

THE  
**LeeArnold**  
SYSTEM OF REAL ESTATE INVESTING



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**LEE'S INNER  
CIRCLE 3.0**

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## **Legal Information Is Not the Same as Legal Advice**

This booklet provides information about real estate investing; private money borrowing, lending, and / or brokering; and is designed to help users safely determine their own legal needs. Please understand that legal information is not the same as legal advice. The application of law varies with an individual's specific circumstances. Laws vary from state to state and are in constant change, and although we do everything we can to make sure our information is accurate and useful, we recommend you consult a lawyer if you want professional assurance that this information, and your interpretation of it, is appropriate to your particular situation.

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*"ENTREPRENEURSHIP – It's living a few years of your life like most people won't, so that you can spend the rest of your life like most people can't."*

*- Unknown*



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*"If you want something, don't just think about it... don't just dream about it... get up and do something about it"*

*- Dean Graziosi*





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*"Thinking will not overcome fear but taking action will!"*

*- W. Clement Stone*

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# AHA MOMENTS

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# INTRODUCTIONS

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Take a few minutes and write out your answers to the following questions. Be prepared to BRIEFLY share your answers with the class.

- Name: \_\_\_\_\_
- Where are you from: \_\_\_\_\_
- What do you hope to learn while you are here? \_\_\_\_\_  
\_\_\_\_\_
- One thing we can learn from you: \_\_\_\_\_  
\_\_\_\_\_

As other share, record information about them so you can network later.

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# RULE OF 56!

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## RULE OF 56!

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# RULE OF 56

- Make twenty-five (25) phone calls a week to prospective property sellers identified through the curriculum.
- Send twenty-five (25) marketing pieces a week to prospective property sellers.
- Write four (4) offers per week on properties that when accepted would be a good investment opportunity.
- Conduct two (2) networking appointments per week.



# RULE OF 56!

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## Foundational Marketing

The Rule of 56 is the bedrock of your marketing campaign as a real estate investor. You must be willing to commit time, energy, and finances to this weekly part of your business if you want to be successful in real estate. It represents the minimum you should be doing if you are going to be serious about being in this business.

Simply put the Rule of 56 is:

**25 Marketing Pieces:** Whether you are mailing yellow-letters, postcards, The TurnKey Marketing Letter, or other marketing pieces, you must be sending out a minimum of 25 a week to prospective property sellers. This is a non-negotiable! If you do not have time to do this then you need to re-evaluate your priorities, or buy the time by hiring someone to do it for you.



This is not a one-and-done initiative. If you are going to do this right you must be committed to the long haul. Marketing research tells us that it takes an average of 6 contacts to make a sale. Each marketing piece you send counts as one. Realize now that, in most cases, you be sending multiple pieces of mail to each address as well as following up with other forms of contact.

Do not make this harder than it should be. Don't over think it! Far too many people think this is a complicated endeavor when it really is not. Pull the marketing list, write the letters, send the mail, track your progress – that's it. JUST DO IT!

**Make 25 phone calls:** These calls should be to prospective property sellers. Ideally you will be following up on your mail campaign but you can cold call potential sellers if it is warranted.

## RULE OF 56!

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Use a script the first few times you do this. This will make it easier to get started and help you to stay focused during your call. Use a script until you get comfortable with it. Just remember, it is highly unlikely you will be closing the deal on the first call so relax, get to know the seller, find out as much information about him or her and about the property that you can. Make sure you set an appointment for a follow-up call.



DO NOT be the talkative one in this relationship. You want to control the conversation but you must let the seller do most of the talking. Your job is to ask questions, a lot of questions! Get to know your seller. What is their motivation to sell? Build trust in the relationship. This takes time. Do not rush it.

Your goal in this first phone call is two-fold:

1. **Gage the motivational level of the seller.** – Generally speaking, good investment deals require a motivated seller. There must be a reason someone is willing to sell at a discount. The condition of the property, a need for cash now, or a desire to get out from under the burden of home ownership may all play into the seller's motivation. Whatever the reason is, you need to attempt to find this out and gage the level of urgency.
2. **Set an appointment for your next meeting** (phone or in person.) – This is not the time to negotiate price or terms of the sale. Let the owner know you are willing to make an AS-IS offer. They are not required to do anything to the property before they get their money. Beyond this, simply say, “let me do some research and when we meet, we can discuss what I am able to do for you.” Set the appointment according to your schedule. Do not allow them to dictate when you meet. This simple negotiation of when to meet will set the tone for further negation on price and terms.



**Write 4 Offers:** This must be done weekly. All your offers should be written so that, when accepted, they will be a good

## RULE OF 56!

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investment opportunity for you. Do not worry about them not being accepted. Just write them!

If all your offers, or most of your offers are being accepted, you are doing something wrong...your offering too much! If you do this correctly, the averages say only about 1 in ten offers that you write will be accepted. This does not mean that you will close on them, just that it will be accepted. This is a numbers game. The more offers you write, the more offers that get accepted and the more deals you close.

**Conduct 2 Networking Appointments:** A networking appointment is any meeting that has the specific intent to grow or furthering your business. These appointments or meetings can be with individuals, small or large groups. The key to it being a networking event is your intent for the meeting. (and your follow through with that intent!) If you have a goal of meeting to grow your business and your keep to this goal, then you are networking appropriately. Schedule these meetings with realtors, title company representatives, or contractors. Attend REI Club meetings or the like. Better yet, be a presenter at your local real estate meeting or even start your own club!

Do not short change your business on this one. Far too many people plan appointments or go to meetings but talk about everything else but business. You must keep the main thing the main thing. When you plan a networking appointment, make sure you ask the question, "How can we make money together?" Build rapport, but make sure you get to the business of talking about your business!



### **Rule of 56 Warning!**

Being a real estate investor is a numbers game. If you are going to make money you must close deals. If you are going to close deals



## RULE OF 56!

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you must write offers. If you are going to write offers you must market to find properties to write offers. This being said, **DO NOT EVER STOP MARKETING!** When you stop the rule of 56 you put an end to making money. When you do finally decide to get the marketing going again, you will find that you have lost momentum, wasting valuable time trying to get your synergy back.

If you struggle keeping up with the rule of 56 then you need to get some help. Do not be afraid to multiply your efforts by investing in an assistant. It is ok to find creative ways to compensate your new assistant. The bottom line is that if you cannot keep up with the rule of 56, get help. Do not just quit.

Make sure you are committed to multiple contacts. The system works if you committed to work the system. It will take multiple contacts to get the results you want. Marketing research tells us it takes an average of 6 touches to complete a sale. This means you will be sending multiple letters and making multiple phone calls to your marketing list.

Negotiations take time. Do not rush it. You should expect to meet several times before reaching a final agreement. The initial signed purchase and sales agreement is the start of the negotiation not the end of it! It is not uncommon to have two, three or even four addendum changing terms and price of a deal.



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# LIST SOURCE LIST

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# LIST SOURCE LIST

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## Using ListSource.com

### Why use ListSource:

Any business who wants to get their phone to ring uses a service like ListSource to acquire contacts. This is where your marketing begins. You must have contacts in your marketing list. Through a service like ListSource you can target the contacts you want using a variety of criteria including geography, amount of mortgage indebtedness, property type, demographics, foreclosure status and many other options.

You can work with list brokers to acquire similar lists of contacts but why? Why go through a middle man who dictates to you the criteria for your contact search? Why would you want a list that is dated and has been sold to your competition already? By going directly to ListSource you are in control. You get to dictate the parameters of your search. You pay for only what you want and you are guaranteed that your information is fresh.

Follow the step by step process below and you will be able to pull a fresh list of contacts just waiting for your marketing to arrive. What are you waiting for...get started now!



### **Step by Step: (These instructions are available in video format in the Lee's Inner Circle 2.0 Back Office)**

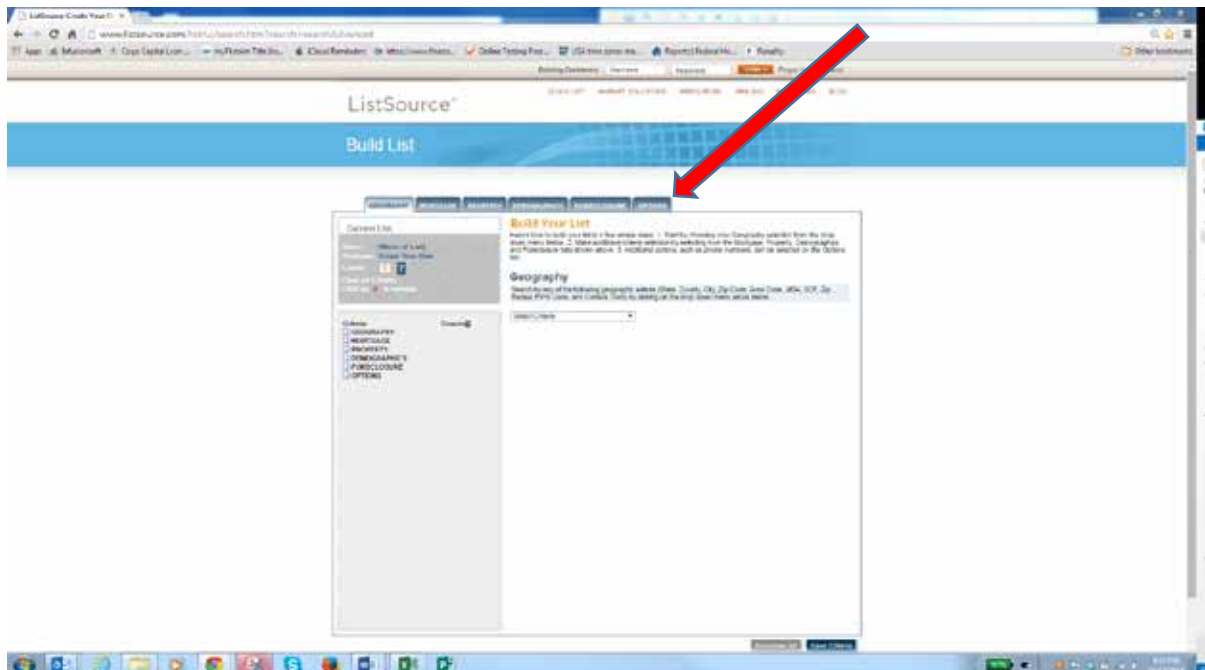
You must know what type of demographic fits the mold of what you are trying to accomplish? Depending on your goal, you will want to choose different criteria to pull your list. Remember, you are in control. If you do not like the results you are getting you can change who you target with your marketing. All you need to do is adjust the criteria you use to

# LIST SOURCE LIST

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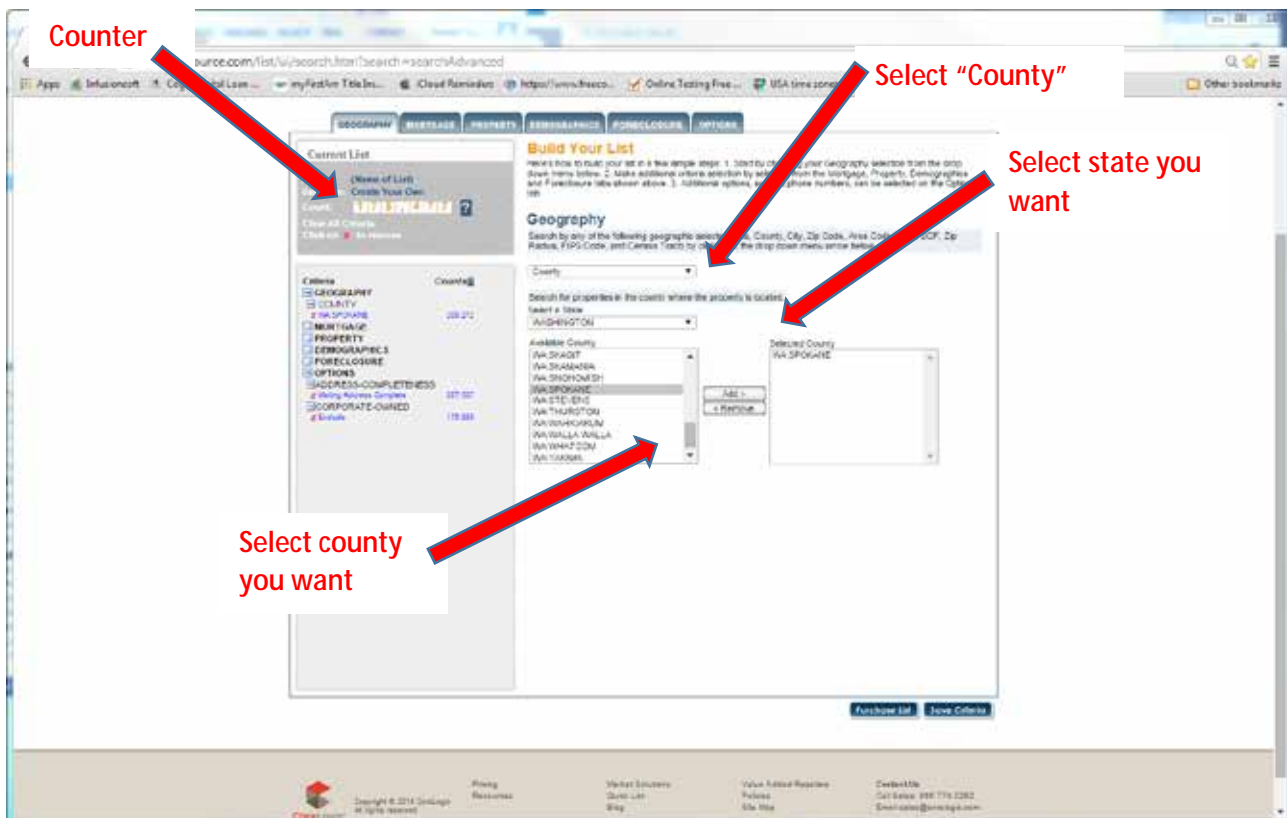
pull your list. Note, if you do choose to retarget your marketing you may need to adjust your marketing letter along with the list you pull. For the purposes of this demo we will be looking for property where the owner has significant equity and lives out of state from the property in question.

- Pull out credit card so you are ready to pay for your list at the end.
- Go to [listsource.com](http://listsource.com) in your favorite browser.
- Remember that out of state owners with significant equity in property that is in your market is our goal.
- Assuming you are a new user to ListSource, click on the “Build List” button on the left had side. (If you are a returning user, start by logging in at the upper right-hand side.)
- We will be using the list of tabs located horizontally across the page – Geography, Mortgage, Property, Demographics, Foreclosure, Options.



# LIST SOURCE LIST

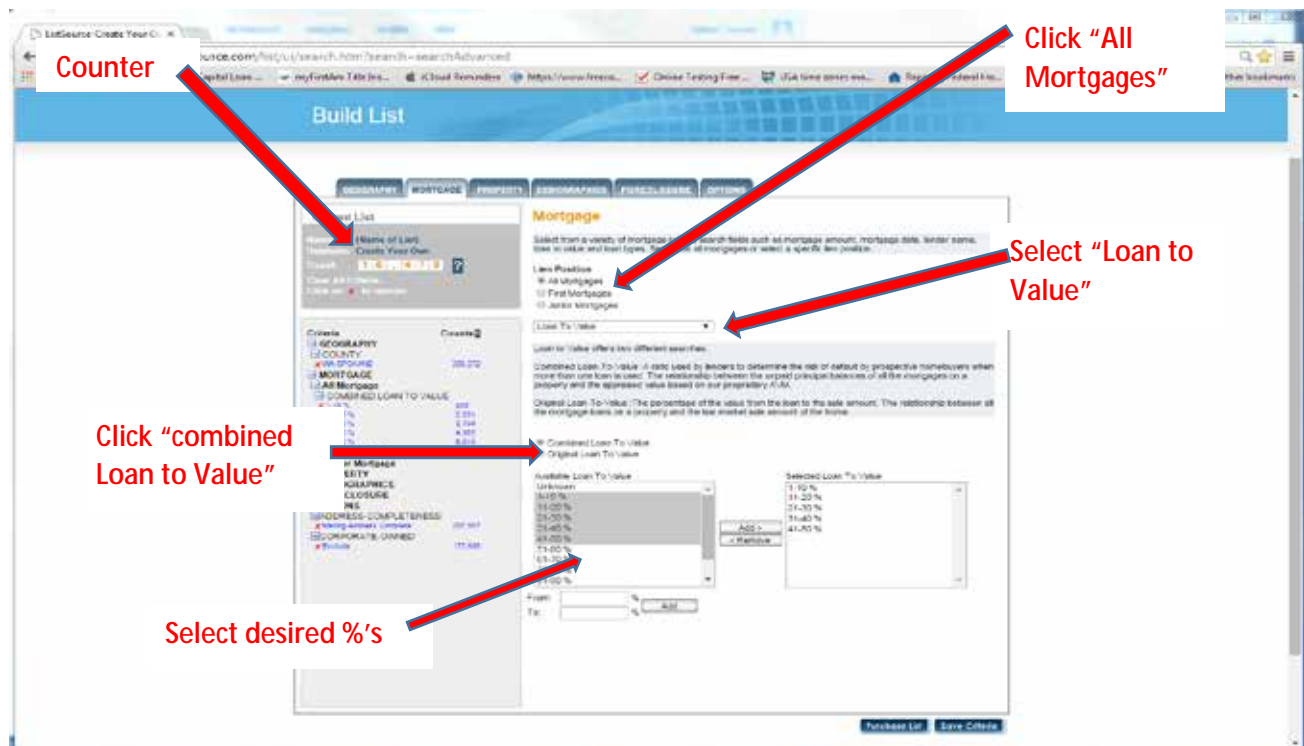
- Under the Geography tab use the drop-down menu “Select Criteria” click on “county”.
- In the “Select State” drop down menu click on your state.
- In the “Available County” menu select the county or counties that you are interested in finding properties in. Click the add button to include them on your list.
- Watch the “Count” gage on the left to monitor how many contacts you have found with the criteria that you are using. Each time you change the criteria the count will be updated. Typically, you will want to pull between 200 and 500 names. If your list falls out of this range adjust your criteria. You should have a very large number (in the thousands) of contacts in your list at this time. Do not worry, we will narrow it down in the next steps.



# LIST SOURCE LIST

## Option 1:

- Now move on to the “mortgage” tab by clicking on it.
- Make sure the “All Mortgages” button is clicked. We want to find out about all mortgages because many, many home owners have taken out equity from their property through second and third and even fourth mortgages. If you do not ask specifically for “all Mortgages” it will not be included in the information you receive guaranteeing you some surprises latter on. We do not like those kinds of surprises!
- In the drop down box “Select Criteria” click on “Loan to Value”.
- Make sure the “Combined Loan to Value” button is clicked.
- In the box “Available Loan to Value” select the percent ranges desired and click “Add” to the right of the box. We are interested in homes with significant equity therefore we want homes with **LOWER** LTV’s. For this example we will select the categories that include 50% or less LTV.
- Are you watching the Counter on the left had side? You should notice a significant change in the number of contacts. You should also notice counts being tracked based on the individual criteria that you have selected.





# LIST SOURCE LIST

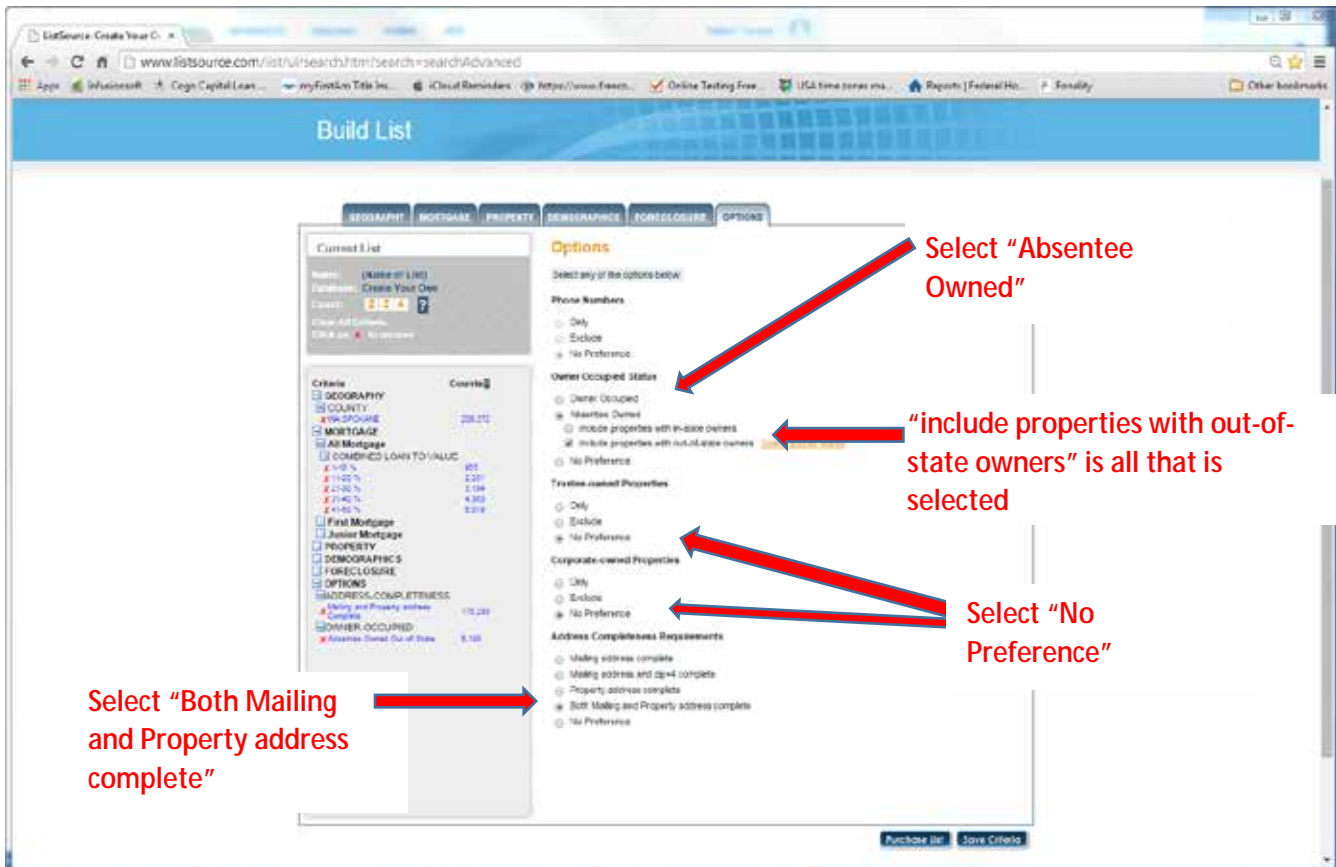
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## Option 2:

You can acquire a similar list to the list in option 1 above by doing the following:

- Click on the “Property” tab along the top.
- In the drop-down box “Select Criteria” click on “equity (%)”.
- In the box “Select Equity (%)” select the percent ranges desired and click “Add” to the right of the box. We are interested in homes with significant equity therefore in this screen we want homes with **HIGH** percent of equity. For this example, we will select the categories that include 51% or more equity.
- Click “Demographics” at the top if you want to narrow your list or target certain home owners. You can explore your options here but for our purposes we will not use any of these criteria.
- Click “Foreclosure” at the top if you want to narrow your list or target certain properties that are in various stages of foreclosure. You can explore your options here but for our purposes we will not use any of these criteria.
  - Note that if you are interested in marketing to pre-foreclosure properties, it is suggested that you pull a list of owners who make less than \$49,000 annually. Statistics tell us that the highest default rate is for those who make less than \$50,000. This list can be generated using the “demographics” tab – “Household” button – “Estimated Income” selection from the drop-down menu labeled “Select Criteria.”
- Click “Options” at the top.
- In the “Owner Occupied Status” select “Absentee Owned.”
- Under “Absentee Owned” Make sure “include properties with out-of-state owners” is all that is selected. This is because we are going to focus on out of state owners.
- In the “Trustee-owned Properties” section select “No Preference.”
- In the “Corporate-owned Properties” section select “No Preference.”
- In the “Address Completeness Requirements” select “Both Mailing and Property address complete.”
- Watch the Count on the left. Remember that the goal is between 200 and 500. If this is not achieved you will have to go back and adjust the criteria that was chosen.

# LIST SOURCE LIST



- If the Count is close to what you want, click the “Purchase List” button at the bottom right.
- Create a Title for your list by filling in the box that is label “Enter a name for the list you are building:”
- Follow the instructions on the page to create your ListSource account and then to purchase your list.
- Make sure you select the button that says that you will be using the data purchased through ListSource for “Direct marketing solely for my individual or company use.”
- Note that there are several add on option that you may or may not be interested in at check out. For our purposes, none need be selected.
- Pay for list – PayPal/credit card etc.
- Download/export list into an Excel file.

# LIST SOURCE LIST

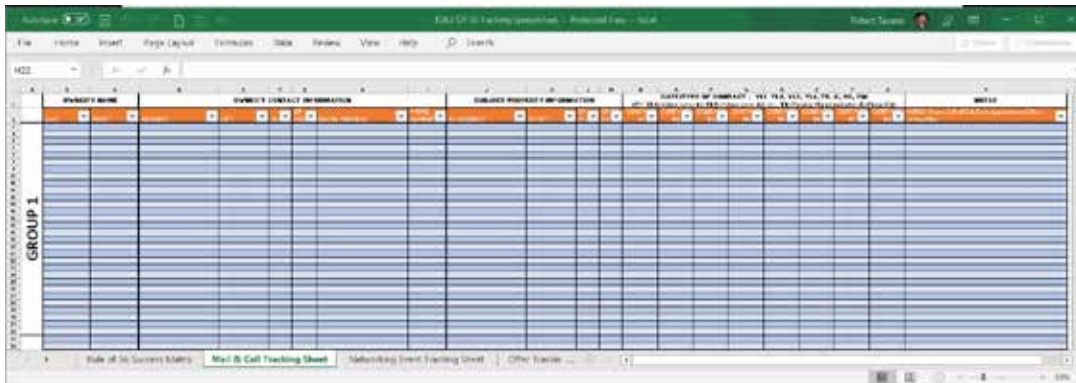
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- Clean up the formatting of your list in Excel to include the following columns in this order - Last name of owner, first name of owner, mailing address of owner, full property address, phone number of owner.
- Market to your new list!

Training for use of ListSource is available through the ListSource website and is a good use of time.

## Formatting your List for Optimal Usage:

Once you download your list from ListSource you will discover that the list is not very user friendly. You will need to reformat the spreadsheet to optimize it for your usage. In the Lee’s Inner Circle 2.0 Back Office you will find a video walking you through the steps to reformat the list. Look for the video titled, “How to use the Tracking Spreadsheet for Implementing the Rule of 56.



A tracking spreadsheet for your use is downloadable from the Lee’s Inner Circle 2.0 Back Office. Look for the icon that says, “The Rule of 56 Tracking Spreadsheet. The video noted above includes how to import the data you receive from list source and how to utilize the tracking spreadsheet once you import the data. The video will show you what columns need to be moved around and adjusted. Some will even be eliminated. As you proceed through this reformatting, be careful to maintain the distinction between the mailing address of the owner and the property address.

[The Rule of 56 Tracking Spreadsheet](#)



[Click to download. Requires Microsoft Excel](#)



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# DEALIO LIST

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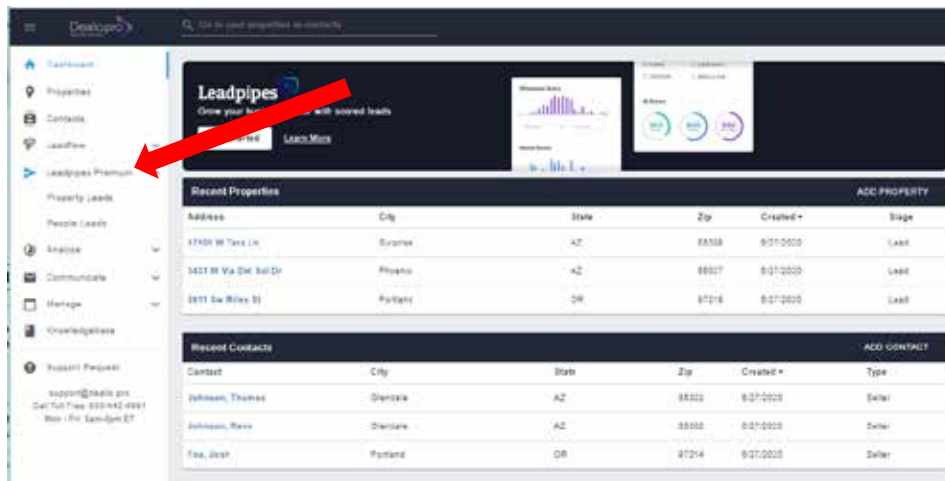


# DEALIO LIST

## DEALIO.PRO

### Options in Dealio:

Dealio.pro will allow you to pull and market to multiple different lists based either on the type of property you are looking for or the type of person you are seeking. All marketing list in Dealio begin in the same place, under the “Leadpipes” tab on the left-hand side of your Dealio home page.



From here you can choose, “Property Leads” or, “People Leads.”

Below you will find step by step instructions on how to pull our basic real estate investor starter list. This is our go-to list that everyone should be working starting out. It has proven results if you will follow the process and be consistent in your marketing. This is the none-owner-occupied, high-equity list.

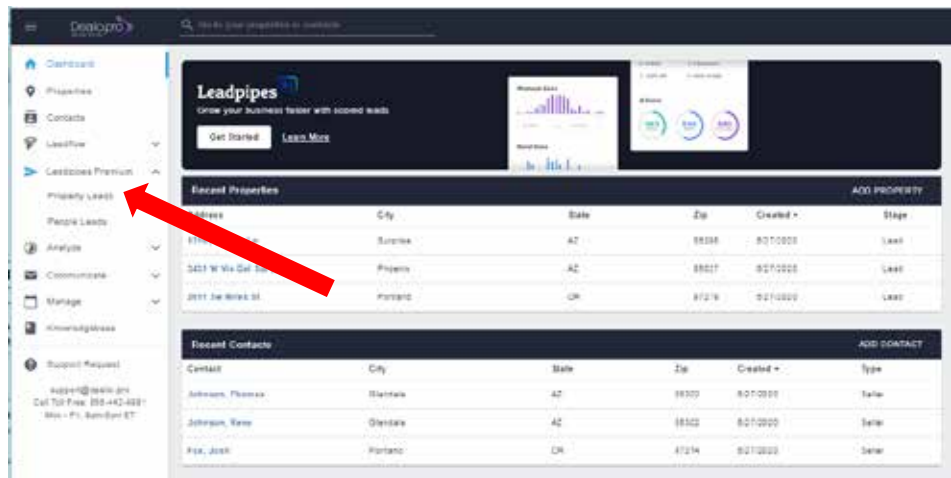
### Step by Step Pulling a List:

Our basic assumption in pulling the none-owner-occupied list is that the property is a rental. This makes the owner a landlord/investor. Keep this in mind as you pursue these leads. It should influence how you talk to the owners and how you market to them. Remember, that in marketing you always seek to have a good message to market match.

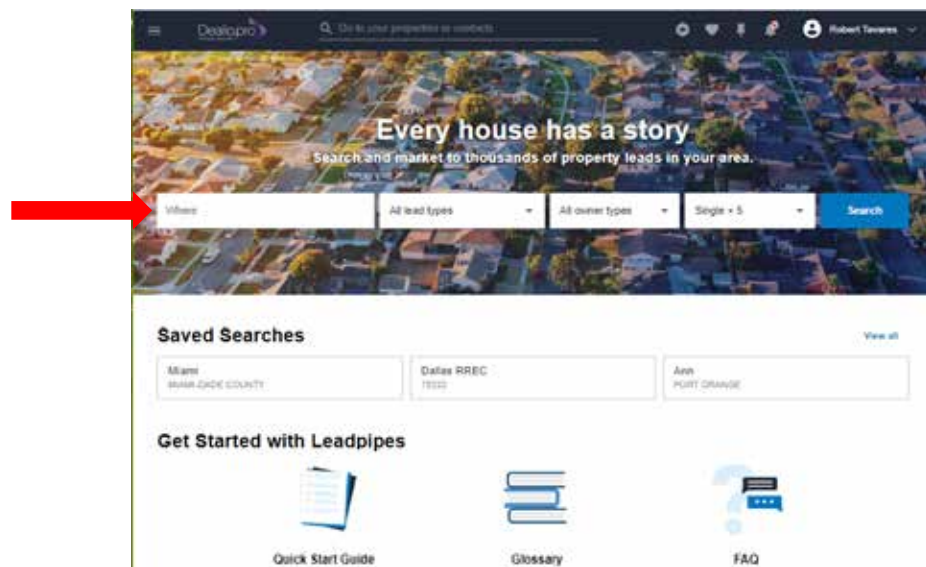
# DEALIO LIST

This means you want to try to tailor your message to and investor mindset.

- Log into your Dealio.pro account using your favorite browser.
- Click on the “Leadpipes” tab on the left-hand side and then click on the “Property Leads” tab.



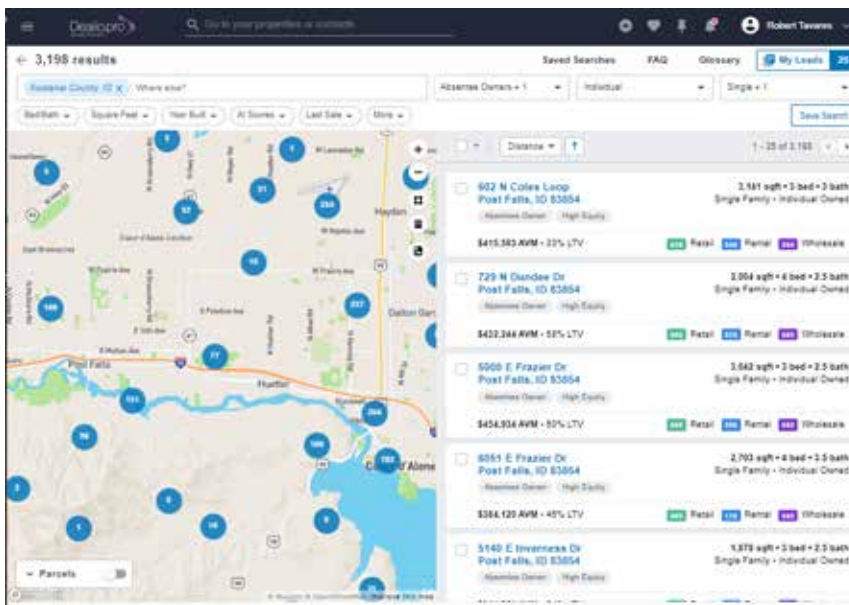
- Follow the prompts in each of the search boxes to impute your search criteria.





# DEALIO LIST

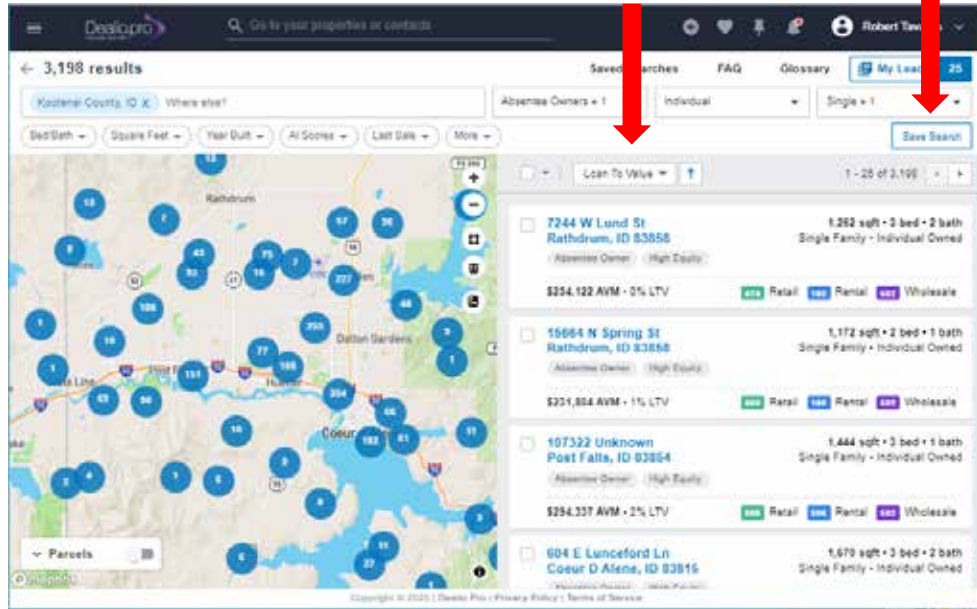
- In the, “Where” box include the county name you want to invest in.
- In the, “All Lead Types” box select, “Absentee Owner” and “High Equity.”
- In the, “All Owner Types” box select, “Individual.”
- In the, “Other” box select, “Single.” (You may include others if you want to pursue these property types.)
- Now click the, “Search Button.”
- You should now see a screen with a map of properties along with a list of the properties.



- At this point review the list to make sure it is what you want. You can always go back and adjust your criteria if you need to.
- Directly above the list of properties you will see a sort option. Sort by, “Loan To Value” so that the largest equity properties are on top (0% LTV). Start working these leads first.

# DEALIO LIST

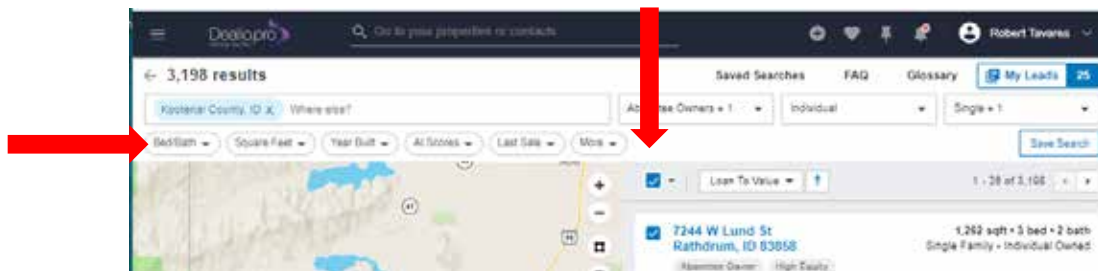
- Save this list by clicking the, "Save Search" button above the list of properties on the right side.



- Make sure you name this search something you can remember.
- Now it is time to send some mail!

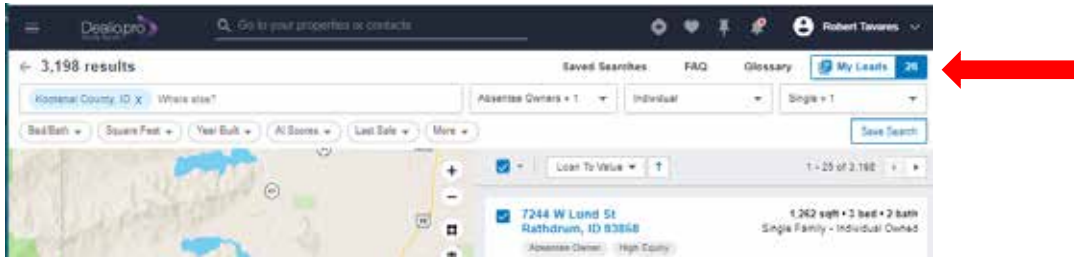
## Step by Step Sending Mail:

- Make adjustments to search criteria as needed by clicking on the buttons above the map.
- Click the box at the top left-hand corner of the Lead list to select the first 25 leads

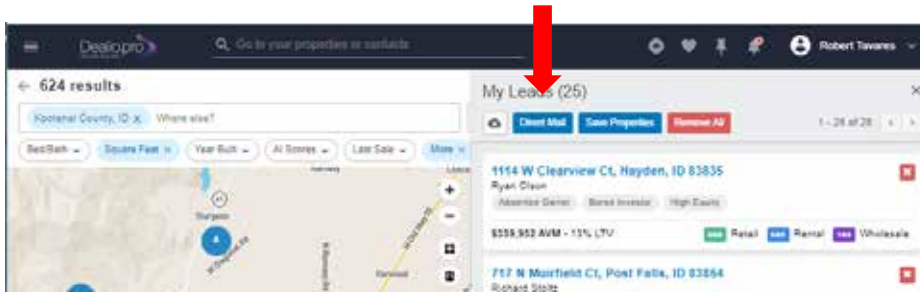


# DEALIO LIST

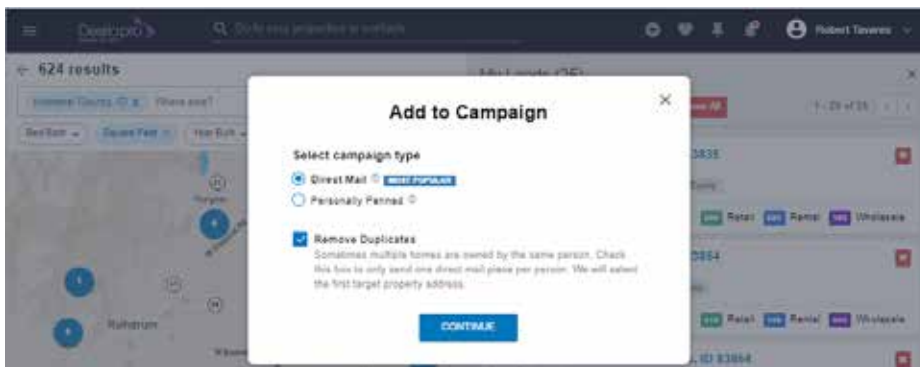
- Note that the, “My Leads” box will show how many leads you have selected and will be working with as we move forward.



- Click on the, “My Leads” box and then select, “Direct Mail.”

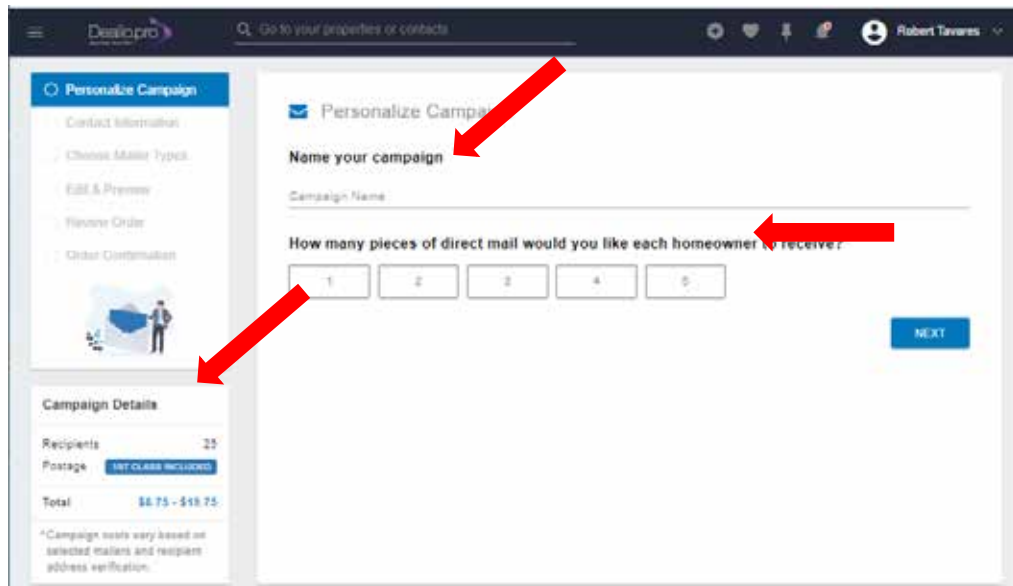


- The next screen will default to, “Direct Mail.” Leave the default setting at this time.
- Select, “Continue.”

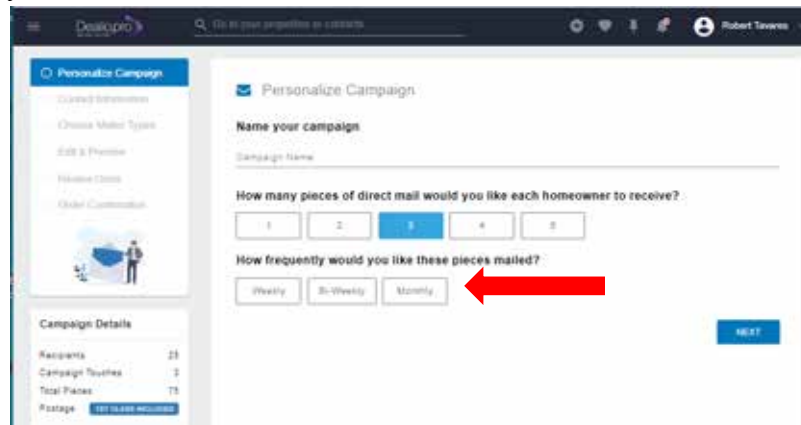


# DEALIO LIST

- Name this campaign on the, “Campaign Name” line.
- Indicate the number of pieces of mail you want to send to EACH property owner – 1 through 5 pieces.
- Watch the counter in the lower left corner that indicates your current campaign including costs.
- Select, “Next.”



- Select the frequency you want the mail to go out – weekly, bi-weekly, or monthly.



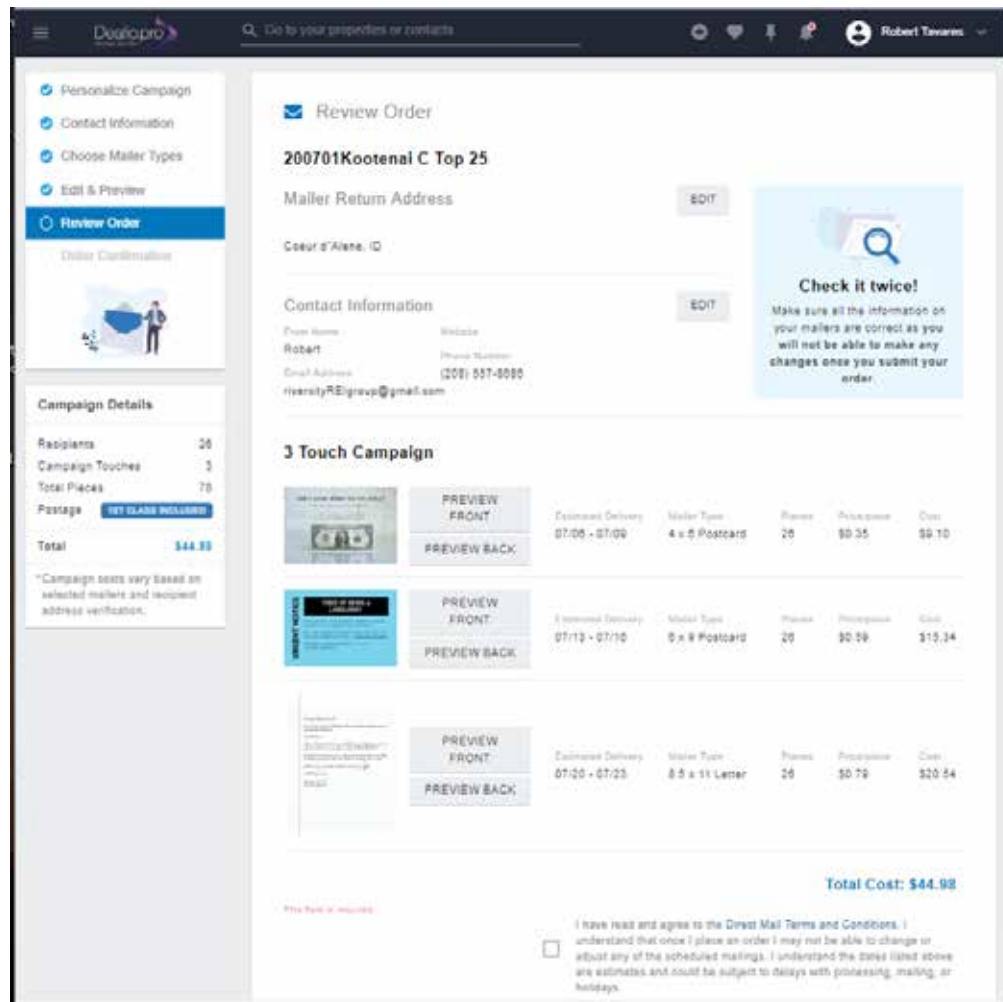
# DEALIO LIST

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- Fill out the contact information you want to be printed on each mailer going out. Follow the prompts on the page.
- When completed, click next.

- Follow the prompts to select who your target audience is. In this case, “Absentee Owners.”
- When completed, click next.
- Now follow the prompts to select the options you want to use for each of the mailers.
- Review each of your choices, adjust as desired, then click, “Finish & Review Order.”

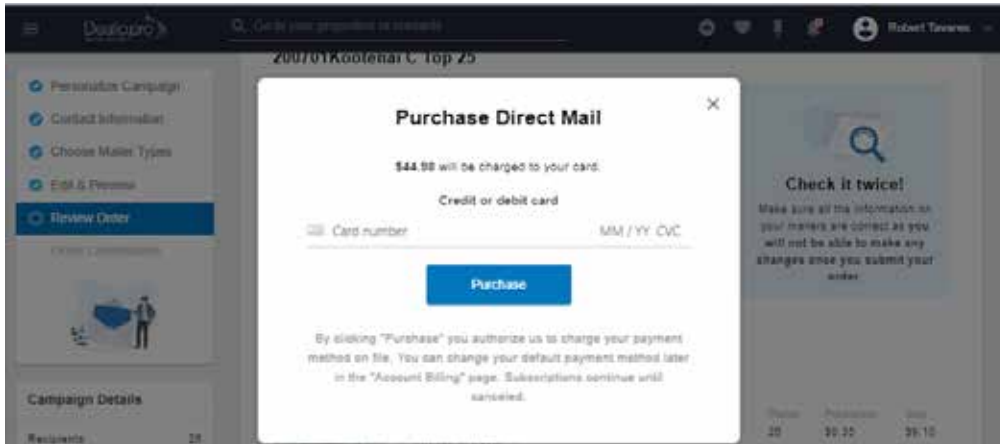
# DEALIO LIST



- Make sure you verify the cost of your order at this point in the lower left corner.
- After reviewing the, “Review Order” page and checking it twice, click the, “I Agree” box at the bottom of the page to place.
- If you do not have a credit card stored in your Dealio.pro account, you will be asked to enter a card at this time.
- Once you enter your card information, click, “Purchase.”

# DEALIO LIST

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- Congratulations! You have now completed your direct mail campaign to 25 owners of non-owner-occupied property in your farm area.
- These instructions have been for a basic campaign to get you started. Now that you have done it once, spend some time in Deal.pro exploring your options. Pull different list, get creative with your mailers by customizing them, harness the full power of Dealio.pro!









# BANKRUPTCY LIST

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## Using USBankruptcylist.com

### **Why Work Bankruptcy Leads:**

It's getting harder and harder for industry professionals, business owners and real estate investors to close good deals in today's market. Bankruptcy lists are a niche that is commonly overlooked because it's misunderstood or the data is too hard to get. Well not anymore! If you haven't been marketing to bankruptcies, then you're missing out on a virtually untapped pipeline of leads to grow your business income!

Most people don't realize that when a case is dismissed, the bank can foreclose and creditors start calling again, when a case is discharged there are some debts that don't go away, and when they file the debtor thinks it will solve all their financial woes but they quickly realize it doesn't. As you can imagine, these situations create some highly motivated people!

Someone that files bankruptcy has a serious financial problem. Common reasons for filing bankruptcy are large medical expenses, job loss, divorce, and overextended credit. They may be using bankruptcy as a way to temporarily stop foreclosure, called an "automatic stay", or mistakenly think that bankruptcy will make all their troubles disappear. What does this mean for you? It's an opportunity to help a motivated prospect.



### **Types of Bankruptcy**

- Chapter 7 - "liquidation" proceeding, sells assets to pay off as much debt as possible. The cash from assets is distributed to creditors like banks and credit card companies.

# BANKRUPTCY LIST

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- Chapter 13 - "reorganization" proceeding, enables people to pay off their debts over a period of three to five years. For individuals who have consistent, predictable annual income, Chapter 13 offers a grace period.



## **Bankruptcy Status**

### **Filed**

Filing bankruptcy with a court is the first step. It's a legal process that either reduces, restructures or eliminates your debts. You can file on your own or you can file with an attorney.

### **Dismissed**

The termination of a bankruptcy proceeding. When a case gets dismissed (kicked out for not doing what the Judge says) they lose the bankruptcy protection and go right back to the way things were before they filed. Collection calls start again, wages can be garnished, bank accounts levied, and the mortgage lender can foreclose.

### **Discharged**

A release of a debtor from personal liability for certain dischargeable debts. Usually due to the successful completion of a bankruptcy case. However, certain debts like student loans, family support, criminal restitution and taxes cannot be discharged. A successful discharge is the goal of every debtor. "Build List" button on the left had side. (If you are a returning user, start by logging in at the upper right-hand side.)

# BANKRUPTCY LIST

## Sample Order from USBankruptcylist.com

US Bankruptcy List			Receipt	
1011 N Ankeny Blvd # 858 Ankeny IA 50023 United States +1 970-658-0530 info@usbankruptcylist.com			Receipt number 2161-8022 Invoice number 0834358E-0013 Date paid July 6, 2020 Payment method <b>MasterCard</b> - XXXX	
Paid by Lee Arnold XXXX@securedinvestmentcorp.com				
<h3>\$80.55 paid on July 6, 2020</h3>				
Thank you for your business!				
Description	Qty	Unit price	Amount	
Jun BK Leads 202006_bk713_SPOKANE-WA	45	\$1.79	\$80.55	
			Subtotal	\$80.55
			Amount paid	\$80.55
Questions? Contact US Bankruptcy List at info@usbankruptcylist.com or call at +1 970-658-0530.				
				2161-8022 - Page 1 of 1



THE  
**LeeArnold**  
SYSTEM OF REAL ESTATE INVESTING

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# MARKETING 101

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# MARKETING 101

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## What is Marketing?

Marketing is essential to every business. It is the method by which a business introduces itself to potential clients, lets them know that they exist, and tells them about the services or products they offer. Advertisements are everywhere you look. Some may be blatant, others are more subtle. Either way, they're intended to make you remember.

Let's say it's your mother's birthday and once again you've forgotten. You rush to the department store in search of a gift. At the perfume counter, you see hundreds of choices. You have no idea of their individual fragrances or their cost, and have never heard of most of them. More likely than not, you'll walk out of the store with the one that you've heard of and recognize. That's the effect of marketing.

Likewise, you chose the supermarket where you shop, the brand of gas you use, and even the credit card you use to purchase these things because of their marketing.

Effective marketing can grow a small business into a multi-million-dollar corporation. Many large companies started out as small one- or two-person enterprises. Through many types of marketing, their companies grew. The amount of money spent annually on marketing is phenomenal. **You should budget 20% of your gross income on your marketing efforts!**

The use of effective marketing can take a lot of work off your shoulders. With Real Estate investing, the right advertising could get people to come to you. But how do you know which marketing method to use? How do you determine what's affordable? How do you know what will work?




# MARKETING 101

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## Determining Your Market

Cost is an important factor in marketing. It affects the type of marketing you can do, as well as the quality and quantity of marketing. Most small businesses cannot afford to hire an advertising firm. Instead, they must rely on themselves and stay within their budget as they build their client base.



Some marketing methods can be very costly and their results are not guaranteed! They can be risky, but when they work the payoff can be HUGE! When you begin, you don't have the budget for such marketing. You have a limited budget, so you'll want to consider less expensive, proven marketing techniques. Some marketing is even free!

Free advertising is one of the most effective ways to build your business. I'm referring to word-of-mouth. Of course, you must get someone to start talking about you before word-of-mouth can take off, so you must start with basic marketing.

To decide which type of marketing to use, first determine your target market. Then, lay out the costs of each type of marketing (in time as well as money) and the time each will take to produce results.

Before starting any marketing, think seriously about your target market. If you don't know who you're trying to reach and where to reach them, how can you market to them? How can you imagine what they'll respond to?

If you're going to place an ad in the paper advertising your services to people in foreclosure, what section would you put it in? Wouldn't you put it in the rental section? If someone is about to lose their home, what's their priority? Finding a new place to live! (What else!) If they can't afford their current home, they most likely can't afford to buy another one, nor will they be able to get financing for a new home. Their only alternative is to rent – so they'll be looking at the rental listings!

# MARKETING 101

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The key to successful marketing is to THINK!

It's not about how much money you have, or how well you can craft a letter, it's about putting your advertisement in the right place, in front of the right people, and getting them to look at it. The point is to get them to remember you.

## Testing the Market

One thing every wise advertising company and business does is test the market.

Every marketing trial includes actual marketing. The more marketing you've done, the more you learn about the market. Advertising executives, for example, have a great deal of knowledge of what works in their target market and what doesn't. The results of past attempts have created their expertise. For example, they know that the colors red and yellow stimulate hunger. Pay attention to restaurant commercials and count how many of them use red and yellow versus how many don't. For instance, McDonald's is famous for its golden arches – but what other color is used with the bright yellow? Red, of course!



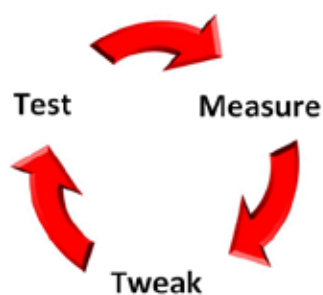
Rather than limiting yourself to one method, try (test) different ideas. Do red envelopes generate a better response than white? Are hand-addressed envelopes better than using printed labels? Does using a script font in a computer-printed address work better than the standard type?

Only rarely does a first marketing attempt take off. You may get some response, but not the volume, or perhaps not the clientele, you were searching for. Some first endeavors do turn out to be fantastically successful, but if you're betting on that you could be disappointed.

# MARKETING 101

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The only way to determine what works best is to test. Send out the same number of red envelopes as you do white, with **NO OTHER DIFFERENCES!** If you use handwritten addresses on the red envelopes, hand-address the white ones as well. If you use American flag stamps on white, use them on the red. That way you know that no other factors may have caused a difference in your response rates.



This applies to much more than just the color of the envelope. It applies to your entire marketing strategy. For instance, when you approach the door of someone in foreclosure (yes, how you present yourself is considered marketing), you could dress businesslike or casually. You may go alone or have a partner with you. You may carry a briefcase or be empty-handed (except for your business cards, of course!). All these little details could make a difference in how you and your marketing are received.

## Types of Marketing

There are many varieties of marketing. Don't be trapped into thinking you can only do letter, follow-up calls, and knocking on doors. While these are the basis of any good Real Estate marketing endeavor, there are many more opportunities to explore.

### Letters, Envelopes, and Follow-Up Calls

Before we discuss other marketing ideas and strategies, let's first go over letters, envelopes and follow-up calls. The reason these are so essential is because they are direct marketing.

By mailing and calling only people who can benefit directly from your services, you're narrowing your market, cutting out the waste. You don't want to send a letter to everyone in the world because most of them are not your target client. It's a waste of your time, energy, and money. However, by getting a letter in front of a person in foreclosure, who needs your help, and calling them so they don't have to make an effort to call you, you are more likely to get them to respond and use your services

## MARKETING 101

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than if you just wished they knew about you. (Wishful marketing doesn't work, for some strange reason....)

In your letter, be brief. The purpose of the letter is to get them to call you. By telling them exactly what you do and how you do it, you're educating them, but that won't necessarily get them intrigued. It's a bit of a teaser. Let them know what you can do for them and then ask them to call you. State your points clearly and concisely. Use bold font or bullet-point (or both) the reasons why you can help them. Signing the letter adds a personal touch, and putting their name at the top so they can see that it is clearly meant for them is also a good idea. If you were in foreclosure and opened an envelope to find a letter which opened with "Dear Mr. and Mrs. Jones," wouldn't you be more likely to respond than if it said, "Dear Person in Foreclosure," or "Dear Homeowner,"?



The envelope, as we've already discussed, is the first introduction. It is their first impression of you and we all know how important first impressions can be. It is important that it be designed to encourage them to open the letter. Many different things will work and some things have more success in different areas. This is something you will have to determine through your market tests. Different colors of envelopes, different stamps (perhaps a flag works better than a heart or flowers), computer printed or typed envelopes vs. handwritten, return address or no return address, your company name or your personal name, all can influence whether your letter is opened and read or tossed in the wastebasket unopened.

A follow-up call does two important things. The first is that it gives you direct contact with the people you're trying to reach. The second is that it lets you know whether your marketing is working. You must do a follow-up call! Even better, do a follow-up visit!

However, because people in foreclosure are being hassled by others trying to collect their money (if someone is in foreclosure, there are

# MARKETING 101

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usually other bills they haven't been paying), many of these marketing attempts may go ignored. That's where these other marketing strategies come into play. When people are looking for something, they're open to it, so the trick is to get your marketing in front of them when they're looking for you.

## **Business Cards**

These are vital to your business. While people may throw away letters, they're less likely to throw away business cards. You can hand them out to people you encounter, do business with, or market to. Including a business card in a letter gives it an added thickness, which triggers their curiosity and helps in getting your letter opened. The simple presence of a business card with the letter may make you appear more professional, more real, and more able to help.



Business cards can be plain and simple or they can be ornate. They should reflect your personality and your business. If you're going for a personable, helpful business image, you may consider adding something to your card that stands out, perhaps a picture of yourself. If you're trying to get people to think about money, a green business card, or a picture of money on the card might do the trick. If you're straightforward with no frills, a simple black and white business card with your contact information will suffice. It's up to you, but business cards are a necessary item for any business.

## **Newspaper Ads**

The first thing you must decide is what you want to say in your ad. This can be affected by your budget and the price per line at the publication you choose to use. Your ad can range from a quick three-liner (usually the minimum for most ads) to a quarter page ad. Most newspapers give you a few options on how your ad will be displayed. You can pay for a larger ad space, or you can purchase a small ad in the classified section.

## MARKETING 101

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An ad that reads, “In Foreclosure? Don’t Lose Your Home! Call (555) 555-5555” could be all that is needed to get the appropriate people to contact you.

If you want to get a little bit more elaborate, you could add the points you think make your business stand out. The ad could look like this:



The second thing to consider is where you’re going to place these ads. Which newspapers and which sections? As I’ve discussed before, the rental section is a good place to start. Thinking like someone in foreclosure is an excellent way to figure out where to place these ads. Maybe the person in foreclosure would check out current prices on homes in their area to see whether they could sell their home quickly. As they scan these ads, they see an ad stating that they can save their home. Maybe they’d look through the mortgage section to see if anyone has easy qualifications for a refinance. Perhaps they’re looking for an attorney. Try these in addition to an ad in the rental section.

Do you want to use the larger publications or a small local paper? People tend to respond to people they feel they can relate to, and smaller papers lend to give a community feel to those who read them. That may be your best bet – and they’re cheaper. Using both is best, if you have the budget.

Hint: Placing an ad, making copies of your ad, and mailing the copies to your direct contact list ensures that those people see your newspaper ad. Attaching a note, maybe a sticky note, saying: “Thought this might be helpful. John” could make them feel as if it’s from a friend. I’m sure everyone knows someone name John. Just make sure you don’t include a

IN FORECLOSURE?  
Stay in Your Home  
Lower Your Payments  
Increase Your Equity  
Avoid Bankruptcy  
Preserve Your Credit  
Call  
*Second Chance*  
*Investments*  
TODAY!  
(555) 555-5555





# MARKETING 101

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return address on those mailings. The ad itself provides contact information.

## Postcards

Some people won't bother to open their mail or answer their phone. A postcard is a quick way to grab their attention, effortlessly. They have to look at the postcard before throwing it away, so if you have a message that grabs their interest, they may not throw it away, and will call you instead. If they haven't responded to your first mailing, or your phone calls, and they didn't answer their door, why not send a follow-up postcard, just in case they haven't seen what you can do for them. It should be similar to your letter, but condensed. The important items should be in bold print.



## Flyers

I'm sure you have seen flyers and/or signs posted around your neighborhood. Which ones catch your attention? Big yellow signs with black print draw the most attention. Placing signs on lampposts or street signs (make sure your city allows this) and flyers in every place you can think of, can also help to make sure people know about you. Grocery stores, post offices and community bulletin boards are obvious places for your flyers, so start there. Be sure you ask permission of each business and ask where you can place your materials. Don't rule out other more direct places, such as the offices or waiting rooms for attorneys, credit counselors, banks, mortgage companies or even the courthouse, if they allow it.

## Bankruptcy Attorneys

Usually, attorneys do not fall into the referral fee category, but in this instance, they might. By referring business your way, they may be losing some billable hours in their bankruptcy business. You may want to compensate them for this loss by providing a referral fee. If they are overworked, or just plain smart, they'll know that getting cash for a referral that takes only a minute is better than working for hours and billing someone who is about to clear their debts. Other types of attorneys may be helpful as well, including probate and divorce



# MARKETING 101

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attorneys. Many cases of foreclosure may be triggered by one of the events that make these attorneys' practices profitable.

## **Credit Counselors**

Once in foreclosure, many people are turned down for obtaining financing to pay off their debts. Many times, they are struggling to pay off other debts, as well. Credit counselors are sought out in the hopes that they can help restructure some payments, whether to the bank which owns the mortgage in default, or credit card companies, etc. If the counselors can help them, it's often not to the level where they can save their home – and that is where you come in. Credit counselors look like heroes if they can help with the smaller credit problems and refer for the larger ones. You look like a hero as well, for you can do what even the credit counselors couldn't.

## **Banks, Bankers, and Mortgage Companies**

Quite often, banks and mortgage companies are approached by people in foreclosure, hoping to obtain a loan to pay off their debts. More often than not, the banks are forced to turn them down. By having a good relationship with bankers and mortgage lenders, perhaps even providing a referral fee, these people can be given another opportunity instead of just being turned down. The bank looks good because they're no longer saying "No." They're saying, "Try this!"



You look good because you can do what the banks can't. If clients have contacted banks in the hopes of saving their home, you already know they are trying to get out of their situation rather than hoping it will all go away. Having the bank refer them to you is effective because they can continue in their efforts to stay in their home, and they probably will if they have already tried the banks. Referrals from these sources are solid leads.

## **Radio Ads**

Radio reaches a large audience. Even though most of those people are not in foreclosure, it's possible that a relative is, or

## MARKETING 101

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they know a friend who's having financial problems. Placing a quick ad on the radio is a good way of getting the message out there and a great way of creating name recognition. It's cheaper than TV ads.

I suggest that you try a community-based station, not one of the major network stations. Community-based radio, by definition, is focused on the community, and they're always happy to have services that help people.

Another possibility, which could be free, is a radio interview. Getting your voice on the radio, talking about how you want to help people, is one of the best ways of getting someone to listen to your message.

The pros and cons of a radio ad versus a radio interview are numerous. While an ad costs money, it is played numerous times. A radio interview may only air once, but it is usually free and, as like an ad, it usually includes a reference about how to contact you. Many people tune out commercials, or change the station but for an interview, they tend to stay tuned and listen.

### **Creating a Foreclosure Support Group**

People in foreclosure may want to speak with others in foreclosure to find out what they're doing and how they're handling it, as well as all the reasons they got there in the first place.

Providing a forum for this type of discussion could bring people to you. They can talk with one another, and you can provide them with an option to get out of their dilemma. They will be open to your suggestions, open to each other and, if one person signs up to let you help them, other people will follow suit. It's a good idea to have a speaker of some sort, perhaps someone who has been through foreclosure (maybe a previous client you helped) and use a group discussion format. Or, you can be the support group yourself. By using the term "support", people will respond with curiosity instead of skepticism as they might to other forms of marketing.

# MARKETING 101

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## Car Wraps

You have seen them. People who use their vehicle to advertise. The big question is do they work? Well if you can remember one that you have seen then the answer to the question is – YES!

The trick to a good wrap is to make it big! Make it bold! Make it stand out! ...and use the vehicle all the time!

Check out these examples. The “We Buy and Sell Houses” trailer is used by Dana Klaft, one of Lee’s expert Consultants. He receives multiple leads every month directly from this one marketing source.

The COGO cargo van is used by Lee’s construction crew in the Spokane, WA area. This van was directly responsible for three property purchases during its first six months of use! These properties were fixed and flipped for a significant profit.

The COGO 15-passenger van is the newest edition to Lee’s fleet of wrapped vehicles. It promises to pull in the leads as well.

## P.S. – I Buy Houses...

Here is an easy and FREE form of marketing that has proven results. At the bottom of your email signature add a P.S. that states, “**I BUY HOUSES! ANY CONDITION! ANY TIME! ANY PLACE! - Call me to discuss the possibilities.**”

Remember that this is a tool to start a discussion. You do not have to buy every house that someone calls you about. If you are concerned about who the message goes to then just be selective on when you send it out or adjust the message to meet your liking.



# MARKETING 101

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A great strategy for using this particular marketing tool is to search out estate sales online. It is very typical for family members to have a sale to liquidate of all the house hold goods after a loved one dies but not know what they want to do with the house yet. It can be awkward to call with an inquiry about buying the house so what options do you have? How about sending an email to ask about something, anything at the estate sale and then include the P.S. Now you have made the inquiry without running the risk of offending a family member whose emotions are still too raw to talk about it.

## Referrals



Referrals are one of the best marketing tools, but when should you pay for them? There is a simple rule for this. If the person who refers someone to you is already getting paid for doing the work of that referral, there is no need to pay out a referral fee. In many instances, it can constitute a conflict of interest. For instance, an attorney will probably bill the time he spent with you or the time he spent with his client regarding the referral. He is getting paid for that time, so that would be an area where you wouldn't want to offer a referral fee.

If a person is not getting paid for that referral, perhaps a mortgage broker who has to turn someone down for a refinance, then you'd want to offer that person a referral fee if the deal closes.

Referral fees may appear to cut into your profit, but you wouldn't have any profit at all without those referrals.

*craigslist*

## Craig's List

We are going to use Craig's List in two ways. First, we are going to post ads to solicit Leads and then we are going to call on FSBO leads.

# MARKETING 101

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Post ads.

If you are an agent you will need to include a clause that reads something like this – “I am a Licensed agent with Keller Williams Spokane, but am not soliciting you for a listing. If your house is already listed with an agent, please have them call me directly so I can purchase the property through them.”

\*\*\*\*\*

Example #1:

**We Buy Houses “AS\_IS” No agent fees,  
we pay the closing costs!**

We buy Houses “AS\_IS” No agent fees, we pay the closing costs.

Call Lee \_\_\_\_\_

No matter your situation, no matter the condition of your house, we want to buy it! We are not real estate brokers, we are real estate investors which means we pay CASH, we close FAST we don’t charge commissions or fees, we pay a fair price, and we handle ALL the paperwork!

Call Lee \_\_\_\_\_

- We will ask you a few simple questions over the phone
- We will arrange a time to view the property.
- We will give you a no-obligation, cash offer. No repairs needed.
- When you accept – we will buy your house quickly and hassle free.

Call Lee TODAY - \_\_\_\_\_

\*\*\*\*\*

Example #2:

**WE NEED HOUSES!!!!!!**

**We Buy Houses!**

Do you need to sell? We need to buy!! We are looking for houses to purchase quickly. It doesn’t matter your situation. If you need the quick cash, if you’re behind on payments, or if it’s in probate.

# MARKETING 101

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Contact us today and we will help!!!

Call Lee \_\_\_\_\_

\*\*\*\*\*

## Call FSBOs – Set appointments

Calling on FSBO leads are the easiest to get started on. These people want you to buy their house! They want to talk to you so call them and practice talking to sellers! Use a lead sheet when you talk to them. Make sure you are calling true FSBOs and not agents.

## The Beauty of Marketing

Marketing can bring you all the business you can handle, rather than you chasing it down. It can bring you from non-existent to flourishing. The best form of marketing is word-of-mouth. Anything you can do to get that engine running is well worth the effort. Treating your clients well and with respect, doing a good job, developing relationships with professionals who will encounter your desired clientele – all of these are exceptional ways of getting your name out there. Once you have completed a transaction with your client, ask for a testimonial, as well as for referrals.

Of course, indirect marketing has an equally positive effect. When people are looking for solutions, you want to have them see you. Flyers, networking, newspaper ads, etc. are good ways to invite clients to call you. The more you can get the clients to come to you, the more time you will have to negotiate with the banks and streamline your system.



Last, but definitely not least, direct marketing can be your key to successful Real Estate investing. Having the right letter and the right format can increase your business tenfold! Spending time on marketing, and keeping your marketing engine running, are valuable tools that must not be ignored.



# MARKETING 101

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## Locate Prospects - Find deals

### Finding Deals

- Driving for Dollars – As you drive a community, look for homes that stand out in a bad way. Keep an eye open for homes that have been tagged for code compliance issues. The tag is your sign to act quickly because this is a hot prospect! (Call these right away.) Other homes to look for are those that are obviously empty, yards not kept, no pride of ownership, etc...
  - ✓ Look up owners of these ugly houses – determine if they are owner occupied or absentee owner
  - ✓ Map out your findings – atlas – grid
  - ✓ Use the addresses of the property owners to begin a Direct Mail campaign
  - ✓ Vacant property? – Use a Skip Trace service and/or talk with neighbors to gather info about the property
- Bird dogs
  - ✓ Put your address book to work. Let everyone know that you are buying and will pay a fee.
- MLS - You will need a Local Agent. Ask them to send you:
  - ✓ REOs
  - ✓ 140 + days on market
  - ✓ Expired listing



### Generating Leads

When it comes to generating leads there are no substitutes. You must engage in some form of marketing. Chances are you will want to use several marketing strategies. The next section will cover the 6 M's of Marketing:

- ✓ Market
- ✓ Message
- ✓ Media
- ❖ Multiple Hits
- ❖ Months
- ❖ Money

# MARKETING 101

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## The 6 M's of Marketing - generating leads

### #1 MARKET:

#### **Picking the ideal farm areas - Geographic market selection**

- Driving around neighborhoods
- Older neighborhoods built in the 1950's, 60's or 70's
  - ✓ Usually very run-down areas but not war zones.
- Most of the homes will need some type of repair
  - ✓ Roofs need fixing
  - ✓ Fences falling down
  - ✓ Landscaping is in desperate need
  - ✓ Blinds falling off windows
  - ✓ Sheets up for blinds, etc.
- Find 3 or 4 of these older neighborhoods if possible and rotate your marketing between them
- Demographics to look for in your target areas:
  - ✓ Late pays
  - ✓ Absentee owners
  - ✓ Free and clear
  - ✓ Existing loans with good equity
  - ✓ Pre-foreclosures



#### **Where to get demographic lists**

- Your title company can help you:
  - ✓ By geographic area
  - ✓ Pre-foreclosure list
    - § County
    - § Section of the state
    - § Monthly fee
  - ✓ Free and clear
  - ✓ Saturation or occupant lists
  - ✓ Bankruptcy information
- InfoUSA.com – Create a customized marketing list.
  - ✓ Example: \$300 = 2,700 names





## MARKETING 101

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- Salesgenie.com – Simplified Marketing tools for direct mail campaigns, email marketing and data enhancement.
  - ✓ Monthly fee
- MelissaData.com – A provider of data quality and address management solutions. Specializes in data quality software, Cloud services and data integration components to verify, standardize, consolidate, enhance, and update global contact data.
- ***Listsourced.com*** - Build Your Local or National Marketing Lead List with Fresh and Precise Property and Homeowner Information – ***this is what we use most often at SIC.***
- RealQuest.com – anything and everything real estate. It’s an all-encompassing property and ownership search engine.
  - ✓ Comparables (Real Estate Sales Value)
  - ✓ Maps
    - § 5,000 names per month and comparables \$175
    - § Map out an intersection
    - § Pull up a map of that area.
    - § Draw a rectangle around the area or a radius from the intersection
    - § Put in the search filters
    - § Tells how many houses meet the criteria in that area
  - ✓ Results based on available tax assessor data
  - ✓ Download them into a spreadsheet.
    - § You can get really targeted into an area.
  - ✓ If there aren’t enough houses, increase search or try a different area

### **Property demographics to use:**

- Over 1,000 square feet
- 3 bedrooms, 1.5 baths
- Median price range and below
- Owned 5 years or more
- Depends on what your buyers list is looking for
  - ✓ Some buyers may buy 2/1’s but not many
  - ✓ In my farm areas 1.5 baths is the norm and buyers know that.
  - ✓ Consider what is the norm for your area.

# MARKETING 101

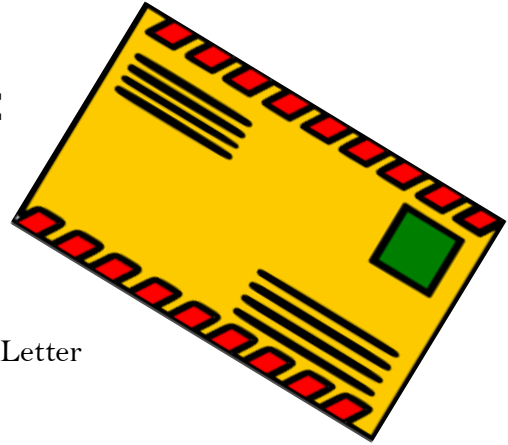
---

- Sometimes, but not often, most all the homes in an area will meet your demographics so you can go geographic marketing or saturation mailings

## #2 & #3 MEDIA & MESSAGE

### What to mail:

- NOTICE postcard
- 2 step USPS postcard
- Personalized post card
- Out-Of-State Owner Advocate Letter
- Yellow letters?
  - ✓ Long
  - ✓ Brief



### Yellow Letter # 1

#### DATE

Dear OWNER NAME,

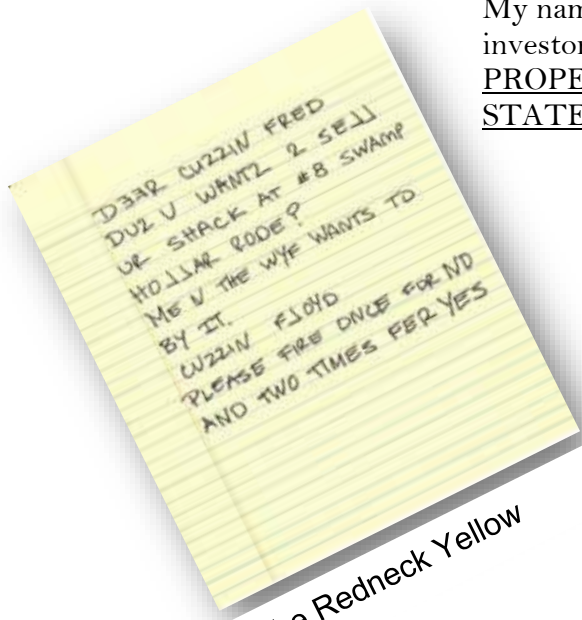
My name is YOUR NAME HERE. I am a real estate investor, interested in purchasing your property located at PROPERTY ADDRESS, PROPERTY CITY, PROPERTY STATE, ZIP.

I have all cash, and can close in 3 – 7 days. Please contact me directly at YOUR PHONE # HERE or via email at YOUR EMAIL HERE.

Yours in Success,

YOUR NAME HERE

Real Estate Investor



The Redneck Yellow Letter

# MARKETING 101

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## Yellow Letter # 2

DATE

Dear \_\_\_\_\_ ,

Hello, my name is Lee Arnold. I am writing you a **SECOND TIME** regarding your property located at \_\_\_\_\_ . To date I have still not heard from you and am still, very much interested in purchasing this property. As a point of clarification, I am a real estate investor. I have been buying, fixing and selling real estate for an anticipated profit for the last 22 years. What that means to you is a professional, **no hassle** selling experience, to an *all cash buyer*, who can close in a very short period of time. That means **cash, in your pocket, in as little as 7 days**, (Depending on how quickly you respond).

If you are not interested in selling at this time, that is fine. All I ask is that you provide me the professional courtesy of an email simply saying, "I Am Not Interested", and I will remove you from my prospective seller list.

If you aren't sure if you are interested, but curious, shoot me an email or give me a call and I will provide you with an all cash offer within 48 hours of your inquiry. I can assure you that my offer will be **below the Current "Fair Market Value"**, however, I will purchase the property, **"AS IS"**. Meaning, **you don't have to fix a thing**. I will buy it as it sits. **You don't need to clean it, paint it, fix that hole in the sheet rock, sweep the sidewalks, or mow the lawn. I will take it, AS IT SITS.** (mold, sagging roof, unruly tenant you can't evict, meth labs, major cosmetic challenges, old, major deferred maintenance, you live out of state? (All Fine, AS IS, means, AS IS!!)

Please send me an email either way, letting me know your desired direction to YOUR EMAIL HERE , or call me directly on my cell at YOUR PHONE NUMBER HERE.



The Trailer Park  
Yellow Letter

# MARKETING 101

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I am confident you will enjoy working with me and my company on the sale of this property. I look forward to hearing from you even if it is to simply say, “Go Pound Sand, I ain’t Selling”!!!

Thank you in Advance,

Lee Arnold



PS – I need to close on at least three properties this week, so please call me ASAP at YOUR PHONE NUMBER HERE if you need cash as quickly as I need good properties.

## #4 & #5 MULTIPLE HITS & MONTHS

- How often to mail:
- Include one or two of these areas in your marketing plan each month
- Break it up into 2 or 3 mailings, hitting one area each month, if there are a lot of names in one area
- Hit an area once a quarter, 4 times a year
- For more deals, hit them every 2 months
- For hot areas where a lot of houses are going into foreclosures, hit every month.
  - ✓ List of foreclosure zip codes
  - ✓ Select areas by mapping
- You want to keep your name in front of them
- Sometimes the first mailing doesn’t get a great response so consider hitting them every other month to get your name known to them
  - ✓ When your response rate goes up, hit quarterly

## #6 MONEY

You must be willing to spend money on your marketing! How much do you spend to get deals? Remember that one wholesale deal should get you \$5,000 to \$15,000 each and one flip should return 15%

# MARKETING 101

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to 20% of your final sales figure – so on a \$100,000 flip you should make \$20,000. So, what should you be spending?

- Target \$500- \$1,000 per month to start
- To fulfill the minimum of the Rule of 56:
  - ✓ 100 to 125 pieces of mail a month
  - ✓ \$49 to \$61.25.



## Benefits of Direct Mail

### Cost Effective

- Allows you to hit ideal prospects multiple times so you hit the right person at the right time
- The market is a moving parade
- Circumstances change with time
- Creates more credibility than a single hit
- Increase in response after 4 or 5 hits
- Creates trickle in response
- Marketing pieces will hang around
- Creates future response potential



### Controllable

- Turn direct mail on or off based on:
  - ✓ Your capacity to handle the leads
  - ✓ Your goals
- You can choose mail drop dates
- Expand a successful test so that you mail more of what's working best
- Drop bad tests and redirect efforts for maximum results

### Scalable

- Stay small if needed
- As you develop people, processes and systems

# MARKETING 101

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- As you move away from another business or career
- Increase as desired
- Quickly crank up as needed
- Limited only by
  - ✓ Your capacity to handle the leads
  - ✓ The geographic farm areas you select

## **Focused & Targeted**

### **Attract Better Deals**

“I can buy all the houses I want but can’t sell them”

- If it is hard to sell or occupy then it’s not a deal
- Target more saleable properties
- Buy with better price and terms

### **Reduced Waste**

Hit homeowners that meet your criteria

- Avoid non-owners of real estate

### **Avoid Unqualified Properties**

- Deselect property types
- Stay only in geographic areas you want to own in or flip houses.



## **Stealth**

- Competitors will not know what you are doing
- Ads may bring leads from a competitive environment
- Few people will ever know how much you are mailing

## **Easy to Personalize**

- Always increases response
- Grabs more attention

## **Less Competition**

- Unlike classified ads or yellow pages
- Unlikely anyone else will hit the same list at the same time

# MARKETING 101

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- Typically, too much work for other investors

## Reliable

- You can expect first class mail to be delivered unlike managing contractors to post flyers or signs

## Direct Mail Marketing Campaigns

Now that you know the benefits of direct mail marketing, (read above) here are some lists that you can use for your mailings.



## Seller Campaigns

1. **Out of State Owner High Equity** – This is the list you were instructed to pull during the first call/webinar. Targets current rental inventory in your area owned by an out-of-state owner.
2. **Free and Clear** - This list targets home owners who have been a long-time resident at their house and are also over a certain age (ex. 50+ years old).
3. **Out of Area** - This list targets home owners that have a different mailing address from the property address.
4. **Expired Listings** - You must have access to the MLS and be able to get expired listings in spreadsheet format.
5. **Geographic** - This list is targeted just by location (County, City, Zip Code).
6. **60-90 Day Lates** - This is a Monthly Mailing and goes out on approximately the 10th day of each month. Additions or cancellations to this campaign **MUST** be received on or before the 1st day of each month for the current month.
7. **Pre-Foreclosure 21** - The following states will use the 21-day Pre-Foreclosure Mail Delivery Cycle: Texas
8. **Pre-Foreclosure 30** - The following states will use the 30-day Pre-Foreclosure Mail Delivery Cycle: Georgia



## MARKETING 101

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9. **Pre-Foreclosure 45** - The following states will use the 45-day Pre-Foreclosure Mail Delivery Cycle: District of Columbia, Maryland, Missouri, Rhode Island, Tennessee, Virginia, West Virginia, Wisconsin, Wyoming
10. **Pre-Foreclosure 90** - The following states will use the 90-day Pre-Foreclosure Mail Delivery Cycle: Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Massachusetts, Michigan, Mississippi, New Hampshire, North Carolina, South Dakota
11. **Pre-Foreclosure 120** - The following states will use the 120-day Pre-Foreclosure Mail Delivery Cycle: Florida, Idaho, Iowa, Minnesota, Nebraska, Nevada, North Dakota, Oregon, Utah, Washington
12. **Pre-Foreclosure 180** - The following states will use the 180-day Pre-Foreclosure Mail Delivery Cycle: Colorado, Delaware, Hawaii, Indiana, Kansas, Kentucky, Louisiana, Maine, Montana, New Jersey, New Mexico, Ohio, Oklahoma, South Carolina, Vermont
13. **Pre-Foreclosure 365** - The following states will use the 365-day Pre-Foreclosure Mail Delivery Cycle: Illinois, New York, Pennsylvania
14. **\*BK Chapter 13 Aged Filings** - Mail goes out every 30 days. Chapter 13 Bankruptcy's filed 3-9 months ago with a confirmed home
15. **\*BK Chapter 13 Recently Dismissed** - Mail goes out every 14 days.
16. **Adjustable Rate Mortgages with Equity**
17. **Multi-Family with Equity**
18. **Wholesale Properties**
19. **\*Probate**
20. **\*Divorce**
21. **\*Taxes**
22. **\*Ordinance/code violations**
23. **Notice of Default**
24. **\*Notice of Trustee Sale**
25. **\*Bankruptcy**







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# CALLING RESOURCES

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# CALLING RESOURCES

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## **TextBetter – TextBetter.com**

TextBetter allows you to send & receive text messages via business email by simply pairing your landline number with your email address. It works with your existing contact information, by simply pairing your landline number with your email address. The entire process takes just a few minutes, and there is nothing to download or install. Once done, you'll send, receive & manage texts directly from your email inbox.

### **Steps to Sending Text From your Landline**

1. Open a new email using the email account paired with your landline telephone number. In the “To” field add the recipients 11-digit mobile phone number followed by @textbetter.com:  
  
[1] + [area code] + [mobile number] @textbetter.com.
2. Skip the subject line. It will not be included in your message.
3. Type your message and send. Remember, only the first 306 characters will be sent.

### **Receiving Text Messages from Your Landline Telephone Number**

Text messages sent to your text enabled landline will appear in your email inbox.

For more information on using TextBetter, download their user guide here: <https://textbetter.com/wp-content/uploads/2020/08/User-Guide-Aug-2020.pdf>



# CALLING RESOURCES

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## **Lead Sherpa – Leadsherpa.com**

Lead Sherpa is a text marketing platform for real estate investors that lets you send text messages directly to motivated sellers. If you are an experienced investor, who is already doing a few deals, then you should consider adding this tool to your motivated seller marketing.

The first step to sending text messages to sellers is acquiring a motivated seller list (for example an absentee owner, tax delinquent or foreclosure list). Once you have a list, the next step is to skip trace this list in order to get mobile phone numbers. You can run the skip trace with any skip tracing service, or you can run a skip trace directly inside your Lead Sherpa account.

Once you have your list skip traced, you add this list to a “campaign” inside your account. You can separate these campaigns by type of lists, by area code, or any other sort criteria that you want to use. Once you have a campaign set up, you can start marketing to potential sellers by sending text message to their cell phones.

Keep in mind that if you are going to start sending text messages, not everyone will be thrilled to get a text message from you. However, if you have a good list, you will get a reasonably good response rate. Response rates as high as 15% to 20% are not unusual and while most of those people texting back are not interested in selling their house, **SOME OF THEM ARE!** Multiple tests have shown one seller lead for every 200 text messages that are sent out.

This is a very unique and cost-effective way of reaching motivated sellers. It’s has proven to be a very effective way to reach a lot of potential sellers without spending thousands of dollars.



# CALLING RESOURCES

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## **Mojo Dialer – Mojosells.com**

Mojo is a premium Dialing System and Lead Generation platform that helps motivated salespeople quickly and efficiently target leads and make calls, while also taking advantage of full lead management. With its unique dialing system, Mojo is considered the industry's leading power dialer and lead generation services with a huge customer base!

To use the Mojo Power Dialer, you make one outbound call from any reliable phone into the Mojo platform. Once connected, the system begins dialing the numbers in your list. When a lead answers you hear them immediately because you are on an open line through the session.

You will control the progress through the list with the Power Dialer interface on the website that tells the dialer servers what phone numbers to dial next. You won't even hear the ringing making long prospecting sessions much more pleasant. Numbers that ring busy, are disconnected or don't get picked up, roll over to the next number automatically without manual input and when you run into an answering machine you will be able to drop pre-recorded messages saving you a ton of time!

To use Mojo, you will need a PC with any version of Windows from XP to 10, or a Mac running OS 10.05 or higher, and a minimum 2GB of Ram. To have the best possible experience using Mojo, make sure you are using the most current version of Google Chrome, Firefox or Safari. Mojo will NOT work on Internet Explorer. You will need a reliable high-speed Internet connection (WIFI or cable) to log in to the website.

Lastly you will need a reliable third-party phone source to call into the dialing system. This can be a land line phone, a mobile phone or even a VoIP line (Quality may vary using a VoIP service.).





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# MAKING CALLS

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## MAKING CALLS

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### Dialing for Dollars

Talking with people is a critical part of being a real estate investor. Your success is dependent on your ability to effectively communicate to your prospects and convert them to clients. You must be able to engage them in conversation, assess their needs and offer ways that you can meet their needs. You are now in sales. You must learn to approach your prospects as a salesman would. You must sell yourself and sell what you have to offer to the prospect.

### **Receiving Calls**

When someone responds to your marketing letter do not make a quick, uneducated offer. This is the worst thing you can do. You cannot write a good offer before researching the underlying title of the property itself. You must know what is owed so that you will know how to structure the offer. We will talk more about this later.

The first thing you need to do when you answer a marketing response call is to get them talking. You want to assess their pain points. This is the purpose of the initial phone call. Why did they open the letter? Why did they send you an email? Why did they call you? Why did they choose to respond? There must be a reason. What is the pain point that prompted their response? Your first rules of phone solicitation are to identify the pain. Just like a doctor who runs test on you to assess pain points, you must assess the pain point of the caller.

At this stage in the game you are simply collecting information about their need so that you can formulate a way to meet that need later. Remember, it takes an average of 6



## MAKING CALLS

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touches to complete a sale. This is just touch number one! Let them talk. Ask some probing questions. Build rapport.

Early on verify their phone number - a great reason to have caller ID! If possible verify their other contact info as well before you ask for anything else. This is key for your follow up! Even if the call goes sideways and ends abruptly that does not mean this contact is dead. You can still follow up a month from now or 3 months from now if you have a working phone number. Having a working email address means you can continue to market to them through your CRM (more about this later) using your “drip system marketing” strategy. Keep things in perspective. Remember, 30 calls should lead to 10 qualified leads which should lead to 1 deal.

### Calling your List

*Remember that SendFuse will do the COLD CALLING for you!*

Make sure you have scheduled 60 to 90 minutes a day to call your list! It is great when prospects call you directly from your marketing piece, but you cannot wait on all of them to call. You must be proactive, pick up the phone and make all the calls you can.



The whole purpose of a mail campaign and out bound calls is to separate prospects and suspects. You want to eliminate bad numbers, time wasters, disconnects, tire kickers, looky-loos and those who say, “take me off of the list.” Eradicate all these people from your list who you cannot or do not want to continue a relationship with.

If you are concerned about the “Do not Call Registry,” don’t be. You are not a registered telemarketing company. This means you do not need to worry about purging your list via the “Do not Call Registry” prior to calling. There is a string of code in the law that says if you are an individual

## MAKING CALLS

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entrepreneur working and conducting business on behalf of yourself then all you need to do is stop calling people when they say take me off the list or if they mention they are on the “Do not Call List.” It is that simple, just take them off your list. The only time you need worry about the “Do not Call List” is if you start calling them after they have told you to take them off of your list or after they tell you they are on the “Do not Call List.” At this point you are in violation of the law.

Afraid of rejection? Don't be. Often what seems like rejection is not rejection at all. It is just a request for more information. It's your prospect saying, “I don't have enough information to make a decision right now. I need to know more.”

Don't let phone fear freak you out. Don't allow your mind to play the “what if” scenarios. You may feel as if you are not adequately prepared or equipped yet to be making calls. Do not worry. You do not need all the details about a property before talking with the owner. If you think you do, you will just be wasting countless hours researching properties of home owners you may not have the opportunity to talk to.

Has it sunk in yet?!? You do not need to know everything to start making phone calls. When you get stumped – the prospect has questions that you do not have answers for, just say: “That is a great question! Rather than give you information that may or not be the correct, let me do some research and I will call you back. I can speak with you again on \_\_\_\_\_ (pick two different days and times to offer them), which of these works for you?”

*A Rejection is  
nothing more than  
a necessary step in  
the pursuit of  
success.*

*- Bo Bennett*

Presto! You have just established yourself as someone on their side who is willing to go out of your way to make sure you

## MAKING CALLS

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have all the right answers. You have also very cleverly set the next appointment which is exactly what you need to have happen next. Remember 6 touches? So not knowing all the answers turns out to be a good thing.

In the section above called “Receiving Calls,” It was stated that you should be spend time asking questions of your prospect to determine what their needs are. The same applies here. Once this has happened you want to let them know how you can fill those needs and what benefits they will receive by working with you. Sometimes it is enough at this point to simply say, “I can help you with that. Let me do some research and I can call you back. I can speak to you again on \_\_\_\_\_.” Remember it is not about what you want to say but about what they need to hear.

It is a lot like having a verbal dance with people or even flirting. You are just trying to get a relationship going. Stay positive. Keep upbeat during your meeting. Stay in the lead. Even if the conversation goes nowhere, handling things in a professional and positive manner can keep you on the forefront of your prospect’s mind for when their situation changes. This is important because it is not uncommon for an investor to get 30-40% of their deals from follow-ups months later after the initial contact.



Energy and enthusiasm are critical while you are on the phone. Stand up while you are on the phone! It will make a difference in your voice and how you talk! In a phone conversation, the tone of your voice has a far greater impact than the words that you say. Did you hear that? **How you say it, means more than what you say!**

Build rapport. Find things that you have in common and talk about those things. Establishing rapport builds a connected. Do not attempt to do this at the beginning of the phone call. If you do it will come across as insincere. Rapport is

## MAKING CALLS

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built throughout the conversation as you discuss the property and even over several conversations. Create mental and visual pictures for them by talking about points of geography surrounding the property or other areas you have in common. It will make it much harder to reject you if they feel connected.

At the end of each call stop, analyze and improve. Not the calls where no one answered or the ones where they hung up on you. We are talking about the calls where you had a conversation with someone. Analyze the results.

Did you do a good job? Did you verify contact information? Did you build rapport? What key needs did the prospect have and did you meet them? Did you set a follow up meeting? What could you have done differently? Whenever you finish a meeting, whether in person or on the phone, analyze the experience and take notes. Write it down for next time. Learn from each encounter and constantly be improving your skills.



### **10 Fears You Are Working to Over Come During Your Call**

1. You
2. Making a mistake
3. Lied to
4. Incurring debt
5. Losing face
6. Unknown
7. Bad past experience
8. Prejudge
9. 3rd party info
10. Negative word picture

## MAKING CALLS

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### 8 Words to Avoid in All of Your Conversations

1. Price - total investment
2. Down payment - initial investment or amount
3. monthly PMT - Monthly Investment or amount
4. Contract - Paperwork or Agreement
5. Buy - Own
6. Sell or sold - get them involved or Helped to inquire
7. Deal - Opportunity or Transaction
8. Sign here - Ok it, Approval, Authorization, Endorse it

\*\*\*\*\*

### Sample Phone Script

#### Introduction

Let me begin by thanking you for the time we are going to share. I hope we can consider this meeting somewhat exploratory. I'm following up about two different yellow letters we sent you regarding the property located at \_\_\_\_\_ (Address).

I'd like to analyze your needs and just get a feel of what you're looking for. Oh (pause) by the way...I don't think we should be in a hurry.

#### Presentation (must build rapport)

##### Who are we?

I work with Lee Arnold and we have been in the real estate business for 20+ years.

I could have worked for anyone in the industry, but I chose to work for Lee Arnold because after extensive research I strongly believe in our product...not only our product, but our long term relationships with our clients.

I would like to show you all the benefits of our company... (show stability) what we have done!





# MAKING CALLS

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- We work with homeowners, on their timetable to get them cash for their property.
- We take care of all the details needed.
- We have experience working with cities and utility companies to take care of pressing needs.
- We clean up and fix properties once we acquire them.
- We clean up neighborhoods and find good families who will show pride of ownership in their property.
- Our goal is a win, win, win scenario for all involved.

Mr./Mrs. \_\_\_\_\_, performance speaks for itself!

I would like to set a time to speak with you further about your property. Does \_\_\_\_\_ or \_\_\_\_\_ work for you?

\*\*\*\*\*

## Alternate Sample (Post Mail) Phone Script

Hi, is Mr. or Mrs. \_\_\_\_\_ available? ...My name is \_\_\_\_\_ from \_\_\_\_\_ (your business name) and I'm following up about two different yellow letters we sent you regarding the property located at \_\_\_\_\_ (Address). Have you ever considered selling this property?

### If Voicemail:

My name is \_\_\_\_\_ from \_\_\_\_\_ (your business name) and I'm following up about two different yellow letters we sent you regarding the property located at \_\_\_\_\_ (Address). My Firm is interested in purchasing your property for all cash and we can close in as little as 72 hours. Please call me directly on my cell at \_\_\_\_\_. Again, \_\_\_\_\_ (your business name) @ \_\_\_\_\_ (your number). (Hang up)



# MAKING CALLS

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## **If yes:**

- Ok, great...what can you tell me about this property?
- How long have you owned it?
- Is it vacant or occupied?
- If occupied – can you tell me about your tenants?
- If vacant – how long has it been vacant?
- What is your email address, so I can send you my offer?
- Can we schedule an appointment for \_\_\_\_\_ (choose a date and time according to what your schedule will allow) to view the property?
- What is your cell phone number in case I am delayed?

## **If no:**

I am a real estate investor, I buy and sell properties and I am interested in any properties you may know about in your area. Do you know of anyone selling a property? (GET NAME & NUMBER)

## **Option to help you collect email addresses:**

I routinely send out pertinent information concerning property values and real estate trends to home owners in your area. With your email address I can make sure you receive this valuable information at no cost. Your email address is? (If you are going to use this then make sure you have a monthly or bi-monthly newsletter that you send out as part of your marketing efforts.)

\*\*\*\*\*

## **Outbound Cold Calling Script**

### **Opening**

Hi, this is (NAME) with (COMPANY) I'm a local investor and I'm looking to buy a property in the area. I know this is a shot in the dark ... I'm not sure if I even have the right number, but do you happen to have a property to sell?



## MAKING CALLS

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If "**yes**": Move right into collecting info and going into your normal scripting.

If "**no**": Are you sure ... it'll just take a few minutes and then if you're ever ready to sell you would know exactly what we would pay.

- Sounds good - Do you have about 5 minutes so I can ask you some questions about your property?
- Ok, great ... after that I'll let you know what your options are and you can just let me know what you'd like to do.

### **Contact Information**

- May I have your full name, and the address of the property please?
- What's the best phone number for you?
- Where would you like us to email our contact information to?

### **Property Condition (Use the property Intake Form)**

Now I'm going to run through some quick questions about the property.

- What's the general condition of the house?
- Are there any major or minor repairs you haven't mentioned that need to be done?
- How long have you owned the property?
- Is anyone living in the property right now?
- \*\*\***If it's a rental property**, ask "how much does it typically rent for?"

## MAKING CALLS

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- How many bedrooms and bathrooms?
- What's the condition of the roof and windows?
- Have the kitchens or bathrooms been updated within the last 3 years?
- Does the property have any special features?
- Is the property currently listed with a realtor?
- \*\*\***If yes**, "can I get the contact information for your realtor?"
- Is there anything else you think I should know about the property?

### *If My Phone Could Talk...*



THE  
**LeeArnold**  
SYSTEM OF REAL ESTATE INVESTING

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# DOING RESEARCH

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## DOING RESEARCH

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### Due Diligence:

Once you find a potential property, you need to do your due diligence and get the most updated information you can in the least amount of time. We have a process that we follow, and we want you to follow the same process. Below is what you need to do when researching a property:



1. **Google:** To find the most up to date information about the subject property turn to Google. Enter the address of the subject property in your browser and see what comes up. Google pulls information from all sources online and aggregates it or puts the information in one place for anyone to view. For instance, if you were researching a property and you

“googled” it you would find all the recent information on the subject property on the first page of Google.

Most important in this step is to determine if there is negative information about the subject property. It would be helpful to know if there was a major crime committed on the premises of the subject property. Google is always the first place to begin your search when doing your due diligence.

2. **Zillow:** This is the next step in the process of researching the property. The objective in this step is to determine what most properties in the area are valued. Zillow is helpful when obtaining comparable home values and recent home sales numbers. Zillow will give a value called a “Zestimate” based on what Zillow’s algorithm thinks the property is worth.



According to Zillow’s website “the Zestimate is a starting point and does not consider all the market intricacies that can determine the actual price a house will sell for.” Meaning, the value may not be accurate and will not replace



## DOING RESEARCH

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an appraisal. There has not been an inspection conducted of the property, and as such the “Zestimate” is a computer-generated estimate given the available data on said property. For more information visit [zillow.com/](http://zillow.com/)

### **3. Title Report Through SendFuse**

The most important step in the process is to determine if there is equity in the subject property. This is accomplished through obtaining a title report which is ordered through Sendfuse. Sendfuse is a text driven system that makes the Rule of 56 automated! Here is how you do it.

- Text the following command to your SendFuse phone number - **“Title report for \_\_\_\_\_ (put in address)”** or just **“Title for \_\_\_\_\_ (put in address)”**. A partial address is usually acceptable. Your assistant will conduct a dynamic search and respond with a complete address for you to verify.
- Respond to your assistant with a yes or no.
  - A **“yes”** will immediately initiate a title report search on the property. A PDF title report will be sent to your email address on file, usually in under a minute. A text from your assistant will notify you upon completion.
  - A **“no”** response from you will result in your assistant asking you to verify the information you submitted so that it can try again.
- It is that simple. Title reports are now just a text away!



If there is equity in the subject property, we will move forward and pursue the homeowner to do business.

With a title report we want to obtain a complete transaction history. We call this the “debt stack”. This is the record of how many loans have been placed against the subject property. We also can obtain other details such as comparable homes, and a map of the homes that surround the subject property.





## DOING RESEARCH

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By far the most information is the name and the address of the owner of the subject property. Please note if the address of the owner and the address of the subject property match. If not, this means that the owner of the subject property is not living in the subject property.

### **4. Finding Phone Number of Homeowner**

#### **SendFuse**

The last step in the process is to track the phone number of the owner of the subject property. SendFuse has a feature allowing you to skip trace the name and the number of the homeowner. Here are the steps to obtaining the needed information through the test feature of SendFuse.

- Text “**skip trace**” (insert address)
- Sendfuse will ask you “**is address** (inserted address) **correct?**” “Respond with ‘**yes**’ and we will check the information”
- Respond appropriately, “**yes**” or “**no.**”
- Here’s the response from Sendfuse “**We will research the number to skip trace for this address, get back to you soon.**”
- When SendFuse finds the phone number you will receive a text response. The text will include an option to have SendFuse **COLD CALL** the number! “**Great!** (inserted address) **has been skip traced. The number is** (phone Number). **Do you want SendFuse to attempt to contact the owner, respond ‘yes’ or ‘no’**” This number will also be accessible from your SendFuse Dashboard.

SendFuse will also allow you to upload a list of homeowners in the skiptrace section of the dashboard. Here you can order skiptracing on the whole list all at once!



#### **BatchSkiptracing.com**

BatchSkiptracing.com is an online resource that we often still use to skiptrace a list of homeowners. The benefits of using BatchSkiptracing.com is that it will deliver up to 10 phone numbers per homeowner and even provide potential email address if they can be found.



## Property Intake Form

Lead Source: \_\_\_\_\_

### Owner Information:

Property Owners Name: \_\_\_\_\_ Date: \_\_\_\_\_

Phone #: \_\_\_\_\_ Cell #: \_\_\_\_\_ E-mail: \_\_\_\_\_

### Property Information:

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Ever listed? Yes No      How Long? \_\_\_\_\_ Expired Date: \_\_\_\_\_

Price: \$ \_\_\_\_\_ Canceled? Y N

**Owner occupied:** Y N    **If no, is it rented:** Y N    **Mo Rent:** \$ \_\_\_\_\_

**Lease Termination Date:** \_\_\_\_\_

**Property Style:** Ranch, 2-Story, BiLvl, TriLvl, Stick-Built, Modular, Mobile

**# Beds:** \_\_\_\_\_ **# Baths:** \_\_\_\_\_    **Garage:** # of Cars \_\_\_\_\_ Attached, Detached

**Rooms:** Fam, Rec, Den, Office, Dine, Loft, Sun,    **OutBldg:** Shed, Barn, Dog Pen

**Heating:** FAG, FAE, WoodStv, FirePlc, Solar, ElecBaseboard, \_\_\_\_\_

**A/C:** None, Central, Windows,

**Hot Water:** Installation Date \_\_\_\_\_ Tank, On Demand, NGas, Electric

**Basement Type:** None, Crawl, Partial, WlkOut, Full    **Finishing:** Unf, Partial, Full

Main SF \_\_\_\_\_ Bsmt SF \_\_\_\_\_ Other SF \_\_\_\_\_ Total SF \_\_\_\_\_ Lot Size \_\_\_\_\_

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**Seller's estimated Cost of Rehab or Repairs:** \$ \_\_\_\_\_

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# FINDING WHOLESALERS

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## How Wholesaling Real Estate Works

Wholesaling is a simple concept based on buying and selling houses quickly. A wholesaler will either buy houses or get them under contract well below market value and then sell the houses to another investor with a profit built in. The key to be a successful wholesaler is finding great deals and having great buyers. The most successful wholesalers tend to use direct mail to find sellers and have a huge list of cash buyers who are looking for great deals.



A good wholesaler will have multiple strategies that they use to find motivated sellers. The wholesaler will negotiate a price with the seller knowing what his buyers will pay. The wholesaler will use a contract that can be assigned and then collect an assignment fee at closing. Real estate agents are usually not involved. The difference between what the wholesaler agreed to pay the seller and what the investor/end buyer agrees to buy the property for is what the wholesaler makes. Wholesalers may make a few thousand dollars per deal or much more. Wholesale deals netting \$50,000 to \$100,000 are not unheard of.

When a wholesaler cannot assign a contract for one reason or another, a double closing may be needed. A double close is when the title company will use the end investors cash to purchase the home from the original seller. This can be tricky, but if done right the wholesaler will never use his own money.

As a last resort, the wholesaler may have to take title to the property (purchase it) prior to wholesaling it. In situations like this there will be cost to the wholesaler that must be factored into the deal. Costs of capital, closing costs,

## FINDING WHOLESALERS

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and holding costs should all be considered when calculating the buying and selling price for the property.

### Buying From A Wholesaler

When a real estate investor buys a house from a wholesaler it is much different from buying a house from the MLS. In an assignment deal the wholesaler has already negotiated the purchase and sales agreement with the seller and you will have very little room to adjust this contract.



Wholesale properties are not advertised on the MLS, because most wholesalers are not real estate agents. They also do not want to pay real estate commissions. The wholesaler will find as many investors who may want to buy their properties and let them know whenever they have a deal.

The wholesaler will usually send an e-mail to all their investors listing the price, repairs needed, terms, and what they think the house is worth. You should **NEVER** trust these numbers, and always verify everything yourself. The wholesaler compiles a list of investors who are interested in the property and may try to encourage a bidding war. As with all real estate purchases, know what your MAO is and stick to it!

Every wholesaler does business a little differently, so how they decide what investor gets the house can vary. In some cases, the first investor who says they want the house for the asking price will get it. Some wholesalers will use online forms to submit a contract and the highest offer gets the deal. If there are not enough investors who want the deal, the wholesaler may negotiate their fee or try to get the seller to come down in price.

You cannot be timid and wait for the wholesaler to talk to you or finish talking to other investors. If you want it, tell them right away.

# FINDING WHOLESALERS

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## Finding A Great Wholesaler

There are many ways to find wholesalers. Some will be more effective than others depending on where you live. Here are some options to try:

### **Real Estate Investor Meet-Ups:**

Most areas of the country have real estate investors meetups and they can be a great place to network. This is a haven for newbies so be cautious and vet anyone who claims to be a wholesaler.



**Search online:** Many wholesalers have websites set up for investors looking to buy deals. You can search online for wholesalers in your area.



**Ask around:** Some of the best ways to find wholesalers is to network with other investors, but they may not be keen to giving you their source of deals. Besides investors, ask real estate agents, title companies and other people in the business. Many wholesalers will e-mail real estate agents to find buyers.

**Look for marketing by wholesalers:** If a wholesaler is marketing, you know they are at least trying to find deals. Instead of looking for wholesalers, look for their marketing. Look for:

- bandit signs,
- billboards,
- Craigslist ads,
- Facebook posts,

## FINDING WHOLESALERS

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When you find the wholesalers marketing, call the number. Most wholesalers market by advertising they will buy houses fast for cash. Tell them you don't want to sell your house, but you want to be on their buyer's list.

If you receive a letter from someone wanting to buy your house, do not throw it away. Call them back and tell them you are a buyer.

### **Practical Application – Let's Find Some Wholesalers!**

During this activity we are going to find some wholesalers. Get out your computer and start with a simple google search of the area you are interested in. Start with, "real estate wholesale – *your city, state.*" Try other search terms as well. Once you find a number call it and see what you can find out!



Next check out Craigslist. Look for the, "We Buy Houses Ads." Again, once you find a number, call it! Take notes on each of your calls and make sure you get your name on some mailing lists, so you can get the information mailed to you.

















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# PRE-FORECLOSURE /AUCTION LIST

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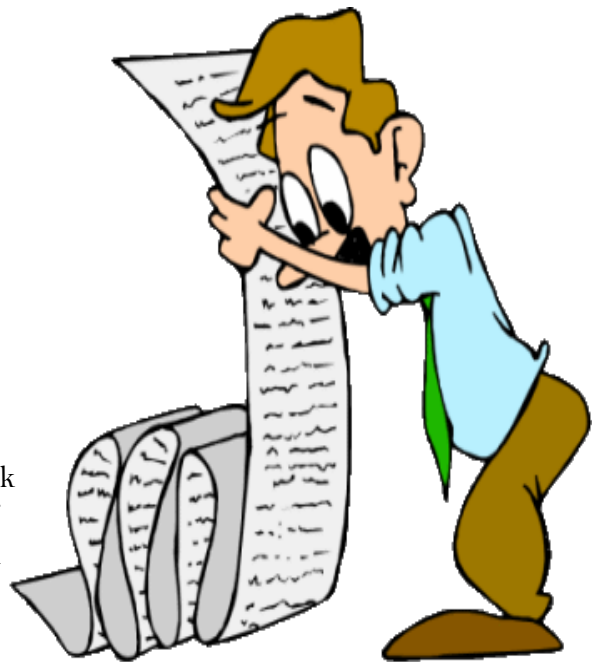
## PRE-FORECLOSURE/AUCTION LIST

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### **Pulling Your List**

The first thing you must realize about working an auction list is that no one source of auction properties is adequate. There is no one-stop-shop for finding all the properties that are going to auction. If you want it to be complete, you will need to aggregate the list yourself from multiple sources. This takes some time, energy and a little bit of skill but it will be worth it in the end. Remember, the harder it is to find the property and/or the information about it, the less competition you will have and the more valuable it will be.

Start off by getting yourself on as many foreclosure/auction email lists as you can find. Sign up at [Foreclosure.com](http://Foreclosure.com), [auction.com](http://auction.com), and [Zillow.com](http://Zillow.com). Each of these sites will email you the status of foreclosures in your area on a daily or weekly basis. Don't forget to google search, "foreclosure Properties Your city." Look for a few local sites that you can get emails from as well. Arnold Professional Holdings utilizes a local foreclosure listing service called [countyrecordsresearch.com](http://countyrecordsresearch.com). They work in WA, OR, CA, NV, and AZ. Some of the foreclosure listing services you find may be on a fee basis. This is the case with [countyrecordsresearch.com](http://countyrecordsresearch.com). You will need determine if the ROI on the investment justifies the expense.



Another source of foreclosure leads is to develop a relationship with a title company and request a Foreclosure list. We work with First American Title Company. Remember,

## PRE-FORECLOSURE/AUCTION LIST

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“Free dessert?” – You do not get what you do not ask for. Make sure that you find the right department and then clarify that you are requesting a list that has properties going into Foreclosure in the next five to six months. This source may also require a fee. Attempt to negotiate it down and then pay it! To a serious investor this is just the cost of doing business. You should get a substantial ROI on this cost.

In non-judicial foreclosure states it makes sense to build relationships with your local Foreclosure trustees. Depending on the size of your county, there will be a half dozen or more trustees that conduct most of the foreclosures in your area. Many will have websites where you can track foreclosure information. The trustee has a vested interest in helping you get information about upcoming auctions. More people interested in the properties and attending the auction means higher sales.

### **Sheriff's Sale**



In a judicial foreclosure, the process of foreclosure will go through the court system and eventually end up in what is called a Sheriff's Sale. This is like a trustee foreclosure but can take much longer to complete.

The term “Sheriff's Sale” also encompasses tax auctions. In either case you will want to know ahead of time what will be going to auction so you can do your due diligence.

You can go to a couple of places to view a list of the properties that will be auctioned off at the next sheriff's sale. Many sheriff's offices have websites where you can view the upcoming sales online. You can also get a list of the properties to be auctioned off by physically going to your local sheriff's office.

## PRE-FORECLOSURE/AUCTION LIST

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Properties available for purchase are also usually advertised in the local newspaper as much as a month before the actual sale date. Your local sheriff's office can tell you which newspapers will carry the notice.

Each property will usually include a docket number, a sheriff's department number, or a court case number. It will name the plaintiff in the foreclosure action and the defendant. It will include the property address and a description of the property, as well as the minimum bid amount.

### **Beware of Phony or Incomplete Lists**

As your search for foreclosure information, beware of individuals or websites that sound too good to be true. It is not uncommon to find list brokers that will sell an old list repeatedly promising more than they can ever deliver. The information is old and may be incomplete. Look for reputable sources before you break out the credit card. Beware of the one stop list for all you real estate investor needs. It does not exist!

### **Organizing the List**

Once you have found the sources for your list information, you will want to organize that information into a usable tool – a list. Your goal is to maximize your efficiency in utilizing the list. Start off by organizing each property on a different excel spreadsheet tab based on date of auction. You should track this carefully. As the date for the auction gets closer and closer the home owners need to do something becomes more urgent. This becomes your best opportunity to work and equity deal. The owner is strongly motivated to make a deal.

A screenshot of an Excel spreadsheet with multiple columns and rows of data. The columns appear to contain property addresses, dates, and other numerical or categorical information. The spreadsheet is organized into several tabs, with the current tab displaying a list of data points.

## PRE-FORECLOSURE/AUCTION LIST

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Use the Auction Spreadsheet template to gather and organize your information. You should find a printed sample in this student book as well as a digital copy in your Lee's Inner Circle 3.0 back office.

### Working the List

There are at least four ways to work an auction list and make money at it. The first three ways require little to no money upfront which is very appealing to the typical real estate investor.

#### **Buy at The Auction as A Wholesale**

This first method to make money from your auction list is to buy a property at the auction as a wholesale. To accomplish this, you must first track the deals as if you are planning to bid on the property.

Do all your due diligence up front as you would normally do. Make sure you calculate a firm maximum bid price on all the properties you would be interested in bidding on. Now you are ready to attend the auction.



With your maximum bid prices in hand, a printed blank purchase and sales agreement, and a small amount of cash to use as consideration, attend the auction and pay attention to the amount of the winning bids of each of the properties you are interested in. When one of your target properties sells for less than your maximum bid price, you jump into action and



## PRE-FORECLOSURE/AUCTION LIST

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negotiate a wholesale with the investor who won the bid. Your conversation should go something like this:

Congratulation on the purchase of that property. How would you like to make a quick 5 grand in 5 minutes on your investment? You do not have to do anything to the property except enjoy the cash you get from it. I have a purchase and sales agreement right here that we can fill out and sign around. I also have \$100 cash in my pocket I can give you right now as earnest money and I will have escrow opened on the property as soon as the title company opens on Monday.

In this transaction, make sure you document the receipt of cash with a picture of the seller receiving the money. You will want to get your purchase and sales agreement to your title company as soon as possible so you can move forward with the purchase. Get your financing in place and get the deal done.

### **Equity Deals**

The equity deal strategy also requires you to track the property as if you were going to bid on it at auction. Do all your due diligence up front as you would normally do. Again, make sure you calculate a firm maximum bid price on all the properties you would be interested in bidding on. Now make special note of those properties that have high equity. This gives you room to negotiate with the owner BEFORE it goes to auction.



When you find a property with high equity make sure your research includes finding a phone number for the owner. Once you have this, start calling. Your goal is to negotiate a sale of

## PRE-FORECLOSURE/AUCTION LIST

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the property with the home owner before it goes to foreclosure auction. This can be done face to face by knocking on there door or make the call now that you have their phone number.

A sample dialog might sound like this:

**Homeowner:** Hello.

**Investor:** Good afternoon, may I please speak with Joseph?

**Homeowner:** This is Joseph.

**Investor:** Hi Joseph, my name is \_\_\_\_\_. I'm following up on a pending code compliance violation (or nuisance abatement order or ...) against the property at \_\_\_\_\_.

**Homeowner:** Yeah, well we've taken care of it.

No, we're not interested. (Or any other excuse you might hear.)

**Investor:** You're not interested in removing the Legal action (foreclosure...) against you and your property, avoiding foreclosure and/or bankruptcy, and being out from under the pending legal action that is currently against you?

**Homeowner:** No, not right now. (OR) How can you do that?

**Investor:** At least give me the opportunity to help. Now do you want to stay in your home, or possibly get some cash and relocate, and make the legal action go away?

**Homeowner:** Stay in my home! -or- I'm not sure. -or- I could use some cash.

**Investor:** Great – because I (or we) specialize in helping homeowners get what they need! We can negotiate with the

## PRE-FORECLOSURE/AUCTION LIST

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city as well as your lien holder, if needed, to make sure you do not need to deal with this anymore.

**Homeowner:** How do you make money off this?

**Investor:** That all depends on what solutions we find and what options you chose. Are you ready to move forward in getting this taken care of?

**Homeowner:** How does this all work?

**Investor:** Let's schedule a meeting so I can explain everything and tell you how we will be able to help you. I am available at 1:45pm on Wednesday or I can meet you later today at 3:00pm. What works best for you?

Remember, the goal is to negotiate a sale of the property under your maximum allow able offer (MAO). Once the purchase and sale agreement is signed you need to contact the bank and/or foreclosure trustee immediately to request a postponement of the sale. Let the bank know that you have a purchase and sale agreement in place on the property and will be bringing the loan current, all you need is for them to give you 45 days to make it all happen. Once they agree to the postponement get the purchase and sale agreement to your title company to open escrow, get your funding from COGO Capital and get it purchased.

### Overages

An overage happens when a property sells at auction above what is owed to the lien holder. These excess funds do not belong to the lien holder. They belong to the home owner however homeowners often do not know that the overage has taken place or that it belongs to them. The county is required to send one notification that the homeowner may be due the excess funds, but this notice goes to the last known address – the property that was foreclosed on. Former homeowners that are due this money rarely receive the notification.



## PRE-FORECLOSURE/AUCTION LIST

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To work the overage strategy, you must track a property that goes to foreclosure and know the reserve price as well as any other cost associated with the sale of the property. At the auction make note of what the property sells for. If there is significant overage you now have an opportunity to make 20 to 40% of the overage amount. This is the going rate for helping the former homeowner collect their overage.

Once you have identified the properties that have significant overage, it is time to get to work. You must track down the former homeowner. Use your skip tracing skills to find them. Upon contact explain to them who you are and that you can help them collect on a significant amount of money due them. Explain to them the going rate for your services, (set your rate somewhere between 20 and 40%). Make sure they understand that you will take care of all the paperwork and deal with all the governmental red tape needed for them to receive their money. All they need to do is authorize you to work on their behalf by signing your authorization agreement.

That's it. Once they sign you now have about 8-hours' worth of work ahead of you before you both get your payday. The county will have a process you must go through to claim the overage refund. Work through the process and you and your new client will be rewarded for your work.

### **Have Cash and Buy at The Auction**

The final strategy to profit from a real estate foreclosure auction is to show up with cash in your pocket and bid on properties. This requires you to do your due diligence prior to the auction. Research the properties. Find the ARV values. Calculate your maximum allowable bid and then stick to it at the auction.



## PRE-FORECLOSURE/AUCTION LIST

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Live foreclosure auctions are free to attend and open to the public to ensure that a home being foreclosed upon receives the highest possible recovery for the bank or lender *and* the smallest deficiency for the borrower. Anyone can attend; however, if you want to bid, you'll need to register. In most cases, you'll have to show that you're in possession of sufficient funds to pay for the property in full. (There are a few states that allow an auction day deposit and payment in full at a later date.)

Here are the basic steps for participating in a live foreclosure auction:

1. **Find and track foreclosure auctions.** As noted previously in this section you need to find the properties that are up for auction. Use multiple sources to make sure you find them all. If you only consult one or two sources you will most likely miss many diamonds in the rough.
2. **Do your research.** Be sure you read and understand all due diligence documents and transaction details prior to the auction.

Research the estimated market value of the property, how much the borrower owes on the mortgage, and whether there are any liens against the property. *This last point is especially important.* If you're the winning bidder, you may have to pay off these liens.



3. **Drive by the property.** This will let you see the home's condition. This is very important. Do not bid on a property you have not seen!

When you bid on a foreclosure, you're bidding on the property "as-is." Extra, unexpected repairs could cost you thousands of dollars, so take that into account when figuring out how much you can comfortably bid. There's

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a saying among investors that's a pretty good rule of thumb: "How it looks on the outside is what it's going to look like on the inside." In other words, an unkempt exterior indicates an unkempt interior, while a home with great curb appeal will probably look similar inside! That being said, look at the inside if the opportunity presents itself.

4. **Get your financing in order.** Most foreclosure auctions accept cash, bank money order or cashier's checks for payment. In nearly every state, you'll have to pay in full immediately following the auction of the property; a few states allow you to pay a percentage at auction and the rest within a certain timeframe.

County foreclosure auctions often require advance deposits. The deposit amount varies across municipalities, but generally runs from 5% to 10% of the expected final bid amount of the property.

5. **Confirm all auction details, even on the day of the auction.** It's very common for foreclosure auctions to be postponed or even cancelled. Sometimes an auction is cancelled because the borrower comes up with the money to pay the lender the amount they owed, obtains a loan modification or sells the property. Auctions might be postponed for a myriad of reasons; for example, the bank or lender might not be able to compile the proper documentation in time, or the owner might request more time to complete a short sale.

6. **Attend the auction and bid!** It is a great idea to attend the auction several times before you actually start to bid on the properties. Identify who the players are, get to know the criers and find out how things work. Now you should be ready to start bidding.













# FORECLOSURE TIMELINE

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## Foreclosure Process

(Visit [https://www.hud.gov/topics/avoiding\\_foreclosure/foreclosureprocess](https://www.hud.gov/topics/avoiding_foreclosure/foreclosureprocess) for more information on foreclosures and a link to specific foreclosure laws in your state.)

The foreclosure process differs from state to state. Differences range from the notices that must be posted or mailed, redemption periods, and the scheduling and notices issued regarding the auctioning of the property. In the paragraphs that follow, you will find an outline of what to expect and how the process works along with a general foreclosure timeline.

In general, mortgage companies start foreclosure processes about 3-6 months after the first missed mortgage payment. Late fees are charged after 10-15 days, however, most mortgage companies recognize that homeowners may be facing short-term financial hardships. Delinquent homeowners that stay in contact with their lender will usually find that the lending institution is willing to work out some of the problems that they may be having. Unfortunately, all too often, delinquent homeowners are embarrassed about what is happening and do not speak with their lending institution until it is too late. After 30 days, the borrower is in default, and the foreclosure process begins to accelerate.

Three types of foreclosures may be initiated at the 30-day delinquent mark: judicial, power of sale and strict foreclosure. All types of foreclosure require public notices to be issued and all parties to be notified regarding the proceedings. Once properties are sold through an auction, the former homeowner will have a small amount of time to move out before the sheriff can issue an eviction.

**Judicial Foreclosure.** All states allow this type of foreclosure, and some require it. The lender files suit with the judicial system, and the borrower will receive a note in the mail demanding payment. The borrower then has only 30-days to respond with a payment in order to

# FORECLOSURE TIMELINE

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avoid foreclosure. If a payment is not made after a certain time period, the mortgage property is then sold through an auction to the highest bidder, carried out by a local court or sheriff's office.

**Power of Sale.** This type of foreclosure, also known as **statutory foreclosure or non-judicial foreclosure**, is allowed by many states if the mortgage includes a power of sale clause. After a homeowner has defaulted on mortgage payments, the lender sends out notices demanding payments. Once an established waiting period has passed, the mortgage company, rather than local courts or sheriff's office, carries out a public auction. Non-judicial foreclosure auctions are often more expedient, though they may be subject to judicial review to ensure the legality of the proceedings.

**Strict Foreclosure.** A small number of states allow this type of foreclosure. In strict foreclosure proceedings, the lender files a lawsuit on the homeowner that has defaulted. If the borrower cannot pay the mortgage within a specific timeline ordered by the court, the property goes directly back to the mortgage holder. Generally, strict foreclosures take place only when the debt amount is greater than the value of the property.

## **Foreclosure Timeline - varies by state.**

The foreclosure process begins once a borrower misses his first payment.



### **First Missed Payment**

The mortgage lender will contact the homeowner by letter or phone to notify them that the payment has not been received and will ask for that payment to be remitted immediately.

# FORECLOSURE TIMELINE

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## **Second Missed Payment**

The mortgage lender is likely to call again to discuss why the owner has not made their payments.

## **Third Missed Payment**

After the third payment is missed, the homeowner will receive a letter from their lender stating the amount that is delinquent, and that they have 30 days to bring their mortgage current. This is called a "Demand Letter" or "Notice to Accelerate." If the homeowner does not pay the specified amount or make some type of arrangements by the given date, the lender may begin foreclosure proceedings. At this point, the owners still have time to work something out if they will talk with their lender. The bank will still consider some type of loan modification if the owner can show income that would support the new mortgage amount. They are unlikely to accept less than the total due without arrangements being made.

## **Fourth Missed Payment**

At the end of time allowed in the Demand or Notice to Accelerate Letter. When the 30 days ends, if the homeowner has not paid the full amount or worked out arrangements, he/she will be referred to the lender's attorney. The homeowner will incur all attorney fees as part of the delinquency.

## **Notice of Default (NOD) or Lis Pendens**

When the lender's attorney become involved a notice of default or Lis Pendens is filed at the county clerk's office or county courthouse depending on whether it is a non-judicial or judicial foreclosure. Now a public record has been created and the foreclosure proceeding are searchable. This now becomes a lead.

Once the NOD or Lis Pendens has been filed the process enters the first redemption phase. Typically, this last for 90 days. It is during this redemption phase that the investor needs to act to initiate the short sale of the property.



# FORECLOSURE TIMELINE

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## Notice of Sale

At the end of the redemption phase a **Notice of Sale** will be filed by the lender. This begins a 3-week period of public notice leading up to the auction.

## Sheriff's or Public Trustee's Sale

The lender's attorney will schedule a sale. This is the actual day of foreclosure. Up until the actual foreclosure sale takes place it is still possible for the owner or the owner's representative to negotiate with the lender.

## Redemption Period

After the sale date there may be a second redemption period depending on the type of foreclosure sale and depending on the state.

Important: All dates are estimated and vary according to the state in which the foreclosure is taking place.



# FORECLOSURE TIMELINE

Scotsman guide Media - <https://www.scotsmanguide.com/rsPopPrintCMS.aspx?id=49392140897&prTyp=3>

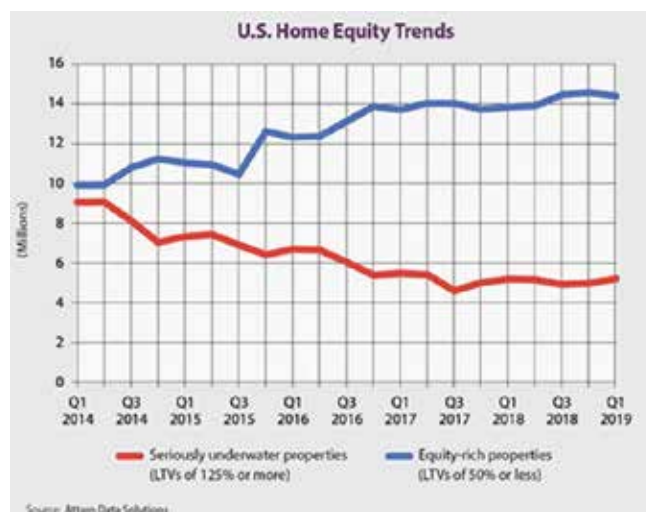
September 2019

## Keep Watch On The Fluctuating Trend Of Underwater Mortgages

By Todd Teta, chief product and technology officer, Attom Data Solutions

Underwater mortgages and what they signal have long been a concern for the real estate financing industry. Mortgage originators may wonder if home prices are slipping, more risky mortgages are being issued or whether refinance candidates are banking on price increases that may not come. Although the causes of underwater mortgages may vary from property to property, their overall trends bear watching.

At the end of first-quarter 2019, there were more than 5.2 million residential properties in the U.S. with seriously underwater mortgages, according to Attom Data Solutions' U.S. Home Equity and Underwater Report. We define a home as "seriously underwater" if the combined balance of loans secured by the property is at least 25% higher than the property's estimated market value (in other words, a loan-to value ratio of 125% or higher).



These 5.2 million homes represent 9.1% of all U.S. properties with a mortgage. Although this share is significantly lower than the post-recession peaks of 28%, it is an increase from the 8.8% of homes that were seriously underwater in fourth quarter 2018.

## FORECLOSURE TIMELINE

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Last year, home-price appreciation moved at a slower rate than in previous years, which means that fewer homeowners were able to make the move from being underwater to having equity. Despite this, 25.1% of properties in the U.S. were deemed “equity rich” by Attom’s report, which means the homeowner has at least 50% equity in the property.

Although this is down from a high of 26.4% seen in third-quarter 2017, a robust portion of property owners remain equity rich, especially when compared with shares of less than 20% seen in the years immediately after the recession. Equity-rich properties are down slightly year over year from the 25.3% seen in first-quarter 2018.

As is often the case with real estate, however, these numbers can highlight the stark differences in property values and mortgages from city to city and state to state. Cities in Louisiana, Ohio and Pennsylvania, for example, are facing serious issues with underwater mortgages.

In fact, out of the 99 metropolitan statistical areas analyzed in the report, the cities with the highest percentages of seriously underwater properties were Baton Rouge, Louisiana (21.3%); Scranton, Pennsylvania (20%); Youngstown, Ohio (19.2%); Toledo, Ohio (19.2%); and New Orleans (17.8%). With the exception of Louisiana, however, the negative-equity shares in these cities did not directly correlate with broader state numbers. The states with the highest shares of seriously underwater properties were Louisiana (20.7%), Mississippi (17.1%), Arkansas (16.3%), West Virginia (16.2%) and Illinois (16.2%).

On the other hand, cities in California, Washington and Hawaii are faring well and have some of the highest shares of equity-rich properties. Among the same 99 metropolitan statistical areas analyzed in the report, the markets that had the highest shares of equity-rich properties included San Jose, California (68.3%); San Francisco (58.4%); Los Angeles (48.1%); Honolulu (38.6%); and Seattle (37.3%). The results are similar when analyzing the states with the highest shares of equity-rich properties: California (43%), Hawaii (38.1%), New York (34.2%), Washington (33.2%) and Vermont (32.8%) make up the top five.

Unsurprisingly, these numbers reflect other issues in the U.S. real estate market. States with high amounts of home equity are the same states that boast some of the highest-priced real estate in the country. And states that have issues with underwater mortgages are the same states struggling with low home values and foreclosures. For now, there seems to be some balance in the national housing market but keeping an eye on these telling numbers will help mortgage originators better anticipate which way the market will turn.







# State Foreclosure Laws and Timelines - Quick Chart

Foreclosure is a legal process through which lenders reclaim properties from borrowers who can no longer afford to meet their monthly mortgage obligations. Home foreclosure laws and procedures vary from state-to-state. The foreclosure timeline can and often does change.

Below is a state foreclosure laws timeline that is designed to give you an overview of the process throughout the United States.

State	Judicial	Non-Judicial	Foreclosure Timeline	Redemption Period	Deficient Judgement	State Website Law Reference
Alabama	X	X	1 - 3 Mos.	Up to 12 Mos.	Yes (Judicial)	<a href="http://www.legislature.state.al.us/aliswww/default.aspx">http://www.legislature.state.al.us/aliswww/default.aspx</a>
Alaska	X	X	3 - 4 Mos.	None	Yes (Judicial)	<a href="http://w3.akleg.gov/index.php">http://w3.akleg.gov/index.php</a>
Arizona	X	X	3 - 4 Mos.	Up to 6 Mos.	Yes (Judicial)	<a href="https://www.azleg.gov">https://www.azleg.gov</a>
Arkansas	X	X	4 - 5 Mos.	Up to 12 Mos.	Yes	<a href="http://www.arkleg.state.ar.us/assembly/2019/2019R/Pages/Ho-me.aspx">http://www.arkleg.state.ar.us/assembly/2019/2019R/Pages/Ho-me.aspx</a>
California	X	X	3 - 5 Mos.	Not Likely	Yes (Judicial)	<a href="http://www.leginfo.ca.gov">http://www.leginfo.ca.gov</a>
Colorado	X	X	2 - 5 Mos.	None	Yes	<a href="https://www.colorado.gov">https://www.colorado.gov</a>
Connecticut	X		5 - 6 Mos.	Court Determined	Yes	<a href="https://www.cga.ct.gov/">https://www.cga.ct.gov/</a>
Delaware	X		3 - 7 Mos.	None	Yes	<a href="http://legis.delaware.gov/">http://legis.delaware.gov/</a>
District of Columbia		X	2 - 4 Mos.	None	Yes	<a href="https://dccouncil.us/legislation/">https://dccouncil.us/legislation/</a>
Florida	X		4 - 6 Mos.	Yes	Yes	<a href="http://www.flsenate.gov/Laws/Statutes/">http://www.flsenate.gov/Laws/Statutes/</a>
Georgia	X	X	2 - 3 Mos.	None	Yes	<a href="http://www.legis.ga.gov/en-US/default.aspx">http://www.legis.ga.gov/en-US/default.aspx</a>

# State Foreclosure Laws and Timelines - Quick Chart

Hawaii	X	X	3 - 4 Mos.	None	Yes	<a href="http://www.capitol.hawaii.gov">http://www.capitol.hawaii.gov</a>
Idaho	X	X	5 - 6 Mos.	None	Yes	<a href="https://legislature.idaho.gov">https://legislature.idaho.gov</a>
Illinois	X		7 - 10 Mos.	Yes 3 - 7 Mos.	Yes	<a href="http://www.ilga.gov">http://www.ilga.gov</a>
Indiana	X		5 - 7 Mos.	None	Yes	<a href="https://www.in.gov/core/">https://www.in.gov/core/</a>
Iowa	X	X	5 - 6 Mos.	12 Mos.	Yes	<a href="https://www.legis.iowa.gov">https://www.legis.iowa.gov</a>
Kansas	X		3 - 5 Mos.	Up to 12 Mos.	Yes	<a href="http://www.kslegislature.org/li/">http://www.kslegislature.org/li/</a>
Kentucky	X		5 - 6 Mos.	Up to 12 Mos.	Yes	<a href="https://legislature.ky.gov/Pages/index.aspx">https://legislature.ky.gov/Pages/index.aspx</a>
Louisiana	X		2 - 6 Mos.	None	Yes	<a href="http://www.legis.la.gov/legis/home.aspx">http://www.legis.la.gov/legis/home.aspx</a>
Maine	X		6 - 10 Mos.	90 Days	Yes	<a href="https://www.maine.gov/portal/index.html">https://www.maine.gov/portal/index.html</a>
Maryland	X		2 - 3 Mos.	Court Determined	Yes	<a href="http://mgaleg.maryland.gov/webmga/frm1st.aspx?tab=home">http://mgaleg.maryland.gov/webmga/frm1st.aspx?tab=home</a>
Massachusetts	X		3 - 4 Mos.	None	Yes	<a href="https://malegislature.gov">https://malegislature.gov</a>
Michigan		X	2 - 3 Mos.	Up to 12 Mos.	Yes	<a href="http://www.legislature.mi.gov/(S(hw4nr5kmongebjndweq113dm))/mileg.aspx?page=home">http://www.legislature.mi.gov/(S(hw4nr5kmongebjndweq113dm))/mileg.aspx?page=home</a>
Minnesota	X	X	2 - 3 Mos.	6 Mos.	Yes (Judicial)	<a href="https://www.leg.state.mn.us">https://www.leg.state.mn.us</a>
Mississippi	X	X	2 - 3 Mos.	None	Yes	<a href="https://www.legislature.ms.gov/Pages/default.aspx">https://www.legislature.ms.gov/Pages/default.aspx</a>
Missouri	X	X	2 - 3 Mos.	Up to 12 Mos.	Yes	<a href="http://revisor.mo.gov/main/Home.aspx">http://revisor.mo.gov/main/Home.aspx</a>
Montana	X	X	4 - 6 Mos.	12 Mos.	Yes (Judicial)	<a href="https://leg.mt.gov">https://leg.mt.gov</a>

# State Foreclosure Laws and Timelines - Quick Chart

Nebraska	X		5 - 6 Mos.	None	Yes	<a href="https://nebraskalegislature.gov">https://nebraskalegislature.gov</a>
Nevada	X	X	3 - 5 Mos.	None	Yes	<a href="https://www.leg.state.nv.us">https://www.leg.state.nv.us</a>
New Hampshire		X	2 - 3 Mos.	None	Yes	<a href="https://www.nh.gov/index.htm">https://www.nh.gov/index.htm</a>
New Jersey	X		3 - 10 Mos.	6 Mos.	Yes	<a href="https://www.njleg.state.nj.us">https://www.njleg.state.nj.us</a>
New Mexico	X		4 - 6 Mos.	9 Mos.	Yes	<a href="https://www.nmlegis.gov">https://www.nmlegis.gov</a>
New York	X		4 - 8 Mos.	None	Yes	<a href="https://nyassembly.gov">https://nyassembly.gov</a>
North Carolina	X	X	2 - 4 Mos.	10 Days	Yes (Judicial)	<a href="https://www.ncleg.gov">https://www.ncleg.gov</a>
North Dakota	X		3 - 5 Mos.	60 Days	No	<a href="https://www.nd.gov">https://www.nd.gov</a>
Ohio	X		5 - 7 Mos.	Until Confirmation	Yes	<a href="https://www.legislature.ohio.gov">https://www.legislature.ohio.gov</a>
Oklahoma	X	X	4 - 7 Mos.	Until Confirmation	Yes	<a href="http://www.oklegislature.gov">http://www.oklegislature.gov</a>
Oregon	X	X	4 - 6 Mos.	None	No	<a href="https://www.oregonlegislature.gov">https://www.oregonlegislature.gov</a>
Pennsylvania	X		3 - 9 Mos.	None	Yes	<a href="https://www.pacode.com">https://www.pacode.com</a>
Rhode Island	X	X	2 - 3 Mos.	Up to 3 Years	Yes	<a href="http://www.rilin.state.ri.us/Pages/Default.aspx">http://www.rilin.state.ri.us/Pages/Default.aspx</a>
South Carolina	X		4 - 7 Mos.	None	Yes	<a href="https://www.scstatehouse.gov">https://www.scstatehouse.gov</a>
South Dakota	X	X	6 - 9 Mos.	Up to 12 Mos.	Yes	<a href="http://sdlegislature.gov/">http://sdlegislature.gov/</a>
Tennessee		X	2 - 3 Mos.	Up to 2 Years	Yes	<a href="http://www.legislature.state.tn.us">http://www.legislature.state.tn.us</a>

# State Foreclosure Laws and Timelines - Quick Chart

Texas	X	X	2 - 3 Mos.	None	Yes	<a href="https://capitol.texas.gov">https://capitol.texas.gov</a>
Utah			4 - 5 Mos.	180 Days	Yes	<a href="https://le.utah.gov">https://le.utah.gov</a>
Vermont	X		7- 10 Mos.	Up to 6 Mos.	Yes	<a href="https://legislature.vermont.gov/">https://legislature.vermont.gov/</a>
Virginia	X	X	2 - 3 Mos.	None	Yes	<a href="http://leg1.state.va.us/">http://leg1.state.va.us/</a>
Washington	X	X	4 - 5 Mos.	8 or 12 mos. (Judicial)	Yes (Judicial)	<a href="http://leg.wa.gov/">http://leg.wa.gov/</a>
West Virginia		X	2 - 3 Mos.	None	Yes	<a href="http://www.wvlegislature.gov">http://www.wvlegislature.gov</a>
Wisconsin	X	X	6 - 10 Mos.	None	Yes	<a href="http://legis.wisconsin.gov/">http://legis.wisconsin.gov/</a>
Wyoming	X	X	2 - 3 Mos.	3 Mos.	Yes	<a href="https://www.wyoleg.gov">https://www.wyoleg.gov</a>



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# PUBLIC DATA CODE ENFORCEMENT

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## PUBLIC DATA – CODE ENFORCEMENT

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### Code Enforcement:

This list should be available through the office of Code Enforcement or Department of Code Compliance – these terms will be used interchangeably. The mission of this office is to foster clean, healthy, safe, enriching communities while preventing physical blight in local neighborhoods. Code Compliance enforces City Ordinances by inspecting both residential and commercial properties for violations that may threaten the general public's safety.

The Code Compliance Process can be started by a complaint from a resident, visitor or city staff member and/or observation by an inspector. After a complaint has been made, an inspector will typically visit the property to determine if the owner has violated a city ordinance/code. If a violation exists, a notice will be left on the door or mailed to the property owner. The notice will identify the violation(s) and specify a date when all cleanup and repairs should be completed. A follow up inspection will be scheduled.

Once a property has been tagged as being in violation of city ordinance/code, a public record should exist. This is the information you want to gain access to. Properties that are repeatedly flagged as in violation may have owners who are motivated to sell.



Gaining access to this list can be challenging. One place to start is calling the county records office. Once connected you simply need to ask for what you are looking for. Something like,

**“Hello, my name is \_\_\_\_\_ I am trying to locate public access information regarding code compliance action that has taken place in the county. How can I gain access to this information?”**

Or



## PUBLIC DATA – CODE ENFORCEMENT

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will have to acknowledge a waiver prior to gaining access.

<http://www.kcgov.us/departments/mapping/mapSearch/>

Under penalty of perjury, I hereby certify that I will not be using, nor will I allow to be used in form or manner, the records, documents, or lists (hereinafter called 'Data') obtained from the Kootenai County Assessor's Office as a mailing or telephone number list for purposes such as soliciting, marketed research, etc.

I further certify the following:

- Such Data will not be sold or distributed in any manner, nor shall I or anyone else relinquish possession of Data, or any part of the Data, to any person or persons not authorized by the Kootenai County Assessor.
- I shall not reproduce or copy the Data in any form without first obtaining the written approval of the Assessor, nor will I allow anyone else to do the same.
- I agree that I cannot use, nor will I allow anyone else to use, distribute, or sell for use, as a mailing list or a telephone number list any list of persons contained in the Data without first receiving the permission of those on the list.
- I understand that, if a court finds that I have deliberately and in bad faith used this Data or allowed it to be used as a mailing list or a telephone number list, I can be found liable for a civil penalty in an amount of up to \$1,000.00 per record.
- In keeping with the Kootenai County Assessor's statutory duty to ensure that this Data will not be used for purposes of a mailing or telephone list prohibited by Idaho Code §74-120, I understand that certain non-responsive information may be included in the data that I received, which can be used to assist the Assessor in tracing the Data and verify the origin of any prohibited use.
- I understand that some or all of the Data may come under the purview of the Idaho "public records



## PUBLIC DATA – CODE ENFORCEMENT

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statutes," contained under Idaho Code §74-124 et seq., and, as such, is subject to all laws and regulations (both federal and state) that apply to "public records". I agree not to release the Data in violation of any applicable federal or state law or regulation concerning "public records".

- I understand Idaho law is unclear as to records, which must be, may be, or should not be released. Some or all of the information I receive may be subject to state or federal privacy concerns. Divulging or publishing this information may cause harm or an actionable wrong against a person. By requesting, receiving and/or publishing this information, I agree to indemnify and defend anyone employed by Kootenai County if any such harm is claimed to be the result or somehow connected to the release and/or publication of such information.
- I shall indemnify, hold harmless, and defend (providing an attorney of the County's choice) the County and its elected officials, agents, or employees from and against any and all liabilities, claims, penalties, fines, suits, costs, or expenses incident thereto (including, but not limited to, costs of defense, settlement, and reasonable attorney fees) which may be alleged against the County or which the County may incur or become responsible for as a result of my use (or anyone else's use if I was the source of the Data obtained by them) of the Data in any violation or alleged violation of any and all applicable federal and state laws, including, but not limited to, laws concerning the use of public records or Idaho Codes §74-124, §74-101, et seq.
- I understand and agree that the County makes no warranties, expressed or implied, as to the accuracy, validity, or correctness of any of the information contained in the Data given to me. I will display the notice in any computerized publications that the County makes no warranties, expressed or implied, as to the accuracy, validity, or correctness of any of the information contained

## PUBLIC DATA – CODE ENFORCEMENT

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in the Data and that neither the County nor the Kootenai County Assessor is liable for errors, omissions, or inaccuracies that may appear in my publications as a result of the Data provided by the County under this Waiver.

- As the signatory of this Waiver, I am authorized by my employer, if any, to serve as an agent for my employer in this agreement, and my employer by so authorizing this agency, waives any defenses that it might otherwise have, arising from an alleged non-agency with the signatory.

I AGREE | I DISAGREE

Once access is gained, property records may be searched including deeds, liens, and any other recorded documents. **ALL THIS IN A NON-DISCLOSURE STATE!** It is interesting to note that when the county office was called and access to the information was requested, we were informed it was not available due to the non-disclosure status of the state. – Moral of the story....**DO NOT TAKE NO FOR AN ANSWER.** The harder the information is to find the more valuable it is!

### Let's Do Some Research:

Get out your computers and let's see what we can find. If you do not know where to start try, a google search of "**public access property records, your county.**" Record your successes below.




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## FOLLOW-UP

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The training you have just received becomes infinitely more valuable if you choose to implement what you have just learned. With that in mind it is now time to create a road map for you to follow in the days and months to come. What steps do you need to take as you implement your training?

Spend a few moments to organize your thoughts then write down those things you need to start doing in response to the training you have just been through. Organize your action points into things you need to do immediately - as soon as you get home, things you need to get accomplished in the next month, and things you should accomplish in the next 90-days.

### ✓ **Things to do as soon as I get home:**

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## FOLLOW-UP

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### ✓ Things to do within the next month:

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### ✓ Things to do in the next 90-days:

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