak fast think that people who speak slowly are stupid. Likewise, people who speak slowly think that fast talkers are slick and untrustworthy. Is it true? No, it is a subconscious thought that most people are not aware of. When you follow the homeowners' rate of speech, you seem familiar and the homeowner likes you without knowing why.

- ✓ Ask them to share a little about their current situation and listen with respect and empathy. Once you feel that they have properly vented, begin to ask details about their situation. Homeowners want to tell you what happened because they don't want you to think that they are losers. No one grows up with the goal of being in foreclosure. Something in their lives changed and they want to be certain you know what it is.
  
- ✓ Make an appointment to view the property then call back to confirm the appointment. During the second phone call, ask more questions. Be certain that everyone on the deed is home and willing to put a deal together.
  
- ✓ When on the phone, listen for the objections you are going to get when you meet in person. For example, "we don't have to sign a deed, do we?" If they ask questions on the phone, be ready to handle them in person.

Something else to consider when meeting homeowners face-to-face is your safety. I used to knock on doors alone with Ayla hanging on my hip. That was probably not the best way to do it, but it never occurred to me that something bad might happen to me. Even though I never felt as if I might put myself in danger, I did carry mace. You never know when you'll get a flat in a bad neighborhood or get the feeling of impending danger. Use your common sense and you'll be fine.

### When door knocking:

- Two girls can go
- A guy and a girl can go
- A guy alone is okay
- Two guys is a no-no

If two girls knock on a door and a woman answers, she will most likely feel safe because they are all girls. If a man answers, he is likely to feel embarrassed that a woman is trying to help him out of financial trouble. Traditionally men are supposed to be the bread winners. He will still work with two women, but it may take a few minutes to establish rapport.

If a girl goes with a guy, whether a man or woman answers it shouldn't make much difference. If a woman answers, the girl should speak. If a man answers, the guy should speak. Safety shouldn't be an issue because the woman will feel safe because another woman is there.

If a guy goes alone and a woman answers, as long as he keeps his distance from the door, she will probably feel okay. He must keep his hands visible at all times. If a man answers, the two guys will bond.

If two guys go together and a woman answers the door, she will be thinking they are there to rob or kill her, not to help her. She'll feel

overwhelmed by two strange men at her door and will not hear a word they say. If you are a two-man team, one can knock on the door, while one waits in the car. Once rapport is established, ask permission to bring your partner to the door. If a man answers, it will be no big deal.

- ➔ One last tip before we move one, when homeowners state that they have taken care of it, I like to ask if they are using the “loopholes in the foreclosure system” to buy more time.
- ➔ Nine out of ten times, they’ll ask, “What loopholes?”
- ➔ I say, “Your attorney hasn’t shared the loopholes in the foreclosure process? You’re kidding! Do you mind if I come in and share those with you now?”

I realize that right now you are thinking, “Dwan, I don’t know any loopholes. Why would I say that?”

**You could:**

- ✓ Do a short sale, which is a loophole
- ✓ Work out a payment plan – forbearance agreement
- ✓ Help them make-up their back payments – reinstating their mortgage

- ✓ Do a lease back – allows them to stay in their property
- ✓ Get paid a consulting fee to speak to the bank on their behalf
- ✓ Explain bankruptcy to help them stall the foreclosure sale

I realize that you may not understand these advanced investing techniques yet, but you will! They are covered in the **Short Sale System**. As you learn more about this exciting business, you can look forward to these techniques!

I purchased Dwan's course and found it very practical to put into use right away. Using the course has allowed me to be self-employed as a real estate investor while I also get to simultaneously enjoy a career as a comic hypnotist.

Thanks Dwan!!!

P.S. My first pre-foreclosure deal brought a profit of **\$89,000!!!**

Ronald B. – Maryland

I found a property in foreclosure. It had a mortgage balance in the high \$40,000's. Within one month, I sold it for \$93,000. After paying the paying closing costs, I put **\$41,000** in my pocket. Thanks, Dwan!

Cathi, Massachusetts

## PRE-FORECLOSURES

Visit the courthouse in the county in which you are interested in buying properties. Ask for assistance to find the file room and to view current foreclosure files. Because recorded information is public information, you will be allowed to read through the foreclosure files. Use the **Courthouse Worksheet** form, included on your document disc, and write down all the pertinent information about the property you wish to pursue.

Begin by reading the files and learning what everything means. Look for first mortgages, second mortgages, and any liens or judgments against the property. Once you have determined that purchasing the property seems like a good deal on paper, contact the owners. As you know, I think you should knock on the door.

If you work during the day and cannot get to the courthouse to research files, read the **classified section** of the newspaper for a list of recently filed foreclosure cases. In most courthouses, some type of real estate newspaper or newsletter containing this information is available at a newsstand. Contact the courthouse to see what type of service it may have available. These publications are usually available through subscription.



When a homeowner enters foreclosure, the Plaintiff must advertise the foreclosure proceeding in the newspaper so that others who have a claim against the property have the opportunity to protect their interest. This ad will not state the debt to value, but it will typically state the address of the property and the judgment amount.

There are also services that publish a weekly list of foreclosures. You can order the foreclosure information through one of these services and review the information at night when the dust has settled from your busy day. These services provide information such as how much is owed on the property, how many months in arrears the payments are, the payment amount, the legal description of the property, phone numbers, etc. I prefer to use one of these services instead of spending my valuable time at the courthouse. In the beginning, I went to the courthouse several times a week because it was the only choice I had. I was too broke to pay for any of the services.

### **Personal story from Dwan ...**

*I found my first house when researching foreclosure records at the courthouse. I came across a property that seemed like a great deal on paper and decided to pursue it.*

*I went to the house and knocked on the door and a woman answered. I was shaking in my boots because I didn't know what to say or do, so I did what anyone would do, I winged it. She stepped outside and closed the door behind her. We talked for a few minutes and she asked me to come back tomorrow. I went back a total of seven times before she let me in the house. When she finally did, I wished I was still outside.*



*This house smelled so bad that it brought tears to my eyes. She had a dog who used the linoleum floor as the bathroom, and she chained smoked so much there were nicotine stains dripping down the walls. It was horrible! By the way, did I mention I moved into this place? I couldn't afford to live one place and make a payment on another, and I was willing to do whatever it took to make this deal work and hopefully change my life.*

*I worked out a deal with her to pay the arrearages and continue making the payments until the property was rehabbed and sold. She agreed to deed the property to me. I took classes at the local do-it-yourself store and learned how to do just about everything. I pressure cleaned, painted, laid tile, did the landscaping, changed out some of the plumbing; you name it, I did it. The only thing I did not do was drain and acid wash the pool. I had no idea how and the idea of learning did not appeal to me. After a lot of hard work, I finally finished the project.*

*I put the house on the market, sold it in four days and made over \$20,000 on my first deal. Can you see why I got hooked on this business?*

## CASH FOR YOUR HOUSE POSTCARDS

I am a big believer in mailing postcards. Through the years I have had tremendous success with them. Mail your postcards to folks:

- Who are in foreclosure
- Going through probate
- Who recently filed bankruptcy
- Are going through divorce
- Who are delinquent paying their real estate taxes
- To landlords who have just evicted a tenant

All of this information is available in your local legal paper. Call the county courthouse and ask where they publish legal notices. *All* legal notices are public record. Once you know where to find this information, get busy. You can mail your postcards on a weekly, bi-weekly, or monthly basis. How many your mail depends on your budget. We print, label, and stamp them right in the office and mail weekly.

Most investors only mail to folks in foreclosure. That's fine, however, probate, divorce, taxes, etc, are distress situations as well. Many times it takes two people to make a mortgage payment and when divorce hits, foreclosure is just around the corner.

We have fine-tuned our postcard techniques for maximum results – we use a **mailing list**. We buy a mailing list by zip codes. We pick an area in which we wish to own properties or an area that is “hot” for investing. We then ask the mailing list company (found in your phone book under mailing list) for two things:

- A reusable list.
- A list that lists the “homeowners names” **and** the words “or current resident” as part of the address.

If you don’t specifically ask for these items you will get a mailing list that comes on labels for a one-time mailing. The addresses that are no longer good will come back because your list didn’t say “or current resident.” Spend the few extra dollars to make the most of your list.

Let’s say your mailing list has 5,000 names. Are you going to mail all 5,000 at once? Probably not. We “farm” an area. Farming means to work the area on a regular basis. We have all received a postcard from a Realtor who “just listed the house down the street.” The Realtors are farming the area. They mail cards to the same houses over and over again so when the homeowners are ready to sell, they will think of the Realtor and call for a listing. We do the same thing, except we focus on folks in distress. Trust us, people can be having a wonderful life one day and the next they are facing divorce, death,

downsizing or anything else that life sends their way. This is why farming works so well. The same homeowner may get your card five times and never need you; then suddenly life took a turn and they need you now.

So how do you mail these cards? Based on the 5,000 mailing list we suggest you mail 1,000 cards each month. The first month you mail 1,000, the second month another 1,000, the third month another 1,000 and so on. Every six months or so, the same folks will get your card. We get sooooo much business this way. Again, your budget will dictate this. If you can only afford to mail 100, it's okay. As soon as you close a few deals mail larger quantities.



You can print these cards from home on your computer. Print two to a page and cut the page in half. At night when you have a free minute, label them. If you have kids, put them to work. Below is a sample postcard we use. From time to time, we make changes on our card. The main theme we keep is that we “offer solutions” instead to just “cash for your house.” Many times homeowners are looking for solutions before they come to the realization they have to sell.

Offer solutions or friendly advice and the deals will roll in. Remember, it's all about win/win.

***www.1234closures.com***

## **Quick Solutions for Your Property Problems!**

Facing foreclosure?

Divorce?

Rental Nightmare?

Behind in payments?

Death in the family?

Need to sell quickly?

Downsized?

Stop waiting &  
worrying and call us  
for a **free,**  
**confidential,**  
telephone  
consultation.

**We have the solution!** Our company specializes in solving real estate related problems. Your search is over! We're here to help.

Our goal is to offer a win/win solution. We can help even if you have **NO EQUITY**. Pick up the phone right now and get control of your life again. We are here to help!

**WE ARE THE SOLUTION TO YOUR PROBLEM!**

***WE OFFER SUCH  
SOLUTIONS AS:***

- ☞ *Loan*
- ☞ *Modifications*
- ☞ *Forbearance*
- ☞ *Agreements*
- ☞ *Short Sales*
- ☞ *Quick Closings*
- ☞ *Deed in Lieu*
- ☞ *FREE Advice*
- ☞ *Confidential*
- ☞ *Fast Acting*
- ☞ *20 Years*
- ☞ *Helping*
- ☞ *Homeowners*
- ☞ *1,000's of*
- ☞ *Satisfied*
- ☞ *Clients*

***Ask for Dwan***  
***555-555-5555***



## BROKERS' LISTINGS

Working with a real estate agent or broker is very important to your success. Find an agent who works with many different banks. Look through local phone books and newspapers as brokers will advertise their listings of bank owned and foreclosure properties. Once you have a broker you can work with on a regular basis, request that new listings be faxed to you weekly.

Your broker can provide many services for you. A broker has access to every property that is listed regardless of whose office has the listing and can run computer print-outs of available properties meeting your criteria.

For example, the computer entered listings can be searched for properties based on the following terms:

- Handyman Special
- Estate Sale
- Foreclosure
- Vacant
- TLC
- Bank Owned
- Corporate Owned
- Divorce Sale



- Distress Sale
- Moving
- Relocating
- Must Sell
- Bring all offers
- Owner Financing
- Assumable
- No Qualifying
- Lease Options
- *And more ...*

When your broker generates lists of properties, he or she will ask the computer to include your price range and desired area, and can request specific information such as the number of bedrooms to the size of the pool. Remember, the more specific you are about the properties you desire, the less there will be from which to choose. Be flexible.

Your broker will send you comps on the properties meeting your specifications. Comps show recent sales in a specific area based on the similarities between the comparable properties and the subject property. You must have the comps on a property in order to make an intelligent offer. Once you have the property list, the comps, and the asking price, drive by each property noting its condition and bid.

When a property is owned by an institution such as a bank, the property will most likely be vacant. As soon as these properties enter the market, make your offer.

☞ **Banks tend to collect and review offers on a property before deciding whether or not to rehab it themselves.**

Always offer far below the asking price and submit your offer with a contractor's estimate for repairs, if possible, and pictures if the property shows poorly. Usually, banks and institutions require an addendum to be signed along with the offer. An addendum generally states that the property is being sold in "as-is" condition. The bank will provide the addendum if one is needed.

It is easier to purchase a vacant house from homeowners. The owners have already moved out and are more anxious to sell. Generally, the owners are now making two payments or no payment on the vacant house making this a distress situation. Submit an offer stating that you will pay the next mortgage payment if they accept.

Submit as many low offers as possible each week through real estate agents. This is one of my favorite ways to buy houses because someone has already done the research for me.

➔ **I can't say it enough ... BID LOW!**

Banks are not in the business of owning property, they are in the business of lending money. Non-performing assets (defaulted loans or foreclosed properties) look bad on their books.

***Personal story from Dwan .....***

*Several years ago I came across a property in Boca Raton with an asking price of \$89,900. The property was worth low \$90,000's in repaired condition.*

*Upon inspection, I found the property had a lot of fire damage. Also, there was a lot of water damage caused when putting out the fire. One of the problems with fire or water damage is that you never know what kind of mess you will find when you start tearing down the walls. Based on our rehab figures, I decided to offer the bank \$60,000 cash, as-is, closing in two weeks.*

*After several counteroffers, the bank accepted \$62,500. I bought the house for \$27,400 less than the bank was asking. As I have said before, offer low. The worst thing the bank will do is not counter at all.*

*I spent approximately \$7,900 in rehab, sold the property for \$91,225 and made a tidy profit. Not too bad for a day's work.*

## FOR SALE BY OWNER - ("FSBO")

Locate properties "For Sale by Owner" by looking in the real estate section of your newspaper for ads placed by property owners. Drive through neighborhoods in which you are interested in investing. If you spot a "For Sale by Owner" sign or "Open House" sign, get to work!

There are several real estate services, which allow homeowners to market their own property. These services charge homeowners a flat fee to advertise their home. Locate these services and call for a free list of properties.

- ☞ The reason people try to sell their property themselves is to save the expense of commission.
- ☞ The owners may be facing financial trouble and are trying to sell the property before their situation gets worse.
- ☞ These are the homeowners with whom you want to work.

If the condition of the home is noticeably poor, a good guess would be that some type of distress situation exists. Prior to the appointment, research ownership and run comps to help you make the best deal. Also, bring the necessary contracts and forms; time is of the essence

to a distressed homeowner. Don't let another investor beat you to the deal.

When driving the neighborhoods in search of FSBOs, pay special attention to the properties needing work. Either call the number on the sign or be bold and knock on the door.

During your discussions with the owners, decide how you can best work with them.

Even if a property is not in a distress situation, don't be afraid to make a low offer!

I made \$10,000 in 45 days. Thanks, Dwan!

**Patrick D., Indiana**

**Personal story from Dwan ...**

*I found a couple who had been transferred from South Florida to North Carolina and needed to sell their house quickly. The problem was they owed almost what the property was worth. I felt the property was worth approximately \$110,000 and they owed \$96,600. The house needed paint, new carpet, and an overall good cleaning, but was basically in good condition.*

*They decided if they could not sell the property quickly, they were willing to lose it to foreclosure. We worked out an agreement whereby they would deed the property to me and I would sell it. I agreed to give them \$3,000 for moving expenses, and would keep any additional funds that resulted from the sale. Worst case scenario, not sell the house and keep it for a rental. Seemed like a risk worth taking.*

*Once the carpet was cleaned, the pool was serviced, painted, and cleaned the entire place, it actually looked pretty good. I ran an ad and found a buyer a few weeks later who purchased the property for \$108,000.*

*I ended up making close to \$9,000. The sellers were happy to unload the property quickly and have moving expenses; I was happy to get a property with only a \$3,000 investment; and the new buyer was happy because she got a beautiful house. This is what I call a win/win situation for all.*

## CODE VIOLATIONS

This is probably one of the most **underrated** methods of finding great deals. Code violations can be an incredible way to find properties, especially when the violation is minimal. There are many reasons a homeowner would receive a code violation:

- The grass, weeds, or bushes were too tall and the homeowners were fined for not cutting them
- The homeowners were fined because the yard wasn't mowed
- Several cars are sitting on blocks in the front yard
- The front porch is rotting
- Trees have fallen in the yard
- The homeowners painted the house a color that was not approved by an association

These are minor violations. Be cautious when violations are major. A major violation might be:

- An addition that was not approved
- An addition that made the property too close to the property line
- A carport that was enclosed without permits
- A detached garage made into an apartment or rental unit
- A single family home turned into a duplex

These violations could run into the thousands to fix, if they can be fixed. I have seen many a homeowner be forced to tear down an addition and restore the property to its original condition.

Go to the city building and ask which department handles code violations. Simply ask the clerk to give you a printout and get busy. You can mail these homeowners a postcard or knock on their doors.

When homeowners are given a code violation, they typically have 30 days to fix it. If they don't, a daily fine accrues. I have seen homeowners let their grass, weeds, or bushes get too tall, the city sent them a notice that gave them 30 days to take care of it, they didn't take care of it, the city cut it for them, and then fined them \$250. They don't pay the fine and the penalty now accrues at \$250 per day. Months pass and now the homeowners owe the city over \$20,000 in fines and penalties. Homeowners don't realize they can simply negotiate the fines to a smaller amount. You'd be stunned how many people move out of their houses over code violations that got out of control. They assume that since they can't pay the fines, the city will take their property and sell it to pay the fines.

When you get one of these properties under contract, call the city and negotiate the fine. I get the city to **waive the entire fine** with the understanding that I will fix the problem. The city typically gives you 30 days to fix the problem or the fine won't be waived.



- When the city official agrees to waive fines, get it in writing.
  
- ➔ **Anytime you have a pending closing, the title company will check for city liens and code violations. It's a good idea to double check that this was done. Should a violation be missed, you'll likely be responsible for it if you did not do your due diligence and catch it before the closing.**

The last time I stopped by the building department in my area, I got a list of properties 25 pages long! I typically do this several times a year. The great thing about this method is that it is *free!*

I found a property worth \$95,000. My homeowners owed \$65,000. I called the bank and using Dwan's short sale techniques, I was able to discount the mortgage to just **\$48,000**.

**Cathi, Short Sale Super Woman, Boston**

## WEBSITES

A website can give you an amazing amount of credibility. The funny thing is, anyone can have a website. A child can design a website. However, the average person feels that if you have a website, you are legit. People in distress often feel more comfortable looking you up on the Internet before making personal contact.

We have a website specifically for people in distress. One of our websites is [www.1234closures.com](http://www.1234closures.com). Take a look at the site. It has a page where homeowners can give us their information, tell us about their distress, and let us know what they'd like to do ... all before we speak. Homeowners in distress are usually embarrassed and, if given the choice, will go to a website and wait for you to call them.

Once you have your site up and running, put the web address on everything you do:

- Postcards
- Letters
- Business cards
- Car signs
- "Cash For Houses" street signs
- Flyers

- Bus benches
- Newspaper ads

Our site has a “how did you hear about us” section. When homeowners fill in this section their answers typically state that they saw us in the paper or received a postcard. This assures us that our website is doing its job. They fill in the information and we call them taking away the awkwardness of first contact.

## DIVORCE SITUATIONS

Divorce, although sad, creates a huge opportunity for investors. With the divorce rate over 50% and most people using two incomes to purchase a property, one income can't afford most of these properties. When one income leaves, the other income struggles for months and then the property falls into foreclosure. The final result of the divorce becomes the foreclosure. By dealing with these homeowners now, you can get these properties before they become foreclosures.

Often couples involved in divorce are trying to sell jointly owned property. Judges can court order a sale during divorce proceedings. Since time is not an option for most of these couples, making "top dollar" for their property may not be an option. Find these properties and make low offers.

Look in the real estate section of the newspaper for ads stating "divorce forces sale." You can also check the divorce files at the county courthouse to find properties owned by couples filing for divorce. Divorce proceedings are public record.

It is imperative that you understand how title works.

➔ **When you buy a house, each individual on the deed must sign the contract for sale and purchase. Without all**

**signatures, you do not have a deal. You must get both spouses (provided they are both on the deed) to sign your contract for sale and purchase, unless one spouse has signed a quitclaim deed giving up his or her ownership interest to the other.**

Keep in mind that in a nasty divorce, one of the spouses may try to sell the house below market value just to make the other spouse angry. If a disgruntled spouse remains living in the property, he or she could wreck it before moving creating costly repairs.

Research recent divorce records at the courthouse. Look for divorce cases in which couples own property in areas you are interested and/or who own multiple properties. Also search for files containing court ordered sales. Make notes on the properties you are interested in and while at the courthouse check to see if any of these properties are in foreclosure.

With some luck, there might be a “For Sale” sign in the yard. If it is a real estate broker's sign, contact your agent to help make an offer. If it is a FSBO sign, write down the phone number, or knock on the door. The fact that the owners have already placed a “For Sale” sign in the yard makes it easier to approach them because they are already intent on selling, and you have a reason for calling or knocking other than having “been at the courthouse doing research.”

Be extra sensitive and try not to get in the middle of a bad situation. Simply make the best deal possible for everyone involved. Remember to think “win/win.”

***Student Testimonial ... Mike and Janet's Story***

You are WONDERFUL! We attended the OREIA convention in Columbus last November and loved your presentation. We purchased your books and tapes and it was a fabulous investment. Please keep in mind we have attended many seminars and purchased other books and tapes and in our opinion yours are THE BEST!

We were in the middle of taking over a deed. The owner was giving us the home and was walking...no matter what. There was a mortgage balance of \$89,000. Payments were high; \$850. The home was worth about \$105,000 and needed \$10,000 in repairs. So you could see we had questions on whether we wanted the deal.

When we heard you talk about “short sales” we were excited and decided to give it a try. Dwan coached us, even calling from a boot camp, to help us with the right presentation. We bought the home for \$67,250 and wholesaled it the same day for \$75,000 making a profit of \$7,750 IN ONE DAY!!!

Thank you, thank you!!!

Mike and Janet

## PROBATE AND DEATH SITUATIONS

Probate is the legal process that takes place after a person's death. During probate the will is read, an executor or personal representative is assigned (if no will exists, the state will appoint an executor), and the decedent's wishes are stated and carried out.

The individual designated as the executor of the estate will handle the disposition of the decedent's belongings. The executor of an estate can be a friend, relative, or attorney appointed by the deceased. Regardless of the situation, probate must be completed before any real estate owned by the deceased can transfer title.

“Estate Sale” is typically how an ad in the newspaper will read. Also, look in the section where auctions are advertised. When you read “Estate Auction,” you should inquire whether the auction is being conducted to dispose of personal property, real property, or both. Also, remember to ask if there are other properties that the family is trying to sell. You can go to the county courthouse and look in probate files to get information about properties that are currently tied up in probate.

When you find a property that interests you in the probate files, contact the heirs of the property and be sensitive.

**I say:**

“Hello, my name is Dwan. I am a real estate investor. I realize that this is a difficult time for you and your family. I am so sorry for your loss. Dealing with something like this can be stressful. I also realize that trying to deal with a property can add to the stress. I don't know whether you have made plans to sell the property at this time, but if you do I am interested in buying it. I can close quickly and with as little hassle as possible. What steps have you taken to deal with the property?”

From this point on, I let them talk for awhile and then try to move toward an appointment or contract.

More often than not, you are helping the heirs solve a major problem. A parent may have passed away and has left the property to the children who live in another state. For a family with jobs and children in school, a property located 1,000 miles away poses a problem. Unless the heirs plan to keep the property as a vacation home or a rental, they will most likely want to dispose of the property as quickly as possible.

Maybe a spouse has passed away and the remaining spouse no longer wants to remain in the house. In a situation like this, be



sensitive to the emotions of the spouse. Make sure he or she has a place to live and is ready to sell.

Probate can be a wonderful way to find a property as well as to help someone out of an emotional and stressful situation.

***Personal story from Dwan .....***

*I came across a property that was in foreclosure and probate at the same time. After a lot of leg-work I was able to track down the heirs to the estate. Turns out they were living in Florida and both of them were in the process of moving to Tennessee, one to a new job and the other to finish school. The last thing they needed was to deal with this complicated situation.*



*The property had a balance of \$98,000. The heirs deeded the house to me in the form of a quitclaim deed and turned over the probate situation. This case was complicated because of invalid wills and a foreclosure already in progress at the time of death. When probate was clear, the title passed to the heirs and I then filed my deed. I gave the heirs \$3,500 in consideration and spent approximately \$2,500 in attorneys' fees.*

*It was win/win for everyone!*

## NETWORKING AND WORD OF MOUTH OPPORTUNITIES

Building a good and trustworthy reputation is essential. Believe it or not, there is a small circle of real estate investors working in each area. Once you begin working in this business, you will probably meet them all.

Get some business cards stating your name, phone number, and a slogan. Pass these out everywhere you go and let people know what you are doing.

Sample information to place on your cards:

Dwan Bent-Twyford	555-555-5555	
☞	Late payments?	
☞	Relocating?	
☞	Death in the family?	
☞	We can help!	
☞	Possible foreclosure?	
<a href="http://www.1234closures.com">www.1234closures.com</a>		
<b>I offer win/win solutions for your property problems!</b>		
<b>Call for FREE advice. I want to help you!</b>		

***DON'T CALL*** people who advertise:  
**"I BUY HOUSES CASH"**

Don't let them steal your property!

**Call for a free and confidential telephone consultation.**

Jim Smith 555-555-5555

No equity? No problem!

[www.stopforeclosure.com](http://www.stopforeclosure.com)

15 years experience helping folks, like you, start over.

Your privacy respected.

Don't get cheap cards. I hate those cards people make at home. I know I have recommended them in the past, but they just never look good.

Here are some of my favorite places to network:

- REIA Groups
- Chamber of Commerce meetings
- Real Estate investing seminars
- Mortgage Broker conventions
- Home and Garden conventions
- Home Depot
- Lowes
- Builder shows
- Real Estate offices
- Welcome Wagon

- PTA meetings
- Toastmasters
- Tell your doctor what you do
- Your dentist needs to know
- Family members
- Friends
- Dry cleaner
- With your banker
- At the gym
- With current co-workers

When running your “**I buy houses cash**” ads, other investors will call to introduce themselves and to let you know of any properties they might be trying to flip or purchase. These are prime networking opportunities.

Make sure your family and friends know what you do. You may think they do, but I’d venture to guess they don’t really understand real estate investing and working with distressed sellers.

There are so many other places to network. Put your thinking cap on and go to every meeting you can find where there are prospective clients: both homeowners in distress and people for your team.

## BAIL BONDSMEN

You're probably thinking, what? Why would anyone call someone like that for real estate deals? When someone gets arrested, what happens to them, besides going to jail? Right, a bail bondsman often gets them out. What does this person often take for collateral? Yes, deeds to properties. You would be stunned how many properties you can get from a bail bondsman.

☞ A bondsman would much rather have the cash than the property. When you get a call, negotiate the best deal you can and get the deed.

You can find bondsmen in the yellow pages. In most cities their offices are near the courthouse. Take a day, go to the county courthouse and stop in as many offices as you can find. Meet the owners **in person**, let them know what you do, leave a card and see what happens.

There are several states that don't offer the bond service when someone is arrested. You should be able to find this out simply by opening the yellow pages.

I did a telebootcamp recently and meeting bondsmen was part of the homework I assigned the class. Several of our students had deals in

the first week. One student secured five deals from one bondsman. Be like these students, make the effort and see what happens.

Bill and Dwan,

This is Elisa K. - I am emailing each of you a copy of a check that I received this past Thursday upon closing a Short Sale. I want to THANK EACH OF YOU! Without you folks, I would not have had the courage and/or motivation to get out there and talk to people.

We had done some real estate investing and had some discouragement so we gave up. We received an email about some training and coaching you were doing so we took a Step of Faith and we joined - GOD BROUGHT US OUR ANGELS! Your Monday morning phone calls and all the training calls that you did through the month of December when everyone else was busy doing Holiday stuff really kept me motivated.

Bill and Dwan – the training call that you did regarding how to have a great first quarter TRULY HELPED motivate me. Like you said, "If we want to have a great year we must get out there now and make it happen!" YOU WERE RIGHT!

We have been going through TERRIBLE hard times. Every possible thing that the enemy could throw at us he threw. Our bank account probably had less than \$100 in it and we had just had our only vehicle repossessed when we received this check! I OWE IT ALL TO YOU FOLKS and I Thank the Lord for bringing the Teacher when the Student was ready!

GOD BLESS ALL OF YOU - I wish I could give you a Hug and a Kiss and show you how you have changed our lives. We know that we will have more checks coming because we will not stop here. I will continue on with your coaching and training and I will not use the money for my own personal gain. I know that God has meant that we are to help others so that is my Mission and YOU HAVE MADE IT POSSIBLE!

When I mail out checks to various Charities please know that because of your down to earth Coaching and your True Care for all of us Students that you are the ones that are a BLESSING to those Charities.

I have attached the copy of my check. Please feel free to use it as a testimony to your Training and Coaching and please tell EVERYONE that you are not another Fly By Night bunch of Real Estate Course Sales People - you really care about your students!

And thank you for the training calls that are TRUE TRAINING and not just a Glorified SALES call like so many other so called "Gurus" out there. They don't care about people like you do. They just want to "Line their own Pockets" and you all are NOT like that.

Again - thank you and May God continue to Bless you all and make you all a Blessing to others.

Elisa K.  
Gulf Breeze, Florida



## PAWN SHOPS

Pawn shops are another **highly overlooked** method of finding properties. People sell all sorts of items at pawn shops to get quick cash:

- Jewelry
- Lawn equipment
- TV's
- DVD players
- Guns
- Coins

The pawn shop gives you cash for the item and you get a ticket. The ticket gives you a certain amount of time to redeem the item or make a payment. If the payment is not made on time or the item is not redeemed, it is lost.

The larger pawn shops often have:

- Cars
- Boats
- Houses
- Airplanes



Look in the yellow pages or take a drive one day and stop by a few pawn shops. Ask the owners if you can put an “**I Buy Houses Cash**” sign with no phone number in the window. Tell the owners that when anyone inquires about the sign to get their name and number, give it to you, and you will make the contact.

The pawn shop owners will want to get paid for putting your sign in the window when you close a deal. If the owners give you the name and number, they have a way to follow-up on the deal to make sure you're not cutting them out. Once you have done a few deals and trust has been established, you can use a sign with your contact information.

The bail bondsmen may let you place a sign in their windows as well.

## CLEAN UP COMPANIES

I'm not talking about the typical cleaning company like Merry Maids. I'm talking about the cleaning companies that clean up human remains or human excretions. The parents of one of our students own a biohazard/trauma cleaning company.

They are called in:

- ☞ When someone dies in the middle of the night and isn't found for several days
- ☞ When a crime that results in death happens in a property
- ☞ When someone commits suicide inside a property
- ☞ To clean human or animal remains after car accidents
- ☞ To clean after animals - if a homeowner has 30 cats, moves out, and the house is a mess, they take care of it
- ☞ When vacant properties are vandalized by kids
- ☞ Even when someone dies of natural causes

These companies can be found in the yellow pages. Trauma companies also clean hospitals and clinics.

Because a trauma company is called to do a job does not mean that there is a distress. However, since they are called for traumatic reasons, it might be the beginning of a distress.

Contact several companies, meet the owners in person, explain what you do, while they are cleaning have them inquire about the property, if there is a distress give them a finders fee for bringing you a deal.

➔ **I want to make something perfectly clear: NEVER pay a finders fee unless the deal closes. The fee is paid from the closing or after the closing.**

There are also companies who do **estate cleanings**. After someone passes away, they are hired by the family to pack-up the belongings, clean the property once it is vacant, look for documents or anything of value, and more. These companies are also listed in the yellow pages.

## RADIO AND TV ADVERTISING

When people hear you on the radio, they automatically assume that you are an expert. You would not believe how inexpensive it is to have your own radio show. Call the AM talk stations, ask what time slots they have available, get a rate sheet, and start your own show.

Right about now you may be thinking I'm nuts. You feel you are too shy to be on the radio, it's too expensive, who would listen, you have no experience, or what wondering what you would say for 30 minutes. Folks, I used to have all the same worries. The first few shows I did, I was really nervous. Once I got over the nervousness, I started having so much fun!

Most radio stations offer the services of a host to be on the show with you. This person is typically a DJ who will sit with you and interview you throughout the show. When I first started, I used a guest host for two weeks. After that, I had the confidence to do it myself. I was still nervous, but realized it was no big deal.

When we have a show running, we talk about foreclosures, we invite people to call in and ask questions, we offer to help people in distress, we invite people we have helped to be guests, and more.

We also have a 60 second TV commercial running on cable where we offer to help people in distress. If a distressed homeowner sees you on TV, they think you must be legit. TV advertising is more expensive, but effective.

Most of the cable companies will produce a TV commercial for you if you commit to an advertising contract. Our cable company required us to sign a 13 week contract and then produced a commercial for \$500. The commercial belongs to us so after the 13 weeks we were no longer obligated to advertise with them. We get a great response from our commercial.

The radio show is typically much cheaper than the TV advertising. Compare the rates of both and get started as soon as your budget allows. Keep in mind that you can get super cheap TV spots in the middle of the night. Many homeowners are up late at night because they can't sleep. We have gotten spots for a little as five dollars a spot – not too bad!

## NEWSPAPER ADS

I find newspaper ads requesting distressed properties to be a great source for locating properties. I run ads in the classifieds under the “Real Estate Wanted” section.

Here are some examples of ads that have worked for me:

“Distressed? Overwhelmed by bill collectors?  
Facing foreclosure? We can help.  
Ask for Sue. 555-555-5555”

“WANTED!! Distressed properties.  
Confidential telephone consultation.  
Ask for Bill. 555-555-5555”

“Cash for your house. Any condition, any situation.  
No equity, no problem. Ask for Bob. 555-555-5555”

Be prepared. When you run ads like these, your phone will ring off the hook. Make sure the message on your answering machine or voice mail mentions the ad. Try to be available to take the calls. Consider using your cellular phone for the phone number in your ads.

Your outgoing message should say something like:

☎ **“If you’re calling about the newspaper ad, please leave your name and number. Your call is very important to me and I will get back to you soon.”**

You may have one ad running for distressed sellers and another running to build your buyers’ list. Make sure your message is generic so it covers all ads you may be running.

Respond to messages as soon as you can. Time is of the essence. The people who call about your ad are likely responding to ads from other investors as well. It takes a lot of courage for distressed homeowners to reach out for help, so it is very important for you to call

them back as soon as possible. If you can, go see them and their property the day they call you and try to negotiate a deal before they get cold feet.

➔ **“Call homeowners back as soon as possible.”**

***Personal story from Dwan .... .***

*We had an ad running in the local paper advertising for distressed properties. We got a call from a gentleman who was not in distress, but instead was looking for a house to live in. He wanted to know if we had any decent properties available. Anytime anyone calls us looking for a house, we try to find them one a.s.a.p.*

*We checked around in the area he was interested in and found a suitable property for him within a few days. We got the house under contract for \$54,200 and flipped it to our end-user for \$61,500.*

*He now has a home with over \$20,000 in equity, we made a great assignment fee, and the best part is, he called us. Some calls will be from people trying to sell a property to get out of a distressed situation, and others will be from people looking for a good deal on a personal house. Why not be the middleman and make a nice living doing both?*



## COURTHOUSE STEPS

Even though investors use the term “**buying at the courthouse steps,**” the sale is not actually on steps. Most sales are in a hallway or foyer inside the courthouse. An employee of the courthouse sets up a temporary sales station with a table, the foreclosures to be auctioned off, and a microphone.

➔ **The purpose of this auction is for the bank to either get paid its judgment amount or to be the highest bidder and gain ownership of the property.**

If the homeowner doesn't attend the sale with the full amount, the bank will bid on the property and take ownership. At that moment, the property becomes an REO – real estate owned and the homeowners have a foreclosure on their credit report. The general public is welcome to bid on these properties.

The homeowners then have approximately ten days to move. It takes the courthouse approximately 10 days to issue a certificate of title to the new owner. At that time, if the homeowners have not moved out, the new owner can petition the court for possession of the property, and then send the sheriff to serve a writ of possession to put their belongings on the sidewalk.

Some states have a redemption period. The redemption period would now be in effect. During this time, the bank cannot take possession of the property. If the homeowners can figure out a way to pay the mortgage balance off in full, they can keep the house. During this time, the homeowners can also sell the property as long as the sales price covers the mortgage balance. If it doesn't, **short sale it**. If you not invested in my short sale program, now is a great time to do so. You will use short sales often.

Contact your county courthouse to find out when and where these auctions take place. Try attending a few as a spectator prior to actually entering the bidding war.

If bidding at the courthouse is something that interests you, consider a few things first:

- ☞ Have you driven by the property to see its condition?
- ☞ Is it still occupied?
- ☞ If so, when the homeowners are “thrown out,” what sort of damage might they do to the property?
- ☞ If vacant, has it been vandalized? Always look in the windows to assess the interior condition.

If you plan to buy at the sale, try to view the property before buying. There is no telling what sort of damage the homeowners could do on their way out. I have seen homeowners:

- ☞ Rewire the entire house making it 220 volt
- ☞ Pour cement down all the drains
- ☞ Cut open the drywall and put dead fish in the hole
- ☞ Set fire to the property
- ☞ Punch holes in every inch of drywall
- ☞ Pull every wire out of the wall
- ☞ Leave dead animals in the house

If the homeowners feel the bank “ripped them off,” they may have the mentality of trying to even the score. Understand that nine out of ten homeowners would never trash a house, but the ones who do, do it big!

At the courthouse auction, the auctioneer will begin by calling out the case number, the Plaintiff's (bank) name vs. the Defendant's (homeowners) name, and then asks for opening bids. At this point, the Plaintiff will usually bid \$100 and wait to see if anyone else bids. If no one bids, the Plaintiff will be awarded the property. The winning bid of \$100 does not mean that the property was just purchased for this amount. The Plaintiff bids \$100 to avoid paying state and/or

county fees on the entire judgment amount, although the judgment amount is the actual debt against the property.

If an investor bids against the Plaintiff, the Plaintiff will most likely bid the full judgment amount. Usually the Plaintiff will not bid more than the judgment amount, unless the Plaintiff is an investor who wants the property. The other bidders (usually investors) will continue to bid against one another, until someone wins.

Payment options vary from state to state. Some states require:

- ☞ Full payment at the time of the auction
- ☞ 10% down at the auction and full payment in 30 days
- ☞ A deposit at the auction and the balance by the close of business
- ☞ 5% down and 45 days for full payment

You can determine what your courthouse requires simply by calling and asking the foreclosure clerks.

Don't get caught up in the excitement and bid more than you had intended. Keep your cool! It's easy to get excited when the bidding is slowing down and the only two people left bidding are you and a competitor. It becomes a challenge or a contest you don't need to win, if it will cause you to bid more than your maximum bid amount.

## H.U.D.

HUD - Housing and Urban Development - guarantees FHA - Federal Housing Authority - loans, which are backed by the government. HUD handles the disposition of F.H.A. insured foreclosures. When an F.H.A. insured loan is foreclosed, the bank which gained title to the property at the foreclosure sale turns it over to H.U.D. in exchange for the insurance it is guaranteed.

H.U.D. places this property on a list from which the public can bid. Each week, H.U.D. faxes this list to real estate brokerages approved to accept bids on behalf of H.U.D. There are usually two sections to the H.U.D. list. One section is entitled "Owner-Occupants Only" and the other is entitled "Anyone Can Bid." All of the properties are sold in as-is condition!

Properties will remain on the list until an offer is accepted. There are bidding deadlines for the properties listed each week. Approximately ten days is given between the time the list is faxed and the deadline.

Generally, these properties are priced below market value and allow the purchaser to buy a house with a minimal down payment and low closing costs. The "owner-occupant" list requires the buyers to live in the property as their primary residence for no less than one year. The

“anyone can bid” list is open to everyone. Check H.U.D. guidelines in your area for more information.

When you find a H.U.D. property that you are interested in, contact your agent. The offers are done in the form of a **sealed bid**. This means that each offer is sealed in an envelope and opened by H.U.D. on the bid deadline date. Each of these contracts has a bottom line price - the amount that H.U.D. will receive for the property after commission and expenses.

- **The winning bid is the offer with the highest bottom line amount to H.U.D.**
  
- **When doing a short sale, HUD will accept 82% of the appraisal.**

## VA

VA loans are similar to HUD except they are guaranteed by the VA – Veterans Administration.

The V.A. handles the disposition of its foreclosed properties by offering them for sale to the public. A V.A. loan was originally taken out by a veteran. However, anyone (veteran or otherwise) can purchase a V.A. foreclosure.

V.A. typically prints its list of available properties, sold in as-is condition, in the local newspaper.

Like H.U.D., any real estate brokerage approved to accept offers on behalf of the V.A. can assist you. Your real estate agent should have a V.A. master key and V.A. contract forms, and should be able to show these properties and accept offers on behalf of the V.A.

☞ V.A. foreclosures also have stated bid deadline dates and are typically priced below market value. However, unlike H.U.D., the V.A. does not generally accept offers below its asking price.

The V.A. offers flexible financing terms for both owner-occupants and investors.

- ☞ Note that both H.U.D. and V.A. require a real estate brokerage to accept offers on their behalf.

The brokerage is required to charge commission. Although the seller pays this commission, it makes your bottom line offer less. Try to locate a real estate agent willing to take the minimum commission acceptable by both H.U.D. and V.A. to make your bottom line offer the most it can be.

- ☞ When doing a short sale, VA will accept 91% of the appraisal.



## AUCTIONS

Banks, investors, and individuals sell properties at auctions. For example, a court ordered divorce sale, an estate sale, distress sale, bank owned, and so on could be sold through an auction to obtain quick sales. When banks own too many properties or an individual owner needs to dispose of a property quickly, they may use an auction company's services.

When several properties are being auctioned, the auction will take place at one location such as a hotel ballroom. If only one or two properties are being sold, the sale will usually take place at the property. This is called "on-site."

Look through the newspaper and phone book for auction companies. Make a list of auctioneers and ask to be put on their mailing list. Try to attend these auctions as a spectator before actually taking part in one. When you're ready to bid at an auction, the following are some things you will need to know:

1. Be aware that properties sold at an auction are being sold "as-is - where-is," unless otherwise stated.
2. If you are the winning bidder, you will have to sign the auction company's sales contract as well as any addendums they

require. You can obtain these forms prior to the auction by asking for them in advance so that your attorney can review them. You will not be able to alter these forms, so make sure you understand what you are signing and being bound to.

3. The auction company will hold an “open house” at least once prior to the auction or allow appointment showings. It is important to preview the properties. Before you preview, you should have already obtained comps on the area and have an idea of what homes in the area are worth. If you are not confident enough yet to estimate repairs then have someone knowledgeable accompany you to estimate repairs. At the preview, the auction company representative will most likely supply information about the house and the area. Bring your note pad and write down everything you think the property will need in repairs. After each preview, you should have enough information to calculate how much to bid.
4. Keep in mind that most auction companies charge a commission paid by the buyer, known as a “buyer’s premium.” If this premium is 10% and your bid is \$50,000, then your actual bid, if accepted, would result in a purchase price of \$55,000. The extra \$5,000 would be an unpleasant surprise if you did not take the buyer's premium into consideration. Also, be aware that many of the

sales contracts require the buyer to pay closing costs for both buyer and seller.

5. At many auctions, bidders are required to bring a cashier's check to register. For example, the auction company might require a \$2,500 cashier's check to register to bid, with an additional amount due within five days bringing the deposit to 10% of the bid amount.  
  
→ If you are the winning bidder and do not close on the property for any reason, you will lose all of your deposit because the contracts used by auction companies are not contingent on financing.
6. The auction company does not own the property it is auctioning. It simply acts as the listing and selling agent for the owner. The sales contract it uses will usually call for the owner to provide clear and marketable title.
7. When reviewing the auction company's brochure on the property, look for available financing being offered. If the owner is a bank, it will generally provide financing which you may qualify for ahead of time. If the owner is an investor, he or she might offer some sort of owner financing without qualifying as long as your down payment is sufficient.

8. Most of the brochures put together by the auction company will cover everything you need to know about the property and the auction; however, if the auction company provides what is called a “due diligence” package, you may want to consider ordering it. This is a package put together by people knowledgeable about the property, giving you detailed information on everything available regarding the property, its location, etc. These packages are not free, but if this is your first time or even if you just like to play it safe (not a bad rule), then by all means, order one.
  
9. The best type of auction to attend is the one that is advertised as an “**absolute**” auction or an auction “**without reserve.**” This means that the property will sell to the highest bidder regardless of price. In other words, if you show up and bid \$1.00 and no one else bids against you, then you have just bought a property for \$1.00 because you are the highest bidder at an absolute auction. If the advertisement about the auction does not state that it is an absolute auction, then 99% of the time, it is not.
  
10. An auction with “**reserves**” means that the property owner has placed a price on the property (sometimes stated in the brochure, but not generally) and unless the auction brings bids to that price, the property will not be sold. For example, if a property being auctioned has a reserve of \$200,000 and the

highest bid stops at \$180,000, then either the owner will continue to negotiate through the auction company with the high bidder to reach an acceptable price between them or the property will be pulled from the auction.

Once you find a property that you would like to buy at an auction, go to the auction with your registration check and have a seat near the front. There are auctioneer's helpers working the crowd to help bidders get recognized.

☞ These agents will yell out your bid for you and let you know who has what bid and when it's time for you to bid again.

Don't get caught up in the excitement and bid more than you had intended. Remember, these agents are trained to get you excited. Keep your cool! It's easy to get overly excited when the bidding slows down to a point where the only bidding going on is between you and a competitor. It becomes a challenge or personal contest you must overcome in order to stick to your maximum bid amount.

**Personal story from Dwan .....**

*My partner and I have attended many auctions. They are so much fun; however, it is difficult to get a good deal at an auction because end-users bid the prices up too high. We probably end up with one property out of every five auctions we attend. At each auction, we may bid on five or six properties, so you can see how slim the pickin's are.*

*We are going to share a story that involves two properties bought the same night, one good property and one lesson-teaching property. We went to an auction that was sponsored by H.U.D. We ended up being the successful bidder on two properties. We were elated to win two properties in one night.*

*We bought property #1 for \$55,000 and wholesaled it to another investor the same night for \$58,000. The property was worth mid \$80's and needed very little work. We felt we had made a fair assignment fee and the other investor felt he paid a fair price. Win/Win, again!*

*Now, let's move on to property #2. This property was assessed at \$72,000 and according to the comps was worth \$104,000 to \$115,000. We won the bid for \$71,000. We were thrilled.*

*We began sending investors by the property as we had decided to wholesale it. Everyone driving by the property kept saying the same thing, "We can't believe properties in this neighborhood are selling for the prices on the comps." We were surprised as well, but comps don't lie.*

*Because of the comments, we started to research the property and it turned out there were two properties with the exact same address. The folio numbers were different, but the street addresses were exactly the same. One property was worth \$104,000 to \$115,000 and the other worth \$60,000 to \$70,000.*

*We immediately looked at our contract hoping to see the folio number of the more expensive property. There was no folio number or legal description on our contract. We called H.U.D. to see which property they had auctioned. Guess which property? Right, the lower priced*



*one. Since there was no folio number or legal description on our contract, we had no escape. We decided it would be insane to buy a property for \$71,000 that was barely worth it, so we opted to cut our losses and lose our \$2,500 deposit. Losing a \$2,500 deposit was not a pleasant experience. We can assure you, it has never happened again. Luckily, the other winning property profited us enough to cover the loss.*

*The reason we share this story with you is to teach you a very important lesson about the sales contracts you will fill out. If our contract had the folio number on it, we would have pulled the comps by folio instead of by address. Then we would have seen the comps on the correct property and not placed a bid or bid much lower. It is imperative your contracts have the legal description and the folio numbers and that they match.*

*We tried everything to get our deposit back, but it was no use. Their reasoning was that if we had done our due diligence, we would not have had a problem; and we felt that the contract was incomplete. Guess who won? Right, H.U.D. There's an old saying, "You can't fight city hall." We still attend H.U.D. auctions; we are just more careful now.*



## **MAGNETIC CAR SIGNS**

Many investors don't like magnetic car signs because they think the signs are tacky. Folks, they are! However, they really work. In our opinion, the tackier, the better.

The great thing about these signs is that no matter where you go, homeowners see you - taking your kids to school, grocery shopping, mall, work - everywhere you go someone sees your sign. In essence, you are always working.

Your signs need to be simple and easy to read. Remember, folks are driving when they see your sign. Use one phone number and make it as large as possible.

Open the phone book and look under sign companies. You can have magnetics ordered by size. Find the place on your car where you want to place the signs, measure it, and get your signs. If you drive a truck, place one on the back as well.

Our signs are basic and easy to read:

**CASH FOR YOUR HOUSE**

**555-5555**

OR

**CASH FOR YOUR PROPERTY**

**555-5555**

We like to use white signs with red letters or white signs with green letters. They seem to stand out on our cars. Ask the sign company which color they think will draw the most attention based on the color of your car.

As always, be quick to respond when you get a call.

## MORE DEAL FINDING FAVORITES

Whether you put “I Buy Houses Cash” signs in the windows, pass out flyers, give business cards, or hang a banner, these are more fantastic places to search for your next deal:

- ☞ Advertise on **billboards**
- ☞ Advertise on **bus benches**
- ☞ Call **charities** and places that help families in distress
- ☞ Call **churches** – did you know that people often leave their properties to the church when they die
- ☞ Meet the **postman** – he or she sees vacant property every day
- ☞ Meet the **electric man** – again ... vacant properties
- ☞ Call the local **fire department** – they know when homeowners have been displaced by a fire
- ☞ Contact the **police** – they can tell you about vacant properties as well as properties that have been vandalized
- ☞ Meet the guy who **shuts off the water**
- ☞ “Buy Here - Pay Here” **car lots**
- ☞ Mom and pop **convenience stores** – most convenience store chains like 7-11 won’t allow it as they are corporate owned and can’t get permission
- ☞ **Check cashing** stores
- ☞ **Antique** stores
- ☞ Indoor **flea markets**

- ☞ Outdoor **flea markets**
- ☞ **Doctor's** offices
- ☞ **Dentist's** office
- ☞ **Gyms**
- ☞ Mom and pop **grocery stores**
- ☞ **Restaurants** – eat-in and take-out
- ☞ Any place that is **owner operated**

Offer a finders fee to anyone who agrees to help. Ask your title company how to legally pay them so that you can account for the money.

## HELPING A HOMEOWNER REESTABLISH CREDIT

By now, most homeowners are getting bombarded with collection calls, companies who want to fix their credit, mortgage companies promising a new loan, and so much more. It is time for them to take a breather. I usually suggest that they rent for a while and just catch their breath. They have the rest of their lives to buy another house, another car, get more credit cards, and so on. They need to just enjoy the feeling of being free of the responsibility of a house for a while. Let all this sink in and make a new game plan.

Now is the time to start a goal board, to think about restoring their credit score, to move in the right direction, to learn what they did wrong last time (they may not have not done anything) and not do it again, to humble themselves and live in a smaller house, and whatever soul searching needs to be done.

There is a Bible verse in Genesis 50:19 that says...*what the enemy means for harm, God means for good...*we live by that. We know that no matter what bad comes against us, God is already using it for something good.

We have both suffered financial problems in the past, we have suffered failed marriages, we have had had hurtful things written about us on the Internet, we have had people accuse us of using religion to

gain the trust of others...sometimes it seems that the more public we become, the more negative stuff we read. Our friends tell us that we are “big enough” for people to talk about us now and that we should be excited. That is exactly how we look at it now.

In order for the homeowner to save what is left of their credit, have them sit down and take a realistic look at what they have to work with. Do they need to file bankruptcy? Do they need to use a credit repair service? Do they need to work out a repayment plan with their credit card companies? What do they realistically need to do to start fresh?

## CREDIT REPAIR SERVICES

Because of the declining housing market and high gas prices, many of you reading this may be suffering from credit issues. This section may apply to you as well as the very homeowners you are trying to help.

Credit reporting agencies have 41 Federal laws that must be followed in order to place an item on your credit report. These laws must be followed to the letter. If the credit reporting agency does not follow each of these laws ranging from how to place items on a credit report to how accurate their reporting is, they have to remove the item permanently.

Credit repair companies **challenge** the bureaus and make them prove that they followed the law to the letter. Since 99 percent of the time the bureaus can't prove they followed the letter of the law – they must remove the item forever.

This is why it is crazy for you to pay some extravagant fee for a service that you can get for less. You can challenge the credit bureau yourself.

Here are some of the most frequently asked questions we get about the credit repair:

### **1. Is credit repair legal?**

Yes, they leverage loopholes in the laws that govern the credit bureaus and creditors to permanently remove negative credit on behalf of clients. The permanent correction of these inaccuracies enables you to permanently remove every form of negative credit.

### **2. Can I repair my own credit?**

Yes, you can repair your own credit. Many people do it.

### **3. Should I pay my collections?**

It is very important that you understand how the paying of collections impacts your credit report. For this discussion let's imagine you have a \$65 medical collection. We know what you are thinking let me just pay them the \$65 and get this taken care of. There are a couple of different scenarios when you pay a collection:

1. The collection agency collects your \$65 and then just sells the debt to another collection agency.
2. The collection agency collects your \$65 and then updates your credit report to a zero balance indicating that you no longer owe this debt. Now for the bad news - you just lowered your score. When the collection agency updated your credit report to a zero balance it also updated the date of last activity. When a negative item is fresh it carries a higher point value then after it seasons for a while. In summarization: You just paid money to lower your credit score!



#### **4. How do I handle collection agencies when they call?**

This is our favorite part - inform all collection agencies the following:

"WE DO NOT HANDLE OUR BUSINESS OVER THE TELEPHONE  
PLEASE SEND US SOMETHING IN THE MAIL"

The collection agency obviously is not going to just hang up. Repeat this a couple of times to them and then just tell them the following: "I AM GOING TO HANG UP NOW" and simply hang up.

**By law, they are *NOT* allowed to call you anymore and harass you. Collection companies can be fined thousands of dollars for continuing to call. You can do this technique right now and sleep better at night.**

#### **5. How do I strengthen my credit through the adding of positive credit?**

Positive Credit can come in a couple different types. The strongest positive credit is open accounts that have never been paid late. Closed accounts that were paid-off and never paid late are also positive credit; however, these credit lines do not carry the point value of open, never paid late credit lines. Fact - most low interest rate lender programs for home mortgages require a minimum of three open positive (never paid late) credit lines.

## STEPS TO REBUILD CREDIT

If you decide that using a credit repair company is not in your budget or your homeowner's budget, there are other ways to improve credit scores. Of course, it all starts with paying things on time. We find that there are two kinds of homeowners and investors:

- ✓ The homeowners or investors who paid everything on time, found themselves in a difficult time, and began to pay bills late for the first time in their lives.
- ✓ The homeowners or investors who pay everything late all the time and fell upon hard times because they mismanage money.

Tell your homeowners: If you are a person who mismanages money, not only do you have to start life over again, you have to break your bad habits so you don't get into trouble again. If you fell behind because of hard times, getting back on track will be easier for you.

The first step is to create new spending habits. It only takes 21 days to develop a new habit. If you do the same thing for 21 days, you reprogram your mind to accept it as normal. If you do it for another 21 days, you have set it in stone as a new way of life.

- ✓ Start by paying bills when they come in.
- ✓ Pay things early, when possible.

- ✓ Pick one day a week to grocery shop and don't buy anything in between trips.
- ✓ Stop going to the local convenience store for expensive coffee. Make it at home before you leave for work.
- ✓ Pack a lunch for work instead of eating out every day.
- ✓ Pack lunch for your kids. They don't need to eat at the cafeteria every day.
- ✓ Take a 15-minute walk at night. It will help you keep a clear mind.
- ✓ Take an evening adult class on money management.
- ✓ Read books on money management for 30 minutes at night before you fall asleep.
- ✓ Be aware of the fact that you must make changes in your life.
- ✓ Don't beat yourself up over your past mistakes. Move on immediately. Thinking of the past keeps you there.
- ✓ It is a new day and this is a new life. Make the best of it.
- ✓ Read positive affirmations out loud every day.

From this minute forward, when you want to buy something ask yourself this question:

**Is this a want or a need?**

- A “want” might be a new pair of shoes; a “need” is a pair of shoes for work because you work on your feet all day and your old ones are worn out – not out of fashion.
- A want is new furniture; a need is buying used furniture because you are sitting on the floor.
- A want is a new car; a need is a used, sensible car that gets you from “Point A” to “Point B.”
- A want is to eat steak every night; a need is eating hamburger because it is affordable.
- A want is buying your kids a pair of \$150 sneakers because everyone wears them; a need is buying shoes at Payless where you buy one and get one free.
- A want is buying the latest fashions; a need is going to TJ Max and getting last years’ fashions for 70 percent less and still looking good.
- A want is going on an expensive vacation; a need is going to the park for a picnic on a Saturday afternoon to clear your head.

Get the idea? Only buying what is a **true** need will change your financial habits forever. It is easy to convince yourself that something is a need when it is actually a want. Make this a lifelong rule.

Now that your spending is under control, let’s get your credit score higher:

- ✓ Get a secured credit card immediately. Find a credit card company where you can pay a small deposit and are given a credit card equaling the amount of the deposit. Capitol One offers a \$500 dollar secured credit card.
- ✓ Use the card each month for gas or groceries and pay most of it off every month.
- ✓ Only use **30 percent** of the credit limit. For example – if you have a \$500 dollar card, only use \$150 a month. By using only 30 percent of the limit, your credit score will raise faster. Leave a small amount owing on the card each month – maybe \$25 dollars. If you pay it off in full every month, the credit card company does not make any interest. By not making any interest, you are considered a credit deadbeat. By leaving a small amount on the card, it raises your credit score faster.
- ✓ Have your new landlord contact the credit bureaus to add your “on time” rent payments to your credit.
- ✓ Have a mortgage broker add your on time electric, phone, and water payments to your credit report.
- ✓ Have your car insurance added to your credit report.
- ✓ Make sure your car payment is added to your credit report each month.

Anything that you are paying needs to be added to your credit report, if possible. The more on time payments you make, the higher your credit score will go. Soon, you will have five months of on time

payments, then twelve, then twenty four, and before you know it you will be able to buy a house again. Two years goes by really fast.

Take this time to reflect on your past (not dwell on it) and what you can do different in the future, learn who you are, and move ahead. There is a great life waiting for you – one that does not involve foreclosure or bankruptcy!

## FORMULA FOR PAYING OFF CREDIT CARDS

Bankruptcy laws changed in 2005 making it much harder to file a Chapter 7 bankruptcy and wipe out credit card debt. You now have to qualify for bankruptcy as well as attend credit counseling. You have to have at least \$50,000 worth of debt to qualify for a Chapter 7. The average American has \$10,000 in credit card debt on any given day. If you pay the minimum payment on \$10,000, it will take you 30 years to pay off your debt. We want to share a simple, easy-to-follow formula for getting out of debt.

The biggest reason most folks find themselves in credit card debt is lack of self-control. We tend to buy on impulse. That is what the credit card companies count on ... *your taste for credit*. This formula will teach you self-control as well as help restore your credit.

Your first step is to call your credit card company. Explain to them that you are in financial trouble and want to cancel your accounts. They typically expect full payment in order to close the account, instead negotiate the interest rate down and have the account frozen. This way, your balance does not continue to grow.

Maybe the credit card company agrees to settle on 10 percent interest, opposed to the 29 percent interest you are probably paying, and the account is closed to new charges. Assuming you owe

\$10,000, you will save thousands by paying it off at 10 percent interest opposed to 29 percent interest.

**It looks like this:**

Credit Card #1	Credit Card #2	Credit Card #3	Credit Card #4
You owe \$1,000	Owe \$2,000	Owe \$3,000	Owe \$4,000

To make this example easy-to-understand and follow, let's assume the minimum payment on each card is \$100 after you negotiate the interest rates down. Start with the card with the smallest balance and double the minimum payment meaning you will pay \$200 each month instead of \$100. Continue to pay the minimum \$100 on the three other cards.

As soon as Card #1 is paid off, move that minimum payment of \$200 and add it to the \$100 payment due on Card #2. Now you are paying Card #2 \$300 per month.

As soon as Card #2 is paid off, move the \$300 per month and add it to the \$100 minimum balance due on card #3. Now you are paying Card #3 \$400 each month.

As soon as Card #3 is paid off, move that \$400 minimum payment to Card #4. In no time, all your cards will have a zero balance.



It looks like this:

	Credit Card #1	Credit Card #2	Credit Card #3	Credit Card #4
	You owe \$1,000	Owe \$2,000	Owe \$3,000	Owe \$4,000
Month 1	Pay \$200	Pay \$100	Pay \$100	Pay \$100
Month 2	Pay \$200	Pay \$100	Pay \$100	Pay \$100
Month 3	Pay \$200	Pay \$100	Pay \$100	Pay \$100
Month 4	Pay \$200	Pay \$100	Pay \$100	Pay \$100
Month 5	Pay \$200	Pay \$100	Pay \$100	Pay \$100
Month 6	1 <sup>st</sup> Victory! →	<b>Pay \$300</b>	Pay \$100	Pay \$100
Month 7		Pay \$300	Pay \$100	Pay \$100
Month 8		Pay \$300	Pay \$100	Pay \$100
Month 9		Pay \$300	Pay \$100	Pay \$100
Month 10		Pay \$300	Pay \$100	Pay \$100
Month 11		2 <sup>nd</sup> Victory →	<b>Pay \$400</b>	Pay \$100
Month 12			Pay \$400	Pay \$100
Month 13			Pay \$400	Pay \$100
Month 14			Pay \$400	Pay \$100
Month 15			Pay \$400	Pay \$100
Month 16			3 <sup>rd</sup> Victory →	<b>Pay \$500</b>
Month 17				Pay \$500
Month 18				Pay \$500
Month 20				Pay \$500
Month 21				Pay \$500

**Month 22 TOTAL VICTORY IN LESS THAN 2 YEARS!**

In just 22 months, you are out of debt! If you had paid the bare minimums without negotiating the interest rates, you would still have eight years of payments to go. If you filed bankruptcy, assuming you qualified, your credit would be ruined for seven years, unless you use

a credit repair service. Following this easy formula, you are debt free in 22 months. During this 22 month period your goal is develop self-discipline and not to get into trouble again.

Having too much debt is simply a bad habit that you have to break. It takes 21 days to develop a habit and twice that to break it. Start new habits while getting out of debt. Take a new lease on life...start working out, eat better, spend more time with family, go to church, read the Bible, find other things to do than shop and spend money. We'll bet in 22 months, you'll be a new person! We were...

## STUDENT TESTIMONIAL

*Paul's Story .....*

*I was given an assignment to write a newspaper story about foreclosures when I met Dwan and Sharon. I expected to hear the same old story I'd heard so often before.*

*I was sure that everyone would tell me how easy it is, and how those that invest in these properties are off cruising the Caribbean or living on a mountain top in Hawaii after just a short time in the business. They make it sound like once you unlock the secrets of the trade, you can just sit back and sellers will be beating your doors down, begging you to take their property off their hands for pennies on the dollar.*

*I found out that it isn't quite as easy as it sounds. It takes hard work, persistence, and the willingness to spend time at it. But I also found out that it can be done because I did it. The rewards are well worth it. While buying and selling a foreclosure house may not be easy, I've spent an awful lot of time working very hard for a fraction of the cash I made on my very first deal.*

*I got a lead on my property from a lender who read my story in the paper. Like so many people who owned troubled real estate, he just wanted to get this foreclosed property off his hands. He was a lender,*

*not an owner, and had a house that had been trashed by the owner he had just foreclosed on. It was over 15 miles from his office and that was not something he wanted to cope with.*

*Tapping part of a \$50,000 credit line that I opened against my own home I offered the seller \$45,000 for the house. Similar properties in the neighborhood were going from the high 60's to low 80's. Although the final judgment amount against the former owner was \$57,000, the lender knew that the house was a mess. He just wanted quick cash to lend out again. We settled on a price of \$46,000.*

*I discovered that the City had put several liens on the property because it was in unkempt condition. I called the City, explained I was purchasing the home, and was told that they might reduce the fines if some of the major problems, such as tall grass and some rotted fascia board, were repaired. I put in the sales contract with the lender that he would be responsible for the liens if I was unsuccessful in getting them reduced. These liens were in excess of \$28,000 because they were building at the rate of \$100 per day; another reason the lender wanted out.*

*A quick walk through of the property revealed that it mostly needed some cleaning, painting, and updates of the kitchen and bathroom. Following the advise of Financial Freedom Through Foreclosures, I signed a contract with the seller to purchase the property and posted a*

*"For Sale by Owner" sign on the property the same day. Just maybe someone might buy it while I was working on it.*

*I went through the house and noted everything that needed fixing or replacing. Then I went to the local home improvement store and priced all the items I would need. I also figured about \$100 a day for a handyman to help do some of the work. We calculated that an investment of about \$5,000-\$8,000 would put this 2 bedroom, 1 bath house in top condition. I planned to do so and then retail the house for \$75,000.*

*Three days later, I received a call from a man who said the house would be perfect for his cousin, who had newly arrived in this Country. We met at the house and I explained that I was in the process of fixing-up the property. The buyer assured me he could do all the work himself, and ask me to drop my price and sell the home as-is?*



*We agreed on a sales price of \$63,000, less than my projected full retail value, but still a healthy profit over my original investment. Was it worth dropping the price to turn the home over quickly, not have to do any of the work on it, and move on? It was an easy decision.*

*Six weeks later, he was the proud owner of starter home that, with his own hands would turn into a comfortable residence for him and his family. I was \$14,000 richer after costs. My total investment in fixing-up the house was about \$600 to cut the grass, paint the awnings, haul some trash away and for the handyman to fix some fascia boards to placate the city's requirements for reducing the liens.*

*There were a few bumps in the road. The City finally reduced the liens to \$950 (which the seller paid for) but I had to do some minor repairs myself and make repeated phone calls to convince them the property would be kept in good condition. The original foreclosure wasn't done properly, so my attorney had to remove a few clouds from the title. Also, a \$1,142 unpaid water bill showed up on title that didn't show up when I originally bought the house. That won't happen again! Even after all that, I still made \$14,000. I felt like I was in a dream.*

*The sale has been a windfall for me and my wife. We paid off almost \$10,000 in credit cards, bought a new T.V. and VCR, and took that Caribbean cruise with our two kids.*

*It's exceeded my wildest dreams.*

Since this testimonial was received, Paul has become a full-time investor. He made enough on his second deal to quit his job. Awesome job, Paul!

## FINAL THOUGHTS

Folks, don't just read this program and then put it on the shelf. There is a world of opportunity in front of you.

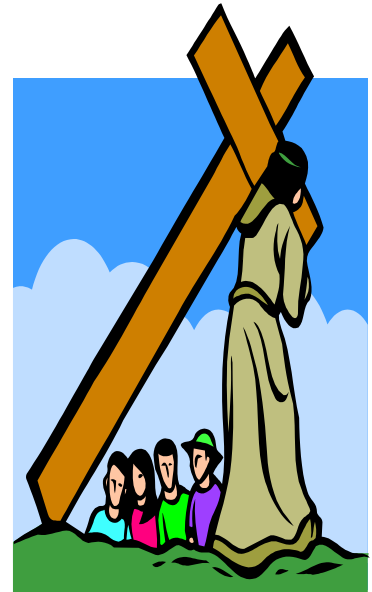
- ☞ No more jobs
- ☞ No more bosses telling you what to do
- ☞ No more spending nights worrying about how to pay the bills
- ☞ No more stress

Your new stress will be where to vacation next. Now that's a stress most of you can handle!

Maintain a balance, **keep the homeowners needs first**, make money for yourself, be generous, and life will be great! Go for it! We'll see you at the top!

**Make sure you love what you do.  
Every day that you go to work, you give up one  
day of your life for it.  
You can never get this day back  
so make it count.**

**May God Bless and Reward You!**



## GOING TO THE NEXT LEVEL

I have done over 1,000 transactions to date. Because of my love of real estate, I branched out and began teaching. Believe it or not, teaching is a lot of work! I love helping homeowners as much as I love changing student's lives. The more I began to teach and still do deals, the busier I became. Luckily, God brought me the perfect partner - a very successful real estate investor.



My husband, Bill Twyford, began his career as a painting contractor. When required to take a respirator test for a huge job, he failed. His doctor told him he had lost 30% of his lung capacity and he needed to find new career. He decided to try his hand at real estate, got his license, and started making money. As an agent he met his mentor, Mike Ferry. Mike teaches that the key to success is active marketing and communication skills.

Bill took this to heart, learned marketing and NLP (Neuro Linguistic Programming), and became one of the top real estate agents in the country as well as a coach for the Ferry organization. During this time period, he discovered foreclosures and was hooked. He had done over 800 deals when I met him and believes his success is because of



his NLP skills and his assertive marketing techniques. Bill took his vast experience and applied it to investing.

We teamed up and began, “The Investors Edge University.” Our university is designed to teach you every aspect of real estate investing as well as other solid streams of income.

**For example:**

**The Fast Track** – This program is not for the weak of heart. It is a working program. The **Fast Track** runs in quarterly cycles. This is a one year program designed to take you from beginning investor to millionaire investor. You’ll learn to set up your business, set goals, learn the ins and outs of wholesaling, short sales, forbearance agreements, loan modifications, note buying, scripts, objections, bankruptcy, and much more. When you register, you’ll be given everything you need to participate: Written material as well as CD’s. You’ll have a weekly call with your team. You are assigned homework and a role play partner. This is an amazing class and will guarantee your success. The average student has 12 – 15 deals under contract in the first quarter. Think about it... what would you do with the profits of 15 deals in just three months?

**One-On-One Coaching** – You will be personally coached by me or Bill. This is a one-on-one program. Either of us only accepts 50

students at a time. You are not coached by a student, you are coached by us. We will walk you through deals, conference call banks with you if needed, speak to homeowners with you, and more. The best part is – we take no part of your deal. We simply coach you. Please go to [www.investorsedgeuniversity.com/mentor](http://www.investorsedgeuniversity.com/mentor) and if it allows you to place an order it means we have a spot for you. Otherwise it will ask you to try again later.

**Telebootcamps** – These classes are amazing and I love teaching them. They are taught over the phone for convenience. I find having personal instruction motivates you and helps you to be more successful. The telebootcamps are four weeks in length. The goal is for you to complete a deal in class. I want you to turn \$10 into \$10,000 (or more) in thirty days or less. Each week you are given homework. The investors who do their homework close deals during the class.

There are so many benefits of this class:

- You can learn from home.
- No expensive hotels or airfare.
- You don't have to take time off from work.
- You can listen to each class as many times as you'd like.

- If you have a crazy schedule, you can take the class when it's convenient for you. If 3:00 a.m. is your study time, the class is available.
- Once you've completed the entire bootcamp, you can retake the entire class free as many times as you'd like.
- You're given homework each week to ensure your success.
- You'll make as much money as you want to make.

Here is a sample of the schedule:

**Week One:** We'll cover what a short sale is and why banks do them. You'll learn how to determine your exit strategy, interview title companies, marketing ideas, build your buyer's list, exactly what to say to homeowners, what to say to the bank, getting the contract signed, and more. No class is complete without homework. You'll be meeting homeowners, signing contracts, finding real estate agents, calling banks, and more. You'll be expected to have several short sale and wholesale deals in the works during class. A few superstars will actually close a deal before the end of the class. Why not you!

**Week Two:** We'll walk you through the first short sale package in detail. We'll go through the second and third offers as well. We'll discuss additional information the bank may require. Some banks actually have their own hardship package and want you to

use theirs. We'll cover how to handle that. Time for the banks inspection! What do you do now? Not to worry, we cover that in detail as well. The banks will require an inspection and with the proper training you'll have inspectors eating out of your hand. We'll also cover going to contract with your rehabber. Again, you'll have homework. The homework is easier the second week because you already have the ball rolling.

**Week Three:** When a homeowner is just days away from the sheriff's sale, can you still do a short sale? You bet! We'll teach you how to postpone the sheriff's sale allowing the necessary time to negotiate the short sale; when and why to use bankruptcy; how to avoid a deficiency judgment on the homeowners' credit; and more. You'll also learn how to avoid seasoning issues should you decide to keep the property. Once more, you'll have homework. If you have been doing your homework, you should have several deals going. You're getting closer to the big day ... payday!

**Week Four:** The bank said, "YES", now what? We'll discuss double closings, assignments of contract, and how you get paid. What happens when you can't close on time? Not to worry, we cover that, too! How to negotiate and what to offer second or third lienholders. We also cover the top five exit strategies used by superstar investors: **wholesaling, rentals, lease-backs,**

**selling to end users, and rehabbing.** If you have been doing your homework, some of you will be bragging about your huge checks!

So what are you waiting for? Call today and register for the next telebootcamp. It's an amazing class and will change the way you do business. You'll hear personal stories and see exactly how I started and how my career progressed. I'll share the steps I took to financial freedom. Call our office – 303-838-5474.

**Short Sale Bootcamp** – This is a live two-day class that Bill and I teach. We cover many of the things covered in the telebootcamps, with a few exceptions ... there is a lot of role playing. You get the chance to put actual deals together, practice your scripts and objections, and more. You'll overcome all your fears about dealing with banks. This class is a lot of fun and very fast paced.

**Wholesale Bootcamp** - This is a live two-day class that Bill and I teach. We cover every aspect of wholesaling in detail. As with the short sale bootcamp, you get the chance to put deals together in class as well as role play and practice objections. You'll have homeowners eating out of your hand by the end of this class. You'll overcome all your fears about dealing with homeowners. This class is fast paced as well and a lot of fun.

**Negotiate Like a Pro Bootcamp** – This is a live two-day class that Bill and I teach. The focus of this class is communication skills. You'll be writing sentences, practicing scripts, giving and overcoming objections, learning how to deal with banks and homeowners, and more. This is a very interactive class. You'll get the chance to work and practice with everyone in class. Ninety percent of the student's who take this class, sign up for it again. You can never be too polished your at communication skills. The better you communicate, the more money you make!

☞ Why do I have to spend money for a class? It is a proven fact that people who take a class produce 500% more income than those that don't. **500%!** That is an incredible number. With 500% more income on the line, I believe you should take a class and get the 500% that's waiting for you instead of letting it go to other investors. Take advantage of every opportunity you can to become as successful as you can possibly be. The sky is the limit with real estate investing. If you can see it in your mind, you can do it! I look forward to the opportunity to personally teach you.

Whether you take a bootcamp or are interested in more education, we offer something for everyone. Take a look at some of our complete home study courses:

## **Additional training available to you:**

We offer several other programs and classes. I'd like to take a minute and share some of our other programs with you ...

**Short Sale System** – The short sale system comes with two volumes that teach you advanced short sales:

**Short Sale System – Building Your Case** – Learn how to find deals, put together your packages with the banks, have the crucial conversation that will make or break your deal, how to pin down loss mitigation, how to handle the banks inspection, getting the deed, and more.

**Short Sale System – Closing Arguments** – When the bank says no, there is still work to do. I cover how to place your second and third offer, how to delay the foreclosure, how to give the homeowners money, bankruptcy, 1099 and deficiency judgments, when the first makes the second take zero, and so much more.

Homework? Yes, I like to give homework. It helps you to be more successful seeing what others have done.

**The Communication System** – This system comes with two programs and is written by my husband, Bill. It is geared around improving your communication skills. We find that one of the biggest downfalls new investors have is their lack of communication skills. You speak to a homeowner in foreclosure, they say they took care of it, you say ok and walk away. These are preprogrammed no's. Let me give you an example of a preprogrammed no:

- You walk into the clothing store. The clerk asks if she can help you. What do you say? You automatically say, "No, I'm just looking." That is a preprogrammed no. You may be in the store specifically to buy something, but you say no without thinking and then look around on your own.

It's the same with a homeowner in distress. You knock on the door offering help and they say they took care of it. Did they? Usually not. Our communication programs teach the how and what to say.

**The Secrets of Closing the Deal** – This program teaches you how to mirror people, change your rate of speech to build rapport, how to use hand movements and body language to establish rapport, how to build rapport on the phone, how to get banks eating out of your hand, how to get past preprogrammed no's, and more.



**Shut Up! and Stick to the Script** – This program gives you all the words to make your deals happen. It has over 40 bank and homeowner objections with the answers. Once you learn what to say, the rest is easy.

**The Foreclosure System** – This system includes three programs that will teach you everything you need to know about the foreclosure business:

**Get Legal with *Fa\$t Ca\$h* Forms** – This program is full of legal forms and contracts that you'll use throughout your investing career. Why spend thousands on attorneys when you can simply use my forms and save thousands. This program offers a power of attorney contract, assignment of contract, an eviction letter, a lease, a first mortgage, a second mortgage, a land trust, and many, many more.

**Foreclosure Fortunes in Your Own Back Yard** – This covers every way I know of to find distressed sellers, how to find team members, and more. With over 50 methods of finding sellers, you'll have more deals than you know what to do with.

**Rehab Riches** – This program gives you all the insider tips for rehabbing and marketing your properties. The key to a successful rehab is curb appeal. Learn how to make a house as

cute as can be for just a few hundred dollars. Getting your property sold is key to your success. The faster it sells, the faster you get paid.

**The Wholesale System** – This system comes with four volumes and is covered in week-by-week steps designed to make you a wholesale superstar.

**Getting Out Of Your Box** – This program will help you feel more comfortable; speaking with strangers, determining your personality type, change your daily habits, setting goals, setting up your business, and more.

**Foundation for Financial Freedom** – In week one I'll take you through your first steps to success. You'll learn how to build a buyers list, find distressed homeowners, how to qualify your potential deals, and more.

**Building Blocks of Financial Freedom** – In week two we'll cover putting your offer in writing, filling out the assignment of contract, working with the rehabber, preparing for the closing, choosing a title company, and more.

**Raising the Roof on Financial Freedom** – In week three you get ready to get your first check! We'll also cover double

closings, bankruptcy, what to do when you can't close on time, wholesaling bank-owned properties, and much more.

**Controlling the Outcome System** – This system comes with three programs. A major key to your success is controlling your deals. Once a homeowner gets control, you might as well kiss your deal goodbye.

**Bankruptcy, the Banks Worst Nightmare** – This program teaches you how to utilize bankruptcy as a tool in your short sales. Many times sellers call so late in the game that bankruptcy is the only way to buy time for you to negotiate the deal. All the state and federal laws are included in this program

**Equity Agreement, Controlling Your Homeowners** – This program is an agreement that gives you total control over your deals. It puts every aspect of the deal in writing so that there are no misunderstandings with your deals. Having this control sets you apart from all other investors.

**If I Do This I'll Have to Quit My Job, Business Plan** – You can't get wealthy without a plan. You'll learn how to set goals, build a business, how to actively chase the business, changing your mindset, attitude, and more.

**Rental Road to Riches** – Learn the in's and out's of landlording. Rentals are the way to long term wealth and something you need to do. Being a landlord can be challenging. If you do it right, it's a blast.

**Mastering Your Phone Skills** – This program walks you through building rapport on the phone. It is very difficult for many people to talk over the phone. Most people prefer face-to-face communication. Read and listen to this program and watch your income soar. You can reach more sellers over the phone thus increasing your income.

We have other programs and classes in the works. Check out our website for what's happening now.

## HEAR WHAT OTHERS ARE SAYING

You've read testimonials throughout the entire program. See what more successful students have to say:

- "I thank you for the opportunity of getting so much information and help in such a short amount of time. I will tell all my friends and acquaintances about it."

**G.R. , Orlando, Florida**

- My partner, Dan, and I took Dwan's bootcamp a little over a year ago. Since that time, we have successfully completed 5 short sales while still working full time jobs. We typically rehab our houses and sell them retail. After the class, we decided to try wholesaling. We, wholesaled one to another investor and made \$10,000 without putting any money into it. With each of our short sales we average \$30,000 per deal PROFIT after expenses. We learned everything necessary to complete these deals through the classes with Dwan. We had a lot of fun at the training classes and it has really paid off. Thanks a million.

**Ed Nowland, Ohio**

- My husband and I are both now full time investors thanks to Dwan. We have made an extraordinary income after all the various tips and strategies we have learned from her course.

We have made in the range of **\$20,000 to \$30,000 EACH** on about 18-20 wholesale deals. We have rehabbed countless houses with profits ranging from **\$10,000 - \$50,000** per house. We also own 3 rental properties thru strategies from the course that have not only given us back all the money we originally put down and used to update the property, but also excess of that and still provide a positive income per month. We do not like to boast about what we have achieved because it is by the Grace of God foremost. However, we need to let people know that this course is proven and if you even use one strategy, you will see results.

### **Sandy and James- Florida**

- I learned how to create a short sale at your boot camp and have found my niche. That strategy alone has made thousands for me. The boot camp **tuition is a small price to pay** for the extensive education I received, not to mention the extra income I now earn.

### **Marlena, Delray Beach**

- Dear Dwan,  
I have no words to express my gratitude for all the things that I have learned from you. I have your course, which has helped me a lot in negotiations with the Loss Mitigation departments. Now I'm very successful with Short Sales and making a lot of

money thanks to the many things I have learned from you. The first time I saw you was at a convention. You gave us one simple tip that I applied as soon as I got back home and it made **\$8,000 extra dollars** on a deal that I had already agreed to with the Loss Mitigator. You are very friendly and helpful and always willing to answer all my questions. I really appreciate that!

**Ruban Alvarado- Florida**

- "Very good. Well **organized** and thought out."

**R.N., Orlando, Florida**

- I must admit I was a bit skeptical at first. I believed that only a very few people made money in the foreclosure business. My husband went to a foreclosure seminar (without me because I was skeptical) and after hearing Dwan talk he got the Short Sale Secrets CD set. We listened to it together and I must admit I was excited. We told ourselves that we would try for 3 months and if nothing happened all we lost was time and a little money. Our other business was taking a lot of my husband's time so I did our first deal myself. Using the techniques provided on the CD's I went out and found my first family in need to help. 2 ½ months later I bought and sold the property in the same day and made over **\$14,000** (not bad for a few phone calls and faxes)! Not to mention I helped a family that hit hard times....Nothings better than helping others and making \$\$ for our family too! I am

grateful for the knowledge that I have found and for the ability to help others with that knowledge. Thanks Dwan and My Husband!!

### **Ginni Gancev- Colorado**

- "This course was **excellent**- more than I expected."

#### **K.C., Pembroke Pines, Florida**

- "A lot of attention was given, very friendly small group was great. I like the fact that I can call on you later."

### **D.S., Margate, Florida**

- Dwan, after taking your five-day Foreclosure Boot Camp we were so motivated. We were driving for dollars and we ran across a home in the foreclosure process which had been abandoned by the couple that was in the process of getting a divorce. We contacted the couple and they said they would be willing to look at an offer. The fair market value of the house was around \$225,000 we faxed them a bid of \$150,000 and agreed to take over their mortgage of \$142,000. **THEY ACCEPTED.** We put an ad in the paper and sold the property in just 2 weeks for \$210,000. Making a profit, after closing costs, of about \$42,000. That was just the first deal after taking Dwan's Foreclosure Boot Camp, we have done many more



since. Dwan's course started us on the road to Financial Freedom. Thanks!

### **Ronald and Linda Wiringer- Florida**

- After completing the class, we immediately signed up for a foreclosure service. Started visiting the properties and made contact with the "stressed out" homeowners. It was their 3rd time they were being foreclosed upon, we negotiated a fair price (home needed more work), and closed 3 weeks later. The sale price of the house was 100,000. We gave the homeowner \$10,000 cash. We sold the house after advertising a "fixer upper" for 169,900.00. We made \$42,000 in 7 weeks-Start to Finish! Want to hear more? What we learned was incredible. We could never have attempted it without the knowledge from Dwan!

### **Gayle Etre- Florida**

- You made learning fun and the accountability program has already **saved me from making expensive mistakes**. Getting started is the main obstacle most people must overcome and I thank you for helping me with that.

### **Steve, Tennessee**

- I found a homeowner in foreclosure. He had a property worth \$135,000 and owed \$135,000. I have been an investor for many

years and had never heard of a short sale. After taking Dwan and Bill's boot camp, I realized I had been **missing out** of a lot of money. I called Freddie MAC and was able to get them to accept \$98,515. The best part is the house only needed a new garage door.

**Mark from New York**

Aren't these testimonials great? We have hundreds of them. When you work our system, you will have the same great success.

## **BONUS SECTION**

### **REAL ESTATE LANGUAGE & EXPLANATIONS**

As with most business, real estate has its own specific language and slang terminology. This section is designed to teach you the most commonly used lingo. Knowing these terms will make it easier for you to understand what is being discussed. Read this section thoroughly before you continue through the training program. When you read a term that you do not understand, refer to this section.

#### **ABSTRACT OF TITLE**

The compilation of the recorded documents relating to a parcel of land that lists rights, liabilities (such as easements, liens, mortgages), and also transfers title. An abstract shows the chain of title from the beginning and is still used in some states, but giving way to the use of title insurance.

#### **ACCRUED INTEREST**

Accumulated interest earned or due, but not yet paid. Since interest is paid in arrears, accrued interest does not necessarily indicate a delinquency in payment.

## **ADJUSTABLE RATE MORTGAGE**

A mortgage in which the interest rate varies according to chosen indexes and/or over periods of time.

## **AMORTIZE**

To determine, on the basis of time and interest rate, how much a payment must be (including principal and interest) to pay off a loan.

## **AND/OR ASSIGNS**

When the words "and/or Assigns" appear following the name of an individual or entity entering an agreement, another individual or entity can assume their responsibility. When you fill out a contract to purchase a property, place your name "and/or Assigns" in the space provided for the buyer's name, for example, John Doe and/or Assigns. This will allow you to assign the contract to another buyer who can close the deal in your place. This is important if you intend to "wholesale" the property.

## **APPRAISAL**

An opinion of value made by an appraiser. This opinion is based on research gathered from the most recent sales, upgrades the subject property might have such as a pool, fireplace, air/heat, newer roof, etc. Lenders will generally loan a percentage of the lower of either (a) the appraised amount, or (b) the sales price.

## **APPRAISER**

A neutral party who is trained and educated in the methods of determining the value of a property through analysis of various factors which determine said value.

## **ARREARAGES**

Back payments due to the lienholder. When a homeowner is in arrears, the lienholder can foreclose. If your monthly payment is \$525 and you are six payments late, you are \$3,150 in arrears. You will also owe late fees and/or attorneys' fees.

## **AS-IS, WHERE-IS**

The condition of real property in its present condition, including defects, being accepted by a buyer or tenant.

## **ASSET**

Everything owned by an individual or corporation which can be used for payment of debt.

## **ASSIGNEE**

The person to whom you assign a contract.

## **ASSIGNOR**

The person assigning a contract.

## **ASSIGNMENT**

A transfer of one's right of title to another. Common assignments are leases, mortgages, deeds of trust, bonds, and other legal instruments.

## **BALLOON MORTGAGE**

A mortgage providing for specific payments at stated regular intervals with one final payment considerably more than any of the periodic payments.

## **BANK OWNED**

When a lending institution gains title to a property through the foreclosure sale, it is called a "bank owned" or "REO" property. REO stands for real estate owned.

## **BANKRUPTCY**

Proceedings under federal statutes to relieve a debtor of insurmountable debt. The debtor's property is distributed among the creditors as full satisfaction of the debts.

## **BLANKET MORTGAGE**

A mortgage covering more than one piece of real property.

## **BROKER**

One who is licensed by the state to carry on business of dealing with real estate.

## **BUYER'S BROKER**

The broker who represents the buyer in a real estate transaction.

## **CAPITAL**

Money used as "start-up money" to create income from investments in a business or income property.

## **CAPITAL ASSETS**

Assets of a permanent nature used to produce income, such as buildings, equipment, land, etc.

## **CAPITAL GAINS**

The profit between cost and selling price of capital assets, less deductible expenses.

## **CASH COW**

Slang term for an income producing property.

## **CASH FLOW**

Something you want lots of. The actual cash an investor will receive on an investment property after deduction of expenses and debt service.

## **CERTIFICATE OF TITLE**

A written opinion of vested title (as stated in the abstract) executed by the examining attorney. This is valid in areas where these searches are allowed.

## **CLOSING COSTS**

Costs that occur when real property transfers ownership. Expenses incidental to the sale such as title insurance fees, appraisal fees, loan fees, etc.

## **CLOSING DATE**

The predetermined date the transaction of buying and selling real estate will take place.

## **COMMISSION**

The amount, usually a percentage of the purchase price, paid to the broker or agent for services rendered.

## **COMPLAINT**

The first pleading filed and served against a Defendant (party being sued) stating the reason for the suit and the requested remedy.

## **COMPS**

The abbreviated version of comparable market analysis. A comparable market analysis is the study of comparing a subject



property with properties similar in size, bedrooms and bathrooms, pool, etc. located in the same area. Before you purchase a property, research the comparable sales in the area to determine what the subject property is worth. If the last 10 sales in the area were \$65,000, then the subject house will be worth the same when repaired. If you cannot buy it, fix it up and turn a profit within the confines of the \$65,000 market value, you would not purchase this particular property. Please note that the "asking prices" for homes in the area are not what we base our comps on. Comps are only based on recent sales in the area during the previous six months.

## **CONCESSIONS**

The items each party is willing to give up in order to make a deal work.

## **CONSIDERATION**

Something of value which influences a party to enter into a contract.

## **CONTRACT FOR SALE AND PURCHASE**

The legal instrument signed by buyer and seller of real property agreeing to transfer title of said property for a specific amount of money on a specified date.

## **CONTINGENT**

Conditioned upon the occurrence of some future event which in itself is uncertain or questionable.

## **CONVENTIONAL SALE**

Sale of a property that does not include the use of any creative financing.

## **COUNTEROFFER**

A response to an unaccepted offer. A counteroffer contains altered price and/or terms and is returned to the party making the offer for acceptance.

## **COURTHOUSE STEPS**

A term used when referring to the public auction conducted during the final step in the foreclosure process. At the county courthouse, usually in a foyer or hallway, a public auction is conducted in which the lienholders bid their judgment amount to gain title. The general public, including investors are free to bid. They are bidding "at the courthouse steps."

## **CREATIVE FINANCING**

Any method of financing property that goes beyond traditional lending. Something you will need to do as an investor.

## **D/B/A**

"Doing Business As." Used when referring to the trade name given when conducting business under a name other than the corporate

name or individual name. For example, John Smith d/b/a Magic Investments.

## **DEBT TO VALUE**

Basically, the same definition as loan to value, with the difference being the "debt." This means that a debt against a property of \$65,000 on a house worth \$100,000, equals a 65% debt to value. Note that the loan to value could be 55%, which would mean that you are in debt \$10,000 more than you were loaned.

## **DEED**

One of many instruments used to convey title in real property upon sale, for example, quitclaim deed, deed of trust, and warranty deed.

## **DEFAULT**

Failure or omission to perform a legal duty. For example, failure to make mortgage payments results in a default of the mortgage since you are legally obligated to make the payments.

## **DEED OF TRUST**

The legal instrument used in several states instead of a mortgage. Real property is transferred to a trustee by the borrower, known as the trustor, on behalf of the lender, known as the beneficiary, and transferred to the borrower upon payment in full.

## **DEFENDANT**

The party against whom a civil or legal action is brought in a lawsuit.

## **DOWN PAYMENT**

Portion of the sales price paid by the buyer out of his own funds as opposed to that portion of the purchase price which is financed.

## **DOUBLE CLOSING**

This occurs when you intend to wholesale a property and are not able to assign your contract. Instead, you sign a second contract with the person to whom you are wholesaling the property. You would purchase the property from the seller and immediately after closing walk into a second closing room to sell the property to your buyer. The closing agent handling the double closing can use your buyer's funds to allow you to close the first transaction.

## **DUE-ON-SALE**

A clause found in most mortgages that indicates that if you deed your property to someone who has not been approved by the lender, the lender can "call" the note, requiring the principal balance, including any arrearages, to be paid in full.

## **EARNEST MONEY DEPOSIT**

The deposit or down payment given by a buyer to a seller with an offer to purchase real estate. The earnest money deposit shows good faith to act upon the offer.

## **ENCUMBER**

A claim, lien, charge, or liability attached to and binding on real property. Examples of an encumbrance are mortgages, judgments, liens, mechanic's liens, easements, etc.

## **ENTREPRENEUR**

**You.** A person who is willing to take the risk of winning or losing as opposed to a salaried employee.

## **ESCROW**

All instruments necessary to a sale, including money, held in trust by a neutral third party.

## **ESTATE**

The ownership interest one has in a property such as real estate, a life estate, decedent's estate, etc.

## **EQUITY**

The dollar amount between what is owed on a property and what it is worth. A property worth \$100,000 with a \$65,000 mortgage against it

has \$35,000 in equity. Likewise a property with a mortgage balance of \$100,000 and a value of \$100,000 has no equity.

### **EQUITY LINE OF CREDIT**

A combination of a line of credit and an equity loan. A maximum loan amount is established based on equity and credit, and a mortgage is recorded against the property; then you have the right to borrow, as needed, up to the amount of the mortgage. Many students use credit lines to get started in this business.

### **EQUITY LOAN**

A loan based upon the equity of a property as opposed to the borrower's credit.

### **EVICTION**

A court action used to remove a tenant from possession of a property.

### **EXECUTOR**

The person specified in a will to carry out the decedent's wishes.

### **EXPENSES**

The total cost of rehab, maintenance, insurance, closing costs, etc. deducted from the gross amount of a property sale.

## FACE VALUE

The full amount for which a note has been written.

## FAIR MARKET VALUE

A price that would be acceptable to a buyer and a seller, arrived upon by the recent comparable sales in the area.

## FEDERAL TAX LIEN

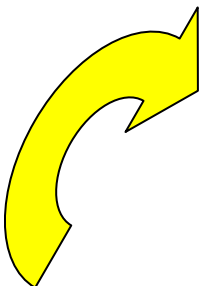
A lien attached to property for nonpayment of a federal tax (estate or income). What makes a federal tax lien different from other liens, is that it is not automatically wiped out at the foreclosure sale.

## FEE SIMPLE

Commonly, a synonym for ownership. The ownership of real property without reservation or restriction and can be left by a will or inherited.

## FIXED RATE MORTGAGE

A mortgage having a fixed interest rate throughout its term.



## FLIP

Most investor refer to this as **wholesaling**. Flip is the term used by the old timers. The banks do not like the word, flip, as they feel it sounds shady. As a new investor, please use the current terminology ... wholesaling. To assign a contract to someone who will close in your place, after having added

your fee to the contract amount. You will tie up the property, assign the contract to someone else, make the spread in the middle, while never having owned the property. You "flipped" or "wholesaled" the property. Many investors wholesale because it is a paper shuffle that requires the least investment.

### **FORBEARANCE AGREEMENT**

A forbearance agreement is a fancy word for a payment plan. When a property owner is in arrears, the bank may agree to accept part of the arrearages now, and the balance in a specified payment plan. A forbearance agreement that is adhered to will stop the foreclosure proceeding. If a homeowner misses one payment during this repayment period, the bank will usually resume the foreclosure suit where it left off, and no further payments will be accepted.

### **FORECLOSURE**

The legal proceeding initiated to eliminate all rights, title, and interest of the owners of property in order to sell the property to pay off a lien against it.

### **FSBO**

For Sale By Owner. Pronounced "fizz bow."



## **GENERAL PARTNER**

A member of a partnership who has authority to share in the profits and losses. The general partner generally provides all management skills and is responsible for the daily running of the partnership. A partnership must have at least one general partner as well as limited partners.

## **GIFT LETTER**

A letter to a lender stating that a gift of money has been given to a buyer to purchase property. The relationship to the buyer is stated, as well as the gift amount.

## **GOOD FAITH**

Something done with good intentions without knowledge of fraudulent circumstances or need to inquire further. A lot of deals are agreed upon in good faith, just make sure to put it in writing as soon as possible.

## **HANDYMAN SPECIAL**

A property that requires rehab. Such properties sell "under-market value" because they need repairs. As long as most of the damage is cosmetic, go for it. A few thousand spent in repairs can put many thousands more in your pocket.

## **HARD MONEY LENDER**

Investors who loan money against a property based strictly on the equity it holds. They usually charge more points and a higher interest rate than conventional lenders.

## **IMPROVEMENT**

Building or other structures that become part of the land.

## **INSOLVENT**

Inability to meet ones debts as they come due or within a reasonable time thereafter.

## **INTEREST**

The portion of a payment, not including principal, which represents the cost of borrowing the money. The compensation allowed by law or fixed by the statutes for the borrowed money.

## **INTEREST ONLY LOAN**

A loan in which the payments do not reduce the principal balance, but pay only the interest portion.

## **INTEREST RATE**

An amount a borrower must repay on a loan in addition to the principle amount. This is the money the bank receives for giving you the loan.

## **JOINTLY AND SEVERALLY**

A legal term which allows the creditor to sue all parties who have entered into a contract either jointly (all together) or severally (individually).

## **JOINT VENTURE**

Two or more individuals who combine their talents on a single project or business transaction.

## **JUDGMENT**

A decision of a court of law. Money judgments, when recorded, become a lien on real property of the defendant.

## **LAND TRUST**

A trust created to hold title to real property. It protects title against legal actions and does not openly disclose the identity of the actual owners of the property.

## **LETTER OF INTENT**

A formal letter that states that a buyer is interested in a specific property. It is not an offer and does not legally obligate you.

## **LIENHOLDER**

The individual or institution holding a lien.

## **LIMITED PARTNER**

The partner in a partnership who contributes capital, but is not liable for any debts. The limited partner cannot manage or control the partnership. A partnership typically has general partners to conduct the business and limited partners to raise the capital.

## **LISTING**

The agreement between the seller of a property and the real estate broker to sell the property. The broker agrees to secure a buyer or tenant for a property in return for a fee or commission.

## **LISTING BROKER**

The broker who secures the listing on a property.

## **LOAN ORIGINATION FEE**

A one-time setup fee charged by the lender.

## **LOAN PACKAGE**

A complete file of all necessary items a lender would need to decide whether to give or decline a loan. The file would include, but not be limited to, credit reports, bank statements, appraisals, income tax returns, loan application, employment letters, etc.

## **LTV**

"Loan To Value." If you are selling a house worth \$100,000 and your buyers are borrowing \$75,000, that creates a 75% loan to value. A lender will give the buyers the highest loan to value based on their credit score.

## **MAILBOX MONEY**

When you hold a second mortgage or own rental properties, the monthly payments you receive through the mail are called "mailbox money." You walk to the mailbox and there is your money.

## **MARKETABLE TITLE**

A title that is free and clear of liens and encumbrances.

## **MLS**

"Multiple Listing Service." A real estate service whereby members exchange their listings so that each may have an opportunity to sell the properties.

## **MORTGAGE**

The instrument used to pledge real property as security for the payment of a debt. The borrower retains possession and use of the property.

## **MORTGAGE BROKER**

The individual who arranges a loan for a fee between a borrower and a lender. This person handles the necessary applications for the borrower and may process the loan for the lender.

## **MORTGAGEE**

The party who holds a mortgage. A bank or moneylending institution, often referred to as a lienholder.

## **MORTGAGE LENDER**

A lender who loans money directly to a borrower. A bank is an example of a mortgage lender.

## **MORTGAGOR**

The party who takes out a mortgage. This person is liable under the terms and conditions of the mortgage.

## **NEGOTIATE**

The back and forth discussion between buyer and seller concerning price and terms of a property in order to reach an agreement.

## **NET PROFIT**

The amount of profit left after all expenses are backed out.

## **NOTE**

Legal evidence of a debt that obligates the signer to pay a named person or bearer a definite sum of money at a specified date for a specified amount of time.

## **OFFER**

A presentation of a proposal, including price and terms, submitted to an owner of real property for acceptance in order to create a contract for sale and purchase.

## **OPM**

"Other People's Money." This is money that you want to use in as many transactions as possible.

## **OPTION**

A legal document giving a party the right to purchase or lease a property for an agreed upon price and terms within a specific time-frame.

## **OWNER'S TITLE POLICY**

Title insurance for the owner of a property, not the lienholder.

## **PITI**

Principal, Interest, Taxes & Insurance. PITI is used when referring to a mortgage payment and what the payment includes.

## **PLAINTIFF**

The party bringing civil or legal action against another in a lawsuit.

## **PMI**

"Private Mortgage Insurance" is the insurance issued by private mortgage insurers, insuring the mortgage debt against a property. PMI insures the lender against defaulting borrowers. This insurance is required by many lenders on loans exceeding 80% LTV. PMI is paid by the borrower and is either paid at closing or included in the borrower's monthly mortgage payment. PMI does not benefit the borrower.

## **PMM**

"Purchase Money Mortgage" usually describes the mortgage held by an owner/seller allowing the buyer/borrower to purchase the property. This loan may be for all or a portion of the purchase price, and may be a first, second, or further mortgage.

## **POINTS**

Fees charged by a mortgage broker or lender to pay commission or discount the interest rate of a loan. One point is equal to 1% of the loan amount. For example, 3 points charged on a \$50,000 loan would cost \$1,500.



## **POWER OF ATTORNEY**

An authorization in which one person gives another the power to act on behalf of the former for a specific transaction.

## **PREPAYMENT PENALTY**

A penalty imposed on a note or mortgage when a loan is paid before it is due. Some conventional lenders have what is called a "three, two, one." If you pay off the loan in the first year, you pay three points, the second year two points, and the third year one point. After the third year, there is no more penalty. It is important to check for prepayment penalties.

## **PRINCIPAL**

The amount of a debt, not including interest. Also, the face value of the debt.

## **PROBATE**

The time period in which the validity of a will is determined. Any action over which probate court has jurisdiction.

## **PROBATE SALE**

Sale of property from an estate. Must be done under supervision of the probate court.

## **PROMISSORY NOTE**

A written promise, signed by the maker, agreeing to pay a specified amount over a specified period of time, usually including interest.

## **PRO SE**

To represent yourself. For example, if you file foreclosure proceedings representing yourself, you will be filing Pro Se.

## **QUITCLAIM DEED**

A deed that transfers interest, if any, in a property. Many divorcing couples quitclaim the property to the other, mistakenly believing this releases them from the obligation of the debt as well. It only gives away the interest the party may have.

## **REAL PROPERTY**

Land and anything permanently affixed to the land, such as buildings, fences, etc. Also, those things attached to the building, such as light fixtures, plumbing, and other things which would be personal property if not attached.

## **REAL ESTATE AGENT**

A salesperson associated with a broker who acts on behalf of the broker.

## **REALTOR**

Title given to a real estate broker who is a member of a board associated with National Association of Real Estate Boards.

## **REHAB**

Repairs and upgrading necessary to bring a property to good marketable condition.

## **REINSTATEMENT**

The payment of arrearages to bring a note or mortgage to good standing.

## **R.E.O.**

"Real Estate Owned" is the term used when referring to properties owned by a lending institution. The REO department of the institution handles the sale of these properties or refers the properties to a real estate office for sale.

## **SATISFACTION OF ...**

The recorded document which states a debt is "paid in full." When a mortgage or lien becomes paid in full, a Satisfaction is recorded to show that this debt is no longer a lien against the property.

## **SECONDARY MORTGAGE MARKET**

The market in which first mortgages or trust deeds are bought and sold to insurance companies, banks, government agencies, and other mortgagees, usually at a discount. This market enables lenders to sell their first mortgages, receiving a fresh supply of money for new loans. Not to be confused with second mortgages.

## **SHORT SALE®**

Negotiating with the bank to accept less than what is owed as the full payoff on a property. For example, you find a distressed property worth \$200,000 and it has a mortgage balance of \$200,000. With no equity there is not much you can do with the property even though the homeowners may be motivated. By calling the bank and negotiating a short sale, the bank may accept \$100,000 as full payment. You can now purchase a \$200,000 property for \$100,000.

## **SUBLEASE**

When a lessee leases the property to another.

## **SURVEY**

The measurement and boundaries of a parcel of land prepared by a licensed surveyor.

## **SURVIVORSHIP**

Gaining interest in a property by outliving another who had the interest.

## **TAX CERTIFICATES**

Bonds sold to recoup unpaid property taxes by the county. Generally, a winning tax certificate bidder receives interest on the certificate purchased. The winning bid goes to the person willing to receive the lowest interest on the certificate. For example, the bidding could start with a \$2,000 tax certificate at 18% interest. Bidders bid backward. The winning bidder may be someone who is willing to make 5% interest on the \$2,000 tax certificate. They are redeemable at face value plus interest.

## **TAX ROLL**

The tax roll for a particular piece of real estate gives the public information, such as the names of the owners (or those receiving the tax bill), tax assessed value, tax amount, and the legal description. The tax roll may include past purchase prices. Tax rolls are available at the county courthouse or county tax assessor's office.

## **TENANT**

Temporary use of a property under the terms of a lease or other rental agreement.

## **TITLE COMPANY**

Company which provides many services to investors, such as closings, handling legal documents, preparing paperwork, acting as an agent for a title insurance company, etc. A "must have" for any investor.

## **TITLE INSURANCE**

Insurance against loss issued by a title company guaranteeing the title to be good and marketable.

## **TITLE SEARCH**

A search performed on title to a property. The search begins with the original owner and continues through the present owner to find out if any liens or judgments exist against the property. This search is conducted by a title company or attorney.

## **TRUST**

A fiduciary relationship in which one holds property for the benefit of another. The party creating the trust is called the settlor, the party holding the property is the trustee, and the party whose benefit the property is held is the beneficiary.

## **UNSECURED LINE OF CREDIT**

A credit history between an individual and a lending institution which allows the borrower to have a credit line with no collateral.

## **USURY**

The lending of money at a rate of interest above the legal rate.

## **"WASHED" AT THE COURTHOUSE STEPS**

A property is going to sale at the courthouse auction. Liens against the property are as follows: a first mortgage of \$45,000; a second mortgage of \$10,000; and a third lien of \$3,000. The first lienholder bids its judgment amount of \$45,000 (first position will typically bid only its judgment amount). If no one else bids on the property, the first lienholder will gain title to the property, and the second and third lienholders will be "washed out", meaning that they no longer have a lien against this property. If someone bids \$50,000, the additional \$5,000 amount above the first \$45,000 lien will be paid toward the second lien. Then, the third lienholder will be "washed out." If enough is bid, all parties will be paid. Typically, firsts gets paid and all others get washed.

## **WARRANTY DEED**

A deed which conveys title to a property which warrants the holder title to transfer.

## **WHOLESALE**

The same definition as flipping. Wholesaling is the proper terminology. What will make you rich!

## **WRAPAROUND MORTGAGE**

When homeowners have a first mortgage against their property that does not contain a "due on sale" clause, they can sell their home to any buyer and hold a wraparound mortgage for the entire amount of the sales price. The result is a mortgage that will wraparound the first. Keep in mind that the sellers remain responsible for the payments on the first lien regardless of whether the new homeowners make their payments.

## **WRIT OF EXECUTION**

A writ to carry out a decree or judgment of a court.

- **JOIN OUR MEMBER SITE**
- **JOIN OUR COACHING PROGRAM**
- **BE PART OF OUR EDUCATIONAL CALLS**
- **LET US GUIDE YOU TO WEALTH THROUGH WISDOM**
- **STOP GURU HOPPING AND COMMIT TO A PLAN**
- **BECOME WEALTHY**

**SEE YOU AT THE VERY TOP!**