Shortcuts to Success

"The 4 Questions That You Must Know to Succeed in Today's Market!"
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Any charge of legal action or claims is hereby accepted for value. Real Estate Investing results are not typical! Every deal you do will be different and to be profitable each deal you do must stand on its own merit based on the facts of the deal itself. The results you get will be based on the results of your negotiating skills and then the implementation of each deal based on the deal you are doing at that time. The author is not guaranteeing any specific result or profit in any way. The information contained in this home study manual is meant to inform you of the many different ways to structure real estate deals and is not meant to guarantee your results or success in any way.

The author recommends that the reader of these materials first consult their Attorney or legal professional and their Certified Public Accountant before implementing any of the ideas or information shown in this manual.

The author desires to help the reader better understand how to complete creative yet safe deals as well as all other pertinent documents provided that are related to seller financing for the best desired results of the reader.

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Welcome

Today becoming a successful real estate investor may seem to be somewhat complicated and confusing to some of you who are trying to learn about all of the facets of real estate investing. I clearly understand your confusion, it wasn't all that many years ago I thought I would never learn all I needed to become a successful investor who was financially free and who would eventually become wealthy. For the first 16 years I was learning about real estate investing, I had NO training of any kind about what I should or shouldn't do. I basically learned from the mistakes I made. You might say I graduated from the school of hard knocks. Let me tell you, learning from making mistakes is an ugly way to learn anything. Most of the deals I did in the early years of my career were profitable because I was lucky. At that time I was flying by the seat of my pants simply because I didn't have a system to follow. It's always better to have a system and a plan to help you on your journey to financial freedom. Take it from someone who has been through the school of hard knocks. You need a system and a plan if you want to be successful today.

Over the years I developed my own system, along with a plan to help get me from broke to financially free. What I need to impress most on your mind is, it doesn't have to be complicated, and it doesn't need to be confusing and it doesn't always take money or good credit to be successful. I'm living proof of that! The purpose of this book is to give you a system of what to do that I learned over the past 30+ years of doing deals. What I have done is break down my system into individual parts to give you a step-by-step procedure to follow along with the reasoning and logic of why each step is so important. My system makes you focus on the key items that help you do deals faster and easier as well as be more profitable. You need to focus only on the parts of any deal that help you create deals you will be able to profit from. It will force you to address the important parts of any deal in a simple and easy to follow format. This book will also help you memorize key information that will cut your learning curve from years of endless struggle to just a matter of days. Just follow each step of the process as I have written them for you.

Today I see all too many beginning and semi-seasoned investors who are trying every niche idea that comes down the pike hoping to find something they will generate profit checks, like we did in the boom years. Well friends, let me tell you, those days are not only gone, they are gone forever and they will never come back the way they were at that time. It's time you learn a new way to make unlimited profit check that other uneducated investors are searching for by trying everything any guru offers them on television. They are hoping they will find a way that will work for them even though almost all investors are finding it impossible to get institutional financing anywhere today. This book will give you an arsenal of strategies only seasoned investors would know. This book alone will take 30 years off of your learning curve if you will just follow what I am about to show you.
For anyone who watches television today, all they hear about is the dismal state of the real estate market. All I can say is, "What a Bunch of Crap"! Ladies and Gentlemen.... In my opinion, this is the best real estate market I have personally seen in the 30+ years I have been investing which is totally opposite from what the television pundits are saying.

First of all, those talking heads on television know little or nothing about real estate investing. The garbage they are spewing comes from real estate agents who for the most part only sell houses to people who plan to live in the house they are buying. Real estate investors on the other hand do not plan to live in the houses they buy; they only plan to use the property to make money, not to live in.

Real estate investors look at real estate differently than home buyers because the investors are looking for ways to buy the properties that will allow them to make a profit when they sell or rent the property. For the real estate investor it's all about making a profit and help people. It's not just about the comforts of a home and the comfort and enjoyment of our families. Money can be made whether buying or selling in some cases, even if you have no money or good credit. This book will take even the most inexperienced, novice investor to "Instant Success" virtually overnight. This book has been designed to give you, the investor the key parts of the real estate business without going to the "School of Hard Knocks" like I had to.

Please follow this procedure closely as it is truly the keys to the treasure chest and the map to where the treasure is buried. If you will follow the strategies in this book you will learn the "Shortcut To Success". If you will use what is in this book in tandem with your Red – White - Blue Creative Seller Financing Course, it can give you almost overnight success as a real estate investor that can generate checks within the next 30 days or less.

The following pages are written to get you to a profit check in the fastest possible manner. I have given you the most important information to do just that. Follow each step of the process exactly as written.

Good Luck and Happy Investing!

Larry
The Basic Steps to Your "Shortcut to Success"

How to Start Getting Unlimited Checks in 30 days
Important Things You Need to Focus On and Get Done

Understand there are as many ways to buy real estate as there are properties in this country that are for sale because every seller has a different reason why they are selling. Solve the seller's problem and you will buy their house.

1. Build a "Buyers List" of potential buyers. This list should contain potential homebuyers and investors. (You can find many investor buyers at your local real estate group).
2. Qualify your potential buyers so you know the best and safest way to sell one of the properties you have to them.
3. Learn how to quickly analyze any neighborhood so you never buy property in areas that you shouldn't be in.
4. Next, find houses for your buyers list. Give your buyers what they want or need.
5. Know what it is you want or need from every deal you do. This eliminates you ever making a purchase for the wrong reasons.
6. You have to learn how to recognize opportunities you can quickly turn into profit checks and more money for your family.
7. You need to know what to look for. Be specific so you can structure multiple strategies whether buying or selling any property.
8. Learn what you need to know to be able to structure an offer on every property you look at, at a glance.
9. Know how to examine every property you look at in a step-by-step procedure so you never miss anything important about the property.
10. Know the right questions to ask every seller.
11. Learn how to negotiate with sellers and overcome any objections the sellers may have.
12. Know the "7" Basic Buying Offers to be sure you are making your offers in the most safe and profitable way.
13. Ask the "4" Most Important Questions to ask every seller that will allow you to create offers that make sense to the sellers. Remember - if you don't present your offers correctly, a confused sellers mind will always say "NO".
14. Know what paperwork you should use to seal any deal on the spot, and know how to fill each document or form out quickly.

Follow Each Step On Every Deal You Do From Today On!
Knowing What to Look For
The "4" Pillars of Real Estate Profits

Every Property You Will Ever Look At From Today on Will Fall Into At Least One of the "4" Pillars of Real Estate. Once You Understand Each of the Different Pillars You Will Quickly Be Able To Determine What You Can Do With Any Property and How You Will Approach the Sellers With A Different Creative Offer That Only Seasoned Real Estate Investors Know. Study This Theory And Enjoy The Fact That You Now Know How To Recognize Opportunities You Have Never Seen Before. Regardless Of Which Pillar Any Property Falls Into Making Offers Will Now Be Much Simpler Because You Now Know the Best Solution to Every Seller’s Problems And The Reason They Are Selling Their Property. (Pillars 3 & 4 need little or no cash if bought with seller financing terms, only for the rehab).

- Now That You Realize That Every Property You Drive Past Is A Potential Profit Center If You Recognize What To Do With That Property. **Never Drive Past a Profit Check Again.**
- You Need to Build a **Buyers List** Of People Who Are Looking For Properties,
- Properties You Can **"Wholesale"** Or **"Assign"** Your Signed Assignable Purchase Agreement That You Would Not Want To Own Yourself.
- Properties You Can **Fix And Sell Retail** When **You Need A Big Check.** and
- Properties **You Can Own That Renters Pay Off** Your Mortgage Every Month And **Create Wealth For You** While Also Giving You a **Monthly Income Stream.**
Deciding What You Should Do With Any Property at a Glance

1.) Flip the Contract or Wholesale the Deal

1. Any House You Wouldn't Personally Want to Own.
2. Any House in a Depressed Area of Town with Many Run-Down Properties in the Area.
3. Any Property That Needs Major Repairs Done to It.
4. Any Area Where a Family That Could Qualify for a Loan Wouldn't Want to Live.
5. Any Property.....
   a. On a Busy Street.
   b. Any House with a Functionally Obsolete Floor Plan.
   c. Any Property You Believe That When Fixed-up will be hard to Rent or Sell.
   d. Any Property Located Where You Would Be Afraid to Go At Night.
   e. Any Property You Would Be Uncomfortable or Ashamed to Own.
6. Any House Whether Pretty or Ugly Where You Can Wholesale Quickly for Some Quick CA$H.

2.) Fix the Property and Sell It Retail

1. The House MUST Be In an Area Where People Want to Live.
2. The House MUST Have Good Curb Appeal.
3. The House MUST Be Located Where a Buyer Who Can Qualify for a Loan and Who Have
   4. Young Children Will Feel Comfortable Living.
5. The House MUST Have a Free-Flowing Floor Plan.
6. The House MUST Have an Adequate Heating and Air Conditioning System.
7. You MUST Be able to Affordably Repair the Property.
8. You MUST Be able to Buy the Property Below the After Repaired Value.
9. The House MUST Have Adequate Sized Rooms and Closets In Every Bedroom.
10. This Should Be a Property That If Necessary You Would Feel Comfortable Living In It.
11. The House Should Be Near - Schools, Churches, Shopping and Bus Lines.

3.) Fix the Property and Keep "Long Term" as a Rental Property

1. The Property Should be Located in an Area Where People Want to Live.
2. The Property Should be Located in an Area with "Low Crime" Statistics.
3. Excellent Areas Might Be...... Near a Hospital, a Fire Department, a Police Station, Near a School...
   a. Rent to Nurses, Maintenance Workers, Lab-Technicians, Hospital Administrative Staff
      Workers.
   b. Rent to Teachers, School Staff Workers, Custodial Workers, the Principle or the Superintendent.
   c. Rent to Firemen and Firewomen, Policemen and Policewomen.
   d. Police Cars Parked In the Area Usually Have a Huge Crime Deterrent Effect.
4. The Property Should Be Located In Any Area Where the Renters Who Have Adequate Income
   Can Easily Afford to Pay Enough Rent So You Can Pay for the Property.
5. Ask Yourself... ... Would You Be Proud to Own This Property?
6. Can You Buy the Property So a Renter Can Afford to Pay for the Property?
The Importance of Thinking Through Your Deals

Before Making an Offer to Purchase Any Property

Before Ever Making an Offer to Purchase a Property There Are Some Questions You Should Always Ask Yourself to Help Insure You Are Making the Best Possible Offer to Buy Any Property That Will Match Your Goals As Well As Your Financial Plans and Needs.

**Question #1: Why Do I Think This is a Good Deal?**

If you can't determine why it is a good deal, it probably isn't

**Question #2: What Am I Trying to Accomplish by Buying This Property?**

What are your immediate goals or needs why you are buying this property Fast money, long term financial growth, or monthly income?

**Question #3: What Do I Plan to Do With the Property If I Buy It?**

What are my immediate plans for buying this property if the seller accepts my offer? Fix and Sell, Fix and Rent, Sell As-Is, Sell with Seller Financing terms, wholesale the property or flip the contract.

**Question #4: Where Will I Find the Money I Need to Finance This Property?**

A financial friend, hard money lender, mortgage broker or institutional financing.

**Question #5: If I Buy This Property - How Will I Eventually Sell the property?**

All cash quickly, lease option, seller financing long term or seller financing short term.

**Question #6: Who Will I Sell the Property to If I Buy It?**

A Landlord, a Potential Homeowner, an Investor, or someone who needs Seller Financing terms? To be sure, always find out what the annual income of people in this neighborhood?
Recognizing Opportunities

Questions You Should Always Ask Before Making An Offer to Purchase

What Constitutes a Good Deal Worth Pursuing?

• Possible rental that will cash-flow.
• Finding a distressed seller.
• Finding a property that is in foreclosure.
• A property in a good location.
• A property that has a large equity.
• A property that is in the path of good potential appreciation.
• Finding a motivated seller.
• Finding a seller who is flexible and willing to give seller financing terms.
• Find a property I can make a large potential profit.

Why Do I Think This Deal Is Worth Doing?

• A property located in my farm area.
• A property that has enough profit to suit me.
• The sellers are motivated.
• The property should cash-flow each month.
• I can buy low and then assign my purchase agreement to another investor.
• The property doesn't need a lot of repairs.
• Most property in that area usually sells quickly.
• The numbers of the deal actually work.
• I can easily take over the seller's equity.

Why Does This Property Appeal to Me?

• It has good curb appeal.
• It is not functionally obsolete.
• It is in a great rental area.
• It should sell or rent quickly.
• It has good profit potential.
• The property is located in a great resale area.
If I Buy This Property What Will I Do With It?

- Fix and rent it.
- Fix and sell it.
- Assign my purchase agreement to an investor.
- Keep it long term for income.
- Sell it quickly for all cash.
- Sell it with seller financing terms.
- Do a Rent-to-Own to a new buyer.

Why Do I Think This Property Has a Large Profit In It?

- The property has a large equity.
- The sellers are in Foreclosure.
- I can possibly wholesale the deal to a person who does short sales.
- The property is located in a good area of town.
- The sellers are really motivated.
- The sellers bought the property over 10 years ago.

What Is My Goal If I Buy This Property?

- Get cash quickly to live on.
- Get cash quickly to buy more property or pay some pressing debt.
- Add to my existing rental portfolio for the long term.
- Make more monthly income.
- Build my portfolio of income producing properties.
- Make a large profit check.
- Build appreciation over the long term.
- Depreciation for taxing purposes.
- Income tax savings.
- I don't have a clue what my goals are.
Building a Buyers List
Find Your Buyer Before You Buy a Property

There are many types of buyers but basically I have found the 5 most common types of buyers you will eventually sell the properties you find to. Don’t rule out selling with seller financing terms and collecting a payment every month for many years. Selling for cash is only one way to sell a property. The important thing is to make the most money possible.

1. ALL CASH - a buyer who already has money in the bank.
2. A buyer with Good Credit who can qualify for institutional financing.
3. A buyer with less than good credit who might be able to qualify for institutional financing.
4. A buyer with extremely damaged credit - someone who needs some type of Seller Financing.
5. A buyer who simply has bad credit - someone who needs some type of rent-to-own agreement.

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<th>&quot;No Risk&quot;</th>
<th>&quot;No Risk&quot;</th>
<th>&quot;Some Risk&quot;</th>
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<tr>
<td>1. CASH Buyer</td>
<td>2. Good Credit Buyer</td>
<td>3. Not-so-good Credit</td>
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<td>As long as the house qualifies</td>
<td>As long as the house qualifies</td>
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"Greater Risk"
4. Extremely Damaged Credit
a. You need a larger down payment
b. You may want to charge a higher Interest Rate
c. There is a chance you may need to foreclose
d. The house needs to be adequately rehabbed
e. The buyer could rehab the house

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<th>&quot;Much More Risk&quot;</th>
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<td>5. Bad Credit and Payment history</td>
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a. You may eventually need to evict
b. They may be hard to collect payments from
c. The house needs to be adequately rehabbed
d. You will want as large of a NON-REFUNDABLE fee as possible.

Different Ways to Sell to Each Type of Buyer

Buyer Type # 1: If you have a "CASH" Buyer always take the cash.
Buyer Type # 2: If you have a buyer with good credit and can qualify for a loan - you might think about giving the buyer seller financing terms to buy the property from you if you want an income stream long term.
Buyer Type # 3: You may want to think about some sort of Lease Option deal for this type of buyer
Buyer Type # 4: Again, you may want to think about using a Contract for Option to sell.
Buyer Type # 5: Definitely, think about using a Contract for Option to sell.
For Buyer Types 3 - 4 - 5..... Always understand the risks involved selling to these types of buyers.

Questions on "Buyers Profile" to Help You Determine the Type of Buyer You Have

For Buyer Type # 1: Before you know if you have a CASH buyer.... Always ask the Standard Important Questions.
1. What area are you looking for a home to live in?
2. How many bedrooms and baths will you need?
3. What price range are you looking for?
4. Do you believe you could qualify for a loan?
5. Do you have any idea what your credit score is?
6. How much do you have for a down payment?
7. What is your combined family income?
8. How soon do you need to find a home?
For Buyer Type # 2: when you find a buyer with good credit and you are looking for long term monthly income, remember, these buyers can have their choice of most houses within their price range and you want them to buy your house. Always ask the standard questions.

1. What area are you looking for a home to live in?
2. How many bedrooms and baths will you need?
3. What price range are you looking for?
4. Do you believe you could qualify for a loan?
5. For this type of buyer you may want to ask some additional questions:
   6. How big of a monthly payment can you afford?
   7. Do you have any idea what your credit score is?
   8. How much do you have for a down payment?
   9. What is your combined family income?
  10. How soon do you need to find a home?

For Buyer Type # 3: if you find a buyer with "Not-So-Good-Credit" you will also have a buyer who is credit challenged. This does not mean that the buyer is a bad paying person it simply means they have had some employment, health or disaster in their life which caused them to have tarnished credit ratings. With this type of buyer always ask the standard questions...

1. What area are you looking for a home to live in?
2. How many bedrooms and baths will you need?
3. What price range are you looking for?
4. Do you believe you could qualify for a loan?
5. How big of a monthly payment can you afford?
6. Do you have any idea what your credit score is?
7. How much do you have for a down payment?
8. What is your combined family income?
9. How soon do you need to find a home?

You will also want to ask some additional questions.....
  10. Ask them what happened to cause them to have problem credit.
  11. Ask how damaged they are.

You will need to realize that if you sell to this type of buyer you face greater risk of not getting paid or possibly evicting or foreclosing to get them out of your property in the future if they don't pay as agreed. Some different ways to minimize your risks...

- Getting a larger Down Payment or NON-REFUNDABLE fee up-front.
- Charge the buyer a Higher Interest Rate.
- Using a combination of the Buyers credit score and the amount of their down payment to determine what interest rate you will charge the buyers.
- Get extra collateral such as ... the title to their CAR, their BOAT, their MOTORHOME...
- Have them pre-sign a deed back to you, held by a 3rd party attorney to be recorded in the event the buyers ever get 90 days behind making their payments to you.
**For Buyer Type # 4:** if you have a buyer with extremely damaged credit you may want to carefully think if you want to sell a property to that buyer. But if you think you do.... Ask them the standard questions...

1. What area are you looking for a home to live in?
2. How many bedrooms and baths will you need?
3. What price range are you looking for?
4. Do you believe you could qualify for a loan?
5. How big of a monthly payment can you afford?
6. What is your combined family income?
7. How soon do you need to find a home?
8. Do you have any idea what your credit score is?
9. How much do you have for a down payment?
10. You will also want to ask some additional questions.....
11. Ask them what happened to cause them to have problem credit.

With this type of buyer you will definitely need different paperwork than used for buyer types 1-2-3. With this type of buyer you will want to think about using the "Contract for Option".

**What is a Contract for Option?**

a) It is a performance based contract which does not deliver an option to purchase to the buyer until they have performed and paid exactly as set forth in the contract after a specific period of time.

b) After a period of you receiving payments as agreed for the agreed period of time you then give the tenant-buyer an option to purchase that must be exercised within a 90 day period of time or the tenant-buyer forfeits all money paid to you and must then move out of the property.

c) This type of contract gives the buyer time to build a timely payment history so they will be able to get institutional financing to pay you off; if that is what you want.

d) If the tenant-buyer doesn't perform as agreed - a simple eviction is all you need to get them out of the property.

**For Buyer Type # 5:** if you find a buyer who has little or no money and not-to-good credit who desperately wants to buy a home for their young family. If you have a house that you practically bought for a song with great terms you could sell to this buyer, but first think about.....

1. The chances of the buyer not paying on time, is a real potential problem.
2. The chances of you having to evict the buyer, is also a real possibility.
3. The more money the tenant-buyer puts down the better for you.
4. Using a Lease-Option or a Contract for Option is your best choices.
5. Why would you sell to a person like this?
   a. If you already owned a house that would allow you to take this risk - at least the tenant-buyer is making the payment and hopefully giving you enough each month to also cover the property taxes, the property insurance costs, and the maintenance costs of the property you might be forced to pay.
   b. You are giving a young couple a start in life.
   c. Even if you had to eventually evict or they moved out the payments were made and you got the advantage of the equity build-up from the loan pay-down, if that were to happen just DO IT AGAIN!
Qualifying Buyers and Lease Option Candidates
"5" Types of Potential Properties for Your Buyers List - When SELLING

What Type of Property Are You Selling?

1. A "Junk" or a "Flipper Property" (properties you don’t want to own yourself).
2. A House That Needs "Minor" Work Done to It (a modest rehab).
3. A House That Needs "Cosmetic" Work Done to It (paint and carpet).
4. A House That Needs "Major Structural Work" Done to It (a major rehab).
5. A House That Needs "No Work" Done to It (move in ready).

What Type of Buyer Do You Have?

1.) A Buyer Who Has….. "Some Cash" and "Good Credit"
2.) A Buyer Who Has….. "No Cash" and "Good Credit"
3.) A Buyer Who Has….. "No Cash" and "Damaged Credit"
4.) A Buyer Who Has….. "Some Cash" and "Damaged Credit"

You Might Give Buyer #1

Buyer # 1 has...."Some Cash" "Good Credit"  
- a.) Have Them Try to Get Institutional Financing  
- b.) Give Them Seller Financing Terms W/Balloon  
- c.) Give Them Seller Financing Terms WO/Balloon

The Best Type Property to Offer Buyer # 1....  
a.) A House That Needs No Work  
b.) A House That Needs Little Work

You Might Give Buyer #2

Buyer # 2 has....... "No Cash" "Good Credit"  
- a.) A Short Term "Lease-Option" Contract  
- b.) A Short Term "Contract for Option"

You Might Give Buyer #3

Buyer # 3 has...... "No Cash" "Damaged Credit"  
- a.) A Short Term "Lease-Option" Contract  
- b.) A Short Term "Contract for Option"  
- c.) "ONLY" Some Type of "Rent to Own"

You Might Give Buyer #4

Buyer # 4 has...... "Some Cash" "Damaged Credit"  
- a.) A Short Term "Lease-Option" Contract  
- b.) A Short Term "Contract for Option"  
- c.) Seller Financing "Longer" Term W/Balloon

The Best Type Property to Offer Buyer # 4....  
a.) A House That Needs Minor Work Done to It.  
b.) A House That Needs Cosmetic Work Done to It.  
c.) A House That Needs No Work
Quickly Analyzing a Neighborhood

1. Are There Many "For Sale" Signs in the Neighborhood?
   - Too many For Sale signs could mean something is going on in the area you should know about before buying any property.

2. Are There Many "For Rent" Signs in the Neighborhood?
   - Also too many rental properties in an area could mean it will be hard to sell a property after being fixed up.

3. Does This Look Like a Homeowner Area?
   - Many times Homeowner area will be easier to sell or rent a property after being fixed up.

4. Does This Look More Like a Rental Property Area?
   - Most Rental areas usually look like they have less care and no pride of ownership.

5. Would You Feel Comfortable Owning Property In This Neighborhood?
   - If you would feel uncomfortable owning property in this area you might think about wholesaling the property to someone who wouldn't mind owning property there.

6. Would You Feel Comfortable Living In This Neighborhood?
   - If You Might Feel Comfortable Living In This Area, This Might Be A Good Property to Fix and Sell Retail or Fix and Rent. It Might Also Be A Good Property To Flip If You Needed Some Fast CA$H.

7. Would You Feel Comfortable Going Into This Neighborhood At Night?
   - If you feel comfortable enough to go into this neighborhood at night this could be an excellent candidate to be a Property to Fix and Sell Retail or Fix and Rent. It Might Also Be A Good Property To Flip If You Needed Some Fast CA$H.

8. Could You Feel Proud To Own Any One Of These Properties?
   - If you wouldn't be proud to own a property in that area it will probably be a good area to flip properties to wholesalers or landlords.

9. What Is the Approximate Age of the Neighborhood?
   - Houses built before 1950 may be harder to sell to a family. Houses built in the 1960's and 1970's usually have larger floor plans with a little bigger rooms and closets. Houses built in the 1980's and newer usually have more square feet of living space, larger bedrooms and larger closets.

10. What Is the Average Square Footage of the Houses of the Area?
    - Houses with more square feet of living space are more desirable and will sell or rent much easier.

11. How Recent Are the Latest Sales In the Neighborhood?
    - The best estimate of what any property will be worth after it has been fixed up is from the past recent sales in that area.

12. What Is the Average Time on the Market For Houses That Sold In That Neighborhood?
    - The longer the period of time properties stay on the market in any area the longer you will probably be forced to wait to sell the property especially if you decide to fix the property and sell it retail.
13. What Was the Average Sale Price of the Properties That Sold In That Neighborhood?
   - For you to get a better idea of what price range the property will be worth after being fixed up knowing how much the average sale price of houses sold will really help you make your buying decisions.

14. What Are the Crime Statistics For the Neighborhood?
   - By simply calling the local police department you can quickly know what the crime issues are for that area.

15. Do Many of the Houses in the Neighborhood Need Repairs?
   - If many of the houses are run down it will be harder for you to rent or sell the property retail.

16. Are the Exteriors of Most of the Houses Look Well Kept?
   - A good looking neighborhood is usually a place people truly want to live.

17. Are the Lawns Kept Mowed, Landscaped and Make the House Look Good?
   - A well-kept lawn is usually a sign of a Pride of Ownership area.

18. Do You Notice Deferred Maintenance on Most of the Houses or on Just a Few?
   - In many cases a large amount of deferred maintenance on most of the houses may mean either an old neighborhood or largely a rental area.

19. Are the Streets and Sidewalks In Good Condition?
   - Well maintained streets and sidewalks usually mean the area is a popular place to live for families who want to live in safe areas where property values are not plummeting.

20. Do You See a Few Properties That Have Recently Been Fixed Up?
   - When you see several properties in any neighborhood being completely remodeled in usually means the neighborhood will continue to be revitalized and improved because the owners are trying to increase the values of the houses for everyone in the neighborhood to be able to sell for maximum profit.

21. Do You See Many Cars or Trucks That Are Being Parked On the Lawn or Street Because the Garage Is Full?
   - When you see cars and trucks parked on the lawn or in the street it usually means there could be multiple drivers living in that property and pickup trucks indicate blue collar people live there.

22. Do You See Portable Basketball Hoops on the Curbs or in Driveways?
   - This usually means a large number of children and teenagers live in the area.

23. Do You See Many Bicycles in Front Yards and in Driveways?
   - Again this usually means a larger number of pre-teenagers as well as teenagers live in the area.

24. Do You See Several Teenagers or 20 Something Young Adults Sitting on Bicycles of Corners?
   - When you see this many times these people on the bicycles are lookouts for a local drug dealer in that area.

25. Do You See Tennis Shoes Tied Together Hanging From Telephone Lines?
   - When you see this it could and usually does indicate that house is a drug house.
Now Decide What You Should Do With Each Property You look At
Finding Houses for Your Buyers List

1. Step # 1: Choose an Area You Like and Feel Comfortable Doing Business in.

2. Step # 2: Determine What the Majority of Houses in That Area are used for.
   a. Homeowners
   b. Rentals
   c. Mixed Homeowner and Rental neighborhood.
   d. Governmental Subsidized Housing.

   a. Flip the Deal.
   b. Fix and Sell Retail.
   c. Fix and Rent Long Term.

4. Step # 4: Get as Much Information About the Values of Houses in that Area.
   a. What is the average time on the market for listed properties in that area?
   b. What percentage of original listing price do properties eventually sell for in that area?

5. Step # 5: Go to the County or City Property Appraisers Office and get a list of names for.
   a. Non-owner occupied properties.
   b. Out-of-state owned properties.
   c. Zip code by specific areas.
   d. Specific areas of your farm area.

6. Step # 6: Scan the list of owner's names and look for the properties that have been owned by the
   same owner and not been re-financed for at least 10 years. These properties will most likely have
   some equity to negotiate in. Send these property owners letters first.

7. Step # 7: Next, send letters to non-owner occupant property owners. You are looking for burned out
   Landlords, estate property or any property you know the owner doesn't live in. Because the owner
   doesn't live in any of these properties in most cases the owner doesn't have a strong emotional tie
   and will hopefully be more flexible when negotiating.

8. Step # 8: After sending out letters to the others we just talked about send out letters to all of the
   others on your list.


10. Step # 10. When a property owner calls collect as much information about the seller and the
    property as you can get.

11. Step # 11: Try to buy the property by getting either a great price or with good terms.

12. Step # 12: Once you have a property you can sell. Run ads in the local newspapers advertising to
    attract potential homebuyers or investors you can sell the properties you have to.
When a Seller Calls

Telephone Script for Calls from Sellers

Date ______________
Time: ______________
The Person’s relationship to the property who is calling: __________
Name __________________________
Address ________________________________
Phone# _______________ Cell # __________ Fax # __________
Why are you selling your house?
_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________
What is the loan Balance? $ __________ What is the Monthly Payment? $ __________
What are you asking for your house $ __________
Does the house need repairs? __ (yes or no) How much do you estimate? $ __________
What type of repairs does the house need? ____________________________
How many: Bedrooms ____ Bathrooms ____ Garage spaces ____
What is the approximate square footage of your house? ______
If we were to have the property appraised today what do you think it would worth? $________
Is there anything unique about the house I need to know?
_____________________________________________________________________
_____________________________________________________________________
What is most important to you at this time?
  o Getting all of your cash at closing.
  o Not having to make the monthly payment.
  o Maintaining the property.
  o Moving to a new location.
  o Creating a monthly income that you don’t have to work for.
Would you be willing to give any terms? __ Yes __ No __ Maybe
Is this the best price you can do? _____ Yes _____No _____ $ __________
When would you like to close? ___________________
Start Talking to the Sellers...

Start By Asking Questions Like.....

1. While doing your walk-through ask if there currently is a loan on the property?

2. Ask them how much they still owe, what is the loan balance?

3. Ask them how much their monthly payment is?

4. Ask them if the payment includes the Property Taxes and the Property Insurance?

5. Ask how much the property taxes currently are annually?

6. Ask if the property taxes are paid current?

7. Ask what the approximate square footage of the house is.

8. Ask the sellers - if they had the property appraised what do they think it would appraise for?

9. Ask them if they have had any bids for the repairs that need to be done to the property?

10. Ask if there is anything unique about the property you should know about?

11. Ask them "how much are you asking for your property"?

12. If I agree to pay you what you are asking for the property - would you be willing to accept monthly payments for your equity?

How much actual equity do the sellers have? The more equity they have the better deal you can negotiate! (ARV - Debt = Equity)
Property Step-by-Step Review Procedure

1. After your telephone conversation with the sellers, go look at the property and try to negotiate a deal.

While Driving to the Property

2. Try to recognize the neighborhood you are going to and try to estimate the age of that neighborhood.
3. Look at houses in the immediate area of the house you are about to look at.
4. Think about what your immediate needs and goals are (cash - monthly income - inventory)
5. If you need immediate CASH, how much do you need?
6. What are your plans for the property if you buy it - flip it - fix & retail it - fix & rent it.
7. Where will you get the money you need to buy the property if needed?

When You Arrive

8. What type of area are you in? Homeowner - Rental Area - Mixed Homeowner & Rental
9. What about this property makes you think this could be a good deal.
10. Look at the house to be sure it has curb appeal.
11. Look to see if the roof needs to be replaced.
12. Look for any exterior rotted wood.
13. Does the driveway need repairs?
14. Does the house have any landscaping?
15. Do the exterior doors need to be replaced?
16. Do the windows need to be replaced?
17. Does the house need to be painted or does it need siding?

Once Inside The House

18. Introduce yourself and look forward to your discussion with the sellers.
19. Make some small talk while looking around for things like pictures or awards to discuss.
20. Ask them where they plan to go after they sell the house - if it is their home.
21. If they plan to move to another location - ask them to tell you all about the place where they want to go. Get them excited about the property where they plan to go. Doing this will diminish their opinion of value of the house they are selling!
22. Ask the sellers how long the property has been on the market? The longer the better!
23. Ask the sellers if they mind if you look through the house?
24. Do you see any stains on any of the ceilings?
25. Do the walls and ceilings need repairing?
26. Does the Kitchen need to be upgraded?
27. Do the Bathrooms need to be upgraded?
28. Does the house need new carpet - vinyl flooring - ceramic tile flooring – Hardwood flooring?
29. Do the ceiling lights or ceiling fans need to be replaced?
Question # 1

Mr. /Ms. Seller "Why Are You Selling Your Property"?

This is a very important question because you won't ever be able to solve the seller's reason for selling their property unless you know the reason that has motivated them to sell. If you don't give the seller what they want or need to solve the reason they are selling their property, you'll never get their property bought.

Whatever reason the seller has for selling should give you a better understanding how you can structure your thinking of what is needed and what you can do to give the sellers what they want or need.

It has been my personal experience that without getting an answer to this important question will take away almost every creative strategy you have in your new arsenal of creative buying strategies. Without an answer to this question you will be hard pressed to structure a creative deal and giving the seller "All Cash" will be one of your only possibilities. To my way of thinking paying All Cash is NOT a possibility, it's a problem! I don't think giving up all of your cash is a prudent way to buy real estate today especially when there are so many deals and getting institutional financing is impossible for investors today. I don't see any reason why you have to give up cash in this buyers' market.
Question # 1 - Mr./Ms. Seller "Why Are You Selling Your Property"

Possible Reason for Selling

1) "To Avoid Foreclosure"

If avoiding foreclosure is the seller’s main goal and the seller is either ready to walk away or they want to be rid of their property they can no longer afford, in most cases “Subject To” is the most logical offer to make to the seller.

"Most Logical Offer to Make: (Subject To)

2) "To Pay Off Some Pressing Debt"

When the seller's need some cash to pay off some of their debt, they may think that getting all CASH is the solution to their problem. A Split Funded offer or a seller financing offer would work the best for you if you have the ability to possibly pay for the seller's debt in small monthly payments. This would eliminate the need for most of the CASH the seller thinks they need.

"Most Logical Offer to Make: (Split Fund)

3) The Seller Needs Some Debt Relief

When the seller’s need some cash to pay off some of their debt, they may think that getting all CASH is the solution to their problem. A Split Funded offer or a seller financing offer would work the best for you if you have the ability to possibly pay for the seller's debt in small monthly payments. This would eliminate the need for most of the CASH the seller thinks they need.

"Most Logical Offer to Make: (Subject To) (Seller Financing) (Lease Option)

4) The Seller Can't Maintain the Property Anymore"

Many times either the owner gets old or the seller's may not be able to care for the property or afford to keep the property repaired to keep the property in saleable or rentable condition.

"Most Logical Offer to Make: (Subject To) (Seller Financing) (Split Fund) (Lease Option)

5) "They Want to Get Away From Problem Tenants"

When you find a burned-out landlord, they have a problem they want to eliminate. The seller has the problem, you don't! Make your offer to allow you to cash-flow the property if you buy it.

Most Logical Offer to Make: (Subject To) (Seller Financing) (Split Fund) (Lease Option)

6) "Not Having to Make the Monthly Payment Every Month to Increase Their Cash-flow"

When a seller is having trouble paying for the property that may be vacant, if you can get seller financing terms the payment you have to make will be a payment the seller will no longer have to make. So, whatever payment the seller has been making when they no longer have to make that payment every month automatically raises the seller's spendable income each month.

Most Logical Offer to Make: (Subject To) (Seller Financing) (Split Fund) (Lease Option)

7) "More Free Time to Spend on Hobbies or with Family"

When a seller wants to spend more time on hobbies or family the most logical offer to make might be any type of seller financing to give the seller income every month.

Most Logical Offer to Make: (Subject To) (Seller Financing) (Split Fund) (Lease Option)

8) "Sellers Are Ready to Retire - They Want Monthly Income"

Many seller's may have owned several properties for many years and now that it is time to retire selling and giving seller financing terms will allow them to get a check every month to pay for their retirement years.

Most Logical Offer to Make: (Seller Financing) (Split Fund) (Lease Option)
Other Possible Offers to Make for Question # 1

Other Seller Situations------------- *Subject To - (Get the Deed or Wrap the Existing Financing)
1. Anytime a Seller is ready to walk away.
2. The Owner is behind on the payments (more than Four month or MORE owed).
3. The Property Owner is in Financial Distress.
4. The Property Owner can't take care of the property anymore.
5. When a property has been on the market for a considerable period of time (1 to 2 yrs.) and hasn't sold and the price has been lowered several times.

Here is an example of a "SUBJECT TO" offer:
Example: Mr./Ms. Seller I will buy your property "Subject To" the existing mortgages), but not for more than |the actual existing debt owed on the property). This offer is being made in the name of a Trustee. It shall also be understood that the Seller(s) are aware that their mortgage(s) will never be "formally assumed".

Other Seller Situations-------- *Split-Funded Offer (Some Cash Now, the Balance Sometime In the Future)
1. When you have a motivated seller with a low loan balance.
2. When a seller is willing to wait for their money without receiving a monthly payment with one single payment due sometime in the future.
3. When the property is FREE & CLEAR and needs considerable work done to it.

Here is an example of a SPLIT-FUNDED offer:
Example: Mr./Ms. Seller, you are asking $80,000 for your property. I am willing to offer you $68,000, payable as follows:
$20,000 at closing and the balance of $48,000 all due and payable when I have the property fixed and sold, within ___ months, or Mr./Ms. Seller I want to pay off your $20,000 loan balance and have you carry a $48,000 second mortgage which has no payments and is all due and payable in one single payment in months.

Other Seller Situations--------*0% Interest Seller Financing, Until Paid In Full (NO INTEREST)
1. When property owners are more interested in receiving a monthly income over an extended time, rather than get interest.
2. When you have a motivated seller with a Free & Clear property.
3. When the property owner has a Low or No loan balance and is in a high income tax bracket.
4. Seller is looking for Debt Relief.

Here is an example of a Seller Financing offer with NO INTEREST:
Example: Mr./Ms. Seller, you are asking $80,000 for your property. I am willing to offer you $80, 000, payable as follows:
$5,000 as a Down Payment and a monthly payment of $400, each and every month until the balance of this purchase price has been paid in full. (F.Y.I. - in this example it would be 188 months) (F.Y.I. - the existing loan should have 188 or fewer payments remaining for this offer to work.)

Other Seller Situations---------------- % Seller Financing for ___ Years (Example - 5% for 30 years)
1. Whenever a property owner tells you that they are willing to do Seller Financing for their property.
2. When a property needs considerable work but is still livable.
3. Anytime you can convince the Seller that if they don't immediately need the money, receiving 5%-6% or 7% interest on the money owed for the equity in their property is much better than getting all cash, paying the capital gains and investing the rest at 1 % to 1 ½ % at their bank.
4. When Sellers want long-term monthly income.

Here is an example of a Seller Financing offer with Interest:
Example: Mr./Ms. Seller, you are asking $80,000 for your property. I am willing to offer you $72,000, payable as follows:
$3,000 as a Down Payment at ___ % Interest, with a monthly payment of $ for ___ months. (F.Y.I. - To get the Seller to accept this offer you may need to have a balloon payment in 2, 5, or 10 years).

Other Seller Situations----------------*Lease Option (Control without Ownership)
1. When the property owner is credit conscious and aren't sure if they trust you to make the payments to the lender if they deed you the property.
2. When the property owner is afraid of the Due on Sale clause in their mortgage and the house is in good condition.
3. If there is a Large Equity and the payments are Too High and the house is in good condition. (You must pay less than what your payment is)

(Here is an example of a "Lease Option" offer)
Example: Mr./Ms. Seller, J would like to Lease Option your property at the existing balance of your loan as today with a monthly rental payment of $______ (your rental payment should be $100 to $300 less than what the property will rent for). And not to exceed $____ per month. I would like the lease period to be 12 months with the right to renew my lease ___ more 12-month periods (this number will be at least as many years as the seller has left on their mortgage or more). My monthly payment to you will not start until J have found a good, qualified Renter or a Tenant/Buyer and they are living in the house.

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Question # 2 - Mr./Ms. Seller “What Are Your Plans After You Sell”?

The answer to this question will help you set up your negotiating strategy. If you are able to find out what the sellers plans are after they sell their property will definitely give you a better chance to decide how you can help the seller realize their plans,

**For Instance:**

If the seller can no longer afford to keep the property any longer and they need to move quickly, this is an ideal situation for you because you can possibly turn the seller's situation into a double profit deal for you. First, you might be able to have the seller sell you their property by deeding you their property "subject to" the existing financing currently in place without you ever assuming the first mortgage but leaving the existing financing in the sellers name, hopefully at the existing loan balance and no more. Next, you might be able to sell the seller of the property you are buying one of the houses you have in inventory, and because they may have bruised credit you might be able to get them a property they can much easier afford by giving them seller financing terms. This strategy not only would be good for the seller but also double good for you.

Regardless of the seller's plans, once you know what they plan to do after they sell will allow you to structure your offer to better help them be able to achieve what they want or need and really help you at the same time. This is also a key question you need an answer to.
Question # 2 - Mr., Ms. Seller What Are Your Plans?

Possible Reason for Selling

1) "The Sellers Can't Maintain the Property Anymore"

Many times either the owner gets old or the seller's may not be able to care for the property or afford to keep the property repaired to keep the property in saleable or rentable condition.

**Most logical Offer to Make:** (Subject To) (Seller Financing) (Split Fund) (Lease Option)

2) "They Just Want to Simplify Their Lives Without Tenants or Toilets"

In most cases burned-out Landlords would rather get an income stream than have to deal with tenants.

**Most logical Offer to Make:** (Subject To) (Seller Financing) (Split Fund) (Lease Option)

3) "More Free Time to Spend on Hobbies or with Family"

Without having to deal with a property and tenants they may not want the seller's will have more money as well as more time.

**Most logical Offer to Make:** (Subject To) (Seller Financing) (Split Fund) (Lease Option)

4) "Looking for More Monthly Income"

Many sellers would like to receive a monthly income. Not every seller wants ALL CASH. If the seller were to get ALL CASH, after recapturing the depreciation on that property they have deducted over the years they have owned the property, pay the Capital Gains on their profit from the sale of the property and then invest the small amount of remaining money in Bank CD's that are paying 1% to 1 1/2% isn't a good investment strategy when the seller could sell the property with seller financing terms and collect 4% to 6% interest and only pay Capital Gains on the profit contained in the 12 monthly payments received that calendar year. A much better investment strategy!

**Most logical Offer to Make:** (Seller Financing) (Split Fund) (Lease Option)

5) "They Want to Down-size and Move to Another Location"

Sounds like the house has become too large and the seller's want to move into a smaller house. If they were to sell their house to you and accept monthly payments if they want to buy another house the income from the sale to you the Bank would credit the payment they receive every month 100% of the amount of the payment. If they decided to rent the house and keep it the Bank would only give them credit for 75% of the amount of rent received each month because the rental may become vacant and will be a much more risky investment for the Bank.

**Most logical Offer to Make:** (Subject To) (Seller Financing) (Split Fund) (Lease Option)

6) "Seller Is Willing to Sell With Seller Financing Terms But They Are Not Sure If They Trust You to Make the Payment Every Month"

There are several solutions to this common problem. The most commonly used solutions are:

a) You can hire a local Bank to collect the monthly payment from you, send on the amount of the payment the seller has to make and then set up an account for the seller so if there is any money left over after making the sellers payment to the lender the Bank will put the amount in excess every month into the sellers account.

b) You might offer to pay the seller's 6 or 12 months payments in advance to show you are a serious buyer. If you don't have enough money to pay the advanced payments you might borrow the needed money from a friend or personal lender, rent the property you are buying and from the rent you collect every month pay the personal lender or friend back over the next 6 or 12 months.

**Most logical Offer to Make:** (Seller Financing) (Split Fund) (Lease Option)
Shortcuts to Success

Other Possible Offers to Make for Question # 2

**Other Seller Situations** ------------------------ "Subject To - (Get the Deed or Wrap the Existing Financing)

1. Anytime a Seller is ready to walk away.
2. When a property has been on the market for a considerable period of time and hasn't sold and the price has been lowered several times.

(Here is an example of a "SUBJECT TO" offer)

Example: Mr./Ms. Seller I will buy your property "Subject To" the existing mortgage(s), but not for more than (the actual existing debt owed on the property). This offer is being made in the name of a Trustee. It shall also be understood that the Seller(s) are aware that their mortgage(s) will never be "formally assumed".

**Other Seller Situations**-------- "Split-Funded Offer (Some Cash Now, the Balance Sometime In the Future)

1. When you have a motivated seller with a low loan balance.
2. When a seller is willing to wait for their money without receiving a monthly payment and one single payment due sometime in the future.
3. Seller wants to move to another location.

(Here is an example of a SPLIT-FUNDED offer)

Example: Mr./Ms. Seller, you are asking $80,000 for your property. I am willing to offer you $68,000, payable as follows: $20,000 at closing and the balance of $48,000 all due and payable when I have the property fixed and sold, within ___ months, or Mr./Ms. Seller I want to pay off your $20,000 loan balance and have you carry a $48,000 second mortgage which has no payments and is all due and payable in one single payment in months.

**Other Seller Situations** ------- "0% Interest Seller Financing: Until Paid In Full (NO INTEREST)

1. When property owners are more interested in receiving a monthly income over an extended time, rather than get interest on what is owed.
2. When you have a motivated seller with a Free & Clear property.
3. Seller is looking for Debt Relief.
4. When the property owner has a Low, or No loan balance and is in a HIGH income tax bracket.
5. Seller wants to buy another property in a place where all of their friends have moved to, (match the payment of the property you are buying with the needed payment of the new property where the sellers are moving to)

(Here is an example of a Seller Financing offer with NO INTEREST)

Example: Mr./Ms. Seller, you are asking $80,000 for your property. I am willing to offer you $80,000, payable as follows: $5,000 as a Down Payment and a monthly payment of $400, each and every month until the balance of this purchase price has been paid in full. (F.Y.I. - in this example it would be 188 months) (F.Y.I.- the existing loan should have 188 or fewer payments remaining for this offer to work.)

**Other Seller Situations** ------------------------"___% Seller Financing for ____ Years (Example - 5% for 30 years)

1. Whenever a property owner tells you that they are willing to do Seller Financing for their property.
2. Anytime you can convince the Seller that if they don't immediately need the money, receiving 5%~6% or 7% interest on the money owed for the equity in their property is much better than getting all cash,
3. When Sellers want long-term monthly Income.
4. When the Sellers are demanding you include Interest in the monthly payment.

(Here is an example of a "Seller Financing offer with Interest")

Example: Mr./Ms. Seller, you are asking $80,000 for your property. I am willing to offer you $72,000, payable as follows: $3,000 as a Down Payment at ___% Interest, with a monthly payment of $ for ___ months. (F.Y.I. - To get the Seller to accept this offer you may need to have a balloon payment in 2, 5, or 10 years).

**Other Seller Situations** ------------------------"Lease Option (Control without Ownership)

1. When the property owner is credit conscious and aren't sure if they trust you to make the payments to the lender if they deed you the property.
2. When the property owner is afraid of the Due on Sale clause in their mortgage and the house is in good condition.

If there is a Large Equity and the payments are Too High and the house is in good condition, (You must pay less than what your payment is)

(Here is an example of a "Lease Option" offer)

Example: Mr./Ms. Seller, I would like to Lease Option your property at the existing balance of your loan as today with a monthly rental payment of $ (your rental payment should be $100 to $300 less than what the property will rent for), and not to exceed $ per month. I would like the lease period to be 12 months with the right to renew my lease more 12-month periods (this number will be at least as many years as the seller has left on their mortgage or more). My monthly
payment to you will not start until I have found a good, qualified Renter or a Tenant/Buyer and they are living in the house.

**Question # 3-Mr. /Ms. Seller – “What Is It You Really Want or Need”?**

Once you get an answer to this question it is now up to you to find what it is the seller really wants or needs, then deliver what it is they want or need to them.

**For Instance:**

If the seller needs money to move, instead of giving them CASH offer to pay for a moving truck, one way to where they need to move. I did this once when the seller wanted $3,000 for moving costs to sell me the property, that's all they wanted and they were willing to deed me the property. I offered to pay for a 23 foot moving van from St. Petersburg Florida to Nashville Tennessee which cost me $658. This was quite a savings for me just because I gave the seller what they needed, not what they asked for.

What if a seller wants CASH to put down on another property they want? Maybe you might offer a limited amount of money for them to make the down payment. This small amount of money would be easier to pay than giving them all their money for the house by having to go and try to get an institutional loan that will be impossible to get as an investor. What do you think is better? Giving the seller a small amount of cash or having to empty your savings account for just one deal?

In most cases all you have to do is give the seller a portion of what they want or need to be able to close the deal.
Question # 3 - Mr., Ms. Seller What Is It You Want or Need?

Possible Reason for Selling

1) "To Avoid Foreclosure"

If avoiding foreclosure is the seller’s main goal and is either ready to walk away or they want to be rid of their property they can no longer afford. In most cases "Subject To" is the most logical offer to make to the seller.

*Most logical Offer to Make: (Subject To)

2) "To Pay Off Some Pressing Debt"

When the seller’s need some cash to pay off some of their debt, may think that getting ALL CASH is the solution to their problem. A Split Funded offer or a seller financing offer would work the best for you if you have the ability to possibly pay for the seller’s debt in small monthly payments. This would eliminate the need for most of the CASH the seller thinks they need.

*Most logical Offer to Make: (Split Fund)

3) The Seller Needs Some Debt Relief

When the seller’s need some cash to pay off some of their debt, may think that getting ALL CASH is the solution to their problem. A Split Funded offer or a seller financing offer would work the best for you if you have the ability to possibly pay for the seller’s debt in small monthly payments. This would eliminate the need for most of the CASH the seller thinks they need.

*Most logical Offer to Make: (Subject To) (Seller Financing) (lease Option)

4) "The Sellers Can’t Maintain the Property Anymore"

Many times either the owner gets old or the seller’s may not be able to care for the property or afford to keep the property repaired to keep the property in saleable or rentable condition.

*Most Logical Offer to Make: (Subject To) (Seller Financing) (Split Fund) (lease Option)

5) "They Want to Get Away From Problem Tenants"

When you find a burned-out landlord, they have a problem they want to eliminate. The seller has the problem, you don’t! Make your offer to allow you to cash-flow the property if you buy it.

*Most Logical Offer to Make: (Subject To) (Seller Financing) (Split Fund) (lease Option)

6) "Not Having to Make the Monthly Payment Every Month to Increase Their Cash-flow"

When a seller is having trouble paying for the property that may be vacant, if you can get seller financing terms the payment you have to make will be a payment the seller will no longer have to make. So, whatever payment the seller has been making when they no longer have to make that payment every month automatically raises the seller’s spendable income each month.

*Most Logical Offer to Make: (Subject To) (Seller Financing) (Split Fund) (lease Option)

7) "More Free Time to Spend on Hobbies or with Family"

When a seller wants to spend more time on hobbies or family the most logical offer to make might be any type of seller financing to give the seller income every month.

*Most logical Offer to Make: (Subject To) (Seller Financing) (Split Fund) (Lease Option)

8) "Sellers Are Ready to Retire - They Want Monthly Income"

Many seller’s may have owned several properties for many years and now that it is time to retire selling and giving seller financing terms will allow them to get a check every month to pay for their retirement years.

*Most Logical Offer to Make: (Seller Financing) (Split Fund) (lease Option)
Other Possible Offers to Make for Question # 3

Other Seller Situations --------------------- *Subject To - (Get the Deed or Wrap the Existing Financing)

1. Anytime a Seller is ready to walk away.
2. The Owner is behind on the payments (more than Four month or MORE owed).
3. The Property Owner is in Financial Distress.
4. The Property Owner can't take care of the property anymore.
5. When a property has been on the market for a considerable period of time and hasn't sold and the price has been lowered several times.

Here is an example of 8 "Subject TO" offer:

Example: Mr./Ms. Seller I will buy your property "Subject To" the existing mortgage(s), but not for more than (the actual existing debt owed on the property). This offer is being made In the name of a Trustee. It shall also be understood that the Seller(s) are aware that their mortgage(s) will never be "formally assumed".

Other Seller Situations------------------ * Split-Funded Offer (Some Cash Now. the Balance Sometime In the Future)

1. When you have a motivated seller with a low loan balance.
2. When a seller is willing to wait for their money without receiving a monthly payment and is willing to wait for one single payment sometime in the future.
3. When the property is FREE & CLEAR and needs considerable work done to it.
4. Seller needs to pay off some pressing debt.

Here is an example of a SPLIT-FUNDED offer:

Example: Mr./Ms. Seller, you are asking $80,000 for your property. I am willing to offer you $68,000, payable as follows: $20,000 at closing and the balance of $48,000 all due and payable when I have the property fixed and sold, within ___ months, or Mr./Ms. Seller I want to pay off your $20,000 loan balance and have you carry a $48.00 - 2nd mortgage which has no payments and is due and payable in one single payment in mo's.

Other Seller Situations ---------------*0% Interest Seller Financing, Until Paid In Full (NO INTEREST)

1. When property owners are more interested in receiving a monthly income over an extended time rather than get interest on what is owed to them.
2. When you have a motivated seller with a Free & Clear property.
3. When the property owner has a Low, or No loan balance and is in a HIGH income tax bracket.
4. Seller is looking for Debt Relief.

Here is an example of a Seller Financing offer with NO INTEREST:

Example: Mr./Ms. Seller, you are asking $80,000 for your property. I am willing to offer you $80,000, payable as follows: $5,000 as a Down Payment and a monthly payment of $400, each and every month until the balance of this purchase price has been paid in full. (F.Y.I. - in this example it would be 188 month) (F.Y.I. - the existing loan should have 188 or fewer payments remaining for this offer to work.)

Other Seller Situations-------------------* ______ % Seller Financing for Years (Example - 5% for 30 years)

Whenever a property owner tells you that they are willing to do Seller Financing for their property.

1. When a property needs considerable work but is still livable.
2. Anytime you can convince the Seller that if they don't immediately need the money, receiving 5%-6% or, 7% interest on the money owed for the equity in their property is much better than getting all cash, paying the capital gains and investing the rest at 1 % to 1½% at their bank.
3. When Sellers want long-term monthly income.

Here is an example of a Seller Financing offer with Interest:

Example: Mr./Ms. Seller, you are asking $80,000 for your property. I am willing to offer you $72,000, payable as follows: $3,000 as a Down Payment at ____ % Interest, with a monthly payment of $ for ____ months. (F.Y.I. - To get the Seller to accept this offer you may need to have a balloon payment in 2, 5, or 10 years).
Question # 4 - Mr. /Ms. Seller - "What is Most Important to You"?

The answer to this question condenses all of the previous questions down to what the seller's true motivation is.

1. Moving to a New Location?
2. Not Having to Make the Next Monthly Payment.
3. Not Having to Maintain the Property Any Longer.
4. Creating a Monthly Income You Don't Have to Work For?
5. Getting ALL CASH At Closing?
6. Would You Rather Get a Check Next Month, or Write a Check Next Month?

By having the seller choose one of the following SIX questions will quickly tell you how to structure the offer you plan to make.

All of the Key "4" Questions to ask the sellers at critical but question # 4 is where you combine the answers of the other three questions into the most logical offer the seller is most likely to accept. DO NOT change the order of asking the four questions. If you do it will change the ultimate conclusion you end up with and you them make a totally different offer than what might have been the perfect offer to make.

Remember Two Things - there is NOT ONLY ONE, right offer to make for any property. If the seller says NO to your offer, tell the seller "Don't Tell Me What You Won't Do - Tell Me What You Will Do" then change your offer and keep changing your offer until the seller stops shaking their head NO and starts shaking their head YES. The other thing to remember is, the seller must always like what you are offering them more than they like what they are giving up (their property) or you will never buy their property.
**Question # 4 - Mr., Ms. Seller "What Is Most Important to You"?**

**Possible Reason for Selling**

1) "Moving to a New Location"

When a seller wants to move to a new location, always ask them to tell you all about where they are planning to move. If they seem excited, telling you about where they want to go it will increase their excitement about the new home they want to buy and it will also diminish their desire for the property they are trying to sell. This may give you a better chance to structure a deal that makes sense for you to be profitable.

**Most Logical Offer to Make:** (Subject To) (Seller Financing) (Split Fund) (Lease Option)

2) "Not Having to Make the Monthly Payment"

Many sellers simply can't afford to make the monthly payment on their property they may own, so not having to make the monthly payment will eliminate the property from the seller's life and at the same time decrease the seller's monthly expenses by the amount they have been paying out each month. Example: if the seller has been making a monthly payment in the amount of $900. By selling the property to you the eliminate having to pay $900 each month which considerably increases their monthly cash-flow.

**Most Logical Offer to Make:** (Subject To) (Seller Financing) (Split Fund) (Lease Option)

3) "Not Having to Maintain the Property Any Longer"

Whether the reason the seller isn't able to maintain their property is "Old Age" or from a lack of money really doesn't matter. The seller needs to eliminate the property before city code enforcement starts placing liens on that property.

**Most Logical Offer to Make:** (Subject To) (Seller Financing) (Split Fund) (Lease Option)

4) "Creating a Monthly Income They Don't Have to Work For"

Some seller's want a monthly income and don't want to get all of their equity in cash for multiple reasons. If the seller's get ALL CASH and the property they are selling is a rental property they must recapture all of the depreciation they have deducted over the years they have owned the property. Next, the seller will have to pay 15% to 25% Capital Gains on all of the profit they make on the deal. Then whatever cash they have left over have to invest that money at 1% to 1 ½ % interest isn't a good investment strategy.

**Most Logical Offer to Make:** (Seller Financing) (Split Fund) (Lease Option)

5) "Getting All CASH At Closing"

If getting ALL CASH is a major requirement of the seller for you to buy their property:

- a. Run the numbers - don't forget anything important
- b. Don't pay too much.
- c. Create a deal you can make money - if you have to give ALL CASH, this may be hard to do.
- d. If getting CASH is what the seller feels they must get, the Split Funded offer might be your best offer to make.

The split funded offer offers a small amount of cash NOW, and the balance owed to be paid later when the property is sold or refinanced, whenever that may be.

**Most Logical Offer to Make:** (ALL CASH) (Split Fund)
Other Possible Offers to Make for Question # 4

"What Is Most Important to the Seller .......?" Moving to a New Location:

Seller Financing - Here is an example of a “Seller Financing offer with NO INTEREST”:  

Example: Mr. /Ms. Seller I will buy your property “Subject To” the existing mortgage(s), but not for more than [the actual existing debt owed on the property]. This offer is being made in the name of a Trustee. It shall also be understood that the Seller(s) are aware that their mortgage(s) will never be "formally assumed".

Seller Financing - Here is an example of a "Seller Financing offer with Interest": (Example - 5% for 30 years)

Example: Mr. /Ms. Seller, you are asking $80,000 for your property. I am willing to offer you $72,000, payable as follows: $3,000 as a Down Payment at ___ % Interest, with a monthly payment of $___ for ___ months. (F.Y.I. - To get the Seller to accept this offer you may need to have a balloon payment in 2, 5, or 10 years).

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Lease Option - (Here is an example of a "Lease Option offer")

Example: Mr. /Ms. Seller, you would like to lease Option your property at the existing balance of your loan as today with a monthly rental payment of $____ (your rental payment should be $100 to $300 less than what the property will rent for), and not to exceed $____ per month. I would like the lease period to be 12 months with the right to renew my lease more 12-month periods (this number will be at least as many years as the seller has left on their mortgage, or more). My monthly payment to you will not start until I have found a good, qualified Renter or a Tenant/Buyer and they are living in the house.

"What Is Most Important to the Seller .......?" Creating a Monthly Income You Don’t Have to Work For:

Seller Financing - Here is an example of a "Seller Financing offer with NO INTEREST":

Example: Mr. /Ms. Seller, you are asking $80,000 for your property. I am willing to offer you $80,000, payable as follows: $5,000 as a Down Payment and a monthly payment of $400, each and every month until the balance of this purchase price has been paid in full. (F.Y.I. - in this example it would be 188 months) (F.Y.I. - the existing loan should have 188 or fewer payments remaining for this offer to work.)

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"What Is Most Important to the Seller .......?" Getting “ALL CASH at Closing”

** If the Seller Wants ALL CASH and You Can’t Convince Them to Take Any Other Type of Offer Ask Them What They Plan to Do With the CASH.

Example: All CASH - Here is an example of an "ALL CASH" offer:

Mr. /Ms. Seller, You are asking $80,000 for your house. I can only offer you $43,000 All CASH and close in 45 to 90 days. (This will give you time to find a wholesale buyer)

Here is an example of a SPLIT-FUNDED offer:

Example: Mr. /Ms. Seller, you are asking $80,000 for your property. I am willing to offer you $68,000, payable as follows: $20,000 at closing and the balance of $48,000 all due and payable when I have the property fixed and sold, within ____ months, or Mr. /Ms. Seller I want to pay off your $20,000 loan balance and have you carry a $48,000 2nd mortgage which has no payments and is due and payable in one single payment in mo's.
# Overcoming Seller Objections

This Negotiating Study Guide Has Been Designed To Help You Respond To Sellers In More Effective Ways While Negotiating With Them. The Following Is A Series Of Questions Either Asked By You Or The Seller And Some Of The Responses You Might Receive From The Seller And How To Respond To Each Type.

**Question to Seller: Why Are You Selling Your Property?**

<table>
<thead>
<tr>
<th>Motivated Seller</th>
<th>More Difficult Seller</th>
<th>Unmotivated Seller</th>
</tr>
</thead>
<tbody>
<tr>
<td>We need some money FAST!</td>
<td>We need to move!</td>
<td>We Just want to sell</td>
</tr>
<tr>
<td>Your Response</td>
<td>Your Response</td>
<td>Your Response</td>
</tr>
<tr>
<td>Exactly how much money do you need?</td>
<td>Where do you plan to move to?</td>
<td>What do you plan on doing after you sell?</td>
</tr>
<tr>
<td>Your Response</td>
<td>Your Response</td>
<td>Your Response</td>
</tr>
</tbody>
</table>

**Question to Seller: What Are Your Plans After You Sell?**

<table>
<thead>
<tr>
<th>I don’t know I guess we’ll have to rent</th>
<th>We are moving to another area</th>
<th>Does that really matter?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Response</td>
<td>Your Response</td>
<td>Your Response</td>
</tr>
<tr>
<td>Tell me the minimum you’ll need to move into a rental property.</td>
<td>What do you think it will cost you to move into your new home?</td>
<td>It matters because I need to know what your plans are so I can figure a way to make it all work for you.</td>
</tr>
<tr>
<td>Your Response</td>
<td>Your Response</td>
<td>Your Response</td>
</tr>
</tbody>
</table>

**Question to Seller: What Do You Need the Money For?**

<table>
<thead>
<tr>
<th>Motivated Seller</th>
<th>More Difficult Seller</th>
<th>Unmotivated Seller</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay off Debt</td>
<td>We are going to buy another house</td>
<td>None of your business</td>
</tr>
<tr>
<td>Your Response</td>
<td>Your Response</td>
<td>Your Response</td>
</tr>
<tr>
<td>Great! Let me ask you a few more questions</td>
<td>What do you think is the LEAST you will need to move into another property?</td>
<td>You do understand I need to know what you need the money for so I can hopefully solve that problem.</td>
</tr>
<tr>
<td>Your Response</td>
<td>Your Response</td>
<td>Your Response</td>
</tr>
</tbody>
</table>

**Question to Seller: Would You Be Willing to Take Your Equity in Monthly Installment Payments?**

<table>
<thead>
<tr>
<th>What do you mean</th>
<th>I’m not sure I could do that</th>
<th>I’m NOT going to lend you money!</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Response</td>
<td>Your Response</td>
<td>Your Response</td>
</tr>
<tr>
<td>I am willing to take over paying for your house if you will deed it to me.</td>
<td>I do this type of deal all of the time, I will make my payment to you each month instead of getting a loan.</td>
<td>I’m not asking to borrow money from you! I will pay you each month, no other money will change hands.</td>
</tr>
<tr>
<td>Your Response</td>
<td>Your Response</td>
<td>Your Response</td>
</tr>
</tbody>
</table>

**Seller Tells You: How Much Interest Are You Planning On Paying?**

<table>
<thead>
<tr>
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<th>Unmotivated Seller</th>
</tr>
</thead>
<tbody>
<tr>
<td>I don’t care about getting interest</td>
<td>We want at least 7% interest</td>
<td>I want 12% interest</td>
</tr>
<tr>
<td>Your Response</td>
<td>Your Response</td>
<td>Your Response</td>
</tr>
<tr>
<td>Great! Let me ask you a few more questions</td>
<td>If I have to give you interest I won’t be able to pay you as much for the property.</td>
<td>If I have to give you interest I won’t be able to pay you as much for the property.</td>
</tr>
<tr>
<td>Your Response</td>
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<td>Your Response</td>
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</table>
Question to Seller: If Paying You Interest Makes It Impossible to Buy Your Property, Is Getting Interest a Must?

<table>
<thead>
<tr>
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<th>Unmotivated Seller</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NO, it's not a must at all</strong></td>
<td><strong>I would like some type of interest</strong></td>
<td><strong>Interest IS A MUST</strong></td>
</tr>
<tr>
<td><strong>Your Response</strong></td>
<td><strong>Your Response</strong></td>
<td><strong>Your Response</strong></td>
</tr>
<tr>
<td><strong>Great! Let me ask you a few more questions</strong></td>
<td><strong>if I have to give you interest I won’t be able to pay you as much for the property</strong></td>
<td><strong>if I have to give you interest I won’t be able to pay you as much for the property</strong></td>
</tr>
</tbody>
</table>

Question to Seller: Is the Price You Are Asking the Best Price You Can Give Me?

<table>
<thead>
<tr>
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<th>Unmotivated Seller</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What Price are you thinking?</strong></td>
<td><strong>I can’t go much lower</strong></td>
<td><strong>This is Absolutely the Best I can do</strong></td>
</tr>
<tr>
<td><strong>Your Response</strong></td>
<td><strong>Your Response</strong></td>
<td><strong>Your Response</strong></td>
</tr>
<tr>
<td><strong>I was thinking more like what you owe on the property</strong></td>
<td><strong>I won’t be able to pay what you are asking. If you can’t come down on your price, I won’t be able to buy.</strong></td>
<td><strong>If you can’t lower your price or you aren’t willing to give me terms I can live with I won’t be able to buy.</strong></td>
</tr>
</tbody>
</table>

Question to Seller: Would You Rather Receive a Check or Write a Check Next Month?

<table>
<thead>
<tr>
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<th>Unmotivated Seller</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I just want the payment to go away</strong></td>
<td><strong>I would rather NOT make a payment</strong></td>
<td><strong>I want all of my money NOW!</strong></td>
</tr>
<tr>
<td><strong>Your Response</strong></td>
<td><strong>Your Response</strong></td>
<td><strong>Your Response</strong></td>
</tr>
<tr>
<td><strong>I’m pretty sure we can make that happen for you.</strong></td>
<td><strong>I can help solve your problems if you would be willing to give me seller financing terms.</strong></td>
<td><strong>If that is the case I don’t see how we will be able to make this work. I wish you luck selling your house.</strong></td>
</tr>
</tbody>
</table>

Question to Seller: What Is Most Important to You?

- a.) Not Having to Make the Next Payment
- b.) Moving to a New Location
- c.) Not Having to Maintain the Property
- d.) Creating a Monthly Income You Don’t Have to Work For
- e.) Getting ALL CASH at Closing

<table>
<thead>
<tr>
<th>Motivated Seller</th>
<th>More Difficult Seller</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Not having to make the payment</strong></td>
<td><strong>moving &amp; getting all cash at closing</strong></td>
</tr>
<tr>
<td><strong>Your Response</strong></td>
<td><strong>Your Response</strong></td>
</tr>
<tr>
<td><strong>Are you willing to give me seller financing terms or deed me the house</strong></td>
<td><strong>I might be able to get you some moving money but I won’t be able to give you any more, is that OK?</strong></td>
</tr>
</tbody>
</table>
The Seller Tells You: I Can No Longer Afford the Property

Your Response

- I can give you instant debt relief
- I can stop your hemorrhaging each month
- I can increase your monthly cash-flow because you won't have to make the payment next month
- I am offering you a quick solution to your problem

The Seller Tells You: I Just Want All My Money At Closing.

Your Response

- Let me remind you that your holding costs are slowly eating away at your profits every month
- It is currently taking ___ months to sell properties listed in the Multiple Listing Service
- Currently there are properties for sale in this area
- I can't give you all of your money at closing because there are hundreds of other properties available right now that are for sale just like your property.

The Seller Tells You: I Might Be Able to Give You Seller Financing Terms If You Put 50% of the Purchase Price Down at Closing

Your Response

- As you know CA$H is extremely difficult to get right now
- You do realize that if I buy your property I won't be living in it. Today it is impossible for an investor to get a loan. If I paid for the needed repairs out of my own pocket - could we use that as my down payment?
- We might be able to sell the note I sign to you at closing for cash in a discounted amount
- It may be possible to sell a number of payments of the note I sign to you to give you the cash you need
- You do realize that if I gave you the 50% of the purchase price at closing I could take the same amount into and make down payments on several properties valued at $________ which would allow me to leverage several properties instead of just one property valued at $________

The Seller Tells You: I'm Not Sure I Can Trust You Enough to Give You Seller Financing Terms. Why Don't You Just Go Get a Loan

Your Response

- Like I told you before, it is currently impossible for an investor who won't be living in the property to get institutional or private financing.
- I can give you a quick closing to stop your hemorrhaging before the next payment is due.
- Remember what I said, every month your holding costs are eating up your profits at the rate of 1 1/2% of the value of the property each month.
- If you give me Seller Financing Terms you will pay less capital gains taxes each year.
- If you give me Seller Financing Terms you will end up making 2 to 3 times the sale price over 30 years.
- If I don't pay as agreed I am willing to give the property back to you by means of a deed held by a third-party attorney who is directed to record the deed if I ever become more than 90 days late making the payments to you.
- We will use the property I am buying and you are selling as the collateral for the sale to protect you in case
- I do not pay you as I agree to do. All you have to do is notify the attorney holding the pre-signed deed I gave you and have them record the deed and you then have the house back without the need of a foreclosure.
- What if I was willing to prepay 6 months payments would that show you I am a serious buyer?
Using the Right Paperwork for Every Deal

If you learn nothing else from this book, please remember this one thing, good paperwork is essential to your success in the real estate business. Good paperwork can be the difference between making money buying and holding or selling real estate and losing money. A well-written Purchase Agreement is essential to your success. The Purchase Agreement is where the Buyer and the Seller agree to what each is willing to do in that deal - A meeting of the minds, if you will. This meeting of the minds is critical to be able to complete profitable deals.

A Purchase Agreement shouldn't be considered as "One Size Fits All". Each Purchase Agreement you use should be written or contain language specific for the particular deal you are doing. I suggest using a Purchase Agreement you understand and feel comfortable using and the seller would also feel comfortable using when putting your deals together.

I have found that when dealing with elderly sellers when I have increased the font size on the Purchase Agreement, as well as all other documents and paperwork to size 20 font has made many of my sellers more comfortable because they can easily read every word and nothing is hidden in the "fine print" that might be detrimental to them. They can easily read the print and most of them like my Purchase Agreements very much. The Purchase Agreement is a critical piece of real estate acquisition paperwork.

Other important paperwork and documents you may need will be, a well-written Sales Agreement, a Land Contract, A Contract for Deed, a Purchase Money Note and a Purchase Money Mortgage, a Warranty Deed, a Quit Claim Deed, a Warranty Deed to Trustee, a Real Estate Power of Attorney, an Option to Purchase, a Lease Option Agreement, a Land Trust, a Letter to the Lender, a Release of Information Form, just to name a few.

Become familiar with all of these forms and documents so you will be comfortable using them and feel confident each form or document is accomplishing what it was intended for and designed to do.

Remember, the person who controls the paperwork controls the deal, for the good of both parties involved. I think a comment should be made at this point for anyone who is thinking about inserting language into any document that might be harmful to any other party on one of your transactions.
If you are thinking about doing something as despicable as trying to take advantage of someone for personal gain, all can say is "DON'T DO IT'.

Taking advantage of people is not a good way to give real estate investors a good name. The news media and newspapers will devote unlimited space to expose less than ethical investors who goes about taking advantage of innocent people. Make all of your deals win win. Using forms and documents that protect everyone involved in a deal is always better and more profitable in the long run. Here is a list of the most recommended documents and forms to always have in your possession when out looking for properties to buy, or when you are showing a potential buyer a property you plan to sell. All of the following paperwork listed can be found in Volume 3 of your Red - White - Blue Course Manual.

**Buying Documents and Forms to Always Have With You**

1. A Standard (Buying)" Purchase Agreement.
3. A (Buying) Agreement for Deed.
5. An Assignment of Contract form.
6. A Purchase Money Mortgage.
7. A Purchase Money Note.
8. A Wrap-Around Purchase Money Note.

**Selling Documents and Forms to Always Have With You**

(When YOU are selling a property)

1. A Standard (Selling) Sales Agreement.
2. A (Selling) Land Contract.
3. A (Selling) Agreement for Deed.
5. A Contract-for-Option Lease Agreement.

**When You Just Want to Lease a Property or the Seller Won't Give You a Deed - Documents and Forms to Always Have With You**

(Buying or Selling)

1. A Standard Lease.
2. An Option-to-Purchase Agreement.
3. (For non-Judicial foreclosure states) A Deed of Trust Document.
The Minimum Paperwork You Need With You At All Times

Although it is important for you to know all of the different paperwork and forms used to Buy, Lease or Sell real estate you only need to fully understand just a few.

The important forms and paperwork you should always have with you and you should know what is in each for any deal you may do are:

1. The Purchase Agreement
2. A Lease
3. An Option to Purchase Agreement
4. An "Assignment of Contract" form
5. A "Release of Information" form

If Doing a "Subject To" deal

1. The "Subject To" Purchase Agreement
2. A "Transaction Disclosure"
3. A "Release of Information" form

Other than these individual forms and documents your Title Company or Closing Attorney should provide any other documentation needed to close your deal. Many times title company people and closing attorneys get confused as to what your deal is supposed to end up being. That is why I listed the other paperwork that can be needed to close the deals you do. Sometimes you will have to tell closing attorney or the title agent exactly what your deal is with the seller and how the paperwork needs to be. All of the paperwork you should need is given in Volume 3 of your Creative Seller Financing course manual.

If the closing attorney or title agent doesn't understand what your deal is (which should be clearly stated in the purchase agreement) you have a copy of the different paperwork to show them so your deal ends up as you wrote it. You will find all of the "blank" paperwork on the "Documents" CD in the "Volume 3" CD Clamshell for your convenience.

For more details on the use of the "Land Trust" we offer a detailed course manual for all 50 states that explains exactly how to do a land trust deal, what paperwork to use and how to fill out that paperwork along with why it is needed. The Land Trust manual we offer also contains a pre-made package to hand to your attorney to educate them and also a package to hand to your Certified Public Accountant so they know how to properly prepare your income tax returns where you show your land trust properties.
Subject To Paperwork

☐ Subject To purchase Agreement
☐ Release of Information form
☐ Real Estate Power of Attorney
☐ Warranty Deed to Trustee (Optional)
☐ Land Trust Agreement (Optional)
☐ Transaction Disclosure
☐ Assignment of Beneficial Interest form (Optional)
☐ Letter to Lender about putting property into a Land Trust (Optional)
☐ Letter to Lender about payment
☐ Escrow letter

It is recommended having at least one of each form with you at all times.

Seller Financing Paperwork (0% Interest or With Interest)

☐ Standard Purchase Agreement
☐ Land Contract (buying)
☐ Agreement for Deed (buying)
☐ Purchase Money Note
☐ Purchase Money Mortgage

Lease Option/Option Paperwork

☐ Purchase Option Agreement
☐ Lease Agreement

Option Paperwork

☐ Purchase Option Agreement
Split Fund Paperwork

☐ Standard Purchase Agreement
☐ Land Contract (buying)
☐ Agreement for Deed (buying)
☐ Purchase Money Note
☐ Purchase Money Mortgage

ALL CASH Paperwork

☐ Standard Purchase Agreement
☐ Standard (Selling) Sales Agreement
☐ Land Contract (for Selling)
☐ Agreement for Deed (Selling)

Multiple Offer Paperwork

☐ Subject To purchase Agreement
☐ Standard Purchase Agreement
☐ Purchase Money Note
☐ Purchase Money Mortgage
☐ Land Contract (buying)
☐ Agreement for Deed (buying)
☐ Purchase Option Agreement
☐ Lease Agreement
☐ Quit Claim Deed
☐ Seller Disclosure form
☐ Future Buyer closing cost form
☐ Std. Warranty Deed
Making Multiple Offers

Many times when trying to negotiate with sellers, especially when negotiating long distance as I many times do it can be very difficult to actually find out what the sellers want. If you can't find out exactly what the seller(s) truly want your options are limited as to what you can offer them. I have personally found it difficult to get some sellers to give out much information, especially on the first call.

I have found when seller(s) are reluctant to give out information many times they want ALL CASH. I can't say that I really blame them. If they don't get all cash and are not completely paid off and out of the deal, without knowing you, they don't know if you will pay them when you are supposed to I can't really say I blame them for going for what they believe will be their safest route. Because of this fact I will give sellers like this multiple, separate offers to purchase their property.

I have found that when a seller tells you they want ALL CASH as I have said earlier they are not telling you the truth. They don't want the cash because cash in and of itself is nothing but an inert object. If when a seller tells you they want ALL CASH ask them, if I give you all cash in a pile of $100 bills are you telling me that you plan to stack those $100 bills in the middle of your kitchen table. You are going to install spotlights to shine on your pile of $100 bills and when I come back to visit you in six months we can both sit and stare at that pile of $100 bills, am I correct?

Most sellers with a sense of humor will laugh and say, NO that would be ridiculous. At that point you can ask them, what do you need the money for and then shut-up and let them tell you. If the sellers still won't tell you what they really want the cash for I give that seller 3 or 4 individual purchase offers to buy their property. By making 3 or 4 different individual purchase offers I am letting them decide what works best for them for what they want. If the sellers are stuck on getting their price I will make one of my offers to purchase a full priced offer but with seller carried financing terms I will be able to live with and still make a profit.

My next offer will be another seller carried financing offer for a little less purchase price which includes "Interest" for the seller who may want long term residual income on their equity from the property they are selling. My next offer might be a Split-funded offer which is designed to give the seller a small amount of cash at closing and the balance owed to them when the property is either fixed and sold or fixed and refinanced sometime in the future. The key to this offer is to get in light.

My next offer might be a Lease Option offer, a rent-to-own offer, if you will. This type of offer would give me control of the property without ownership. If for some reason the seller isn't willing to give me seller financing terms and I can still make a monthly cash flow for years. I may never care to own that property. This type of offer is very similar to seller carried financing but the seller stays in title to the property until I exercise my option to buy allowing me to build a payment history that will
allow me to go to an institutional lender or a financial friend and get a new loan to payoff the sellers loan and give the seller their profit. An even better outcome for me would be if the seller would consider converting the Lease Option into a Land Contract or an Agreement for Deed long term.

My final offer is usually an ALL CASH offer but at a very low amount. Because of my limited access to cash and the scarcity of cash you will hear me say multiple times that if I had a large sum of cash why would I buy just one property when I could divide the large sum of cash into smaller chunks and buy several properties with the same amount of cash. Therefore, if I give a seller all cash would be a rare thing unless they are selling a property I already have a buyer for who can qualify for a loan and is pre-qualified or I have another plan to immediately get my cash back out of the deal.

When making multiple offers many times the seller(s), the truly motivated sellers who are desperate to sell their property and haven't had a legitimate offer for their property in many weeks or months don't have to take any of my offers to purchase their property but many times a funny thing happens in the seller's minds because they need to sell they think they better take one of my offers because I am probably the only buyer they have. Regardless, whether they take one of my offers or not, hopefully it will start a realistic dialog about getting the deal done so both parties are happy.

I include with my 3 or 4 actual signed different purchase agreements along with my letter of intention and an explanation of all of my offers. I include these along with my offers and put them in an over-night envelope which I send to the seller when they live out of my immediate area. I also include another pre-paid over-night envelope addressed back to me for the sellers to send back one of those offers signed with no cost to them.

Multiple Offer Paperwork

- Subject To purchase Agreement
- Standard Purchase Agreement
- Purchase Money Note
- Purchase Money Mortgage
- Land Contract (buying)
- Agreement for Deed (buying)
- Purchase Option Agreement
- Lease Agreement
- Quit Claim Deed
- Seller Disclosure form
- Future Buyer closing cost form
- Std. Warranty Deed
Now that you have been shown the "4" most information questions needed to be successful in today's real estate market it is equally important that you take action and implement what you have learned if you plan to be the success you desire to be. Please e-mail us with the details of ALL of your success stories. This book was written to give you solid real estate knowledge and Investor logic. Your success is very important to us.

Please Fax Your Success Stories to:

Larry Harbolt
at
Harlon Publishing
Fax #: 727-367-5349

Or e-mail us at
larryharbolt@gmail.com or

We want to wish you great happiness, great success and Financial Freedom!

Thank You

Larry