

1. Step by step for a deal

- a. **MARKET FOR PROPERTIES**
- b. **RECEIVE LEAD (SQUEEZE PAGES, VIRTUAL ASSISTANT, LIVE ANSWERING SERVICE, PERSONAL)**
Use Script SCRIPT (SELLER LEAD)
- c. **RUN THE NUMBERS**
GET COMPS (SITEXDATA.COM)
- d. **Analyze Deal (www.ThansDealalyzer.com)**
- e. **CONTACT THE OWNER FOR APPOINTMENT**
- f. **GET REPAIR ESTIMATES**
- g. **MAKE OFFER**
- h. **PROPERTY UNDER CONTRACT (PURCHASE AND SALE AGREEMENT Send to title company or closing attorney)**
- i. **CREATE SCOPE OF WORK (SEE EXAMPLE FROM CLASS)**
- j. **Get Bid for rehab and hire contractor (can happen before or after "K")**
- k. **Close**
- l. **FUND- Use Hard Money, Private Money, Creative Financing or Bank Financing**
- m. **FIX**
HIRE CONTRACTORS (Contractor Interview)
6 CRITICAL DOCUMENTS- Contractor and Subcontractor
 1. **Independent contractor agreement**
 2. **Scope of work**
 3. **Insurance indemnification form**
 4. **Payment Schedule**
 5. **W-9**
 6. **Lien Waver**
- n. **MARKET FOR BUYERS FROM DATABASE- Use text Blast and/or Email Blast (use wholesale packet)**
- o. **Exit Strategy- Wholesale or Rehab (if wholesaling skip "J" and "M")**

2. Marketing:

Primary

- a. Divorce
- b. Probate
- c. Bankruptcy
- d. Free and clear
- e. Eviction
- f. Out of State Owners

Secondary

- g. Craig's List Marketing
- h. Online Social Media
- i. Bandit Signs
- j. MLS offering System
- k. News Paper Ads
- l. Video Marketing
- m. Door Knocking

- n. Building Code Violation-Mailers
- o. Cash Buyer Leads
- p. Private Lender Leads
- q. Tired Land Lords Leads
- r. Referral Marketing Attorney
- s. Mortgage Broker
- t. Realtor
- u. Appraisers
- v. Contractors

3. 3 Types of Income

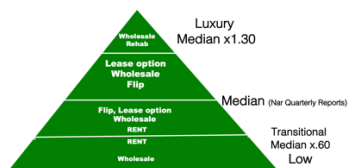
Active: Wholesale and Flips solves money problems Temporarily

Passive: Rentals (residential/commercial) Solves money problem Permanently

Interest: Retirement, Cushion, Legacy

****Flip first for Cash then put into the down payments for passive any cash not being used put into interest income (Hard money funds, Private Money, Tax Lines, Discount notes) and Use a self directed Roth Ira for deals you don't like wholesale deals.

4. Segment Market- <https://www.nar.realtor/research-and-statistics/housing-statistics/metropolitan-median-area-prices-and-affordability>



5. **The Seven:**

- a. Sense-the idea
- b. Logical-will the idea play out as anticipated
- c. Profitable-after all expenses
- d. Ethical-what you believe
- e. Moral-what you practice
- f. Legal
- g. Want to do it

6. Funding primary sources:

a. **Hard Money Lenders:**

List of: <https://www.scotsmanguide.com/>

Residential/Lenders/Hard Money/State/Dollar Amount/Non owner occupied or Legal entity/Property Type-Single Family/Loan Characteristic-Fix-and-Flip

Questions to ask: Points, Interest, Fees, Loan to Value

If they tell you they can't give you that information unless you have property just tell them I know and we both know to run the numbers and be profitable I need something to plug-in so can I get a ballpark range.

b. **Community Banks:**

<https://www.icba.org/>

President or Vice President of Commercial Lending

What is needed to qualify for a Commercial Loan – Find one that you feel you get to faster maybe bank there also

Ask What Debt Coverage Ratio (DCR) they want for commercial

What they are loaning on and not loaning on for residential and commercial

Terms and Conditions for those properties

Can you see CRA Book?

c. **Private Money**

- Find the lender- Create or Current
 - Creating Lender
 - Approach with Look what I learned
 - Show articles for retirement
 - <https://www.forbes.com/sites/halahtouryalai/2012/10/23/more-americans-say-80-is-the-new-retirement-age/#2fa103ab43b9>
 - <https://nypost.com/2013/11/16/80-is-the-new-60-when-it-comes-to-retirement/>
 - Show Inflation
 - <https://www.cnbc.com/id/42551209#>
 - Go to inflation Calculator
 - <https://www.vertex42.com/Calculators/inflation-calculator.html>
 - Retirement Gamble 25:44
 - <https://www.youtube.com/watch?v=ok1S8NHUix8>
 - Current Lenders
 - Download list from list brokers (Google List brokers private money)
 - Send postcard “dude your current investments make you 15% return if not go to www. Whatever the name of your squeeze page is.com
 - Have a CRM
 - Send out mass text message “\$xxxxxx needed 15% return sending out to xxxx amount of people)”
 - Remember:

SEC Compliance

1. Can't advertise with a “Guaranteed Rate”
2. Can't pool investor money

- Meeting-Terms and Conditions
 - Length of Loan
 - Interest Rate
 - Payment terms
- Identify property – Send out Mass text message
- Sign Docs and Close (Attorney Office or Closing Company)
 - **Promissory Note- Attorney (Secures)**
 - **Hazard Insurance Policy-Insurance Agent (Insures)**
 - **Listed as “Loss Payee”**

- **Mortgage Deed or Deed of Trust- Closing Attorney or Title Company (Collateralize)**

- Wholesale or Rehab
- Pay the lender

d. Gap Funding: Options

- a. Retirement accounts (personal or from others PML)
- b. Equity Lines of Credit
- c. Peer-to-Peer Lending (online search)
- d. Creative Financing (using one of the above to make payments then getting a loan from Hard Money Lender or Bank)
- e. Owner Financing
- f. Heloc

7. "Getting a Yes" Tool:

- Lists
- Marketing Collateral
- Squeeze pages
- Credibility Packets
- Power Points
- Scripts
- Sop
- Checklists
- Squeeze Pages
- Main Website
- CRM
- Templates

8. Loan Packet

- | | |
|------------------------------------|---|
| • Deal Description | • Credibility Packet (Details On Other Investment Experience) |
| • Deal Analysis | • Contract |
| • Contractor's Estimates For Rehab | • Credit Report |
| • Power Team | • Tax Return |
| • Rent Roll Statement | • Financial Statement |
| | • Templates |

9. **Definitions:**

- Gross income- Income before all expenses
- Profit- income after all expenses
- Cost vs value- cost is what we pay value is our return
- Bad debt – you working for money pay debt
- Good debt – the asset pays for the debt
- Accredited Investor - \$1 million net worth or \$200,000 single \$300,000 married two years in a row
- Net worth- Assets minus liabilities

Cash flow- income minus expenses

10. Websites from Class:

Click2mail.com – mailing house

Icba.org- List of Community Banks

Scotsmanguide.com -hard money lender search engine

Usa.com-demographic information

Infusionsoft.com- CRM

Sitexdata.com- comparables

Google Drive – storing documents

Drop Box – storing documents

Hootsuite- social media poster

Quarterly Reports:<https://www.nar.realtor/research-and-statistics/housing-statistics/metropolitan-median-area-prices-and-affordability>

11. Formulas for commercial

$$\frac{\text{Purchase Price}}{\text{\# of Square Feet}} = \text{Price Per Square Foot}$$

$$\frac{\text{Net Operating Income (NOI)}}{\text{Purchase Price}} = \text{CAP Rate}$$

$$\frac{\text{Net Operating Income (NOI)}}{\text{CAP Rate \%}} = \text{Value of Property}$$

$$\frac{\text{Annual Cash Flow}}{\text{Initial Cash Investment}} = \text{Cash-on-Cash Return}$$

$$\frac{\text{Net Operating Income (NOI)}}{\text{Annual Debt Service}} = \text{Debt Coverage Ratio}$$