



## ***“Module 1 – Smart Wholesaling for the New Rich”***

with Justin Wilmoth

**Justin:** Alright. Welcome to Module 1, Smart Wholesaling for the New Rich. I am your fearless leader, Justin Wilmoth and before we get into the content and the "how to's" we need to talk about the mindset of a tenant or a wholesale and more or less why I created this and a new way for you to see the world. This is the way that I and successful students have created a lifestyle that's different from your traditional or typical ideology from the industrial age. Now, I call this the new social era and in the new rich we have others work for us. We don't work for ourselves. We don't go into business to create another job just to stay busy. We prevent the work for work mentality meaning we identify the most specific things that we need to do and then that's what we do. We don't do "busy work". We outsource it smartly, intelligently and we have, we shoot for mini retirements. Meaning, throughout the year, for example my wife and I go we go to central America at least 2 or 3 times and then throughout the year we pick a couple of other places to go. Now, with the way we set up our tenant or wholesalers systems we don't need to be anywhere in particular as long as I have Wi-Fi in my laptop or in business. And the money is always coming in no matter what we are doing. So, we don't need to shoot for a specific date of retirement. If you can click some buttons and you are 90 years old, you can do this. Now if you choose not to, of course, you can outsource our own tasks and be even back further, put a CEO in your place. But for now, you got to understand that we don't work, work, work hard eventually to retire at an older age when life has already passed us by. You know, personally there is a lot of things that I like to do and see and accomplish with my friends and family and things to see in the world and you know, surf. I am a surfer and so there is a lot of places I want to go. And I know that most people want to do the same and we are all here to live our lives to the fullest and going to work or creating a job as an investor is not serving your purpose. So, mini retirements throughout the year is what we do. We are having things as a means to an end not the focus. We make a ton of money but with specific reasons in mind and we have more quality and less clutter. Our systems are in place and we never have to worry about what's next. We also think big but ensure the pay day come every day. For us is cash flow first

than big pay day second. That's a very big adjustment for some people. But I am telling you this is the absolute least resistance way to live. We do what we want, whenever we want and we always can feel ensured that the money is coming in. We have freedom to pursue our real pure dreams. Whatever it is that you really want to do in life, this system will help you achieve that. Alright, and in this module, you are about to discover the 10 Hour Wholesaler mind set. We just spoke about it briefly but we are going to go into more detail in just a bit. And we want to go into what is called co-wholesaling versus wholesaling or vice versa I should say. What is wholesaling versus co-wholesaling. We are going to go over smart wholesaling for the new rich. My top seller and sources and where we find them. My top buyer sources and where and how to find them and setting up your company entity. And the disclaimer once again, we are not attorneys, so don't take any of this as a legal advice. Alright, the 10 Hour Wholesaler mind set. We have that "I can" mind frame and we put blinders on. So, whenever we set ourselves up for a new goal. We have the " I can " mainframe that means that we know that we are capable of doing it. We believe it and we just do it. And how do we just do it? We put blinders on. Which means we unsubscribe mentally and physically from all other distractions and subscriptions. We concentrate on our one focus. You have committed to wholesaling by purchasing this program so you need to p into work especially in the beginning, see this process through until the end. Like once again, unsubscribe mentally and physically from everything else. Have 100% faith in this process and in the system. I and many students are successfully implementing it. When you run into resistance or any type of obstacles, just let that faith of knowing that other people are doing it and that you can too. Whenever you feel confusion or distraction setting in, come back to this module. Get clarity. Remind yourself to just keep it simple. There is what I call nothing else. There is no reason to complicate it and I remember when I was starting in this business, one of the things that I personally would do and I see lots and lots of people that I work with all the time, is to complicate it and there is really no reason for it. When you feel confusion, stop take a breather and contact support. It will work for you. You just have to have the faith. Now you also need to know as a 10 Hour Wholesaler that we are having an abundance mentality. And deals are infinite. And when I say infinite, I mean infinite. Through this system, the country is literally your oyster. You are not stuck in the market that you live in or just a market that you have knowledge in or just a market that you start in. The country is literally your oyster. Deals come in to every market day in and day out, by the boat loads. There are more deals than you can ever imagine. And I am telling this because you need to have this mind set. So, when something goes

wrong, you do not get discouraged. Get rid of it, forget it, make it a learning lesson and move on to the next relationship and to the next business. Buyers are infinite. Buyers are flooding into the market every single day, both domestic and international cash buyers. There are hundreds of deals and buyers are in the market at all times. There is nothing to fear. Nothing to lose when wholesaling houses like this. Now when we wholesale the smart way, as we are going to go a little bit later, you are only putting properties in a contract that your clients already want and have told you that they want. You are going to get a deposit from them prior to even putting a house in the contract. There is truly no risk in doing it this way. It is the smart way to do houses. Get started now. Pass to make it money quickly. Feel the fear and do it anyway. If you are new to the business, it does not matter. Every step that you need will be in these modules to learn how to wholesale properties and to learn how to co-wholesale properties and turn out a wholesaler way. For every single step once again feel free to reach out, but you have this content here. Go back and rewind whenever you need to for clarity. Now, we've spoke about this before in the kick start module but you need to squash pre-conceived beliefs that you have right now and about what's possible for you. You need to look at this information objectively. Have an open mind. If you have different beliefs as if right now, do yourself a favor and look at everything here right now objectively. The best way for you to consume and retain it is to look at everything objectively. Everything happens in your mind first. So, believe that you can flip these properties nationwide. That seems to be a very hard thing for some people to digest that they can be a national real estate investor. But I am telling you. Once you get into the business, you wonder why you ever thought it would be difficult. It's actually much easier and makes much more sense than restricting yourself to one particular market. Now, passion. We have to have lots of passion for what we do because when you have passion that rubs off on other people and your relationships will start to pick off on your passions and will make people want to work for you. Your excitement on the phone will actually help you concrete these relationships that are necessary. Your integrity is going to need to be solid because you are going to be working on, building very important relationships with co-wholesaler, with buyers and with sellers. So, your integrity needs to be tight. You need to visualize your goals throughout this entire process and continual personal growth. There are many books out there and we are going to give you resources at the end of these modules. Some of the best books out there that you are going to get started with are Eckhart Tolle, "The Power of Now", the "E-myth revised" by Michael Gerber and of course Napoleon Hills "Think & Grow Rich". Read right now "How to win friends and influence people" by Dale Carnegie. This is extremely important

above the other ones I just mentioned reason being, as a 10 Hour Wholesaler your mind set is all about relationships. This entire business is based on relationships. You are not much more than a real estate matchmaker and advertiser, a marketer. Have you ever seen the TV show, "The Millionaire Matchmaker"? Now my wife has maybe watched a couple of times before, I'll admit, but I'll tell you right now it is very similar to what we are doing. We are matching up one love for the other. The love and the need for a seller to sell and the love and the need for the buyer to obtain a new property so they can reach their goals. And the way we do this is through being a relationship influencer. So "How to win friends and influence the people" by Dale Carnegie is an absolute must. Consider it part of the course. Now, once again, if you've never done a deal before that's no problem. If you think you are lacking the confidence because you don't have the experience, then fake it until you make it. There are many people out there that have done the same and that's pretty much an understatement. Here is your chance to be an actor in your own movie. This is how all successful self-made people started out. There is no multi-billionaire producer that didn't first believe that they are capable of something before they have actually achieved that something, because it starts in the belief. It goes back to what we were talking about previously. You really truly do have to believe that you can do it because once again we are showing you the principles and the steps throughout this course. So, it's going to start with your belief.

Alright, wholesale fundamentals. What is wholesaling? Well, wholesaling is simply putting a property under contract from a motivated seller and selling that contract to a cash buyer at a higher price than the contractual agreement. So, for example, if you got a property under contract to purchase from a seller for \$60,000 and then you find a cash buyer who wants that for \$70,000 why would he pay you the \$70,000 because the after-repair value of the property is \$100,000. So, the \$10,000 in the middle is the spread or your profit. Basically, you just find a motivated seller, get the property under contract, find a buyer interested in paying more and then you either do one of two things, either sign that contract to your buyer for a fee which is a simple one page assignment contract. Or you do, is called a simultaneous closing where you actually buy and sell the property in the same day with the buyer's cash. Very simple process and we'll get into that later on. The buyer's cash is used to close the transactions. The wholesaler gets paid the spread, the difference between the contract price with the seller and the price with the buyer. The further below market value the price is with the seller, the more profitable it can be. So, it's very important when negotiating with motivated seller obviously to get the best deal that you can.

And later I am going to show you a little tactics to create even bigger spreads in the middle even once you do have a property under contract. The wholesaler uses no cash or no credit whatsoever. Your value is bringing the seller, the cash and the buyer of the property. You do not at all be a real estate agent or broker or have any license as you are not representing anybody. Now, of course you will need to speak to your attorney as every state has different particular requirements but I am telling you right now, wholesaling is done nationwide and thousands and thousands of deals are done a year.

Now, wholesaling fundamentals, two methods to close your wholesale deals. Alright, let's go over this in more detail. The simultaneous closing which is my preferred method when I am doing bank owned HUDs and the reason is when I am making over \$10,000 on a deal don't like my buyer or my seller to see the fee that I am making. Now, an assignment. An assignment is the easiest way to get paid and an assignment looks like this. So, one page contract and it simply assigns your interest in a property over to your buyer. So, visualize this for a moment if you are new to this business. You get a property on a contract with a motivated seller. You know the property is worth \$100,000. You get on a contract for \$60,000. You then market that contract/property and you find a buyer that wants it for \$70,000. Okay, great. Now what? Well, you get a one page assignment contract that actually assigns your interest in that contract over to your buyer which means it literally takes your name off the contract with the seller's side and puts your buyer's name. You take those contracts and you hand them to a closing agency or a closing attorney. And they do the work from there. Now a lot of people get super confused and nervous with that process. All you need to worry about in the beginning if you are doing your very first wholesale deal is to get a property under contract with a motivated seller. Then you need to get a contract with the cash buyer and if you are going to assign that contract, get that assignment contract signed. We have that provided for you guys in the resources and download section of your member's panel. Now once again, the difference between doing a simultaneous closing and an assignment is in a simultaneous closing you are actually going to closing meaning you are going to close in the property but you are also going to use your buyer's funds to close on a transaction. Now, this is completely legal in many states but in some states, it may not be. It's what they call a dry closing. Now if this is the case, you are going to need to get what's called transactional funding where you are going to borrow the money for a short period of time and there are many transactional funders out there which we will get into later. But you are going to borrow the money for a short period of time, buy the property and then sell the property back to your

buyer. If wholesaling through a simultaneous closing, you are the contractual buyer in seller. Two transactions take place when doing this and that is the transaction between you buying the property from the seller and then you selling the property to your buyer, all in the same day. Transaction between the seller and the wholesaler, transaction between the wholesaler and the buyer. Simultaneous closings, the buyer doesn't know how much you make on the deal. Now, this can be very important because you don't always know the mentality of your cash buyer. Believe it or not there are some people out there that don't like to see a wholesaler make what they believe is too much money since the buyer which is typically a guy who is going to fix and flip the property is the guy who is putting up all the money, in his own mind, putting up all the money and taking all the risk to do the transaction. Now, that's really none of their business in particular. What you get on the property and the contract for, does not matter. What matters is what you are able to provide, what value you are able to provide for that buyer. This property that they obviously want is a property that they would never have without you. Now if you have that property on the contract for \$5 and it's worth \$100,000 guess what. you are going to have a phenomenal pay day. But if you got it under a contract for \$65,000 and you are going, and it's only worth \$70,000 to your cash buyer, then that's what you are going to make is \$5,000 minus closing costs. Now, I prefer to do all of my deals simultaneous closing and I'll get more into that a little bit later but I tell you right now, it's because I like to keep everybody "grist" in all my deals. And the reason for that is more people involved when we are doing simultaneous closing, and my closing attorney gets paid. Now in a simultaneous closing you also stay in the seller position the entire time of the transaction. My title company, actually my title attorney, prefers these methods since they can have my buyer sign an acknowledgement form stating that my buyer is fully aware we are using their money to close the transaction. It's called simultaneous closing disclosure and in the state of Florida, and in many states as long as they are sign off allowing you to use their money to close both sides of the deal, is completely legal. Now this is the most expensive closing method to doing deals but like I said I prefer to do it because it keeps everything on the straight in their own. Now if wholesaling a property through an assignment, we are not selling the house. We are selling the contract, the paper. The paper is the product. Now the assignment contract is a simple one page contract, like I said before, that simply assigns your interest in a property over to your buyer for a set fee. Say it's \$10,000 like in the example that we've been using. Now, let's get some more clarification on what an assignment contract is going to look like here. So, for example, again if the property is worth \$100,000 ARV, that's called after repair value. Your offer for a

quick cash deal to the seller may be \$70,000. When you make an offer to a motivated seller, you are going to make sure that this sale is contingent upon partner's approval. This is called an escape clause and it's extremely important to make sure that you have this escape clause in every offer that you are making. Now, when doing your own wholesale deals and working with motivated sellers, you need to be making multiple offers a week. We've been known to do over 100 offers in one week and we do close to that on average. So, for that it is extremely important that you have an escape clause in every one of those offers. We are going to show you how to bulk offers so you can actually do 50 to 100 offers a week, a little bit later on do some really cool software. Now, we use a purchase and sale contract and we've provided a purchase and sale contract for you in your resources and download form section of your member's panel. But when making offers say through REOs or through real estate agents we recommend making what's called your state certified contract that you can get from any realtor. What's more, an assignment example, is you find a cash buyer for \$80,000 for that property that's \$70,000. You use that assignment contract to assign all of your interest in that property over to your buyer. Once that assignment contract is signed by your buyer, you no longer have any rights to that contract. You've sold that contract to your cash buyer for a fee. You take that contract and you send it to your closing agent or your closing attorney and wait for any questions that they have. Do not let that next process confuse you or get you demotivated. It does to too many people. Once again just concentrate on getting a contract from a motivated seller, getting a contract from a cash buyer and getting that assigning contract sent over. When you have questions, we are here to help and answer those for you. But just concentrate on those 3 steps. The rest will just happen. Once it's done you literally pick up your check or have it wired. Now having it wired it's a lot of fun because like I showed you earlier, there's nothing more exciting than seeing, opening up your inbox and seeing, you just received a wire of X from your bank. You are going to love it. Now remember you are in the marketing and relationship business. That is all about. The properties and the contracts are just the product. You are all about relationships. I am telling you right now, without relationships you are going to make this business very, very difficult. Now, these relationships need to be great on both ends, need to have great, phenomenal relationships with your buyers and when dealing with motivated sellers it's all about building reports that you can get that contract in the first place, talk to them, ask them many, many questions, spend as much time with the sellers as you can. Be friends with the seller. Make them want to sell their property to you, make them feel comfortable. Once again, reading a few books and "How to win friends and

influence people", although it has absolutely 0 to do with real estate in particular, it has everything to do with real estate. Get a motivated seller to trust and like you, you will get that contract. You will see much more success than the guy next to you implementing the very same investment strategies, but if you are the one with the relationship let's say expertise, you will be the one getting the property, regardless of your credibility or background or past experiences. Now that you know what traditional wholesaling is all about let's talk about co-wholesaling.

Now, what is co-wholesaling? Co-wholesaling simplifies it so that you only have to implement one side of this transaction. Now, this is where the business gets really sexy for us and this is what the tenant or the wholesaler is going to be all about. So, strategy one you contract the property and another investor brings the buyer to the table. Strategy number 2 an investor has a property under contract and you bring in the buyer, which is what we are all about, the marketing agreement. So, in a transaction like this, when a fellow wholesaler has gone out and done all of the work and got the property under contract from a motivated seller and you happen to have a cash buyer, because we focus as 10 Hour Wholesalers, we focus on cash buyers, which we are going to dig into later on in core modules number 2. But in this type of relationship when you bring your cash buyer to buy a fellow wholesaler's property, you are going to need to have what's called a marketing agreement. Now, we provide a marketing agreement for you. You can also go one step further and get what's called a non-circumvent contract. And we can get into that a little bit later as well but a non-circumvent will be where your wholesaler is in essence just promising that he will not go around you and steal your buyer from you which is a question I will get all of the time. But remember, co-wholesaling the 10 Hour Wholesaler way is going to be all about an abundance mentality. Now when doing this the typical profit spread, is a 50-50 split. So, if the selling wholesaler has the property under contract, for \$50,000 and your buyer has agreed to buy that property for \$60,000 that's a \$10,000 spread and that is \$5,000 to each of you, a 50-50 profit spread. Now, let me introduce smart wholesaling for the new rich. Now this is wholesaling properties without marketing for motivated sellers. It's without spending thousands on mail campaigns. It's without negotiating with sellers. It's without putting escrow deposit money down and it's without driving through neighborhoods. And especially without putting bandit signs at 2 AM. For any of you experienced sellers out there, you know exactly what I am talking about. It's also without ever having to own a property, without ever worrying about the most difficult thing in this business which is finding deals. If you see it in this way,



you will never have to worry about that again and that is a beautiful thing. You need to get excited about that. You are also doing this without working your ass off and having tons of stress. Now, smart wholesaling for the new rich. Here is what you need to know. We work for our buyers. And our buyers love us for it. We leverage OPI which is other people's inventory, very important. See, we are dumbing it down the smart wholesaling way. We don't spend a dime marketing for properties. We make consistent money, outsource and live the lifestyle that most people got into the real estate for in the first place.

It's minimum work for maximum effect. So, we locate our cash buyers first. We find out exactly what their perfect investment property looks like. We literally ask them that question and your cash buyer questionnaire is provided for you in the download and resource section. We need to know what it looks like the location, year built, the construction type, the amount of repairs needed and everything. Get that to envision what the perfect property is for them. The very house that they would buy over and over and over again. That means the exact neighborhood, maybe even the exact street. What it looks like, it smells like, how big it is, the condition that it's in, the amount of repairs that it needs. And what we are doing by getting into that detailed is letting them know that you are out looking for that perfect property for them. By asking them these questions, you are going a step further than anybody else ever has for them. We want them to envision just the absolute ideal property. Have them so detailed that they are actually getting excited about doing it. Let them know that you are the best and that you will find this property for them. Remember you are working for these guys. The way of this new rich, smart wholesaler is to work for the buyer. You then go shop for your buyer and look for the property for them. You'll find exactly what they're wanting and using for their own resources. Then make them commit ask them, straight up, do not around this. Very important, once you've brought them through this process, they've talked about their perfect property, say listen so I am going to use my own resources, my time and my efforts to find you this property. If and when I get you this property, will you commit and purchase this property within 7 days? Get them to say the word yes. Then just go to work and shop for your buyers. Once again, smart wholesaling for the new rich, your buyers are the meat and we are going to talk to potatoes later. But be friends with them. You are their alliance. You are here to help them reach their financial goals in real estate. They are lucky for you to come into their life and now they can focus on what they do in life and depend on you to find their inventory. You are helping them reach their real estate goals. Even though smart wholesaling focuses on finding buyers first and then leveraging OPI, which is

other people's inventory let's still go over my top motivated sources, my top sources for finding motivated sellers that is. Now, my top sources for motivated sellers are the 3D's. And that is death, disaster and divorce. Sounds like a doom in gloom horror movie and it could be. But listen this is life. These 3 things happen all day, every day, 24 hours a day. And these are people where circumstances have put them in a situation where they need help. This can happen to anybody. And in these situations, you are actually going to be in a position to help these people. okay let's talk the first D - death. Now, probate which is also inheritance. This is a phenomenal source of leads. It's one of the best sources out there and how to get the list. You are going to need to go to, this is one of many but you can go to [www.us.leadlists.com](http://www.us.leadlists.com). you can speak to Lens. Lens and Terry both own [usleadlist.com](http://usleadlist.com) and they can provide with one of the best probate inheritance list that are out there. It's very, very detailed, very, very good. Now, it's let them know when you call them that you are looking for the probate list in X. so if your target market that is going to be let's say Phoenix, you are going to call them or email them and ask them for the probate list in Phoenix. Now they only sell the list to 2 people at the time. And the list only gets released every quarter. Check with them and see what's available. Now US lead list is not the only probate inheritance list provider. You can also do a Google search for probate real estate lead list. Now, the second D - disaster. Storms, earthquakes, natural disasters, let me tell you, hurricane Sandy was a devastation, it was horrible. But on the other end it created lots of opportunities for people and there are a lot of investors doing lots of renovations wholesales, fix and flips, throughout the entire north-eastern region during the hurricane Sandy, so a lot of opportunities opened up. These opportunities happen because when properties get damaged to badly, this, the current property owners cannot handle or do not want to handle both physically and/or emotionally dealing with that property. So, they will either walk away from the property or in some cases it just works out with the insurance adjustment where you can buy that property cash at a very deep discount. Here's the thing, some people call this preying and that is not the case at all. The disaster happened and without people like you and other investors willing to buy a decapitated property for cash, the government could possibly force to mow those properties down. Therefore, putting more stress on insurance companies which ends up putting more stress on the actual government. So, by the private sector coming and purchasing these properties, you are doing a huge service. This happens in your local area also all the time it's called fire houses. Now, to get houses that recently caught on fire, you call your local fire department and ask for the list. Get the list of the recent fire houses, it's public information and nearly every single city and municipality

has it. Now on to the 3rd D - disaster. Disaster could be something as simple as a water damaged property, say a water heater broke on the second story floor and nobody noticed it for a week. The entire house floods out, creates mold. Next time you know, you have thousands and thousands, sometimes hundreds of thousands of dollars' worth of repairs on these properties. This creates an issue but also an opportunity for an investor. These are people that you are going to want to reach out to. For water damaged properties, a little ninja trick is to just Google private mold remediation water damage, disaster relief contractors and companies in your target market. So, it looks something like mold remediation Phoenix, Arizona. When you Google that look at the results and contact those companies. Ask them, hey have you had any properties that have serious issues? If so, I'll just like to let you know that I am a local investor. We buy properties cash. If for any property that we ever buy from a lead that you provide us, we can provide a referral fee and many times that can be \$500, \$1,000, \$2,000 whatever the case may be. This happens more often than you think. It's a very great way to build the network.

Divorce, now, the best way to deal with divorce is to call divorce attorney throughout your entire region. you can do this by doing a Google search and then just reach out to them and let them know that you buy properties cash and would like to establish a mutually beneficiary relationship with them. Properties refer to you from the attorney's divorce cases when sellers' need to sell. You'll be the professional real estate expert. So, in exchange for them sending you leads, offer your services to them as a professional real estate expert. If they ever need a testimonial or a case as a real estate expert to come and help them, then offer your time to do that for them. Trust me, this will make them extremely grateful and happy and a lot of times it is the offer that pushes them over the hump. If they are not interested, then they are just not interested. Let them know you will be more than happy to assist them in any way you can and that you pay referral fees for any property you end up buying. Now, you are going to want to speak with them and see if there is something that they are okay with. And again, every state is different. Attorneys like to be able to offer their service to their clients. Absentee owners, now this is my number one source of deals. These deals are nationwide and it's just an absolutely phenomenal source. Now, absentee owners are people who own a property but don't necessarily live in it. Again, an example would be, a property that looks distressed in Orlando and the owner lives in Phoenix Arizona. That's an absentee owner. Another indication of an absentee owner is just simply looking at the mailing address and then the property address. These properties can become a burden and I know many

people who have concentrated on just working with absentee owners. We ourselves, a few years ago did a campaign focusing on just absentee owners and we did over 20 wholesale deals in just 3 months selling out, sending out yellow letter campaigns to absentee owners. Absentee owners are a nationwide source of deals. People who own a property but don't live in it, that's what an absentee owner is. Now, they have different mailing address than the actual subject property does. These properties can become a burden, out of area state management is very difficult. A lot of times there is tenant issues, maintenance issues and the best way to get this is from usleadlist.com. they also provide an absentee owner list.

Now going through a list provider is one of the easiest ways to get a list of absentee owners. They simply do all the work for you. Then you get the list and you send your direct mail campaign to them. And when you go into the exact mail campaign that you need to be using a little later which is called the yellow letter mail campaign. Now there is another way to do it that's cheaper because yes, the list does cost money. If you want to do this absolutely free but time consuming you can do what's called driving for dollars and if your subject property is where you live, then you simply do this. Drive up and down the streets of a very desirable investor friendly neighborhood where you know investors are currently doing fix and flips and/or a neighborhood where there are lots and lots of rentals because you know there are obviously lots and lots of landlords in that area. So, what you do is drive up and down the streets with a notepad and a pen and you look at any dilapidated property that looks completely abandoned with not a soul inside. Some indications of an absent property, absentee owner property that would be an effective lead would be a property that is obviously vacant and the way to tell is by stacked up newspapers in the front door. Grass that's going over knee high, boarded up windows, spray paint. These types of indications can be strong indicators of whether or not you have a potential absentee owner situation. So, what you do is you mark that property address down. After you are done driving the neighborhood throughout the day, you go on public records and you Google your local counties property appraiser website so if you are in Orlando, Florida, you are going to Google Orange county, which is the county for Orlando, Orange county public property appraisal site. So, do the same for whatever subject market is. Use that website to type in each interest that you have written down. If the property owner is located out of state or somewhere else you have right there in front of you what's called an absentee owner lead. This could potentially be a great source because it is very niched and you know that the property is in need of

help. Now you can outsource a lot of this. You can hire somebody to drive up and down the streets for you for a very cheap amount of money, believe it or not, and then you can outsource the looking up of these properties to a virtual assistant on some of the sources that will go over to later on for very, very cheap to overseas virtual assistants in the Philippines. Or you can take it upon yourself to do it yourself, but I highly do not recommend it and we are going to go into more of that why a little later. But that is generally how you can do absentee owners. It's a great source for motivated sellers. So, let's just overview that one more time of what absentee owners looks like. So, the 3 sources, once again, locating absentee owners by searching through your county public records it's just do a Google search for your state county property appraiser office. Most counties website and functionality vary but many have an option where you can pull a list of owners where their primary and mailing address is different than the subject property's address. Alright, contacting sellers directly. So, with these lists and using those sources of list of motivated sellers, we just identified that where you want to get motivated sellers from, now how are you going to contact them. Well, here's how you do it. This is the most effective way in the industry. Now is a bit controversial in the fact that it seems, seems is the key word, to be so personable that you will get a lot of let's call them inquiries from concerned people. But the goal is to get the phone ringing when you are trying to do your own wholesale deals and working with motivated sellers. You are going to send them what's called the yellow mail campaign. Now, right here in the front of you, you see an example of a yellow letter. And it simply says this: Dear Yin, my name is Justin from Palm Coast Homebuyers and I am very interested in buying your home at 123 Elm Street. Please call me at or see me at my website. Please call. Thank you, Justin. Now, this is a yellow letter on yellow paper obviously and it looks handwritten in red ink. There are a few ways about doing this. Once again, to stay low budget you can do it all on your own. And you simply write out, this mail template on a yellow piece of paper with red ink and you write Dear, leave it blank and then you write the rest of the message. You then bring this to somewhere like Staples and then you can make a bunch of identical copies. Or you can take a bunch of yellow paper, upload it into your ink jet printer and you can make your own. You can then hardwire the name of the subject person. You can then take the envelopes and this is very critical, very important. When you send these out, you send these out in an invitation style envelope, typically a manila envelope. Invitation style looks like a typical invitational card. You then put what's called a live stamp on it which means it's just a regular stamp that you get from the post office. That envelope is then addressed. Handwritten and red ink, now once again this seems to be very time consuming, much more time

consuming that say just ordering a batch of postcards. But let me tell you the response rate by doing this is 15 to 20%. That is non-existent in the direct mail campaign industry. Something you compare to is a postcard, your typical postcard is 1% to best 3% response rate. So, you can see the difference. Time versus money, you don't have to do as many yellow letters to achieve the same results that you would have to do with a postcard. Option number 2 for these yellow letters is once again, contacting US lead list and asking them to do the yellow letter campaign for you. Now, they can actually pull your list of say absentee owners, for a fee of course, then they can actually do these yellow letters for you and send them out for you. This is the smartest way to go about it when doing outsourcing, but if budgeting is an issue you can go about doing it yourself in the beginning and after your first deal, you can dedicate 15% and make sure you do this, but dedicate 15% to immediately putting out another yellow letter campaign. Now I do want to reiterate, this is all we are teaching how to wholesale your own properties but the smart wholesaler way and the 10 Hour Wholesaler method which we are going to go into in module 2 is going to be different. You will get to bypass this but you do need to know how to wholesale properties before you go into wholesaling. So, consider this your formal education.

Alright, other sources of motivated sellers, REOs, foreclosures, and HUDs. Now, these can be good sources and I have done many, many REOs, HUDs and foreclosures but I will tell you right now that in this current real estate market and most of the good markets across the country, a lot of these are starting to dry up but there is still opportunity and let me show you how there is still opportunity for REOs, foreclosures and HUDs. Get a list of bank owner homes that can be obtained from your local REO agent broker. If you don't already have a relationship with one of these guys you are going to try to get in with them. They already have relationships with other cash investors. But in many cases, there are newer ones to the market and there are also guys that are looking to expand their investor reach. So, one of the best ways to get hold of these guys is to go to your local real estate investors' association which is a must anyway and find out who they are using. What REO broker is the biggest and baddest in your county. that's the guy that you want to talk to. Make sure that you at least reach out to them, talk to them and let them know that you are part of the organization. Target properties on the market for 90+ days. Now, this is very important. The REOs that hit the market on day 1 in many, many cases are not listed well below market value anymore. There are many, many reasons that go to this. But just trust me, you will find better deals and less competition and less

bidding wars by asking for a list of properties, to be more specific, a list of foreclosure properties that have been on the market for 90 days or more. Now let them know you are a serious cash buyer and you would like to go direct through them as their buyer client and you would greatly appreciate them putting you on the auto-update list for properties that fit your buyer's criteria. So, you are going to give them what your buyer's looking for as well as whatever it is in your market that cash buyer's investors are buying. So, you are going to want to do both, what your buyers are looking and which you also know that in general what all cash buyers are buying. You will need a proof of funds which is called a POF when dealing with bank owned properties. To get one of these go to [shortfunding.com/request\\_funding](http://shortfunding.com/request_funding). You can also go to [transactionalfunding.com/order\\_approve\\_of\\_funds](http://transactionalfunding.com/order_approve_of_funds). Now, what these guys do are providing short term funding for investors. Now, you will need to have your buyer set up, in place and under contract. You will also need to make sure that you have your buyer's EMD. Now, when you have your property under contract with the seller and you have a buyer willing to pay more for that property, to get the financing in between is not difficult at all. So, you will need to make a relationship with one of these companies. Shortfunding.com is a phenomenal resource. Make offers at least 12% below the list price so you are providing value to your buyer. Now 12% below list price is a high number. When making offers on REOs and foreclosures on the 90 days or greater list make sure your offers are at least 12% below the list price. Now you are only going to make it 12% below the list price if the list price seems to be below after repair value. Well, not seems to be, if it is. But even if you make an offer at 12% below list and it gets accepted but it doesn't seem to be at a number that you need to be at, it's okay. Start to do the deal and here's why. In most, almost all foreclosures there is 7 to 10 inspection period. During that inspection period, you have the opportunity to obviously inspect. From there you will find something that's wrong with the property. Use that, take pictures of it and get a quote from a contractor on what it would take to repair that particular repair. I don't care what it is but make sure you find that repair. When you do, send an estimate and discount your offer that much. Now, when you do this, the only advantage or the only reason that contractors want to do this for you, is because he plans on doing the work afterwards. Do everything you possibly can to make sure that he does get the job when you sell the property. A lot of times this is possible because you already have relationships with the buyers that you are selling the properties to. Therefore, you can recommend this contractor. If that's not possible let the contractor know that upon successful closing that you will give them some sort of fee for coming out and doing the estimate. Now, it's only going to depend on

the deal. But that's a great method to go about getting a property under contract. It's much more effective. Listen, it's much more effective than going out and making offers on foreclosures at 50% below what their ask price is. These days it's just not that realistic. Befriend the top REO agents and brokers. Do everything you can, take them out to lunch, it might be the best \$25 that you will ever spend in your life. Me personally that's exactly what I did and it's how I got my first HUD property. I took out the number 1 HUD broker to lunch and then from there I did my first deal netting me almost \$10,000 and after that we did dozens and dozens of properties after that. If you can't bring them out to lunch, bring them out to a cup of coffee or a beer. That's fine too. But bring them out and pick their brain. Show them that you are here for the long haul and that you want to build that relationship, take it seriously. Now again, I spoke about this earlier, but foreclosures are a numbers' game. Contracts are not assignable. So, let's go back to the numbers' game. So, when dealing with foreclosures to need to be making a minimum 5 offers a week. But that's really a bare minimum. You should be making at least 50 offers a week if you are in a county with over 200,000 more residences. If you are in a county or a city with under 200,000 people then it's relative, maybe 5 will be ok. Contract when you are dealing with foreclosures are not assignable. So, remember, we spoke about assigning contracts earlier. You cannot assign your contracts when you are dealing with a foreclosure. You are going to have to do a simultaneous closing which is perfectly fine but you just need to know that.

Now, the offer blast approach. Making 25+ offers a week. Actually, you can do 25+ a day. So, you can do this on complete automation and your admin can blast off offers via email. Now one of the best sources for doing this is a software called freedom soft and a little thing that they have called offer bot. In order to get a free trial for freedom soft go to [privatemoneyblueprint.com/try](http://privatemoneyblueprint.com/try) it free. This is a phenomenal resource. If you are going to take this business serious, get this. It will completely change your business if and when you use it. We have done many deals by blasting out offers across the board. Now, you will find out exactly how to do this when you get into the system. It will show you step by step how to make this happen. But it's all about making offers and mass quantities. That is the most important step when dealing with REOs. And you can go about it both ways but I recommend doing the 12% below list price approach first. If that doesn't work, go ahead and follow up with where you need to be which is a 60 to 50% at after repair value. Now, once again, once you get into the system, you will see the options that are into the system or you can literally choose at what percent you want to make the offer of list price. So, for example, if a list price is



\$100,000 it will allow you to send out your offer at 50 or 60 or 70% at list price which means it will automatically generate your contract at \$70,000. Very, very cool! And this is what, once again, this is all about. It's all about leverage. You must leverage at all. Now, when making offers you do need to know your values. 65% to 75% of the after-repair value minus repairs is your topical way of making an offer if you are not going to do your 12% method. So once again, if it's \$100,000 house your offer needs to be anywhere between 60 to 75% of the after-repair value. Now, if the property needs an estimated \$10,000 of repairs you are going to need to back out that \$10,000. So, what will that look like? That will look like if you have a house that's worth \$100,000 all fixed up, you will know it's worth \$100,000 because you can use one of the sources above: Zillow, real quest, freedom soft, epraisal.com and MLS to determine the value. So back to our example, you have a house that's worth \$100,000 after repair. Your offer needs to be \$70,000. Now, that would be \$70,000. If you determine that that property needs an average of \$10,000 in repairs then your offer needs to be \$60,000. In general a 3 bedroom, 2 bath house that has about 1700 square feet, this is a very general number, but a 3-2 1700 square feet, block construction with absolutely no real structural problems at all including furnaces and hot water heaters and air conditioning. If it just needs paint, carpet, cosmetics and minor repairs, \$10,000 in repairs is a good general number. Now there is lots of software out there that you can use like rehab evaluators that will tell you and generate an estimate repair cost for you. You can definitely use these. But just make sure that you are backing out your estimated general repairs for making offers. You need to do this because this is the only way that you are creating value for your cash buyer to sell this property to.

Okay, so that's how to find your own deals to flip to your own buyers. And I am not against it at all. As a matter of fact, we do it all the time but smart wholesaling focuses on leveraging OPI, other people's inventory so that you completely bypass everything that we just talked about in regards to motivated sellers. But once again, you did and do need to know everything we just talked about because you should know how to wholesale your own properties and make it part of your business but it should not be your focus. Now, OPI, other people's inventory one of the best acronyms that exists because it completely changed my life. So, the other wholesales you want to JV with do all of the marketing for you. All the seller negotiations for you, all of the deal analyzing, getting appraisals and contractor quotes and more all for you. In module 2, the 10 Hour Wholesaler way, after you learn how to find your first target market, we'll go over multiple strategies for tapping into OPI. Now, my top buyer sources,

landlords, retail buyers, rehab fix and flip buyers. And then at the bottom of the list are hedge funds. So, let's talk about landlord buyers really quick. Focus on these leads with a laser beam because landlord buyers are phenomenal. These relationships with these buyers are your main focus. In this business you should be eating, sleeping and breathing thinking nonstop buyer leads. When you are building the systems, you are all about the buyers. That is who you are going to work for. That's who you represent. And landlord buyers (inaudible) two sources of buyers. You need to focus on these guys with a laser beam. Typically, these buyers are RP clients and they are going to afford to pay more than the fix and flip investors. The reason being is the fix and flip guys they need a margin of course in order to create a profit. Your landlords are just looking for a good ROI which is return on investment. In many cases, in these markets since landlords are just looking to get property on their inventory. Alright, retail cash buyers. Some of the best buyers you have on your list. Retail prices using huge cash. There are lots and lots of them, retail cash buyers are hitting the market daily. Now here's what beautiful about targeting what I am calling retail cash buyers. Nobody targets these leads. All the other wholesaler and investors are fighting for investor buyers, fix and flip buyers and of course also your landlord buyers. But these retail cash buyers are insanely profitable buyers to work with. Let's get more into these. They are simply a standard buyer looking for a good deal in today's market. Cash comes from a variety of sources. Now they might be getting their cash from self-directed 401 cases. They might be getting it from their IRAs. They might be getting it from their pensions. They are getting from settlements, they are getting it from savings and loss of investment accounts were buyers just want to take a chunk out of the volatile stock markets and put into real estate and what many now believe is the bottom of the market.

Fix and flip short term investor buyers, aka rehabbers. See, rehabbers are a great source of cash buyers but they need more equity per deal. They can also be great repeat clients and they are. And it's tougher to get deals these days especially when dealing with foreclosures, REOs and HUDs. But when sending mail campaigns and dealing with motivated sellers, you are going to find some extremely dilapidated, extremely in need of repair homes that you are going to get from well below current market value. This is when your fix and flip short term investor buyer is going to really fall into play and they will be willing to take on that project. Work the extra work as they can be very loyal and large amounts of business can be done with them. Now, hedge fund buyers. These also can be a great source of buyers but they typically do not like to do a large amount of

repairs. Only need one local representative. So, hedge funds typically hire representatives and subject markets to represent them. You only need to build a relationship with that one guy. They work entirely on the relationship basis. Now this will depend if it's a private fund or a large corporate fund. You are most likely be working with just a rep or a subcontractor of the fund, not directly the buyer. But once again, if it's a private fund you may actually be speaking directly to the buyer. They pay some of the highest prices out of all the categories especially the corporate funds but they are very, very specific at the location and condition. But that's okay. Remember, get everything that they are possibly looking for, their ideal property and your job will be to go out and find that particular property for them at that price. It's not any more difficult or complicated than that. So, when doing all this I highly recommend that you do all of this deal structuring through setting up your company entity. Now, you do not have to do this before you wholesale a deal. It's not 100% needed to have in order to get started. Now, this is not legal advice. I am just telling you from my opinion what you need to know. But you really should setup your company and entity and it is not very difficult and it does not cost so much money whatsoever. LLCs only cost you around \$150 and you can do a Google search to find out where you can do this in your local county. Some of the resources are legalzoom.com and corporatecreations.com which are people that we've used before. So here is your action list and you got to remember you have to take action. Join your local rear group. Do this immediately. Do a Google search if you are not area part of this group and join them. Things will snowball once you join this group. Read how to win friends and influence people. I recommend reading it once a month, personally I've read it 5 times. decide if you are going to focus solely on smart wholesaling or add it as an additional profit strategy to your current business model. Download all module 1 resources. Schedule study time for module 2. Remember use your block scheduling. Got any questions? Let us know, we are here for you. And I would like to end this with a very, very timely quote and this really recapped everything we just spoke about because this was an introduction to wholesaling houses. And as an introduction means that this might be a new venture for you. If it is check this out. William JT says: a ship is safe in harbor but that' not what ships are made for. Well, listen if you are not breaching out, if you are not growing, and if you are playing it safe, you are not doing what you are here for. You are not here what you are intended for. I say this all the time because it's so true but people are counting on you and you need to take action. So just listening to this is not going to do the trick. You are going to listen to it, pause it and take action. Make it happen!

