

**Andy Heller's**

# Regular Riches<sup>TM</sup>

**Buy Low**

**Rent Smart**

**Sell High**

**[www.RegularRiches.com](http://www.RegularRiches.com)**

**How to buy bank-owned properties**

**the “RIGHT WAY”**

**For Pennies on the dollar**

**With or without using**

**Any of your own money**

**Buy Low**

**Rent Smart**

**Sell High**

**Minimum Profit:**

**\$25,000**



SPECIAL ISSUE

# FORTUNE

REAL ESTATE:  
HOW REAL PEOPLE  
GET RICH

# INVESTOR'S GUIDE

THE 20 BEST BARGAINS IN THE MARKET

What's Ahead  
for Stocks,  
Inflation, and  
the Dollar

Secrets of  
an Investing  
Legend



Three Ways  
to Cash in  
on Oil

How to  
Rev Up  
Your  
401(k)

PLUS  
STOCKS  
THAT  
ALWAYS  
WIN

DISPLAY UNTIL MARCH 21, 2005  
\$4.99US \$5.99CAN  
0 70989 10030 5 2

www.fortune.com (NDL Keyword: Fortune)

*Potential is...*

\$1,000,000

OR

\$10,000,000

*IT'S UP TO YOU!*



- 6 properties
- 24 months
- \$500,000 in profits!
- Started my dream business

~ *Hans Van derKolk*

**Key #1**

**Buy Low**



**Regular Riches**

**Where Regular People Experience Real Estate Riches**

# Buy Low, Rent Smart, Sell High

... so let's get started

... learn our real estate  
investing techniques

... remove your barriers  
to financial freedom



# Welcome to “Buy Low” University

# WELCOME



# Buy Low Goals

- **Find Good Properties**
- **Make Money Go Far**
- **Purchase At Best Price**

# **5 Steps to Success**

- 1. Know What a Good Property Looks Like**
- 2. Find Good Properties**
- 3. Secure Funds for Purchases**
- 4. Determine Your Ceiling Price**
- 5. Negotiate Well**

# Step #1

**Know What a Good  
Property Looks Like**



# Step # 1:

## ***Know What a Good Property Looks Like***

- **Single Family Residential Homes (not apartment buildings, duplexes, condominiums)**
- **Middle Income Neighborhoods (affordable as well as stable home appreciation)**
- **3 Bedrooms/2 Bathroom (typically minimum size needed to attract stable families)**



# Step #1:

## *Know What a Good Property Looks Like*

That house is so ugly and awful...it's beautiful \$\$\$.

—Jane the Investor

**Learn to love the “Ugly and Awful”**

**Key Thought:**  
Ugly and Awful homes – offer more upside potential for investors who know what they are doing



# Step # 2:

## *Find Good Properties*



## **Step #2:**

### ***Find Good Properties***

- **Pre-Foreclosure**
- **Short Sales**
- **Foreclosure Sales**
- **Auctions**
- **Pounding the Pavement**
- **Bank-owned Foreclosures (REOs)**

# Bank-owned Foreclosures

 Emotions

✓ Simple business transaction

**Another, more-promising route: buying a home that failed to sell at auction and has been put back on the market by the bank that holds the mortgage.**

**buyers are likely to do better with bank-owned properties -- sometimes called "real estate owned" houses, or REOs.**

## Beyond Auctions: Ways to Buy Foreclosed Homes

By KELLY EVANS and SARA MURRAY  
February 12, 2008

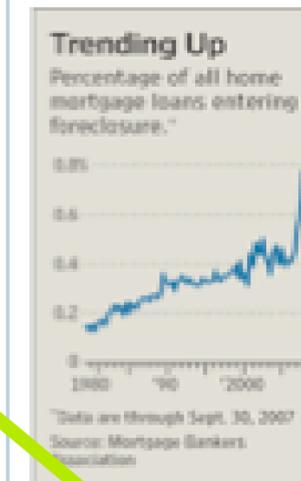
You might think that it's an especially good time to get a deal on a foreclosed home at an auction.

It isn't. Despite the growing number of foreclosures across the country, there are few bargains to be found at auctions. For one thing, you'll be competing against savvy local investors who know how to gauge a property's real value. What's more, many properties are mortgaged so steeply that banks often ask for bids that are higher than the properties are worth.

There are other ways, though, for a determined buyer to tap into the foreclosure market. One is buying a home in "preforeclosure" directly from the homeowner. Another, more-promising route: buying a home that failed to sell at auction and has been put back on the market by the bank that holds the mortgage.

The number of foreclosed homes is expected to quadruple this year, adding one million properties to the market in 2008 and again in 2009, according to Lehman Brothers.

Foreclosure laws vary from state to state, and sometimes from county to county, so it's important to know how the process works in your area. In New York and several other states, foreclosure proceedings begin when the lender sues the homeowner for not keeping up with the mortgage payments. Such a suit is typically filed in county court after the homeowner misses three consecutive payments.



The foreclosure filings are public documents that provide the names and addresses of property owners in default. Interested buyers can find the filings at the county courthouse and can contact the homeowner with an offer. A variety of Web sites will also provide foreclosure listings for a fee.

A preforeclosure deal offers certain advantages over an auction to both buyer and seller. The seller avoids eviction, and the buyer may be able to negotiate a better deal before the property goes to auction and the bank becomes less flexible. In addition, the buyer, with the seller's permission, can get the house inspected -- a crucial step in obtaining a mortgage. But be

forewarned: Some homeowners whose property has been listed as being in preforeclosure may not be pleased to get unsolicited calls from potential buyers.

The length of time it takes for a property to move from preforeclosure



# Where are the deals TODAY?

## Bank-owned Foreclosures



**Average REO Discount?**

**Average REO Discount?**

**REOs Discount 37%!!!!!!**

# Types of Properties Available as REOs

Buy Low



**Commercial Property**



**Vacation Property**



**Multi-family Properties**



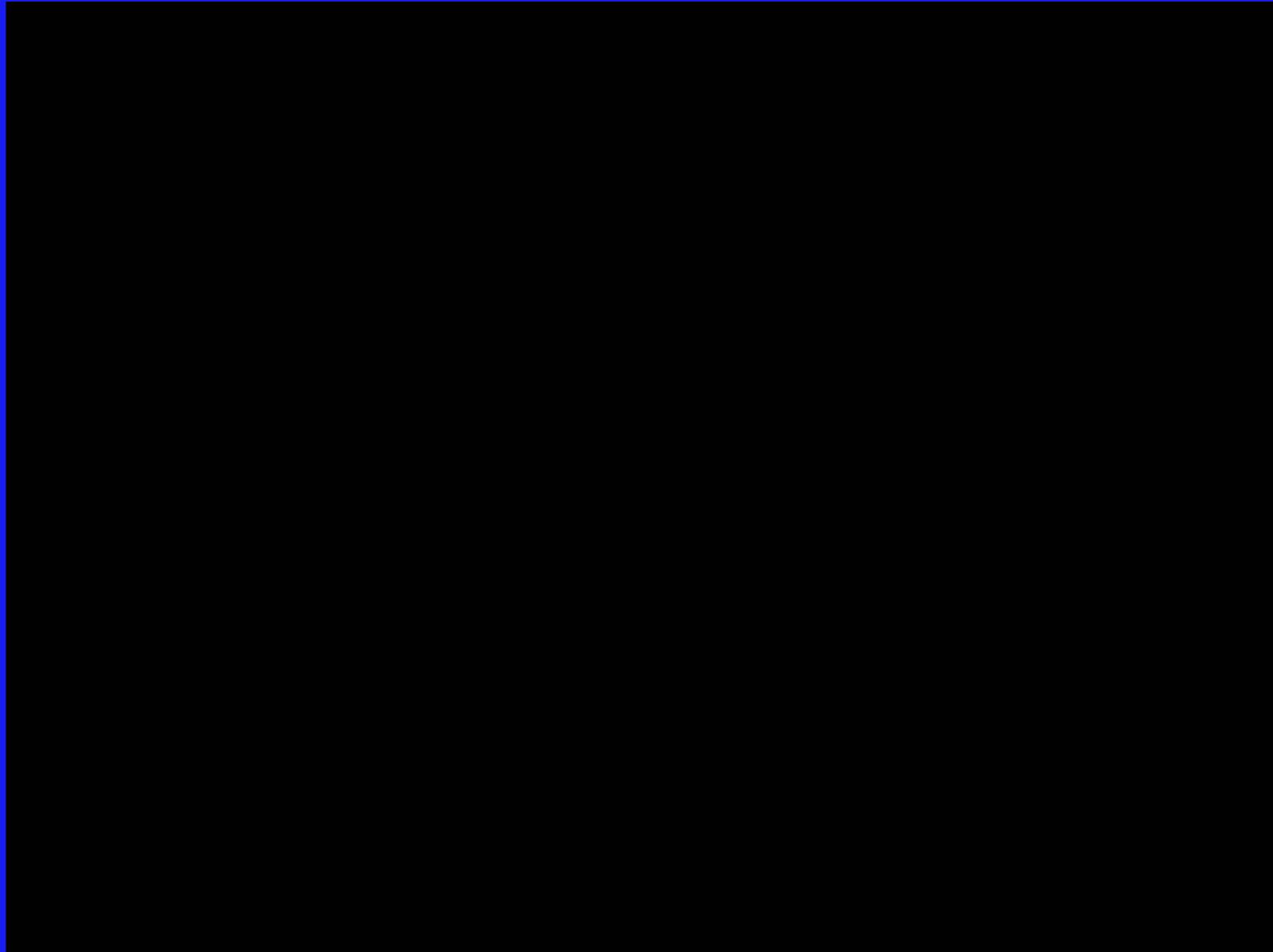
**Single Family Homes**

Buy Low



# **Call Your REO Bank Manager**

Buy Low

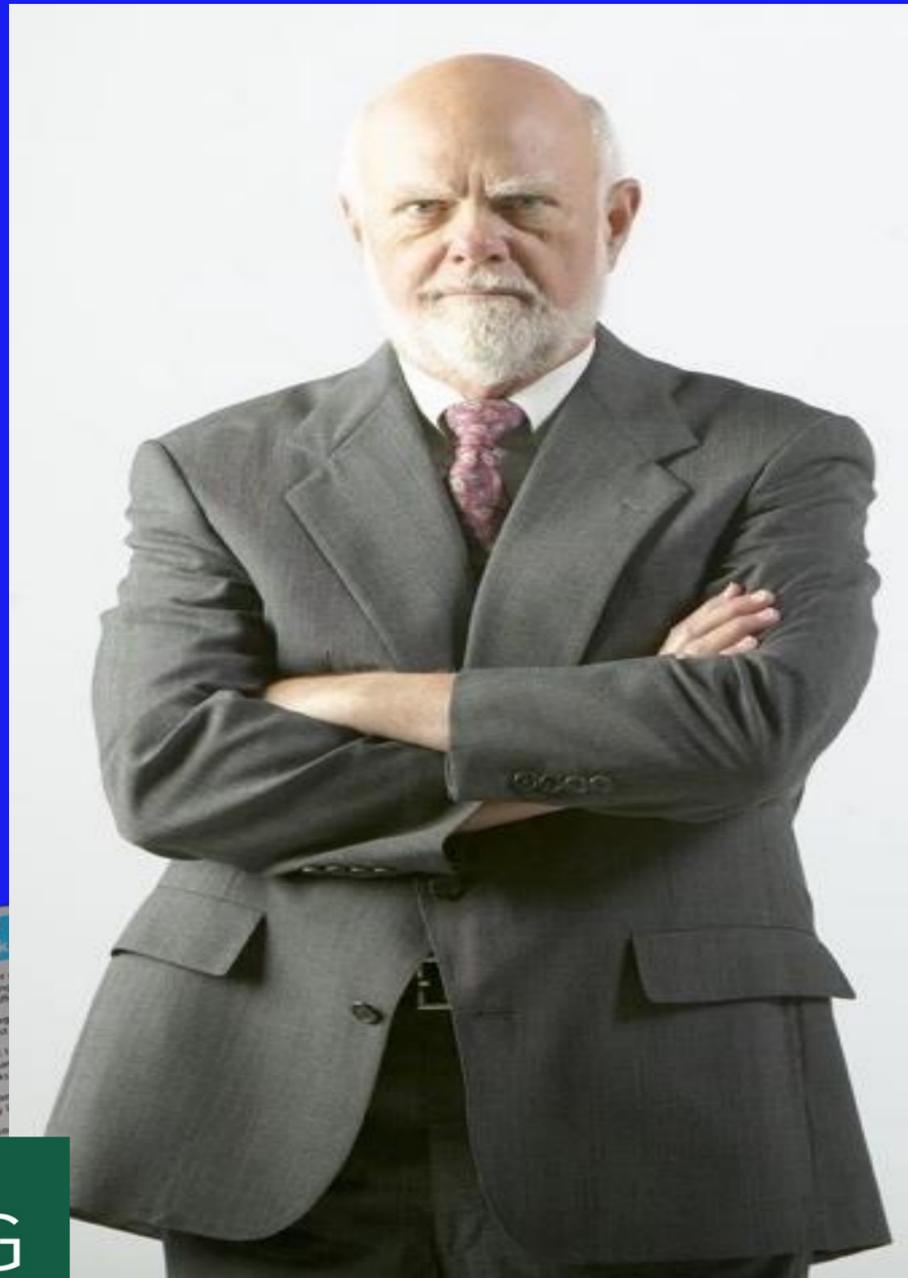


Buy Low



# **Call Your REO Bank Manager**

# Success on the Phone



**Regular Riches**  
Buy Low  
Sell Smart  
Sell High

## REAL WORLD PREPARATION

# ANDY AND SCOTT'S INSIDER SECRETS

How to Build Profitable Relationships with Banks & REO Agents

### Practice Script 1 Banks Open to Working with Investors

#### Call Plan

Start with a quick and professional introduction. Tell the REO manager what to expect when working with you, and get access to the property that fits your portfolio if you are not calling on a specific one!

These will be the easiest calls to make, contacting a bank that is open to working with you. Many of the smaller banks will be surprisingly unorganized when it comes to handling an REO property. There may very well not be an established department (REO or post foreclosure) within the bank. This will likely require you to dig a bit to find the right person to speak with. While these banks might not have a significant volume of REO properties, the contact could still prove to be a valuable subsequent source for post-foreclosures.

#### Additional Action Step

1. Do an internet search for local and regional banks with branches in your area.
2. List and contact any friends or professional acquaintances you have who can introduce you to people who work for banks. (Nothing beats a personal introduction.)

### Practice Script 2 Banks Initially Refusing to Work

#### Call Plan

Start with a quick and professional introduction. Tell the REO manager what to expect when working with you, and get access to the property that fits your portfolio if you are not calling on a specific one! Handle any objection by working directly with your quicksale offer. REO manager to consider your quicksale offer, promising to act within 48 hours.

Investor: Hello Mr. Smith, I am Allen investor and I am calling you to inquire on 423 First and I would like to make you a quicksale offer on this property, and I wanted to make arrangements to access the property to your bank.

REO Manager: We have never really done that before.

Investor: I can promise you an offer on a week. I can promise you after we viewed the property. As you can see, there isn't any delay to your listing plans.

REO Manager: OK, Allen, you can get into property with a key we have attached to this meter.

Investor: Thank you, Mr. Smith.

REO Manager: I am sorry Allen, but we generally list all our REO properties.

Investor: I can appreciate that Mr. Smith. Do you plan on listing the property in three or four weeks?

REO Manager: That would be Susan Jones. I will e-mail you all her contact details.

Investor: Thank you, Mr. Smith.

## APPROACHING BANKS AND REO AGENTS

Andy Heller & Scott Frank



**Regular Riches**  
REGULAR PEOPLE.  
TRUE RICHES™

# Calling REO Agents

**Relationships**

**=**

**Deal Flow**

# REO Agents and Banks:

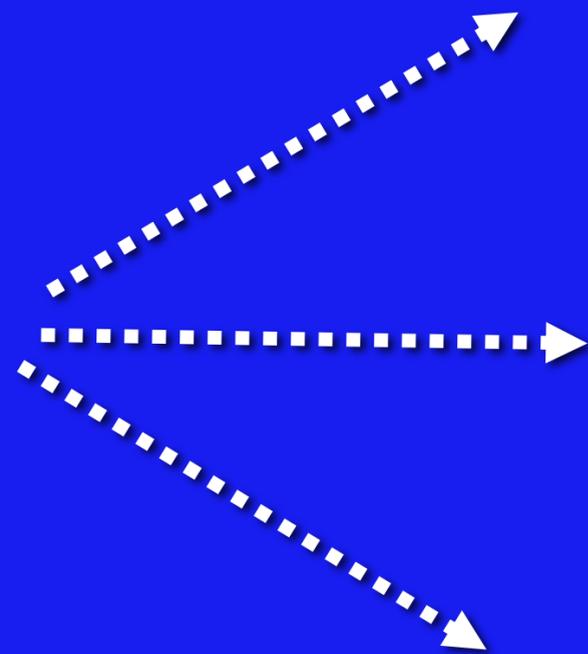
**Stage 1:** *Investor, calls and builds*

*relationships with Banks and REO Agents*

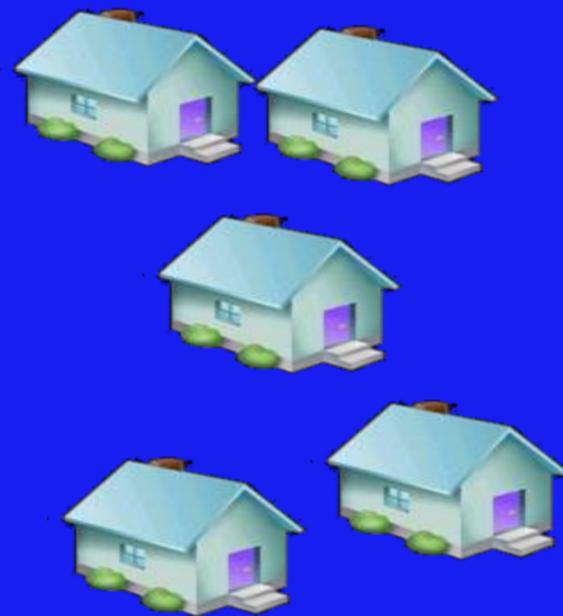


# REO Agents and Banks:

**Stage 2:** *Banks and REO Agents CALL YOU!*



=

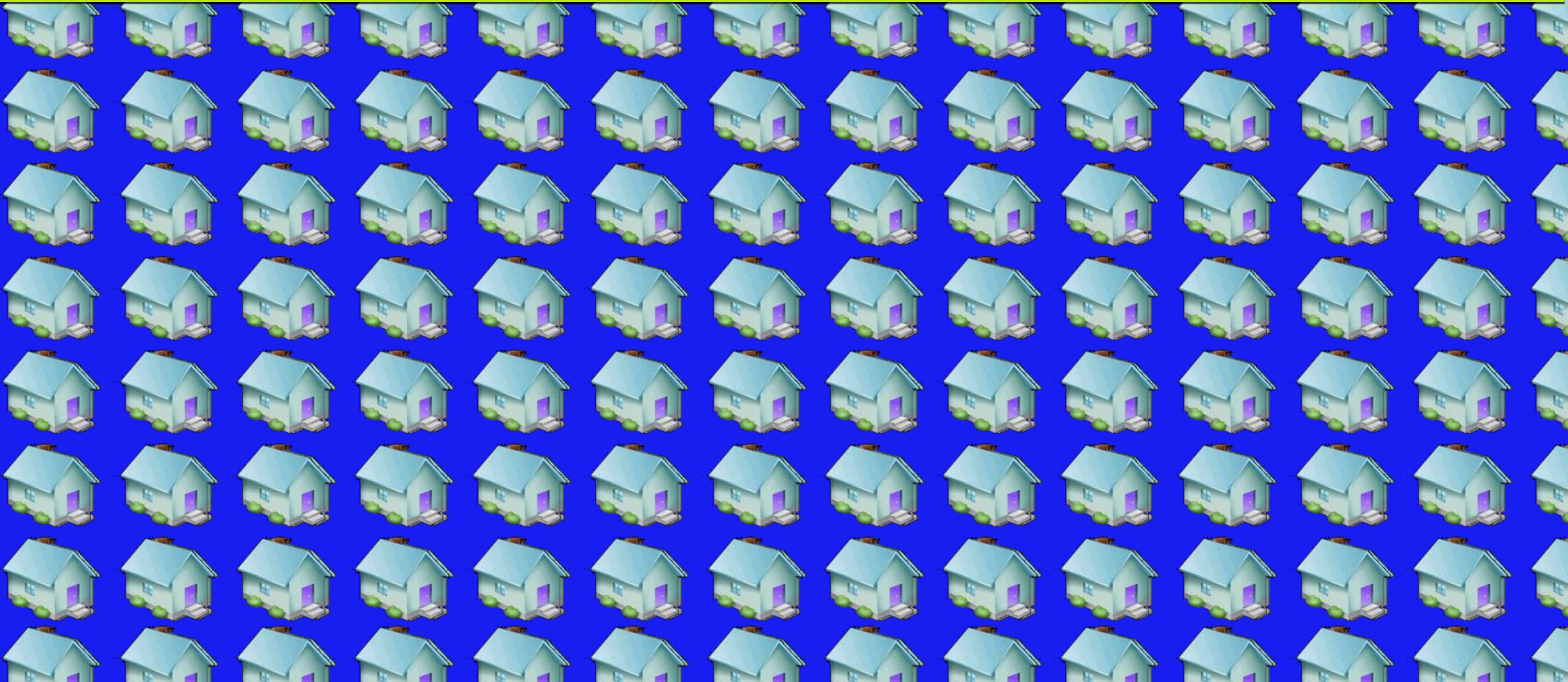


**“Buy REOs for Pennies on the Dollar” . . .  
“that 99% of investors don’t know about”**



# The Secret to Buying Bank-Owned Foreclosures

## Bank Foreclosures

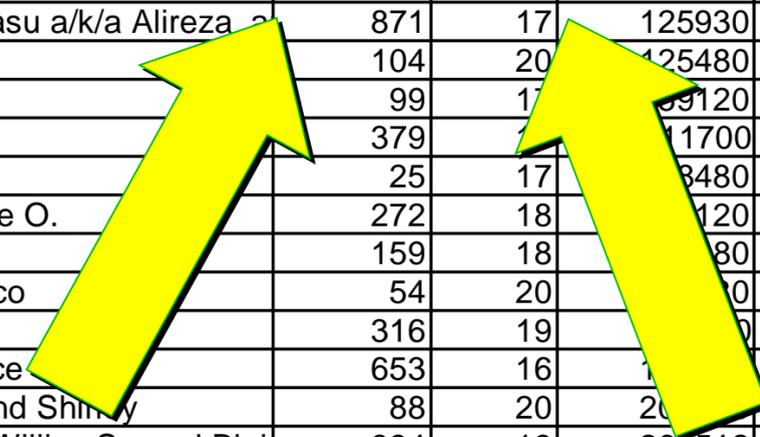


# Pulling REO Gems from Pre-foreclosure lists

*Just 30–45 minutes per month that's it!!!!*

Land Lot

District



Street No	Street Name	Street Ty	Stree	City	OwnerLName	OwnerFName	Land Lot	District	Tax Value	Purch Price	Date Purch	Mortgage Amount	Mtg Typ	Int Rate
1455	Bentley	Ln	SE	Marietta	XXXXXXX	Ali Abbasu a/k/a Alireza	871	17	125930	127900	5/24/05	130123	FHA	5.25
2914	Albright	Cmns	NW	Kennesaw	XXXXXXX	E Lynn	104	20	125480	127000	7/15/04	125850	FHA	
585	Gregory Manor	Dr	SW	Smyrna	XXXXXXX	John	99	17	99120	115000	8/20/12	126500	CNV	
690	Surrey Park	Pl	SE	Smyrna	XXXXXXX	Sonya	379	17	11700	199900	10/4/07	160500	ARM	6.125
3957	Covey Flush #24	Ct	SW	Smyrna	XXXXXXX	Nana K.	25	17	8480	237200	8/31/11	230000	CNV	
6517	Arbor Gate #13	Dr	SW	Mableton	XXXXXXX	Olufunke O.	272	18	1120	122900	7/8/10	122900	ARM	7.95
35	Sheraton	Way	SE	Mableton	XXXXXXX	Ingrid	159	18	80	105000	5/29/08	84000	ARM	6.75
1520	Dickens	Pl	NW	Kennesaw	XXXXXXX	Francisco	54	20	110	168000	9/1/08	168000	CNV	
1500	Jade Cove	Dr		Powder Springs	XXXXXXX	Anita S.	316	19	110	135000	3/30/08	163500	CNV	
310	Niblewill #24	Pl		Marietta	XXXXXXX	Lawrence	653	16	110	174900	9/10/09	139860	ARM	6.5
2614	Myrtlewood	Ln	NW	Kennesaw	XXXXXXX	Jean and Shirley	88	20	20990	209900	2/26/09	201600	ARM	8.172
3955	Hiram Lithia Springs	Rd		Powder Springs	XXXXXXX	James Willis , Sr. and Blai	894	19	263512	462400	12/29/10	393040	CNV	
3975	Doe Run	Dr		Powder Springs	XXXXXXX	Michelle	17	18	133110	118900	6/28/05	115000	ARM	7.125
3410	Chancellors	Dr		Powder Springs	XXXXXXX	Ashiq	764	19	141610	137000	4/29/04	94750	CNV	
1009	Vinings Forest	Ln	SE	Smyrna	XXXXXXX	ANDREW A. AND JENNIF	595	17	193800	180600	5/25/05	173510	FHA	6.5
2283	Tayside	Xing	NW	Kennesaw	XXXXXXX	Shelease K.	215	20	679800	587500	8/9/12	411250	CNV	
1281	W Spring	St	SE	Smyrna	XXXXXXX	Andrew A. and Jennifer L.	521	7	372330	380000	12/22/09	304000	CNV	
1891	Hamby Place	Dr	NW	Acworth	XXXXXXX	Yetunde and Olapido	16	20	168770	100900	8/5/01	123000	ARM	9.99
1043	Parsons Greene	Dr		Powder Springs	XXXXXXX	Dianna	168	19	177950	192000	9/1/09	189033	CNV	
3926	Golfinks	Dr	NW	Acworth	XXXXXXX	Louis	84	20	240480	245000	5/5/08	220500	ARM	6.5
3214	Belford	Dr		Marietta	XXXXXXX	Larry J.	414	16	280210	284500	11/15/10	227600	CNV	
3408	Bodiford	Path		Powder Springs	XXXXXXX	Lucie	764	19	161730	172000	12/8/11	169342	FHA	
2564	Saddletree	Way	NE	Marietta	XXXXXXX	James W.	626	16	255850	179000	6/24/04	172000	ARM	5.5
2676	Horseshoe Bend	Rd	SW	Marietta	XXXXXXX	Maria	618	19	119440	122000	6/15/10	109800	CNV	
267	Sharney	Ln	NE	Kennesaw	XXXXXXX	Robert V. and Jamie W.	80	16	132130	85500	6/27/95	136000	CNV	
1109	Pilgrim	Way	SW	Marietta	XXXXXXX	Frances	325	20	108960	105000	9/17/09	84800	CNV	
3135	Montana	Way		Marietta	XXXXXXX	Genia R.	491	16	130240	175000	7/26/09	180500	CNV	
352	Foxfire	Dr	SW	Smyrna	XXXXXXX	Freddie L II	121	17	155960	170000	7/22/12	168600	FHA	
779	Birchwood	Ln	SW	Marietta	XXXXXXX	Rafael	16	17	191190	158000	2/8/09	150100	ARM	8.125
1201	Oakwoods	Dr		Woodstock	XXXXXXX	FAUSTO DARIO	1282	15	117170	167900	9/19/11	167900	CNV	
6313	Howell Cobb	Ct	NW	Acworth	XXXXXXX	Kevin E. and Linda D.	39	20	839970	650000	12/19/07	660000	ARM	4.125
6088	Indian Wood	Cir	SE	Mableton	XXXXXXX	David N. and Terri G.	176	18	261410	260000	9/29/09	208591	ARM	5.125
2765	Old Villa Rica	Rd		Powder Springs	XXXXXXX	Rigoberto	609	19	141750	158900	8/9/09	150000	CNV	

# Pulling REO Gems from Pre-foreclosure lists

*Just 30–45 minutes per month that's it!!!!*

Land Lot

District

Street No	Street Name	Street Ty	Stree	City	OwnerLName	OwnerFName	Land Lot	District	Tax Value	Purch Price	Date Purch	Mortgage Amount	Mtg Typ	Int Rate
1455	Bentley	Ln	SE	Marietta	XXXXXXX	Ali Abbasu a/k/a Alireza a	871	17	125930	127900	5/24/05	130123	FHA	5.25
2914	Albright	Cmns	NW	Kennesaw	XXXXXXX	E Lynn	104	20	125480	127000	7/15/04	125850	FHA	
585	Gregory Manor	Dr	SW	Smyrna	XXXXXXX	John	99	17	159120	115000	8/20/12	126500	CNV	
690	Surrey Park	Pl	SE	Smyrna	XXXXXXX	Sonya	379	17	211700	199900	10/4/07	160500	ARM	6.125
3957	Covey Flush #24	Ct	SW	Smyrna	XXXXXXX	Nana K.	25	17	218480	237200	8/31/11	230000	CNV	
6517	Arbor Gate #13	Dr	SW	Mableton	XXXXXXX	Olufunke O.	272	18	132120	122900	7/8/10	122900	ARM	7.95
35	Sheraton	Way	SE	Mableton	XXXXXXX	Ingrid	159	18	99480	105000	5/29/08	84000	ARM	6.75
1520	Dickens	Pl	NW	Kennesaw	XXXXXXX	Francisco	54	20	172180	168000	9/1/08	168000	CNV	
1500	Jade Cove	Dr		Powder Springs	XXXXXXX	Anita S.	316	19	201130	135000	3/30/08	163500	CNV	
310	Niblewill #24	Pl		Marietta	XXXXXXX	Lawrence	653	16	172450	174900	9/10/09	139860	ARM	6.5
2614	Myrtlewood	Ln	NW	Kennesaw	XXXXXXX	Jean and Shirley	88	20	208730	209900	2/26/09	201600	ARM	8.172
3955	Hiram Lithia Springs	Rd		Powder Springs	XXXXXXX	James Willis , Sr. and Blai	894	19	263512	462400	12/29/10	393040	CNV	
3975	Doe Run	Dr		Powder Springs	XXXXXXX	Michelle	17	18	133110	118900	6/28/05	115000	ARM	7.125
3410	Chancellors	Dr		Powder Springs	XXXXXXX	Ashiq	764	19	141610	137000	4/29/04	94750	CNV	
1009	Vinings Forest	Ln	SE	Smyrna	XXXXXXX	ANDREW A. AND JENNIF	595	17	193800	180600	5/25/05	173510	FHA	6.5
2283	Tayside	Xing	NW	Kennesaw	XXXXXXX	Shelease K.	215	20	679800	587500	8/9/12	411250	CNV	
1281	W Spring	St	SE	Smyrna	XXXXXXX	Andrew A. and Jennifer L.	521	7	372330	380000	12/22/09	304000	CNV	
1891	Hamby Place	Dr	NW	Acworth	XXXXXXX	Yetunde and Olapido	16	20	168770	100900	8/5/01	123000	ARM	9.99
1043	Parsons Greene	Dr		Powder Springs	XXXXXXX	Dianna	168	19	177950	192000	9/1/09	189033	CNV	
3926	Golfinks	Dr	NW	Acworth	XXXXXXX	Louis	84	20	240480	245000	5/5/08	220500	ARM	6.5
3214	Belford	Dr		Marietta	XXXXXXX	Larry J.	414	16	280210	284500	11/15/10	227600	CNV	
3408	Bodiford	Path		Powder Springs	XXXXXXX	Lucie	764	19	161730	172000	12/8/11	169342	FHA	
2564	Saddletree	Way	NE	Marietta	XXXXXXX	James W.	626	16	255850	179000	6/24/04	172000	ARM	5.5
2676	Horseshoe Bend	Rd	SW	Marietta	XXXXXXX	Maria	618	19	119440	122000	6/15/10	109800	CNV	
267	Sharney	Ln	NE	Kennesaw	XXXXXXX	Robert V. and Jamie W.	80	16	132130	85500	6/27/95	136000	CNV	
1109	Pilgrim	Way	SW	Marietta	XXXXXXX	Frances	325	20	108960	105000	9/17/09	84800	CNV	
3135	Montana	Way		Marietta	XXXXXXX	Genia R.	491	16	130240	175000	7/26/09	180500	CNV	
352	Foxfire	Dr	SW	Smyrna	XXXXXXX	Freddie L II	121	17	155960	170000	7/22/12	168600	FHA	
779	Birchwood	Ln	SW	Marietta	XXXXXXX	Rafael	16	17	191190	158000	2/8/09	150100	ARM	8.125
1201	Oakwoods	Dr		Woodstock	XXXXXXX	FAUSTO DARIO	1282	15	117170	167900	9/19/11	167900	CNV	
6313	Howell Cobb	Ct	NW	Acworth	XXXXXXX	Kevin E. and Linda D.	39	20	839970	650000	12/19/07	660000	ARM	4.125
6088	Indian Wood	Cir	SE	Mableton	XXXXXXX	David N. and Terri G.	176	18	261410	260000	9/29/09	208591	ARM	5.125
2765	Old Villa Rica	Rd		Powder Springs	XXXXXXX	Rigoberto	609	19	141750	158900	8/9/09	150000	CNV	

# Pulling REO Gems from Pre-foreclosure lists

*Just 30–45 minutes per month that's it!!!!*

Land Lot

District

Mortgage Amount

Street No	Street Name	Street Ty	Stree	City	OwnerLName	OwnerFName	Land Lot	District	Tax Value	Purch Price	Date Purch	Mortgage Amount	Mtg Typ	Int Rate
1455	Bentley	Ln	SE	Marietta	XXXXXXX	Ali Abbasu a/k/a Alireza a	871	17	125930	127900	5/24/05	130123	FHA	5.25
2914	Albright	Cmns	NW	Kennesaw	XXXXXXX	E Lynn	104	20	125480	127000	7/15/04	125850	FHA	
585	Gregory Manor	Dr	SW	Smyrna	XXXXXXX	John	99	17	159120	115000	8/20/12	126500	CNV	
690	Surrey Park	Pl	SE	Smyrna	XXXXXXX	Sonya	379	17	211700	199900	10/4/07	160500	ARM	6.125
3957	Covey Flush #24	Ct	SW	Smyrna	XXXXXXX	Nana K.	25	17	218480	237200	8/31/11	230000	CNV	
6517	Arbor Gate #13	Dr	SW	Mableton	XXXXXXX	Olufunke O.	272	18	132120	122900	7/8/11	122900	ARM	7.95
35	Sheraton	Way	SE	Mableton	XXXXXXX	Ingrid	159	18	99480	105000	5/29/11	84000	ARM	6.75
1520	Dickens	Pl	NW	Kennesaw	XXXXXXX	Francisco	54	20	172180	168000	9/1/11	168000	CNV	
1500	Jade Cove	Dr		Powder Springs	XXXXXXX	Anita S.	316	19	201130	135000	3/5/11	163500	CNV	
310	Niblewill #24	Pl		Marietta	XXXXXXX	Lawrence	653	16	172450	174900	9/1/11	139860	ARM	6.5
2614	Myrtlewood	Ln	NW	Kennesaw	XXXXXXX	Jean and Shirley	88	20	208730	209900	2/1/11	201600	ARM	8.172
3955	Hiram Lithia Springs	Rd		Powder Springs	XXXXXXX	James Willis , Sr. and Blai	894	19	263512	462400	12/29/10	393040	CNV	
3975	Doe Run	Dr		Powder Springs	XXXXXXX	Michelle	17	18	133110	118900	6/28/05	115000	ARM	7.125
3410	Chancellors	Dr		Powder Springs	XXXXXXX	Ashiq	764	19	141610	137000	4/29/04	94750	CNV	
1009	Vinings Forest	Ln	SE	Smyrna	XXXXXXX	ANDREW A. AND JENNIF	595	17	193800	180600	5/25/05	173510	FHA	6.5
2283	Tayside	Xing	NW	Kennesaw	XXXXXXX	Shelease K.	215	20	679800	587500	8/9/12	411250	CNV	
1281	W Spring	St	SE	Smyrna	XXXXXXX	Andrew A. and Jennifer L.	521	7	372330	380000	12/22/09	304000	CNV	
1891	Hamby Place	Dr	NW	Acworth	XXXXXXX	Yetunde and Olapido	16	20	168770	100900	8/5/01	123000	ARM	9.99
1043	Parsons Greene	Dr		Powder Springs	XXXXXXX	Dianna	168	19	177950	192000	9/1/09	189033	CNV	
3926	Golfinks	Dr	NW	Acworth	XXXXXXX	Louis	84	20	240480	245000	5/5/08	220500	ARM	6.5
3214	Belford	Dr		Marietta	XXXXXXX	Larry J.	414	16	280210	284500	11/15/10	227600	CNV	
3408	Bodiford	Path		Powder Springs	XXXXXXX	Lucie	764	19	161730	172000	12/8/11	169342	FHA	
2564	Saddletree	Way	NE	Marietta	XXXXXXX	James W.	626	16	255850	179000	6/24/04	172000	ARM	5.5
2676	Horseshoe Bend	Rd	SW	Marietta	XXXXXXX	Maria	618	19	119440	122000	6/15/10	109800	CNV	
267	Sharney	Ln	NE	Kennesaw	XXXXXXX	Robert V. and Jamie W.	80	16	132130	85500	6/27/95	136000	CNV	
1109	Pilgrim	Way	SW	Marietta	XXXXXXX	Frances	325	20	108960	105000	9/17/09	84800	CNV	
3135	Montana	Way		Marietta	XXXXXXX	Genia R.	491	16	130240	175000	7/26/09	180500	CNV	
352	Foxfire	Dr	SW	Smyrna	XXXXXXX	Freddie L II	121	17	155960	170000	7/22/12	168600	FHA	
779	Birchwood	Ln	SW	Marietta	XXXXXXX	Rafael	16	17	191190	158000	2/8/09	150100	ARM	8.125
1201	Oakwoods	Dr		Woodstock	XXXXXXX	FAUSTO DARIO	1282	15	117170	167900	9/19/11	167900	CNV	
6313	Howell Cobb	Ct	NW	Acworth	XXXXXXX	Kevin E. and Linda D.	39	20	839970	650000	12/19/07	660000	ARM	4.125
6088	Indian Wood	Cir	SE	Mableton	XXXXXXX	David N. and Terri G.	176	18	261410	260000	9/29/09	208591	ARM	5.125
2765	Old Villa Rica	Rd		Powder Springs	XXXXXXX	Rigoberto	609	19	141750	158900	8/9/09	150000	CNV	



# Pulling REO Gems from Pre-foreclosure lists

*Just 30–45 minutes per month that's it!!!!*

Land Lot

District

Mortgage Amount

Street No	Street Name	Street Ty	Stree	City	OwnerLName	OwnerFName	Land Lot	District	Tax Value	Purch Price	Date Purch	Mortgage Amount	Mtg Typ	Int Rate
1455	Bentley	Ln	SE	Marietta	XXXXXXX	Ali Abbasu a/k/a Alireza a	871	17	125930	127900	5/24/05	130123	FHA	5.25
2914	Albright	Cmns	NW	Kennesaw	XXXXXXX	E Lynn	104	20	125480	127000	7/15/04	125850	FHA	
585	Gregory Manor	Dr	SW	Smyrna	XXXXXXX	John	99	17	159120	115000		126500	CNV	
690	Surrey Park	Pl	SE	Smyrna	XXXXXXX	Sonya	379	17	211700	199900		160500	ARM	6.125
3957	Covey Flush #24	Ct	SW	Smyrna	XXXXXXX	Nana K.	25	17	218480	237200		230000	CNV	
6517	Arbor Gate #13	Dr	SW	Mableton	XXXXXXX	Olufunke O.	272	18	132120	122000	7/8/10	122900	ARM	7.95
35	Sheraton	Way	SE	Mableton	XXXXXXX	Ingrid	159	18	99480	100000	5/29/08	84000	ARM	6.75
1520	Dickens	Pl	NW	Kennesaw	XXXXXXX	Francisco	54	20	172180	160000	9/1/08	168000	CNV	
1500	Jade Cove	Dr		Powder Springs	XXXXXXX	Anita S.	316	19	201130	160000	3/30/08	163500	CNV	
310	Niblewill #24	Pl		Marietta	XXXXXXX	Lawrence	653	16	172450	174900	9/10/09	139860	ARM	6.5
2614	Myrtlewood	Ln	NW	Kennesaw	XXXXXXX	Jean and Shirley	88	20	208730	209900		201600	ARM	8.172
3955	Hiram Lithia Springs	Rd		Powder Springs	XXXXXXX	James Willis , Sr. and Blai	894	19	263512	462400		393040	CNV	
3975	Doe Run	Dr		Powder Springs	XXXXXXX	Michelle	17	18	133110	118900		115000	ARM	7.125
3410	Chancellors	Dr		Powder Springs	XXXXXXX	Ashiq	764	19	141610	137000	7/23/04	94750	CNV	
1009	Vinings Forest	Ln	SE	Smyrna	XXXXXXX	ANDREW A. AND JENNIF	595	17	193800	150000	5/25/05	173510	FHA	6.5
2283	Tayside	Xing	NW	Kennesaw	XXXXXXX	Shelease K.	215	20	679800	600000	8/9/12	411250	CNV	
1281	W Spring	St	SE	Smyrna	XXXXXXX	Andrew A. and Jennifer L.	521	7	372330	370000	12/22/09	304000	CNV	
1891	Hamby Place	Dr	NW	Acworth	XXXXXXX	Yetunde and Olapido	16	20	168770	160900	8/5/01	123000	ARM	9.99
1043	Parsons Greene	Dr		Powder Springs	XXXXXXX	Dianna	168	19	177950	192000		189033	CNV	
3926	Golfinks	Dr	NW	Acworth	XXXXXXX	Louis	84	20	240480	245000		220500	ARM	6.5
3214	Belford	Dr		Marietta	XXXXXXX	Larry J.	414	16	280210	284500		227600	CNV	
3408	Bodiford	Path		Powder Springs	XXXXXXX	Lucie	764	19	161730	172000	7/23/11	169342	FHA	
2564	Saddletree	Way	NE	Marietta	XXXXXXX	James W.	626	16	255850	170000	6/24/04	172000	ARM	5.5
2676	Horseshoe Bend	Rd	SW	Marietta	XXXXXXX	Maria	618	19	119440	100000	6/15/10	109800	CNV	
267	Sharney	Ln	NE	Kennesaw	XXXXXXX	Robert V. and Jamie W.	80	16	132130	130000	6/27/95	136000	CNV	
1109	Pilgrim	Way	SW	Marietta	XXXXXXX	Frances	325	20	108960	100000	9/17/09	84800	CNV	
3135	Montana	Way		Marietta	XXXXXXX	Genia R.	491	16	130240	175000		180500	CNV	
352	Foxfire	Dr	SW	Smyrna	XXXXXXX	Freddie L II	121	17	155960	170000		168600	FHA	
779	Birchwood	Ln	SW	Marietta	XXXXXXX	Rafael	16	17	191190	158000		150100	ARM	8.125
1201	Oakwoods	Dr		Woodstock	XXXXXXX	FAUSTO DARIO	1282	15	117170	167000	8/19/11	167900	CNV	
6313	Howell Cobb	Ct	NW	Acworth	XXXXXXX	Kevin E. and Linda D.	39	20	839970	600000	12/19/07	660000	ARM	4.125
6088	Indian Wood	Cir	SE	Mableton	XXXXXXX	David N. and Terri G.	176	18	261410	200000	9/29/09	208591	ARM	5.125
2765	Old Villa Rica	Rd		Powder Springs	XXXXXXX	Rigoberto	609	19	141750	100000		150000	CNV	

# Pulling REO Gems from Pre-foreclosure lists

*Just 30–45 minutes per month that's it!!!!*

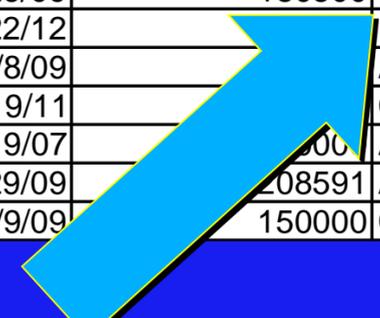
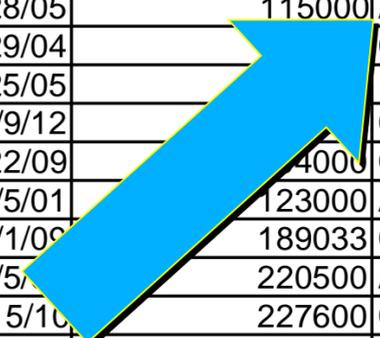
Land Lot

District

Mortgage Amount

Mtg Type

Street No	Street Name	Street Ty	Stree	City	OwnerLName	OwnerFName	Land Lot	District	Tax Value	Purch Price	Date Purch	Mortgage Amount	Mtg Typ	Int Rate
1455	Bentley	Ln	SE	Marietta	XXXXXXX	Ali Abbasu a/k/a Alireza a	871	17	125930	127900	5/24/05	130123	FHA	5.25
2914	Albright	Cmns	NW	Kennesaw	XXXXXXX	E Lynn	104	20	125480	127000	7/15/04	125850	FHA	
585	Gregory Manor	Dr	SW	Smyrna	XXXXXXX	John	99	17	159120	115000	8/20/12	126500	CNV	
690	Surrey Park	Pl	SE	Smyrna	XXXXXXX	Sonya	379	17	211700	199900	10/4/07	160500	ARM	6.125
3957	Covey Flush #24	Ct	SW	Smyrna	XXXXXXX	Nana K.	25	17	218480	237200	8/31/11	230000	CNV	
6517	Arbor Gate #13	Dr	SW	Mableton	XXXXXXX	Olufunke O.	272	18	132120	122900	7/8/10	122900	ARM	7.95
35	Sheraton	Way	SE	Mableton	XXXXXXX	Ingrid	159	18	99480	105000	5/29/08	84000	ARM	6.75
1520	Dickens	Pl	NW	Kennesaw	XXXXXXX	Francisco	54	20	172180	168000	9/1/08	168000	CNV	
1500	Jade Cove	Dr		Powder Springs	XXXXXXX	Anita S.	316	19	201130	135000	3/30/08	163500	CNV	
310	Niblewill #24	Pl		Marietta	XXXXXXX	Lawrence	653	16	172450	174900	9/10/09	139860	ARM	6.5
2614	Myrtlewood	Ln	NW	Kennesaw	XXXXXXX	Jean and Shirley	88	20	208730	209900	2/26/09	201600	ARM	8.172
3955	Hiram Lithia Springs	Rd		Powder Springs	XXXXXXX	James Willis , Sr. and Blai	894	19	263512	462400	12/29/10	393040	CNV	
3975	Doe Run	Dr		Powder Springs	XXXXXXX	Michelle	17	18	133110	118900	6/28/05	115000	ARM	7.125
3410	Chancellors	Dr		Powder Springs	XXXXXXX	Ashiq	764	19	141610	137000	4/29/04		CNV	
1009	Vinings Forest	Ln	SE	Smyrna	XXXXXXX	ANDREW A. AND JENNIF	595	17	193800	180600	5/25/05		FHA	6.5
2283	Tayside	Xing	NW	Kennesaw	XXXXXXX	Shelease K.	215	20	679800	587500	8/9/12		CNV	
1281	W Spring	St	SE	Smyrna	XXXXXXX	Andrew A. and Jennifer L.	521	7	372330	380000	12/22/09	4000	CNV	
1891	Hamby Place	Dr	NW	Acworth	XXXXXXX	Yetunde and Olapido	16	20	168770	100900	8/5/01	123000	ARM	9.99
1043	Parsons Greene	Dr		Powder Springs	XXXXXXX	Dianna	168	19	177950	192000	9/1/09	189033	CNV	
3926	Golfinks	Dr	NW	Acworth	XXXXXXX	Louis	84	20	240480	245000	5/5/	220500	ARM	6.5
3214	Belford	Dr		Marietta	XXXXXXX	Larry J.	414	16	280210	284500	11/15/10	227600	CNV	
3408	Bodiford	Path		Powder Springs	XXXXXXX	Lucie	764	19	161730	172000	12/8/11	169342	FHA	
2564	Saddletree	Way	NE	Marietta	XXXXXXX	James W.	626	16	255850	179000	6/24/04	172000	ARM	5.5
2676	Horseshoe Bend	Rd	SW	Marietta	XXXXXXX	Maria	618	19	119440	122000	6/15/10	109800	CNV	
267	Sharney	Ln	NE	Kennesaw	XXXXXXX	Robert V. and Jamie W.	80	16	132130	85500	6/27/95	136000	CNV	
1109	Pilgrim	Way	SW	Marietta	XXXXXXX	Frances	325	20	108960	105000	9/17/09	84800	CNV	
3135	Montana	Way		Marietta	XXXXXXX	Genia R.	491	16	130240	175000	7/26/09	180500	CNV	
352	Foxfire	Dr	SW	Smyrna	XXXXXXX	Freddie L II	121	17	155960	170000	7/22/12		FHA	
779	Birchwood	Ln	SW	Marietta	XXXXXXX	Rafael	16	17	191190	158000	2/8/09		ARM	8.125
1201	Oakwoods	Dr		Woodstock	XXXXXXX	FAUSTO DARIO	1282	15	117170	167900	9/19/11		CNV	
6313	Howell Cobb	Ct	NW	Acworth	XXXXXXX	Kevin E. and Linda D.	39	20	839970	650000	12/19/07		ARM	4.125
6088	Indian Wood	Cir	SE	Mableton	XXXXXXX	David N. and Terri G.	176	18	261410	260000	9/29/09	208591	ARM	5.125
2765	Old Villa Rica	Rd		Powder Springs	XXXXXXX	Rigoberto	609	19	141750	158900	8/9/09	150000	CNV	



# Pulling REO Gems from Pre-foreclosure lists

*Just 30–45 minutes per month that's it!!!!*

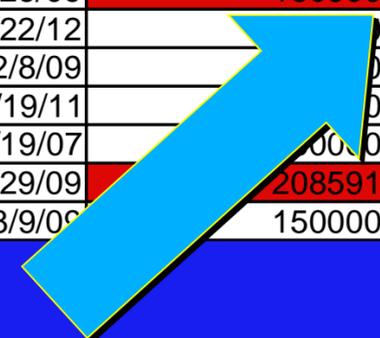
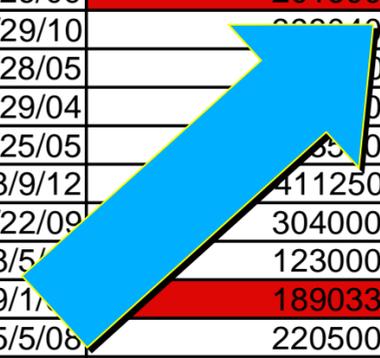
Land Lot

District

Mortgage Amount

Mtg Type

Street No	Street Name	Street Ty	Stree	City	OwnerLName	OwnerFName	Land Lot	District	Tax Value	Purch Price	Date Purch	Mortgage Amount	Mtg Typ	Int Rate
1455	Bentley	Ln	SE	Marietta	XXXXXXX	Ali Abbasu a/k/a Alireza a	871	17	125930	127900	5/24/05	130123	FHA	5.25
2914	Albright	Cmns	NW	Kennesaw	XXXXXXX	E Lynn	104	20	125480	127000	7/15/04	125850	FHA	
585	Gregory Manor	Dr	SW	Smyrna	XXXXXXX	John	99	17	159120	115000	8/20/12	126500	CNV	
690	Surrey Park	Pl	SE	Smyrna	XXXXXXX	Sonya	379	17	211700	199900	10/4/07	160500	ARM	6.125
3957	Covey Flush #24	Ct	SW	Smyrna	XXXXXXX	Nana K.	25	17	218480	237200	8/31/11	230000	CNV	
6517	Arbor Gate #13	Dr	SW	Mableton	XXXXXXX	Olufunke O.	272	18	132120	122900	7/8/10	122900	ARM	7.95
35	Sheraton	Way	SE	Mableton	XXXXXXX	Ingrid	159	18	99480	105000	5/29/08	84000	ARM	6.75
1520	Dickens	Pl	NW	Kennesaw	XXXXXXX	Francisco	54	20	172180	168000	9/1/08	168000	CNV	
1500	Jade Cove	Dr		Powder Springs	XXXXXXX	Anita S.	316	19	201130	135000	3/30/08	163500	CNV	
310	Niblewill #24	Pl		Marietta	XXXXXXX	Lawrence	653	16	172450	174900	9/10/09	139860	ARM	6.5
2614	Myrtlewood	Ln	NW	Kennesaw	XXXXXXX	Jean and Shirley	88	20	208730	209900	2/26/09	201600	ARM	8.172
3955	Hiram Lithia Springs	Rd		Powder Springs	XXXXXXX	James Willis , Sr. and Blai	894	19	263512	462400	12/29/10	200000	CNV	
3975	Doe Run	Dr		Powder Springs	XXXXXXX	Michelle	17	18	133110	118900	6/28/05	118900	ARM	7.125
3410	Chancellors	Dr		Powder Springs	XXXXXXX	Ashiq	764	19	141610	137000	4/29/04	137000	CNV	
1009	Vinings Forest	Ln	SE	Smyrna	XXXXXXX	ANDREW A. AND JENNIF	595	17	193800	180600	5/25/05	180600	FHA	6.5
2283	Tayside	Xing	NW	Kennesaw	XXXXXXX	Shelease K.	215	20	679800	587500	8/9/12	411250	CNV	
1281	W Spring	St	SE	Smyrna	XXXXXXX	Andrew A. and Jennifer L.	521	7	372330	380000	12/22/09	304000	CNV	
1891	Hamby Place	Dr	NW	Acworth	XXXXXXX	Yetunde and Olapido	16	20	168770	100900	8/5/05	123000	ARM	9.99
1043	Parsons Greene	Dr		Powder Springs	XXXXXXX	Dianna	168	19	177950	192000	9/1/04	189033	CNV	
3926	Golflinks	Dr	NW	Acworth	XXXXXXX	Louis	84	20	240480	245000	5/5/08	220500	ARM	6.5
3214	Belford	Dr		Marietta	XXXXXXX	Larry J.	414	16	280210	284500	11/15/10	227600	CNV	
3408	Bodiford	Path		Powder Springs	XXXXXXX	Lucie	764	19	161730	172000	12/8/11	169342	FHA	
2564	Saddletree	Way	NE	Marietta	XXXXXXX	James W.	626	16	255850	179000	6/24/04	172000	ARM	5.5
2676	Horseshoe Bend	Rd	SW	Marietta	XXXXXXX	Maria	618	19	119440	122000	6/15/10	109800	CNV	
267	Sharney	Ln	NE	Kennesaw	XXXXXXX	Robert V. and Jamie W.	80	16	132130	85500	6/27/95	136000	CNV	
1109	Pilgrim	Way	SW	Marietta	XXXXXXX	Frances	325	20	108960	105000	9/17/09	84800	CNV	
3135	Montana	Way		Marietta	XXXXXXX	Genia R.	491	16	130240	175000	7/26/09	180500	CNV	
352	Foxfire	Dr	SW	Smyrna	XXXXXXX	Freddie L II	121	17	155960	170000	7/22/12	170000	FHA	
779	Birchwood	Ln	SW	Marietta	XXXXXXX	Rafael	16	17	191190	158000	2/8/09	158000	ARM	8.125
1201	Oakwoods	Dr		Woodstock	XXXXXXX	FAUSTO DARIO	1282	15	117170	167900	9/19/11	167900	CNV	
6313	Howell Cobb	Ct	NW	Acworth	XXXXXXX	Kevin E. and Linda D.	39	20	839970	650000	12/19/07	650000	ARM	4.125
6088	Indian Wood	Cir	SE	Mableton	XXXXXXX	David N. and Terri G.	176	18	261410	260000	9/29/09	208591	ARM	5.125
2765	Old Villa Rica	Rd		Powder Springs	XXXXXXX	Rigoberto	609	19	141750	158900	8/9/09	150000	CNV	



# Pulling REO Gems from Pre-foreclosure lists

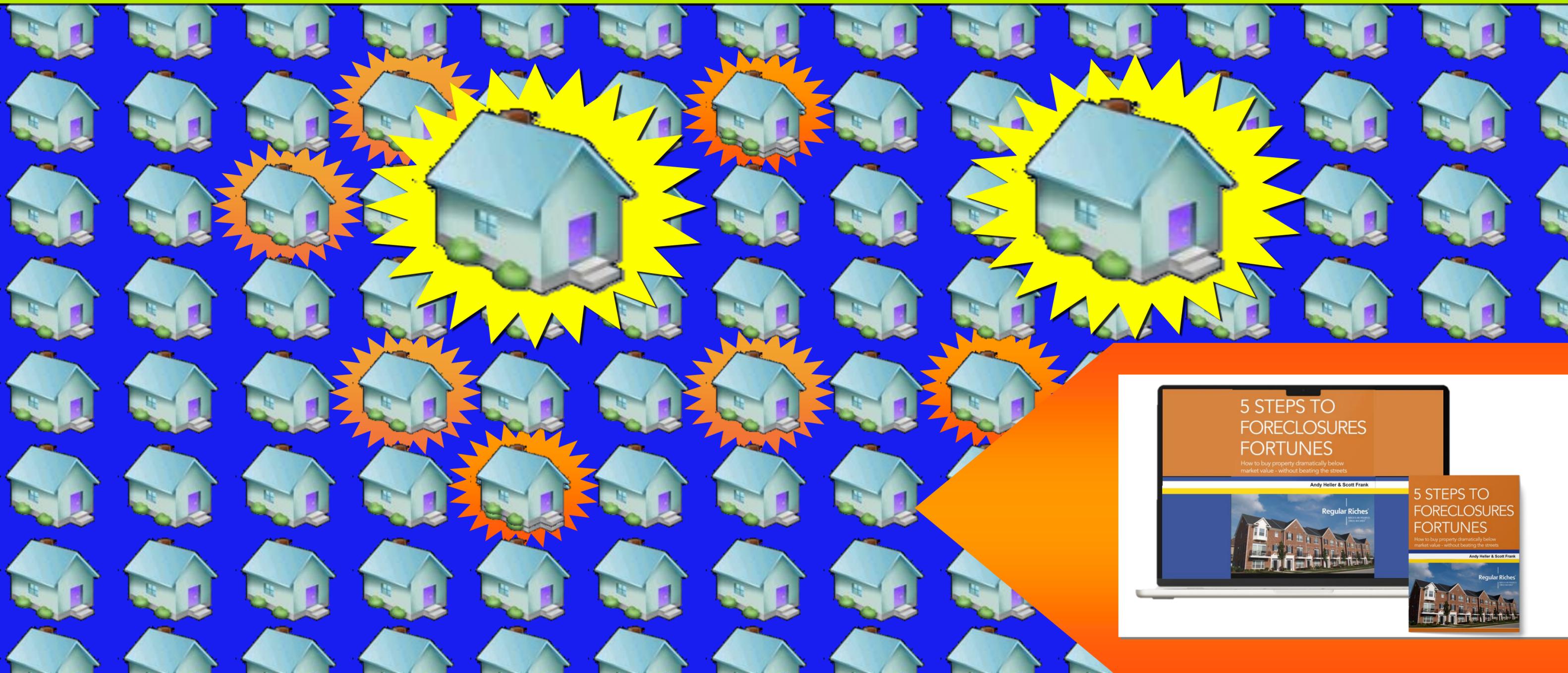
*Just 30–45 minutes per month that's it!!!!*

Street No	Street Name	Street Ty	Stree	City	OwnerLName	OwnerFName	Land Lot	District	Tax Value	Purch Price	Date Purch	Mortgage Amount	Mtg Typ	Int Rate
1455	Bentley	Ln	SE	Marietta	XXXXXXX	Ali Abbasu a/k/a Alireza a	871	17	125930	127900	5/24/05	130123	FHA	5.25
2914	Albright	Cmns	NW	Kennesaw	XXXXXXX	E Lynn	104	20	125480	127000	7/15/04	125850	FHA	
585	Gregory Manor	Dr	SW	Smyrna	XXXXXXX	John	99	17	159120	115000	8/20/12	126500	CNV	
690	Surrey Park	Pl	SE	Smyrna	XXXXXXX	Sonya	379	17	211700	199900	10/4/07	160500	ARM	6.125
3957	Covey Flush #24	Ct	SW	Smyrna	XXXXXXX	Nana K.	25	17	218480	237200	8/31/11	230000	CNV	
6517	Arbor Gate #13	Dr	SW	Mableton	XXXXXXX	Olufunke O.	272	18	132120	122900	7/8/10	122900	ARM	7.95
35	Sheraton	Way	SE	Mableton	XXXXXXX	Ingrid	159	18	99480	105000	5/29/08	84000	ARM	6.75
1520	Dickens	Pl	NW	Kennesaw	XXXXXXX	Francisco	54	20	172180	168000	9/1/08	168000	CNV	
1500	Jade Cove	Dr		Powder Springs	XXXXXXX	Anita S.	316	19	201130	135000	3/30/08	163500	CNV	
210	Niblewill #24	Pl		Marietta	XXXXXXX	Lawrence	652	16	172450	174000	9/1/08	120860	ARM	6.5
<b>d Shirley</b>			<b>88</b>	<b>20</b>	<b>208730</b>	<b>209900</b>	<b>2/26/09</b>	<b>201600</b>	<b>ARM</b>					
3955	Hiram Linn Springs	Rd		Powder Springs	XXXXXXX	James Willis , Sr. and Brian	694	19	201130	191000	2/29/10	393040	CNV	
3975	Doe Run	Dr		Powder Springs	XXXXXXX	Michelle	17	18	118000	118000	6/28/05	115000	ARM	7.125
3410	Chancellors	Dr		Powder Springs	XXXXXXX	Ashiq	76	19	137000	137000	4/29/04	94750	CNV	
1009	Vinings Forest	Ln	SE	Smyrna	XXXXXXX	ANDREW A. AND JENNIFER	517	17	193800	180600	5/25/05	173510	FHA	6.5
2283	Tayside	Xing	NW	Kennesaw	XXXXXXX	Shele	21	20	679800	587500	8/9/12	411250	CNV	
1281	W Spring	St	SE	Smyrna	XXXXXXX	Andrew	521	7	372330	380000	12/22/09	304000	CNV	
1891	Hamby Place	Dr	NW	Acworth	XXXXXXX	Retund and Claudio	16	20	168770	100900	8/5/01	123000	ARM	9.99
1043	Parsons Greene	Dr		Powder Springs	XXXXXXX	Anna	168	19	177950	192000	9/1/09	189033	CNV	
3926	Golflinks	Dr	NW	Acworth	XXXXXXX	Louis	84	20	240480	245000	5/5/08	220500	ARM	6.5
3214	Belford	Dr		Marietta	XXXXXXX	Larry J.	414	16	280210	284500	11/15/10	227600	CNV	
3408	Bodiford	Path		Powder Springs	XXXXXXX	Lucie	764	19	161730	172000	12/8/11	169342	FHA	
2564	Saddletree	Way		Marietta	XXXXXXX	James W.	626	16	255850	179000	6/24/04	172000	ARM	5.5
2676	Horseshoe Bend	Rd	SW	Marietta	XXXXXXX	Maria	618	19	119440	122000	6/15/10	109800	CNV	
			<b>491</b>	<b>16</b>	<b>130240</b>	<b>175000</b>	<b>7/26/09</b>	<b>180500</b>	<b>CNV</b>					
3135	Montana	Way		Marietta	XXXXXXX	Genia R.	491	16	130240	175000	7/26/09	180500	CNV	
352	Foxfire	Dr	SW	Smyrna	XXXXXXX	Freddie L II	121	17	155960	170000	7/22/12	168600	FHA	
779	Birchwood	Ln	SW	Marietta	XXXXXXX	Rafael	16	17	191190	158000	2/8/09	150100	ARM	8.125
1201	Oakwoods	Dr		Woodstock	XXXXXXX	FAUSTO DARIO	1282	15	117170	167900	9/19/11	167900	CNV	
6313	Howell Cobb	Ct	NW	Acworth	XXXXXXX	Kevin E. and Linda D.	39	20	839970	650000	12/19/07	660000	ARM	4.125
6088	Indian Wood	Cir	SE	Mableton	XXXXXXX	David N. and Terri G.	176	18	261410	260000	9/29/09	208591	ARM	5.125
2765	Old Villa Rica	Rd		Powder Springs	XXXXXXX	Rigoberto	609	19	141750	158900	8/9/09	150000	CNV	

**Your GEM Foreclosures**

# The Secret to Buying Bank-Owned Foreclosures

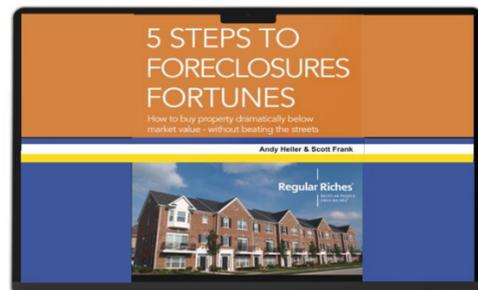
## Purchased Foreclosures



**“Buy REOs for Pennies on the Dollar” . . .  
“that 99% of investors don’t know about”**



**WITH**



**WITHOUT**

**Regular Riches' strategy showed Sophie how to buy this property for 50 cents on the dollar.**

**Sophie Ravenel**  
**Regular Riches Investor**



“

**The 5 Steps to Foreclosure Fortunes really helped me to identify the foreclosure target areas in Saint Louis MO North county with good schools, excellent neighborhoods, where REO properties can be found around 50 cents on the dollar. Thanks Andy**

”

# **Top 3 Reasons Why Bank-Owned Properties are our Favorite Way to Find Good Properties:**

- Easy = Profits**
- Easy = Profits**
- Easy = Profits**

**Time for a break!**



# Step #3

## *Secure Funds for Purchases*



# How to Pay when Buying Low



# Step #3

## *Secure Funds for Purchases*

*What funds are needed for:*

- **Down Payment**
- **Closing Costs**
- **Repairs and Improvements**
- **Marketing**
- **Holding Costs**

# Step #3

## *Secure Funds for Purchases*

### **Investor's Finance Needs (4 Categories)**

- **Investors without Cash or Credit**
- **Investors with some Cash and Credit**
- **Seasoned Investors**
- **You are independently wealthy**

# Step #3

## *Secure Funds for Purchases*

**Category 1: Investors without Cash or Credit**

***Are banks a good source for investors without any cash or credit?***

**Category 1: Investors without Cash or Credit**

***3 Common Financing Strategies:***

- \* Wholesaling***
- \* Private Money***
- \* Equity Partnership***

***Successful Wholesalers typically buy mostly REOs. Why?***

# Purchase Contract

the other and is open for acceptance by the other until \_\_\_\_\_ PM on the \_\_\_\_\_ day of \_\_\_\_\_ by \_\_\_\_\_ by which time written acceptance of such offer must have been actually received  
FAX: \_\_\_\_\_ Acceptance can be communicated this week to \_\_\_\_\_ at:  
PHONE: \_\_\_\_\_

1. PU  
sell  
der  
tr

THE ABOVE PROPOSITION IS HEREBY ACCEPTED, \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M., THIS \_\_\_\_\_ DAY OF \_\_\_\_\_

PURCHASER \_\_\_\_\_, HEIRS AND/OR ASSIGNS  
PURCHASER ADDRESS \_\_\_\_\_

SELLER \_\_\_\_\_  
SELLER ADDRESS \_\_\_\_\_

AND/OR ASSIGNS



**Wholesaling: Investing in Real Estate  
without Cash or Credit**

# Step #3

## *Secure Funds for Purchases*

**Category 2: Investors with Some Cash & Credit**

***Are banks a good source for investors with a limited amount of cash?***

# Step #3

## *Secure Funds for Purchases*

### Category 2: Investors with Some Cash & Credit

***Are banks a good source for investors with a limited amount of cash?***

- Help with Closing Costs
- Help with Repair Costs
- Lower Acquisition Costs
- Occasional Investor Financing

**Banks Are the Best Source!**

# Step #3

## *Secure Funds for Purchases*

### **Category 3: Seasoned Investors**

- **Traditional Residential Investor Loans**
- **Credit and Equity Partnerships**
- **Blanket and Portfolio Loans**
- **Commercial Loans (for Residential Property!!!)**

# Step #3

## *Secure Funds for Purchases*

**Category 4:**

**You are independently  
wealthy**

**Congratulations**

**...what are you  
doing here?**



# Money Talks

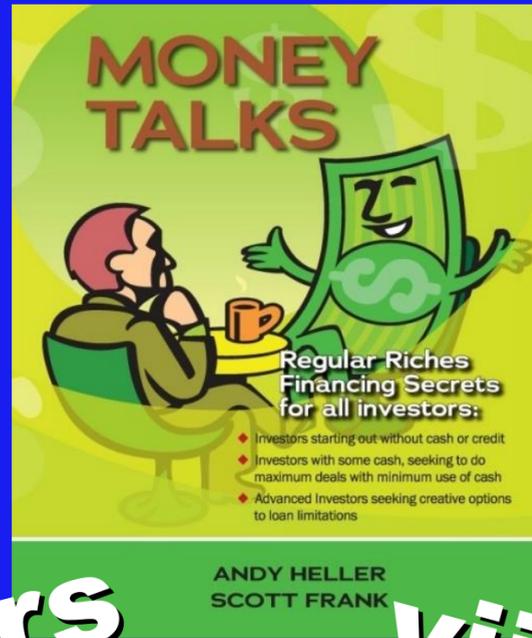
i. Traditional Investor Loans

ii. Wholesaling

iii. Equity Partners

iv. Private Money

v. Hard Money



vi. Blanket and Portfolio Loans

vii. Credit Partners

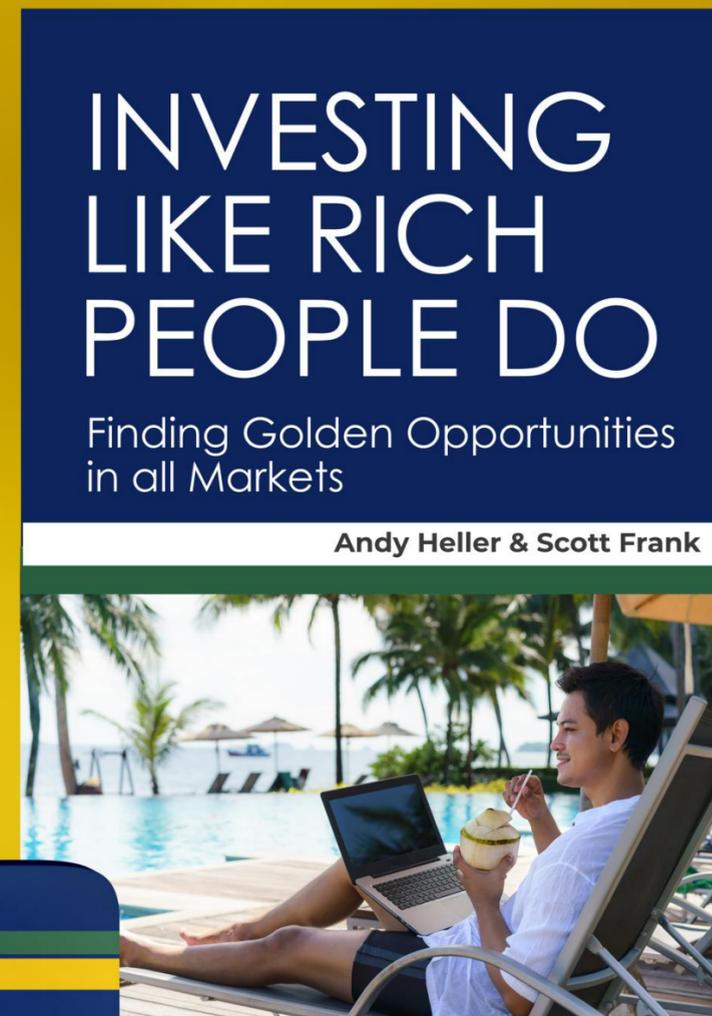
viii. Commercial Loans

ix. Seller (BANK) financing



# INVESTING LIKE RICH PEOPLE DO

Finding Golden Opportunities in all Markets



# \$15,000 on first wholesale deal

~ Donald Kung



 <b>Fidelity National Title Company</b>	
405 Primrose Road, Burlingame, CA 94010 650 348-8261 • FAX 650 348-0584	
<b>DATE:</b> October 8, 2009 <b>ESCROW NO.:</b> 09-4023506-GB <b>LOCATE NO.:</b> CAFNT0941-0941-0005-0004023506 <b>ESCROW OFFICER:</b> Georgia Brown	<b>TIME:</b> 1:21 PM  <b>CLOSING DATE:</b> September 29, 2009
<b>SELLER FINAL CLOSING STATEMENT</b>	
<b>SELLER:</b> Pensco Trust Company Custodian FBO Yvonne Lau Ira #LAAAA <b>BUYER:</b> Matthew John Walters and Kerryn McCluskie <b>PROPERTY:</b> 12 Duran Court, Pacifica, CA 94044	
<b>PROVATIONS/ADJUSTMENTS:</b>	
Prepaid County Taxes at \$3,593.28 Semi-Annual from 9/29/2009 to 1/1/2010	
NRCC credit from seller	4,500.00
<b>TITLE CHARGES:</b>	
County Transfer Tax	643.50
<b>ESCROW CHARGES:</b>	
Doc Prep Fees to Fidelity National Title	50.00
<b>PAYOFFS - Wachovia</b>	
<b>Total Payoff \$369,251.88</b>	
Principal Balance to Wachovia	343,533.57
Interest to 09/14/2009	22,619.69
Interest on Principal Balance at \$48.31 per day fr 9/14/2009 thru 10/2/2009 to Wachovia	917.89
Recording Fee to Wachovia	54.00
Inspection Fee to Wachovia	40.00
Foreclosure Fee to Wachovia	2,086.73
<b>COMMISSIONS:</b>	
Listing Brokers Commission to Reliance Realty 1.00%	5,850.00
Selling Brokers Commission to Coldwell Banker 2.50%	14,625.00
<b>MISCELLANEOUS:</b>	
Reliance Realty Group for Termite Inspection	645.00
AAA Fix It Now for Plumbing repair	2,995.90
JCP Property Disclosure Report for Inspection	142.95
Donald Kung for Contract fee/Renovation & Management	15,000.00
First American Home Buyers Protection for Home Protection Plan	270.00
San Mateo County Tax Collector for 2009-2010 1st installment	3,593.28
023-311-150	
<b>NET PROCEEDS DUE SELLER</b>	<b>\$169,269.06</b>
<b>TOTALS</b>	<b>\$586,836.57</b>

**\$15,000**

15,000.00

# Step #4

***Determine Your Ceiling Price  
(Maximum Purchase Price)***



# Step #4

## *The Ceiling Price*

### **What is the Ceiling Price?**

**The most you will pay for an investment home, after investor discount, repairs, improvements, and other costs.**

# Step #4

## *The Ceiling Price*

$$CP = FMV - ID - R\&I - OC$$

***Class Contest: What do the above initials stand for?***



# Step #4

## *The Ceiling Price*

$$CP = FMV - ID - R\&I - OC$$

- ***Fair Market Value (FMV):*** The Anticipated Appraised value of the property in good condition (repaired and improved).
- ***Investor Discount (ID):*** The Investor Discount is the discount you, as an investor, need to secure to make the purchase makes sense as an investment.
- ***Repairs & Improvements (R&I):*** Necessary repairs and improvements to get the property in good condition comparable to others in the neighborhood.
- ***Other Costs:*** Closing costs, Finance costs, Taxes, Insurance, Marketing costs, Utilities, Mortgage payment or financing costs, other misc. costs.

# Step #4

## ***The Ceiling Price : Fair Market Value (FMV)***

- ***Get Comps*** – Comps stands for “Comparables”, a real estate term for the print out of other similar homes in the vicinity of the subject property (sources for comps include web sites, real estate agents, county tax records, etc.)
- ***Talk to Real Estate Agents*** – Those who know the neighborhood (sources include simply calling agents whose names are displayed on for sale signs in the subject property’s subdivision)
- ***Go to Open Houses*** – Simply drive the neighborhood and view similar homes...both those for sale and even those not for sale (people often are eager to show off their homes).

# Step #4

## ***The Ceiling Price: Determining the Ceiling Price (CP) and Investor Discount (ID)***

- ***Minimum Discount – 10% (of fair market value in mint condition)***
- ***Additional Discount – (for undesirable features/trends) generally 1- 10%, sometimes more, of FMV of Home in mint condition.***
  - **Repairs and Improvements – Hassle Factor!**
  - **Negative Home Attribute - strange or undesirable layout, bad curb appeal, etc.**
  - **Long Time on the Market**

# Step #4

## ***The Ceiling Price: Determining the Ceiling Price (CP) and Repairs & Improvements(R&I)***

- ***Repairs*** – ALL repairs needed to put the home into good condition (broken windows, paint, new carpet, plumbing problem, leaky roof, new light fixtures, new furnace, new stove)
- ***Improvements*** – ONLY those large items necessary to make the home comparable to those in the neighborhood (fenced backyard, additional bathroom, added closet, upgraded kitchen)

# Step #4

## ***The Ceiling Price: Determining the Ceiling Price (CP) and Other Costs (OC)***

- **Finance Costs – typically 2-3% of the loan amount**
- **Taxes and Insurance – talk to a real estate agent and an insurance agent**
- **Marketing Costs – advertising, signs, flyers, often \$300-\$700**
- **Closing Costs – typically \$500 - \$900**
- **Utility Costs – water, electricity, gas, etc. while you repair and rent the home**
- **Mortgage Payments – typically 1-2 months while you repair & rent the home**
- **Miscellaneous Costs – an extra cushion, typically \$2000-\$5000**

# Step #4

## ***The Ceiling Price: Determining the Ceiling Price (CP) Positive Attributes***

- **What to do when you have positive attributes such as an average neighborhood appreciation of 2% each year???**
- ***Answer...NOTHING.* When negotiating you “Subtract for the noted negatives associated with the subject property....but make no mention of the positives.”**

Key Thought: Positives are financial and profit windfalls for you the investor to realize if you hold the property for an extended time frame.

# Step #4

## ***The Investor Discount: The Minimum Investor Discount***

**ID = ID% x FMV**

**ID% = MID% + NHA % + R&I % + LTM 0%**

- **MID% = Minimum Investor Discount %**
  - **Buy and Hold Investor = generally 0 – 5% Investor Discount**
  - **Lease/Purchase Investor = generally 10 – 20% Investor Discount**
  - **Buy and Flip Investor = generally 25+% Investor Discount**

***The Minimum Investor Discount Percentage is determined by you, the Investor. Your chosen Investment model will dictate the necessary MID%.***

# Step #4

## *The Ceiling Price: The Investor Discount*

$$\text{CP} = \text{FMV} - \text{ID} - \text{R\&I} - \text{OC}$$

$$\text{ID} = \text{ID\%} \times \text{FMV}$$

$$\text{ID\%} = \text{MID\%} + \text{NHA\%} + \text{R\&I\%} + \text{LTM\%}$$

- **MID% = Minimum Investor Discount**
- **NHA% = Negative Home Attribute (0-10%)**
- **R&I% = Repair & Improvement Hassle Factor (0-10%)**
- **LTM% = Length of Time on the Market (0-10%)**