

17 SNEAKY WHOLESALING TRICKS

Presented By Awesome REI



17 Sneaky Wholesaling Tricks

With Alex Joungblood and JP Moses

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JP Moses: Let me just welcome everyone. I guess we're starting about one minute late, but I know we have a mixed crowd here. Some of you are subscribers of Alex's and know him well. Some of you are AwesomeREI.com subscribers. We want to welcome both of you, of course. Really, one of the big reasons that we are doing this today is because we appreciate you as our subscribers, loyal people who actually give us the blessing of reading and watching and hearing what we toss out there to you every once in a while.

I know Alex. I've met him fairly recently, but I know he and I connected in a lot of ways. One of the things I know about him, that is also something I'm proud to say about myself, is that we are committed to working hard and providing value to our colleagues out there, to you guys who we can certainly identify with and who are out there mixing it up in the real estate arena.

Thank you for giving us an audience and for participating in all of our shenanigans from time to time. That's a big part of the reason why we're doing this session today.

Regarding questions, as we said all along, we are going to open up and take your questions at the end of this session. We not only want them, but we need them to be a part of this. That's an important part of anything I put together like this.

Alex and I talked about it. We knew we wanted to be a part of this. But I'm excited about this, man, since we've been talking about doing this. I'm really excited.

I want to thank everyone who is here with us on a Saturday afternoon. I know there are so many other things you could be doing. I know that, whether it's family time or working on some extra business stuff or playing Mario Kart on the Wii, whatever it is, there are lots of other things you could be doing right now, and you're here with us.

For my sake and Alex's sake, we're humbly appreciative of that, and I want to sincerely thank you for that. We will do our very best to make it more than worth your time to have invested with us today.

So that is it for my laundry list. Dude, do you have anything before you jump in? Do you want to give any background? Should we do that? Should we do the background thing on each other?

Alex Joungblood: Yes, I'll give a little bit of my background. I think that will help, because I'm not plastered all over the place guru and stuff like that, and people will do that "Why the heck should I listen to him?" type of thing. All right, guys. I really appreciate you guys being on this

line. This is something that I've been talking about for the last, I don't know, about six months or so, and something I've been really looking forward to because there's a lot of information out there.

There's a lot of information with regards to real estate and real estate investing, and a lot of it is the same. Some of this information that you hear tonight is going to be probably some stuff that you've heard before, but there are going to be some different spins on it.

It's some stuff that I've used in my business, and it's helped given me that edge on the competition. That's definitely what you need in order to make it, because everybody's out there doing the same thing. You just do the same thing, but just sometimes twist it, do a little something different, and you'll see that it'll help you a ton in your business.

If you want to know who I am, my name's Alex Jounblood. Obviously, if you're a subscriber to my blog at LiveRealEstateInvestor.com, you've been following me a little bit. You've seen examples of deals I've done, deals I'm doing, and some of the content that I've put on there, so you guys know who I am.

But for JP's subscribers, my name's Alex Jounblood. I'm a wholesaler/investor. I'm in the Hampton Roads and Richmond markets. Richmond is kind of a virtual market for me. Hampton Roads is the main market I work in.

I wholesale every single month. This is what I do to pay the bills. This is it. So it's not something I do on the side. It's not a hobby. I've take the jump and made this my full-time income.

That's the goal that everybody on this call should have is being able to do this full-time so that you can have control over your time. That's something that is priceless, really.

You need to understand that even if you're working and making \$60,000 a year at a job, and with real estate wholesaling, let's say you were making \$80,000 a year and you're doing it on the side or whatever, that time that you just bought yourself if you did leave that job of \$60,000 and now you're only making \$80,000 as a start, that right there is really priceless, because your time is definitely worth that. So once you learn that, that's really going to alter the way you think about that.

I would say a lot of people wonder, "When should I make that jump? When should I make that transition?" I would say if you're making a consistent real estate wholesaling income for six months to a year, that's when you can make that transition. It does take faith, and it takes a confidence and courage to do. But once you do, it's something that you'll never look back on.

JP: I want to say something about the full-time transition too, but I'm going to let you finish. But remind me to come back to that as well.

Alex: Oh, OK. I've been full-time for the last two years or so in real estate. I'm not a guru. I don't claim to be a guru. Yes, I have a blog at LiveRealEstateInvestor.com where I talk about the deals I'm doing and some helpful tricks and tactics that I'm doing. That's how this evolved. This is basically

something I want to put out there that's a little bit different than some of the information that you have, and put some little different spin on what you may currently be doing.

Before we jump into it, what did you want to say, JP, about the transition?

JP: Well, since you brought that up, it just reminded me. I've faced that question a lot, and maybe for your subscribers I should give a two-minute of who I am.

Alex: Sure.

JP: I got started in real estate investing back in - it's hard for me to remember if it was 2000 or 2001. It was one of those. It was right after I read "Rich Dad, Poor Dad." If I were in a live room, I would say raise your hand if this is your story, because so many people have made the jump into real estate investing after having read "Rich Dad, Poor Dad."

But I was like, hey, this Robert Kiyosaki guy, part of his passive income thing was rentals, so I'll get into rentals. So when I got into it, brand new, didn't know what I was doing, but one of the things you always hear is to find and join your local REIA group.

Following directions, I said, OK, I'll do that. But we didn't have one here in Memphis. It didn't exist. So I thought, you know, I may not know much about this real estate thing, but I do know to lead a group of people around in terms of just organizing them, so I'll just start a REIA group.

So I put an ad in the local paper here that said, "Real estate investors group starting. Call for info" – and had my cell phone number in there. I started just taking calls and just saying, well, here's who I am, and here's my idea. If you want more info, I'll call you back when I have a few people, and we can get together.

So I gathered a few interested parties, and our first meeting, we met in the back room of a Shoney's restaurant, 16 of us, and said how do we do this?

From that point forward, I moved into the world of real estate investing and just happened to lead this group of people. I was honest and said, "Guys, I'm a new investor, but if you're cool with that, I'll organize these meetings."

So I've built my real estate investing business alongside building this group. Like I said, I was moving towards rentals at first, and it didn't take long for me to realize I didn't really enjoy rentals, but it took me far too long to realize that I needed to get out of rentals.

No disrespect to my fellow landlords out there. I still have rentals. I just know I'm not cut out to be a landlord. It doesn't fit my personality. It doesn't fit my style. I don't like managing tenants. I don't like managing toilets. I don't like managing property managers, even.

So eventually I got out of that. I'm really condensing my story here, but I got out of rentals, almost got buried because of rentals and because of some bad decisions.

Alex, you and I have talked about some of the stuff we've done. If I were to ask in private investors who've made it through their first two years successfully and lived, how many of you accidentally broke the law and didn't know it, I bet every hand would go up.

We could sit back and tell war stories all day long and keep you guys entertained, which is not what we want to do. But we'll interweave some of our stories into this to help drive some of these points home.

But I grew this real estate group alongside my business. I did turn to wholesaling at some point. You guys may have heard of Scott Rister. He was a wholesaling guru for a few years. He actually lived here in Memphis. I connected with him and said, "I want to be like you. Help make me like you."

So I got into wholesaling, and the lion's share of my business has been wholesaling. Now I have done a little bit of a lot of other things. I've done lease options. I've done note buying. I've done short sales.

I wouldn't consider myself a true expert at any of those, although I can speak with a certain amount of authority because I've been through the education enough on them and I've done one or two of them. But wholesaling is really where - If I were to say, in the real estate world, what do I feel like I'm really an expert on? That's the thing. OK? So that's my background.

Now when I went full-time - and this is coming back to what I wanted to say before we jumped on - when you started talking about when to go full-time. I retired from the Memphis Investor's Group in 2006. We had over 600 members at that point. I got to know a lot of newbies, as you might imagine. A lot of people who are within those first couple of years of trying to make this real estate investing thing work.

And so not only did I have the benefit of working through that myself, but I - you know, a lot of people coming to me asking me for advice and asking me for guidance and giving me the opportunity to see into what they're doing. And it's hard for me to say that there is one size fits all for this. I've seen it happen both ways, OK?

You guys who are my subscriber base, you are familiar with Bob Norton. You know Bob Norton's story. You know, this cat consistently makes in excess of six figures for months and has for years in the flipping arena. When he went full-time, it was all or nothing, man. It was make it or break it. He did one deal and was like, "All right, that's it: I'm full-time."

And that's a pretty risky way to go, but in a sense, because of his personality, it gave him the fire in his belly to really make it happen. He had to make it happen. The dude had, like, 29 kids at the time, so he had to feed them.

Now, I knew another guy here locally who did about the same thing. And now this guy literally had - I might be mistaken about this, but I think he and his wife had seven kids. And he hadn't done a deal, and he quit his job to go full-time.

Now, I'm not saying the dividing line is who had done one deal or who hadn't. But basically he was in a similar type of place.

This guy thought, "I'll put myself into a position where I have to make it work, therefore I will." And guys, he just really messed up his life for his family because he didn't. Now, I could go in and try to dissect why it didn't work for him and why it did for Bob. It's really not going to matter. The fact is, sometimes when you take risks it pays out for one guy and it doesn't for the other.

I'm not going to say, for you, if you want to quit your job after your first deal, that it's absolutely, positively - you're going to fail if you do that. You might be like a Bob Norton, and you might be able to make it work.

I will say it is a much higher-risk way to do it, and I think - in my opinion, I would advise, similar to you - I think if you're trying to go full-time, it's much easier to do your first few deals when you don't have to eat off of the proceeds of those deals, when you don't have to worry about making the mortgage payment because of those deals, even if it limits you to only doing them part, part, part-time.

Much less stress, much easier to look at the deals and really see them for what they are. So I want to suggest, similarly, on the tail end of giving you guys a little shot into who I am, that you not jump into it full-time too quickly but give yourself a bit of a track record to prove to yourself that you can do it. But for you rock stars out there, you're not going to listen to me anyway, so just do your thing.

Alex: [laughs] Well, that's why I say six months to twelve months of consistent income, and that's exactly what I did, and I realize that I was actually holding myself back by staying in the - I was technically self-employed, but I had a partner that kind of acted like a boss. But I realized by staying where I was that I was actually limiting my potential wholesaling income and more of control of my own time and things like that. So I definitely recommend, you know, you establish the track record and go that way [laughs] before jumping off the ledge, so to speak.

JP: All right. Well, that's enough about me. Let's get this show on the road.

Alex: OK. All right, basically this is 17 sneaky little wholesale tricks, and if you've been watching any of the videos that we put out, you've got a basic idea of what we've got going on, but for people who are on this line here, what is this all about, basically? These are tips and tricks I've picked up in my business along the way. In this business - I said I've been full-time for about two years or so, but I've been in the real estate business for at least five or six years. So I've really been in the position to make mistakes, and I've made mistakes, and I'm cleaning up mistakes right now. So I've learned these along the way - school of hard knocks, and also the school of easy knocks, to where I've done something and it just made me money right away and it worked out great.

So most of these tricks, as well, can be used without using any money for marketing or implementation. And that's something that holds people back. They think, "Well, I can't get into the wholesaling business because I don't have the money to market." And I'll tell you, I've spent a lion's share of money on marketing when I was first getting going, because I had the job to support me and all that stuff.

And I've spent money on TV advertising, I've spent money on radio, I've spent money on billboards, I've spent it - I spent it big. And you'll find out that the leads that you get from those type of methods are really not much better than what we're going to talk about here. And that's something that you have to understand: you can't let marketing hold you back.

And these tricks, as well, are going to help you find more properties to wholesale, and they're going to help you be more efficient with the properties you already have. And bottom line is that they're going to put more money in your pocket, and that's what everybody is looking for.

So who is going to be able to benefit from this type of training?

Well, the beginner is going to be able to benefit, because you're in a position right now to where maybe you haven't done a deal. You've just been reading online, you've been looking at blogs online, mine and JP's, you've seen all this different type of information, but this is going to help you because it's going to give you some tricks that work.

This is not something to where you're going to get a compilation of ideas and then try to decide which one is going to work for you. Each one of these work.

Intermediate, maybe you're in the position where you do a deal here, you do a deal there, one a month, maybe one every three months, one every four months. This is going to add some tools to your belt that are going to put you in a position to break past that and try to establish some consistency in your business.

And for the advanced, as well, you can never be in a position where you can't pick up some new tricks.

Sneaky Trick #1: The OWP Trick

So I'm really excited to get into this, and the first trick we're going to get into here is what I call the O-W-P trick. This stands for "Other Wholesaler's Properties".

And why this trick is - or technique. We can call them tricks, techniques, whatever you want to call them. But this technique is really cool because a lot of investors are stuck right now. They're stuck because they hear, "Oh, I can make money wholesaling. I can get out there and I could put some fast cash in my pocket." But where are all these properties? I don't know where to find the properties and I don't have any money to market for properties, and I would not know how to negotiate a deal even if I could find a property."

But what this is going to do is it's going to help you leverage yourself. And that's something, in this business, that you have to understand: leverage. Because this is the way business normally works, OK? And this is basically the way my business works right here in one of my markets. Basically, you spent \$1,000-\$2,000 in marketing each month to get the phone to ring, OK?

I find that direct mail works the best for me in getting the phone to ring. Like I said, I've tried all different types, but direct mail has been working for me. If your marketing efforts are good, you're going to generate at least 150 seller leads, I would say, and then you'll hopefully get one to five of these deals under contract, and then if you're any good, you're going to be able to get one to three of these deals. Depending on your buyer list and your skill, you'll be able to sell one to three of those.

And the bottom line is you do need marketing to get a consistent business going. So this trick right here is sort of a beginners' trick, but it's actually a trick that I use on a consistent basis. In fact, I've got a wholesaler that I work with, and I would say the best way to try to implement this trick is to get with other wholesalers in your area.

And it's interesting what you were talking about, JP, with the real estate investor's group like that, that you just started out of nowhere. I've thought about actually trying to start, maybe, just something that's concentrating on wholesaling in the area and see how that would work, to see if people can pass deals back and forth and somebody can take advantage of somebody's properties and everybody benefits from it.

So, that might be something I might try to implement in the near future, but basically what you can do is -- now, my buddy, he's spending marketing. I'm spending marketing. We're not partners. We approach this from a JV standpoint, and JV is always good because that way you're not entangling yourself with somebody to the point where you feel obligated to them, to where you've got to split a deal with them even though they didn't have any efforts.

JP: JV meaning joint venture, for those who may not know what that means.

Alex: Yes, joint venture, joint venture. So that way it's different than a partnership. You want to make sure that you can do deals together but, again, not feel that obligation to have to do a deal like if you were in a partnership.

So basically I've got a wholesaler that I work with, and we can pass deals back and forth to each other. His marketing efforts are being leveraged, and my marketing efforts are being leveraged. In fact, last December I made a deal in which we made \$14,000. I spent zero marketing for that deal.

And then, what happened this month? Well, I got a deal and he sold it to a buyer I never would have even had. So, it worked out great. We generated a total of, like, \$15,000 so we both get \$7500. It works out well and, again, zero marketing.

JP: Can I say something about it before you go on to the next one? I don't know if you're ready to do it, but before you do I want to dovetail off of that.

Alex: Go ahead.

JP: One of the best ways that you can do this is, if you're short on deals -- either you need a deal or you haven't quite got the number of deals you want -- start by making a list of every investor you know. Then call them each individually in order on that list and make a connection. That is important anyway because you should be networking, this is a people business and you want to be connected to other investors locally.

And when you call them, just ask, "Hey, have you got any deals working? What are you working on right now? What are you looking to buy? What are you looking to sell?"

You may already know the answers to those questions or you may think you do but refresh yourself. Find out anew what these people are looking for, and if they've got anything they're trying to sell, it's frustrating them.

So then you've got that information. You make a note and go to the next guy. You ask him the exact same questions, and you're being basically a matchmaker. You've got 12 names here. You just keep going down the list, and I promise you at some point you're going to begin to connect dots between this guy's deal and this guy's criteria for what he wants or vice versa. And you're going to be able to be a matchmaker and make some money in the middle there.

I know as you described wholesaling other people's deals, one of the questions that might stir up is, "How do you do that?" Well there's not just *one* way, but that is one way that you can do it. Just list them out, call them in order, and then you just start back at the top of the list, "Hey, I know a couple of guys that have this type of deal and this type of deal. Would that be something you're interested in?"

I just wanted to talk that kind of methodology for those who may not have that crystal clear.

Alex: No, that's definitely, definitely key and I'll tell you, I've been working with -- let me give you an example. There's been a guy that's been wanting to get a wholesaling business in my market, and frankly in my market I'm a little bit stingy. I don't give a lot away, a lot of information to people in my area just -- I don't know. It's a problem I have, I guess. But for everybody nationally, you get the benefit from it, but for my local people I'm sorry I don't give away all my secrets locally. He calls me every day, every day asking if I've got a property and if he can sell it, and I tell him a lot of the times, "No, I'm sorry. I already sold it," because that's true. I sell my properties almost within seconds of me contracting them because I already have buyers in place. And that's something we'll get into.

He calls me every day, and you know what? He's a pain in the neck, but that's fine. He calls me. He gets a deal. He just wholesaled a deal for me -- what was it -- it was Thursday, and he's going to get a couple thousand dollars just for really picking up the phone and doing a little bit of leg work.

It's something that definitely works. I use it. People who are not as experienced use it. So, this is something you should definitely use in your market. And just to finish the slide here, so you don't have a property of your own, you market somebody else's. Don't -- and here's some tips here -- don't always add your fee on top, or else you're going to be known for that.

This is something I do encounter a lot. Some of these call me and say, "Hey, Alex, I've got this great deal for you and it's only \$58,000, " but meanwhile I'm on this guy's email list who really has this deal and he's got it out there for \$55,000. So which one am I going to go with, right?

So you don't want to be known as the one that's going out there marking up people's properties. You kind of want to work it to where you want to have them work and take the fee or take your agreement or whatever you want to call it and just take it out of the original price that you're working. So that way you don't have somebody out there who's trying to mark up your prices. And they get a bad name, and you get a bad name.

Just work it so that -- for instance, let's say I had a deal for -- just that one on Thursday. I had a deal for \$46,500. The wholesaler or the bird dog, I guess you could say, went out there and he marketed it for \$52,000. That's pretty much what I had it out there for on the market.

So, from the 52 and the 46 it was going to be, like, \$6,000 or something. I'd even give him a couple of thousand, so he didn't have to try and go out there and try to market it to somebody for an extra \$2,000 on it just to try and get somebody who wasn't in my circle.

The wholesaling market is a very tight-knit market. Would you agree with me, JP? I mean, it's something that...

JP: Yeah, definitely.

Alex: It's something where everybody's all in the know of what's going on.

JP: Your reputation matters even if you're in a big metro area. It always matters, but it will follow you more closely than you think.

Alex: Yeah, for sure. So if you want to do the effort where you're going to go ahead and mark that property up a couple thousand higher than what's going on, then you've got to work and find the people outside of the circle, so to speak. So that's just some helpful tips to work the OWP trick.

JP: And I want to add to that. I would suggest an exclusive option as opposed to a flex option on that if you're marking it up.

Alex: We didn't get into the paperwork on how to do this or whatever, but I would say the best thing to do this is to actually keep it in writing with the person that you're going to joint venture with, so that way there's no issues or mistakes. And as always, check your local laws with a local real estate attorney and see what you can and cannot do, because sometimes bird dogs can get a little iffy.

Sneaky Trick #2: The Email Attention Getter

Alex: So the next trick we're going to be looking at here is the email attention getter. It sounds kind of funny. It sounds kind of obvious, but basically what this is, OK, is when you have a deal, whether it's a deal from another investor, a deal that you had from your own marketing and from your own efforts, you need to get that deal sold.

One of the best ways to do that is to build up an email list of investors who are looking for wholesale properties. And there's a number of ways of doing that, and we'll talk about that a little later on. The fact is investors right now get inundated with emails. They could be emails from people like you and me, JP, you know. [laughs]

JP: No, no. Nobody reads our emails.

Alex: That's right [laughs] , but most of them end up right in the trash. The spam filters are getting really smart, and anything that has any dollar sign or money or whatever usually ends up in the trash. Your email has got to stand out in order to get noticed when you're trying to wholesale these deals. One thing I found is that if you use their first name in the subject line, again, this sounds like something that's, like, duh. But if you use that first name in the subject line, it grabs the attention. Do you ever notice that, JP, when you look at your email box and you see all these different headlines or whatever, but you see your actual name, it kind of grabs you, doesn't it?

JP: Yeah, sure, yep, absolutely.

Alex: And if you use a catchy subject line for each new property you send out, that's going to help, too. So you don't want it to just be like, "Hey, got you another one" or "Yeah, I've got a deal I'm looking to sell." You want to use some stuff like this: "Alex, a house for the price of a car" or "Alex, have you seen this one yet?" or "Alex, have I got a cheapie for you?" You may even want to consider mentioning the county that the property's in because that's going to -- if that's an area that somebody's interested in, they're going to look at it right away.

So here are some steps to help you implement this. Obviously you need a buyer's list, and you also need to get an AWeber account. And if anybody doesn't know what that is, you can go to, just as it's spelled on the slide, aweber.com, an AWeber account. And you simple set up an email list. And then what you can do from there is you market, when you have a property to market you personalize the subject line and include a catchy tag line in the subject line as well.

So those are some quick tips to help implement it. We're going to talk about finding buyers and things like that a little later on, but that's a quick and easy one for you there. So the email attention-getter, make sure that your emails are standing out above all the clutter out there, and that's going to help you sell your deals a little bit more quickly. All right.

JP: Just about the emails, too. Some people are going to wonder, "I can just copy all the investors I know on an email rather than subscribing to something." And to that, if you're thinking that, I want to say, "Well, yes you can." And I would say if you're dealing with 15 or fewer people, then go ahead and do that, but make sure you BCC them and don't let them see each other's email addresses in case you hadn't thought of that. But if you've got more than 15 or 20 names that you're emailing, you're really going to want to go with a service like AWeber. And we don't get - we could have given you an affiliate link for that or something, but we don't. That's a straight-up. Just go to aweber.com.

It's pretty darn affordable. I know that it is another monthly subscription, and you want to watch how much you're paying monthly for this and that, but you run the risk of being tagged as a spammer by Internet service providers and blacklists if you are sending a bunch of people emails from your personal email like that.

Companies like AWeber exist to ensure email deliverability for people who are marketing via email, which is exactly what you're saying is going on here. This is what you're suggesting.

Alex: Pretty much:

JP: So just for anyone who is thinking that, I wanted to toss that out.

Alex: Yeah. And the other thing is, too, if you're doing the old copy and paste with the blind copy or whatever, you can't personalize your email that way. You just can't do it. So that's another thing. But here's a sneaky trick, tactic that's not even listed in here when it comes to email: get on as many lists as you possibly can for wholesalers. And you can do that by just going to our good old trusty site Google and searching for investors in your area that are selling properties, and get on their email lists. And sometimes they don't know and understand the right way to do it, and they will send you an email that doesn't have the blind copy in it. And guess what? You've got an instant buyer's list. [laughs]

JP: That's right. And you can watch what they do, and if they have a really creative email idea, you can swipe it.

Alex: Yes. Yes, exactly. So that's the free buyer's list there. I've seen it so many different times.

Sneaky Trick #3: The "OWB" Trick

Alex: So this is the OWB trick. This is the other wholesalers' buyers trick. So not only can we leverage other people's sellers or other people's properties that they've gotten - so in that trick we're leveraging people's marketing dollars, we're leveraging their time, we're leveraging their negotiation tactics.

So all we're doing is really skipping ahead of some of the real hardcore skills that come into wholesaling, like negotiation and things like that, and are just at the point where we're at the exit strategy. But if you're in the position where you're in a good spot and you know how to negotiate

with sellers, you're good at getting things under contract and tying it up, then this is a great trick for you, because this is the other wholesalers' buyers trick.

And you don't want to have the scarcity mentality of trying to - or if somebody is trying to do this to you and you're giving away one of your buyers, you want to build up that mentality of "We're trying to help each other here, " because it's going to pay off for you in the long run. And what a lot of people need to understand is what the role of a wholesaler is, and that is to locate good deals and tie up the good deals.

And this is something where people kind of take for granted. Like for instance, let's say you're somebody who is looking on the MLS, which is the Multiple Listing Service, to try to find deals. And you're looking at REOs, which are Real Estate Owned or bank-owned properties.

And you're in the position to where you can tie that deal up. You make the offer, deal with the realtor, whatever - and I realize I'm just kind of glossing over that whole process right there - but if you can tie that deal up, you are adding some definite value. Because there is a lot that goes into making offers on REOs and making offers to sellers and things like that.

The art of having that, or the fact that you have that deal tied up and ready to go, is something that cannot be taken lightly, because that's something that can be instantly taken and created into cash, and especially if you've got a buyer. And if you don't have a buyer right way, you can use another wholesaler's buyer. So was there something you wanted to add to that?

JP: No, not off the top of my head.

Alex: OK. So let others do the work for you, right? So basically what you're doing here - and this actually might be - all right. So let other investors spend their marketing dollars to generate the leads, because you can be marketing as well to find buyers. Let other investors spend their time negotiating, haggling motivated sellers. Actually, I think this is a slide that was supposed to go with the motivated sellers. So we'll skip over that there, we'll edit that one out. [laughs] So use the other wholesalers' buyers trick. So you don't know where to find buyers? The fact is there are a lot of buyers who are buying from your competition. And the best place I know if you're just starting out to find buyers is to talk to the franchisees in your area and tell them you have a property for sale. And these franchisees are the infamous HomeVestors franchisees.

JP: [sings] Da-da-da.

Alex: Yeah. [laughs]

JP: If we have any HomeVestors franchisees out there, just raise your hand right now. A show of hands.

Alex: Yeah. [laughs]

JP: I see those hands.

Alex: And that's if you're just starting out. Going to the HomeVestors franchisees, they have buyers, OK? They have these people in place. And all they're looking for is for a deal to move them to. So if you've got a deal under contract and ready to go, like I was talking about, they'll be glad to send you a buyer because you're just going to give them a referral fee if the deal goes through. So again, they're using a little leverage here. They're leveraging your properties that you've got under contract, and you're leveraging the buyer. So it's a win/win situation all around. You're not sweating nights wondering if you can sell that property. You're just doing a little bit of networking to sell these things without just, "Well, what if I just put it on Craigslist? And hopefully it will sell." You're dealing with people that actually know what they're doing, especially if you're a beginner.

And again, if you're more advanced/intermediate, this is something I do all the time as well, use the other wholesaler's buyer. And the key is you don't want to necessarily steal that buyer away to where you're kind of - I mean, this is kind of an ethical thing, I would say.

You don't really want to go around that other wholesaler next time you have a deal. Throw them some money, give them a couple thousand dollars for the time, because that's their buyer and you don't want to be known as somebody that cuts somebody out, and that's something that you definitely have to watch out for.

JP: I want to ask you a question. What is your typical - if you have a typical - fee that you will pay someone for a referral like that, when you're referring a deal to their buyer? Typically, what's your starting point, or what are you aiming for in terms of paying that investor for the lead?
Alex: You know, that is a really good question because it can go either way. I've got investors that I split deals with them down the middle every single time, and that's because we pass deals back and forth so much that we're leveraging each other's marketing.

You see, when you're working with somebody that is not necessarily marketing for deals and they're just out there trying to get a deal from this wholesaler to send over to this wholesaler, they're not spending any money. They're not spending \$1,000, \$2,000 a month. So if they just got \$1,000 or \$2,000 on a deal, you know, that's great. That's free money, so to speak.

But if it's a wholesaler that's spending, like me, anywhere from \$1,500 to \$3,000, sometimes \$5,000 a month in marketing, because I do a lot of direct mail, I'm going to make sure that I'm getting a split on a deal that I'm doing like that with somebody, just because we've got to keep everybody happy and keep everything rolling. So does that make sense?

JP: Yeah, that's a good symbiotic way to look at it, especially if you're doing deals that way. Referral deals, consistently with someone else. For me, if I'm dealing with someone I don't typically deal with, in terms of them referring me a buyer, my starting point is usually 25% of what I'm making. So if there's a \$10,000 commission on the table, for me, can I say commission, I shouldn't say that. There's a \$10,000 profit in it for me as a wholesaler, then I'm going to cut \$2,500 to that guy for the referral. Now, if he's not happy with that, if he balks at it, then we will negotiate that. And I will never give away more than half, just as a principle.

It should be at least 25%. I don't want to go and say, what is the least I can get away paying somebody, because frankly, I think that's a faulty mindset. You want people to really be hungry to do business with you. And 25% of what you're making, and all they're doing is referring you a name, that's pretty good.

And they know what my integrity and reputation looks like, and they know I'm not going to go and shaft them on the next deal. So that's pretty good. I would also go ahead and promise them that for the next three deals I do with that person, I will pay them a commission or a piece of it or a cut, however you want to phrase that.

Alex: Yeah. Yeah, for sure.

JP: That's because I know that people are going to ask that question, that's a question that's going to come up, so I thought it was good to go and get it out.

Alex: No, definitely, definitely. And one thing as well that you can take from this, is that you've got to look at your wholesaling business as a business. When you're marketing and spending money, when you make \$5,000 on a deal, you might have spent \$1,500 for marketing, you didn't make \$5,000, you made \$5,000 minus \$1,500, which is what JP? [laughter]

JP: I'm sorry, I was still thinking about what I said before, and I wasn't listening to you buddy. [laughter]

JP: You caught me.

Alex: I was just doing the maths. What is \$5,000 minus \$1,500?

JP: \$25,000 minus \$1,500?

Alex: No, \$5,000 minus \$1,500.

JP: Oh, well, that would be \$3,500.

Alex: Yeah, so you made \$3,500. So that's the way you've got to look at it. You've got to say, if I'm spending this much, this is what I'm making, so what did I really make? So you've got to understand the cost evaluation and profit and things like that.

JP: Right.

Alex: When you're giving people cuts to your deal, you've got to understand that. If someone's spending no money, for me they're going to get less, just for that... OK, next up.

JP: I was paying full attention now though.

Alex: [laughs] It's like the teacher in school, right? Like, hey, JP, take over where we were just reading. [laughter]

Sneaky Trick #4: Rapid REO Evaluation Trick

Alex: All right, so the rapid REO evaluation trick. This is our next trick here. And this is something where some investors don't understand what a property is worth. You've got to move quick in this business, OK. If there's a deal on the table, you've got to move quick and get the deal tied up. Whether it's a deal on MLS, whether you're searching it that way, whether you're out there beating the streets with the motivated sellers, whatever the case may be.

And most investors get the paralysis of analysis. They get frozen. There's a deal out there, and it happens to me quite frequently, actually. I look at a deal, and I say this looks like a good deal, I can get it right now. But it just seemed too easy to get the deal, so I've just got to make sure the numbers are right.

It's even worse for people who don't even know property values. The bottom line is people don't even make offers because of this fear. You're not making an offers, you're not making any money. Bottom line.

So use the rapid REO evaluation trick, and we're going to get into here a little background on how to use this. OK. The REO market is truly the pay setter for the wholesale prices in the market. You have to understand that the investors you're normally going to be dealing with, they understand this. They understand that this property down the street is selling for this, so why am I going to buy your property for that?

And comparables, can be a little complicated sometimes for investors. They're looking at square footage, they're looking at bedrooms, they're looking at bathrooms, they're looking at the size of the lot. They're looking at all these different things. But when you get to REOs, OK, there could be this property that's 30 cents on the dollar and there are REOs that are selling at 20 cents on the dollar, you don't have a great deal, frankly.

So you've got to check the MLS to find out the cheapest property that was sold or that is active. So you've got to check out the sold and the active, and make sure you're a good amount below what that property is moving for, to make sure you have a good deal.

So, let's take a little look at what's going on here. Is this screen a little hard to see, with the numbers on there and the names?

JP: Yeah, it's pretty close to impossible for me, but maybe with a bigger screen or something, it would be easier. You just tell us what it says.

Alex: [laughs] OK. OK. I'll just tell you what it says. Well, basically, this was an analysis that I did, probably back in early '09 or latter '09, when I was dealing with this. So, as far as, some people might be on here and saying, well I don't have access to the MLS. Or I don't know how to get on the MLS, or whatever the case may be. I guess a really good tip about doing that, is to find an investor friendly realtor, and work with them to a situation where it's beneficial to them so

they don't mind giving you access to look at it. Because I know that there are some things that go into that, and you were a realtor, at one time, JP, right?

JP: Yes, that is correct. And I actually have a very controversial blog-post up about that very topic. About how to get MLS access without a license. It's got more comments on that than, I think, anything I've ever put up.

Alex: Did you, really?

JP: Yeah. Really pissed off one guy, calling us names, and you know, it was really interesting.

Alex: [laughs] While, we're on the topic, what do you think is the best way to get access to the MLS?

JP: Become a realtor's assistant, but not a real assistant. Basically find a realtor that you're going to be working with in some way that you agree to, whether it's when you do a deal, you'll throw him a \$500 bill for nothing. Do they even make \$500 bills? I don't know. That would be kind of cool though, to give somebody a \$500 bill. I don't think they do. Anyway, you're going to throw him five \$100 bills, when you do a deal, or whatever, but what a lot of people don't know is, a realtor's assistant typically gets, in most of the areas I'm aware of, full MLS access, without a license.

Alex: Right.

JP: And you get your own login, your own password. They're not sharing anything that they shouldn't. And you just say, look, I'm going to be doing some business with you, so make me your assistant, and of course, I will be providing some value into you and your business. But I don't need you to get in there and do stuff for me. I want to be able to get in there myself. In my opinion, that's the quickest, easiest way to do it.

Alex: And, may I add, the best way to monetize a lot of your dead leads out there. I get hundreds and hundreds and hundreds of leads every single month. And I can't do a lot, with most of them, most of the time. That's because they're asking for retail, or they don't have enough equity or whatever the situation may be. You can work a situation to the realtor, where you're going to give them free leads, for giving you access to the MLS.

JP: I never thought of that. That is epic. That is fair exchange.

Alex: Really?

JP: Yeah, I just never thought of that. It just never occurred to me.

Alex: [laughs] OK, I would say that's the cleanest way to do it, because that realtor is now going to get free leads from you. And frankly, we get leads that are people that are on the verge of doing something. They could be on the verge of selling a property at a discount, or they may be at the verge of saying, I need to sell my property, but I want full value or whatever. Well, I've got

a great realtor for you, and you just move him on, and you've got access to MLS, and you are acting as somewhat an assistant, a lead assistant, if you will, to that realtor, to go ahead and get access to it. Good tip there, to make sure you're getting access to the MLS.

JP: Also after that tip, I would expect that we are going to get some questions about whether or not investors should get licensed or not. Real quick, what's your opinion on that?

Alex: You know, I am not licensed, obviously, and I don't really want to be licensed because I just think there's a lot of disclosures and things that have to be made, and this just could be me and my inexperience, I guess, with being a realtor. I don't know if I want to say, I'm a realtor. I'm going to be buying a house at a discount. I don't know. I don't know how that all mixes together. What would you say?

JP: Well, I'll tell you in my experience, I understand investors across the board are pretty much split evenly down the middle on whether or not it's better to do it or not. Really it's a matter of you look at the pros and cons yourself and make a decision. There is no right or wrong on it, it's just a matter of what you prefer. You know, I know Robin Thompson, and when I was talking to her as a REIA Group leader, I got to basically take all the big national speakers to dinner when they came in town. So I was having dinner with her and asking her the pros and cons, and of course she is a big proponent of getting licensed. I asked her the very same question, you know, how do you deal with the disclosure, and is it kind of awkward?

And actually, she illuminated me to the fact that it actually can make things better that you're licensed. Because if you think, look at your average Joe out there who is thinking about selling his house. He's nervous. You know, he's heard about these investor sharks who will come and try and steal your property from you a lot of times.

And if I can sit down and say, "Look, I want you to know I'm a realtor, but I'm not here as a realtor. You know, I am licensed, so you know you're dealing with a professional for what it's worth, and I have a code of ethics I have to abide by, but I'm here to talk about buying your house, not acting as your agent. You understand that, right?" "Yeah, I get that." "OK, great."

At least you know that you're dealing with somebody with some sense. I kind of play it to my advantage. Not like I'm - you know, basically I'm taking their fear of the unknown and positioning myself as something very known to them. They know what a realtor is.

And then in terms of the paperwork it's just - there is some paperwork you have to toss in there, like an agency disclosure that says that you're not their agent. And you know, you have to be sure that there is a property condition disclosure or exemption. You know, a couple of things like that. But that's not that big a deal, really. To me it has never been a big deal. I've always been able to play it to my advantage.

Cost for me was a couple grand to go through all the classes and actually get licensed. Took about six weeks of my time. You can take the classes on various different schedules. And I think it's a positive thing. So for what it's worth, that's my opinion.

Alex: No, that's great. That's great. And yeah, I can understand how that would be a great credibility-building factor rather than being looked at as a shark or whatever the case may be. [laughs] Somebody out there trying to steal properties, or if they don't know you from a hole in the wall, definitely having a license or being able to tell them you're a licensed realtor, might put some people at ease, for sure.

JP: Yeah. I'm not a shyster like you, man. I've got street cred.

Alex: Whoa! [laughter]

JP: At least that's what I tell the sellers.

Alex: [laughs] No, see, I'm decent at building rapport with people, so...

JP: Oh, there you go. You've got a skill that I don't have, obviously, so... [laughter]

JP: Now, seriously, I only play it that way - not because it's reality, obviously. I mean, you guys know that who know me - but you know, you just have to think about being effective with the people that you're with. And so in terms of alleviating your fear over, "Oh, how am I going to deal with being a realtor when I'm talking to people?" It's really not a problem at all.

Alex: No, for sure. For sure. And if you don't have access to the MLS, another way you can do this is by going to realtor.com or any of these other sites that list REOs, and you can sort the properties by the most - the properties that are active. Obviously if they're listed there, they're active. And sort them by cheapest to more expensive. And obviously if you see those cheaper properties that are listed, you're going to get an idea of what's active in that area.

So that's one way to do it there, too. But what you have to do is, first, you've got to look at what is active. Because if you've got a property under contract and it's comparable, and at this point whether it's 3-1 and 1,500 square feet or a 3-1 and 1,200 square feet, even though there is that 300 square foot difference, the cheaper property always is going to win.

I don't think they really take that into consideration all that much. They want the cheapest property. So if there is a property out there that is listed for, say, \$24,000, you - and let's say the are is, they're worth \$120,000 or whatever, if you've got a property that's \$50,000, you're still very - or let's say \$60,000, you are close - you're at 50% of the ARV, or after repaired value in real estate terminology. You would think that's a great deal, wouldn't you, at \$60,000? Right? Get down. Let's go.

Yeah, right? But, if there is one listed out there for \$24,000, it doesn't matter that you got a deal at 50% of the ARV. So you've got to get your deal way, way, way lower than what's going, than what's active. Now, I shouldn't say way, way, way, but at least enough to justify the assignment fee that you're doing.

You've also got to look at what has been sold out there. So again, you've got to see - you know, a property may be listed for this, but then it's being sold for this. So in this situation - let's see if I can read my own little screen here - \$17,900 for the first one and being sold for \$17,000. So that's the cheapest one that's out there. So again, you've got to take that into consideration. You've got to say, "OK, this property is being listed for this, but these are what they're being sold for."

So even though you think you're at 50% of the ARV, you do not have a deal. And I know we're getting into some analysis things and some complicated speak or whatever, but the bottom line of the REO rapid evaluation trick is check what the lowest REO sales are going for, and that's where you need to be to make sure you've got a deal. I mean, that's basically the long and the short of it.

JP: Yeah. And the only exception to that, really, would be if you know something about that house that's at 25% that is reason that it's completely unique, you know? Like, it's burned.

Alex: [laughs] Yeah, definitely.

JP: If there is a factor that you know of that you can use as a defense of that.

Alex: No, definitely. And that's definitely true. But what I find is that's really not the case. And here is the interesting tip as well: people think, "I've got a house that's livable," right? And then you look at house that's completely nasty, roaches are crawling all over the place, the cabinets are disgusting, you go into the bathroom and the tile is all cracked and falling off the wall.

Would you say, JP, that - what is going to cost more to rehab? The house that has livable stuff - but we're going to go ahead and put brand new stuff in there anyway - which is going to cost more to rehab: the one that has got the livable area or the one that has got the really nasty stuff?

JP: You're saying that you're going to do basically the same stuff to it anyway, though, right?

Alex: Yeah.

JP: Well, they're going to cost about the same.

Alex: Yeah, exactly. It's funny, right? Because there may be one that's listed that you're looking out there that's really in crappy, deplorable condition, and then there's one out there that's listed maybe around the same price or whatever, and it's still in livable condition. Or maybe it's even listed for a higher price, it really doesn't matter, because you're still going to do the same thing to the property when you rehab it, anyway, and that's what smart rehabbers are going to say, anyway.

And that's another thing when you're talking to motivated sellers, as well, is that a lot of people are like, "Well, my house is in fine shape. It's in great condition." But people need to understand that when they're selling, in order to get top dollar for a house, they need to make sure that

they're making it sparkle. They've got to have the nice cabinets. They've got to have the stainless steel appliances. They've got to have the updated bathrooms and the updated kitchens.

And that's something that I find that a lot of people run into with sellers, and I run into on a daily basis, is that you have to understand: there is a difference between livable shape and sellable shape. Would you agree with me on that?

JP: Oh yeah, absolutely. Well said, too. Yep.

Sneaky Trick #5: Unlimited Access Trick

Alex: OK. So let's look at the unlimited access trick. And this was one that we talked about originally on the video, and you called me the crazy hand guy.

JP: [laughs] Did you like that.

Alex: [laughs] And let me just preface this here: I really don't have some kind of uncontrollable hand disorder.

JP: [laughs]

Alex: I was just - I don't know what was going on. I think we were trying to high-five each other through the Ubu screen or something.

JP: You know me, I'm going to play with what I've got.

Alex: OK, so basically this is what's going on out there, OK. You've got the buyer/seller dance, is what I like to call it. This is funny, because the properties I've been talking about, it's been two or three that I've wholesaled in the last two weeks. This is exactly how it goes. The investors cannot move properties, because of the logistics of showing them. Sellers are going to get annoyed if you keep asking them too many times to come out to the property. Buyers are going to tell you that they're going to be there, and they're not going to show up. So you can waste a lot of time dealing with tire kickers saying they're going to be there and not be there and guess what?

You've got to drive out there to try and meet them, and then you've got to try to arrange it with the seller to try to meet out there, and it becomes just one big, logistical mess. Really, you've got to get the unlimited access trick down, because it could be the difference between you wholesaling a deal and not wholesaling a deal. I really feel that strongly about it.

JP: Now, one of the questions we got when we posted that to the blog that I saw on both of our blogs, was how do you deal with the houses that are not vacant? That may be jumping ahead, but I want to make sure you address it in this.

Alex: Sure, sure. See, that's an interesting question, because when you've got a tenant in the property, sometimes it can work to your advantage. You don't have to bug the seller to go out there if you for some reason can't get unlimited access. Well, actually, if you have a tenant, you cannot get unlimited access. I'll just put it that plain and simple. But you've got somebody in there that can actually open the door for your buyers to go in without having to bug the seller. So, sometimes it can be advantageous. This is one thing that developed out of that. Some people were asking me about it and I said, "Well, you know what? We can spin off a little version of the cash-for-keys scenario, right?"

You talk to the tenant and be like, "Well, listen. We know, we both know, me and you, that this is something where you're going to have to be moving on. Why don't you make some money out of this?" So, if they cooperate with you, OK? Now, you give them \$200 let's say, when the deal closes. They make some money out of it, they feel a little bit of loyalty to you, and they're going to try to help you sell the property as well. So I think that's a great idea.

JP: Yep. I agree. Absolutely. One of the things that I've done also, and this is not really the same trick, but it is related in some way. A lot of times, I've had sellers tell me, "Yeah, you can put a lock box on the house, but I don't want you just sending anybody and everybody over here by themselves." Not that I've given them a reason to fear that, but some people are just extra cautious. So I'll say, "Well, what about somebody who I work with on a regular basis -- my partner, my handyman?" I actually, for years, I had a symbiotic relationship with my handyman where I would pay him a little bit to, in those cases, show up and open the door for people at a house like that. So I don't have to constantly be driving around, because I promise that's one of the things that will... If you have to drop everything and drive out and constantly go to these houses, it will just...

Alex: Miserable!

JP: Oh, my gosh. Yes. So you've got to find a way to keep yourself from running around, all over town, all day long, doing that kind of crap. That's just a thought to toss out there.

Alex: And you want to make sure that it's included in your contract, OK? And this is something to where you put it in your little inspection clause. This is something here, a little extra as well. Make sure when you're doing a deal, in your contract, whatever contract you use, you have your contract set up to where your earnest money is not due until your 15-day inspection period is over, OK? So make sure you have that 15-day inspection period in the contract, make sure that earnest money is not due until after that. But, as part of that clause, or your next B -- so A is your inspection period, and then B would be "Seller will make property accessible for lenders, appraisers, contractors, partners." Obviously I'm not saying it exactly how it's worded.

Well, actually, let me grab a contract right here. OK, "Seller and tenant, if any, will make property accessible to show partners, lenders, inspectors, appraisers, and contractors prior to closing, via contractor's lock box provided by buyer." So that's the best way to slip it into the agreement and make sure that they understand exactly what's going on.

And the way to sell it is to make it convenient to the seller. "Listen, Mr. Seller. You don't want to drive out here every single time I've got to get one of my people on my team through here." And that's a good way to put it, too, people on my team. And, it's 15 days. I need to make sure that I can utilize this time in the most efficient way, and the best way to do this is to do the lock box. It works out great for you, save you time and gas, saves me money, time and gas, and everybody is happy.

Just make sure also, you want to give the seller the lock box code as well, so that they have access to their own house if they give you the only key. Sometimes the seller will make a copy of the key, and then I'll have that and put that in the lock box. Make sure you give the seller the code to the lock box.

You also want to make sure the house is being locked up every time. This is good, too, to make sure you get the feedback from your buyers. "Hey, JP, I got this great house. Go look at it, but when you're done, make sure you call me, make sure it's locked up, and let me know what you thought about the house." That's the best way to work that.

JP: And if they forget, you call them. You call them an hour later and say, "Did you lock it up? Just want to make sure. OK, great. What did you think?"

Alex: Yeah, exactly. Exactly. And that trick leads right into our next trick, the shop and drop trick.

Sneaky Trick#6: The "Shop and Drop"

Alex: This dovetails right off of the unlimited access trick, because this is where you are going to move the property, OK? So when we're wholesaling, our goal is to get the properties under contract, as many as we possibly can that are good deals, OK? Wholesaling is a numbers game. We want to make sure that... See, if you've got one property under contract, I'm not saying you will wholesale it or you won't wholesale it. But if you had five properties under contract, chances are if you're new, you're going to at least sell one of them, as opposed to just having one tied up.

If you're tying up properties, putting them under contract and doing it correctly, OK? You're going to be putting yourself in spots where you're going to be able to succeed, especially if you utilize the shop and drop trick. You may not know what price you need to get that property under contract for.

Now, if you're using the rapid REO evaluation trick you're definitely going to put yourself in a better position, because you can see, OK. This property is listed for this; what do I need to get this one under contract for. If we were going back to our example of the \$20,000 and even though \$60,000 still might be a good deal, you're going to need to get a contract for \$17,000 to \$20,000.

Let's say you didn't even do that and you made a mistake and you went out there and you put it under contract for a little bit too high. This is still going to work, because you're going to use the

unlimited access trick and get as many people to the property as possible, OK? So you can use bandit signs, OK? Make sure you're watching your city code enforcement.

But you can use bandit signs around in the area to drive traffic to a phone number, to get people to call you. You can use direct mail to buyers to get people to get interested in the property, or you have your buyer's list in your cell phone, which I use all of the time. Just call people and send them through there.

What you're going to do, is you're obviously going to get your highest and best qualified offer, and what happens if you tie it up for too much? You simply tell the seller you're going to need a price reduction for whatever you need to be so you can make the deal happen. Some say this is a sneaky tricky, here. I can go either way on this one, but even if you don't have to reduce it, you can attempt it anyway and you can make an extra \$1,000 to \$2,000 to \$3,000 to \$4,000 to \$5,000 on each deal, depending on your courage level, I guess we could say.

Do you have anything to say about that last point?

JP: Nope, nope. Good point. Nothing comes to mind, though.

Alex: OK, so you want to make sure, in this situation, let's say I got a property under contract for \$25,000, but really, properties are selling for \$21,000, for instance. I have all of my buyers go through there, I got an offer that comes back, right? And somebody says, "Alex, I can only do 21 on this property." Well, that's great news. You've got somebody who is willing to pay \$21,000 for our property. You owe it - you've still got it under contract for - what did I say, 25?

JP: Yep.

Alex: So you could simply go back and get a price reduction to 18, and bam, you instantly have a deal. And if you can't get it low enough, you simply enforce your inspection period and you walk away. No harm, no foul. So it's kind of like you going out there with the - taking the chance of tying this property up and not selling it. You're taking that risk, but there's really no risk to it because you've got your inspection period in there. So that all ties into this, you know, your unlimited access trick, with the inspection clause and using the shop and drop trick, you can take properties that you would have tied up for way too much and still come back and make a few thousand on them.

Or you can simply take a property that you've got somebody that is offering you a right amount of money and you still want to make more because you just feel like you want to make more money. And you could do that, too. So it works out really, really well.

Sneaky Trick #7: The First Page of Google Trick

Alex: So our next trick is the first page of Google trick, OK? So this is obviously self-explanatory. And a lot of people, obviously, know the Internet is very, very powerful for exposure. And a lot of people hear the terms SEO. They may even hear the terms pay-per-click.

But those methods, SEO, requires a lot of time, knowledge, and sometimes even a lot of money to do those well.

The PPC or pay-per-click requires a lot of money. Obviously you'll get to the first page of Google within minutes if you understand how to set up a pay-per-click campaign properly. But this trick here is using the free method, and it works really well because we're going to take the local approach.

So pretty much, basically, what I said there: Internet has become the main way for people to find what they want, and it's becoming more and more and more that. And I don't think that we've even tapped the potential of the Internet yet. I heard some statistic, I'm not even sure what it is, but the Internet has not even reached its full potential and full reach of people using it. It's just going to become more and more the way people go. Even older people who are still using phone books or everything are starting to venture towards the Internet.

JP: What is this Internet you speak of? I'm confused.

Alex: I don't know. I heard it's pretty cool, though. [laughs]

JP: Yeah, well, just show me what you're talking about that when we get off.

Alex: [laughs] So I know that securing a first page ranking on Google can cost anywhere from \$2 to \$5 a click. That's because I do some pay-per-click advertising to find motivated sellers. And for me, for the phrase "we buy houses" - OK, and that's a tip for you as well, that phrase, "we buy houses," is what people are searching for the most. I used to think it was "sell house fast," but it's not. "We buy houses" is what people are searching for when they're looking for a house sale. At least in my area, anyway. Have you done anything with pay-per-click along those lines, JP?

JP: You know, I haven't done much with pay-per-click, but I know those two terms you mentioned are absolutely at the top of the list. I've never really researched to see which one knocks the other out, but I would think that it might vary a little bit in any given area. But I think you want to own both anyway. I mean, you want to rank for both.

Alex: Oh, for sure. But...

JP: I mean, you've just got to put yourself in the position of someone trying to sell their house for a second, say, "What - if I'm trying to sell my house, sitting there on the Internet, what am I going to type into Google?" You know?

Alex: Yeah.

JP: Those are the two things that absolutely come into my mind first.

Alex: And there are definitely a lot of phrases people are using. They use, like, "companies that buy houses," "we buy houses people," "Ug buys ugly houses" - that's obviously the motto of the

HomeVestors franchise - people are using all different types of phrases and things like that. But this is the truth, I feel, about Internet marketing when it comes to real estate investing: leads from the Internet are not my favorite. And that's because people have a shopper's mentality. You know?

And that's what the Internet lends itself to, and that's why companies that go out there - for instance, that people are looking for contractors or whatever, they go out there and they say, "I want my roof fixed." Well, they just enter into one leads section and all of a sudden they have ten people that are going to be bidding for the job or whatever.

So now people are in a position where they're in the control seat and they can just simply pick which one they want. So obviously you're not going to be able to get a really smoking deal, per se, on the Internet, because people are just shopping. They're filling out your information, they're going to be filling out somebody else's information.

So that's why I would prefer the free method, and work the leads from there. Now, I still dabble with pay-per-click a little bit just because I put myself in so many different areas for marketing and stuff, but definitely the free method is a really good way to go, and this is a little primer here on how you can use the free method to your advantage.

And if you go to maps.google.com - this is the first thing you can do to get yourself in a position to be seen in your area - you're going to put yourself on the map. Literally. [laughs] You're going to put yourself on Google's map. You go out there to maps.google.com, and this screen is a little of a walkthrough. OK, is this really too small as well, JP?

JP: No, I can see it. I can make it out pretty good.

Alex: OK. So you go to - you're just going to put your business on the map: your business on Google Maps. And you click on that and then it's going to lead you to "Add New Listing," and what you're going to do - obviously you can see as I was playing with it there, you can see my two little businesses there that I had put on. And the key is to approach this from the local standpoint. Because when you go from the local standpoint, you're going to stand out, and there is not a lot of people that are saying, like, "We buy houses in Memphis," or "Sell house fast Memphis," or whatever. If you niche down to those keywords, you're definitely going to stand out. And we're going to get into what are the different methods to do that.

So you're going to "add new listing," and then you are going to - one thing I recommend to do here is to get a local number from Skype, unless you want people calling your cell phone and things like that. Now, Skype is obviously skype.com. But what I do is I simply - I'm not sure exactly how much it costs. It's really cheap, it's like \$5 or something.

And I get a number that hooks up to my Skype account that's local, and they can call into that, and therefore I'm not tying up my house phone - because I don't have an office, I just work out of my house - I'm not tying up my house phone or my cell phone, and that's the best way to do it. And then you can also - for your address, don't put your house address down. [laughs] There are just too many...

JP: You'll have some cat show up knocking on your door saying, "Will you buy my house?"
And I don't think you want to be put in that spot. [laughs]

Alex: And to really give you a real view of that, I have a USPS box that use from the United Postal Service, and I actually - and here's another tip: make sure you use a UPS box with a suite number, because if you use something, just go to a regular post office, you can't use a suite number. You have to use PO Box. And everybody wants to have that suite number on there so it looks all official and everything. So make sure...

JP: So just to be clear, because you said USPS and I think you meant UPS.

Alex: Well, USPS is the United States...

JP: Postal Service.

Alex: Postal Service.

JP: Right. But you're saying use a UPS Store, which used to be - they bought Mail Boxes, Etc., and so they have private mailboxes, and that's what you're talking about. Because that's what I use, also.

Alex: Yeah, that's the best way to do it.

JP: Yeah.

Alex: Because like I was saying, I actually - with the amount of mail I do, I have people that come into the UPS Store looking for me. [laughs]

JP: [laughs] Awkward.

Alex: [laughs] Yeah. And the guy who owns it, you know, he's really cool. He doesn't say anything. They don't give out your real address or anything like that. [laughs] But really, make sure you have a UPS box with a suite number, and then make sure you get that local number from Skype, because that's just going to help all around, not having calls coming to your cell phone all the time. So once you do that, then you're going to enter your listing in there, you're going to add your listing. It's going to go to the map.

And there are different ways - obviously you're going to submit it, and then from there you're going to have to verify your account, OK? So they want to make sure that this is real people, this is real stuff going on. You're going to have to verify that you're a real business.

And you can do this either by phone - which I would recommend. It can be done in one second, because they're just going to ask you to enter your phone number in, they're going to call you, and you're going to enter in some type of verification code, and you'll be good to go.

Or if you don't want to do that, you can verify by snail mail and they'll send you a post card, and you can take your code and enter it in from there. So definitely the way to go is through the phone there. So Google Maps will definitely put you on there.

Now, right now I don't have the time to get into the nitty-gritty on how to enter all your keywords and make sure all those line up and stuff. But make sure that when you are putting your account in there you are - when you're describing your business, use things like, "We buy houses in your local area. If you're looking to sell your house fast in your local area, we are a house buying company, or we are one of those companies they buy houses." Use keyword-rich phraseology in terms of things like that. That's really going to help a ton. OK?

The next thing you want to do is use Backpage. Backpage is free. And this is something where you're going to click - OK, post an ad on Backpage. You're going to post your local ads. Mainly - this is a free thing, or you can actually pay a couple dollars and you'll get some higher placement, which I actually do, but you can do it for free.

You're going to choose your area - and obviously I'm breezing through this pretty quickly, but this is what you do: you're going to go to "services, " and from there you're going to go to "real estate services, " because that's the spot where they put us. And then you're going to write your ad.

And you're going to make sure - OK, again, going back to the keywords here, you want to make sure you're using your city name, OK? And whatever areas you buy in. Because my area - I actually work in an area that's called the Seven Cities, so when I do this, I make sure that I actually have a phrase that says, "We buy houses in Hampton, Newport News, Virginia Beach, Chesapeake, Suffolk, Portsmouth..." - and I actually list them out just like that.

And then I list another one and I'll say, "And if you're looking to sell a house fast in..." and then I go with all the local phrases after that, or local terms after that, and that works really, really well. And you'd be surprised, actually, how fast your ad will get to the top of the search engines. And you'll get a lot of traffic, too, from it because that's what people are searching for.

And nowadays Google is so smart to the point where they actually know your IP address. So they know where you're sitting in your area and they'll actually bring up the most relevant ads to your area. And especially if you're using those local terms and phrases, it's going to work really, really well.

JP: Yep. OK, wait. Before you go on, I want to toss out a couple of morsels about that last one. And also after that I want us to take a quick two-minute break, just because I know that people...

Alex: Sure.

JP: Your mind can only take in what your rear end can endure. So...

Alex: [laughs]

JP: A couple of things about the Google thing. First of all, you may be wondering why Backpage, for example. Why not focus on my own "We buy houses" site and trying to get that to rank instead of my Backpage ad? For those of you who don't know, Google gives greater emphasis - they lean towards, they have a weighting towards what they consider to be authority sites, right? Sites that are very well-known, that are just bankable in terms of their accuracy most of the time. And of course, Google is going to give themselves the highest ranking in that regard.

So it is important that you have - if you can have a listing in Google, Google is going to lean towards that listing. It's much easier to rank in the search engines if you have a presence on an authority site, and then Backpage is another example of that. Craigslist is an example of that.

And just think: Google is really starting to get more and more tuned in to serving you on a local level but also integrating even things like social media. So while I don't consider myself to be a big Twitter sherpa or a Facebook guru, I'm involved in both, and I saw a video from my buddy - you probably know him too, Alex Peter Colat?

Alex: Yeah.

JP: Peter is, like, Mr. Search Engine Optimization Wizard, he and Sam Bell. And Peter showed me a video the other day that he put together about how Google is starting to integrate Twitter posts into the search results. So if I have a Twitter account - just my own Twitter account - and I search in Google for the term, "real estate, " on page one right now - it's in beta testing, so it may not show up everywhere, but they're starting to show Twitter results where real estate is mentioned from some of the higher profiles and people who I'm linked to. So all that's to say, that's why that works: authority sites. It points indirectly back to your site, yes, but you're much more likely to rank.

Another huge way to do it is video. Google loves video. And one of the things you should do if you want to rank in Google for your area is first of all start making - get a flip cam, get a dang Flip cam - actually, rather than the Flip cam, I'm now suggesting people go with the Kodak ZI8.

Alex: Wow.

JP: Just look it up, Kodak ZI8. It's a better camera than a Flip cam, and it's a little bit cheaper, and it's just barely bigger, and it's HD. So anyway, you're talking under \$200 for it. Start making little videos, and start with a video that just - you don't have to be - you can have a face for radio and still do this. It doesn't matter. In my opinion, people are not looking for somebody who is completely corporate and professional and in a shirt and tie and looking - that's not how you're going to present yourself to them anyway when you see them. You don't want to look - have your pants on the ground so to speak. [laughs]

Sorry, I love that song. Anyway, you don't want to look like a derelict, at the same time, but just be yourself. Go in your back yard, have your spouse hold the camera up, and just stutter through it. Say, "Hi, I'm JP Moses and we buy houses in Memphis, Tennessee. Here are kind of some quick bullet points about that. If you're interested, our website is this, and here's what makes us unique."

Boom. You've got a two-minute video about that. You post it up into YouTube - get a free YouTube account. And in the title - the title of your video is hugely important - you put your city. That is your target keyword. Excuse me, I'm coughing here. Hold on. I told you guys I was sick. You put your title of your city and your keywords in your title, OK? So "We buy houses Memphis" would be the title of that video.

And I guarantee you, very quickly you will see it ranking in the search engines locally. And it may bounce around a little bit, but that's another strong way to get a local presence.

Alex: Sure.

JP: And when you get a new property, do what you can to get a Flip video of it, OK? And just a walkthrough video. I don't know if that's part of these tricks or not, but that's something everybody should be doing. When you post that video up in your YouTube account, put somewhere in your title - you know, if the address is 123 Main Street, I would put "We buy houses Memphis 123 Main Street" as your title of your video. So anyway, just wanted to toss those, a couple ideas.

Alex: No, definitely.

JP: Anything off of those additional suggestions that come to mind for you, or should we take our break?

Alex: No, I think you said it all there. You've just got to make sure that you use keyword-rich things. And actually, this is something I heard recently: videos - or I should say YouTube and Google are getting very smart to actually using keywords and things to where you want to make sure you're actually saying these keywords in your video if you're using video.

JP: Oh my gosh, yes.

Alex: Yeah, so...

JP: Because they're actually - did you know this? They're transcribing your videos. Did you know that?

Alex: No, I didn't know that. That's how they do it?

JP: They're beta testing it right now with new videos. I literally read this this morning on a blog that I subscribe to. Every new video that's uploaded to YouTube, Google's transcription service - it's an automated thing, so it's not perfect. But it's automatically transcribing - it's not doing it for the old the videos, but if you upload a video today - I mean, I don't know how long it will take to happen, but they will transcribe your video, and you have an option where you can apparently read subtitles that have the words that you're saying.

Alex: That's - yeah!

JP: So if they're doing that, I guarantee you, they are trying to be as relevant as they can. Google's best interest is to have their results be as relevant as possible, and one of the ways they're doing that is by literally tracking the keywords that you're saying in your videos. If somebody had asked me a couple of years ago if I thought that would ever be possible, I would have said, "Not a chance." I mean, Google is powerful, but I can't believe they could actually have my videos rank for what I'm saying in the video. It just seems like an impossibility.

And yet they have found a way to do it. So I'm so glad you said that. I forgot about that.

Alex: Yeah. That's - I mean, it's - so make sure, obviously, in your video that you're using those key words and things, because obviously they're trying to get rid of spam and people who are just putting keywords out there and not really having a relevant video to it. So...

JP: Yep. OK. Let's talk about the HUD property trick.

Sneaky Trick #8: The HUD Property Trick

Alex: The HUD property trick. OK, this is a really neat one, because you can actually use this one for virtual wholesaling, which is a buzzword that has gone around the area. And all that means is really - well, first of all, you can use this virtually or you can use it locally, but it lends itself really well to virtual wholesaling. And I'll talk about that in a little bit. But basically what this is is these are properties that are in your backyard right now, and most investors don't even realize this source. They're focusing all on the other REOs and properties that are available to the public first. And one thing you have to understand about HUD properties is that they're available to the public, being homeowners, first, not available to investors first, OK?

So that's why a lot of people overlook them or, if they do find them, they kind of brush them off because this is something to where HUD, for whatever reason, wants to make their properties available to homeowners and not investors first. But they become available after the first 15 to 30 days. And you have to find the HUD website in your area.

One other thing, as well, one thing that you've got to keep in mind is that the HUD key - and this is something where you've got to be careful and work your own areas - know that the HUD

key works for every house in your area that's a HUD property, OK? So I don't know what the local ordinances or local rules or real estate, how it goes down to, but if you can get your hands on a HUD key, it works for every property that's HUD in your area. So do you know anything about that, JP?

JP: Yeah. It's certainly the case around here, and I'm pretty sure that is the case. Now the HUD key for here isn't going to work in Iowa because it's kind of, I think, a regional thing.

Alex: Right.

JP: But for whatever area you're in, that does tend to be the case. Also, if they use combo boxes, they almost always use the same combo. And actually, as a side note to that, for most REOs in your area, there is probably no more than a dozen keys that will work for most of them. So use this as you will, but I'm just saying, when I go to an REO, if there's an extra key when I get there, there may not necessarily be an extra key when I leave. I'll leave it at that.

Alex: Are you serious? [laughs]

JP: I mean, it's an extra key, right?

Alex: Oh, yeah, you never know what you're getting.

JP: Those extra keys have been known, on occasion, to work on other houses as well.

Alex: If it was a - I didn't know that. I didn't know they had JP keys in the box. [laughs]

JP: [laughs] I'm just telling you that. Use that for what it's worth, or don't use it, but I'll pull that one out of my pocket.

Alex: Right. No pun intended. [laughs]

JP: Right. [laughs]

Alex: So yeah, the HUD property trick is understanding that HUD is a source of properties. And they're really good properties, because they're discounted really, really well. And this is where you find them: www.hud.gov. OK? And I'm sorry, again, you can really not see the arrow pointing there, but what that is pointing to on the home page of hud.gov is "I want to buy a home." OK? So "buy a home" is where you go. You're going to go ahead and enter your state info, and then you're going to click "HUD homes for sale." OK? This is for everybody. And then what it's going to do is it's going to drop you into the spot where now you can find what exactly - what website that you have in your area that pertains to HUD properties.

And I think it's different for different regions and different areas and whatnot, but this is going to drop you into a spot where you have free access to these properties, and it's great, and I'm going to show you why. OK? There are some very, very nice things about the HUD website. These properties are listed at discounted prices already, OK? And they're usually very good discounts.

It's not like - you know, when REOs come out, they're sometimes listed at full retail sky-high properties? These properties are ready to go. The pictures of the properties are already on the site, and this is why it makes it exquisite for virtual wholesaling, because they actually have PDF reports of pictures of all the rooms in the houses, and they actually have a report from an inspector that was done on what's wrong with the house, what needs to be done to fix the house, what's the estimate for fixing the house, of getting it into good shape.

So forget having to go find a photo person to take pictures for you of these houses. It's already done for you. So you get a detailed condition report on the site of what's going on with these houses. And another cool thing about this site is, when you get further into it, they actually give you a transaction report of actually what's going on with people buying, what they're buying for, and who is actually closing on properties, what properties are falling through.

Obviously I can't go into every single one because it's different for each market, but you can see what other people are paying for these properties, who is buying, and for what. So now you've got some wholesale buyers. You may not be able to sell them HUD properties, because they're looking for HUD properties.

Well, I take that back, because remember, the whole art to wholesaling is locking up a good deal. There could be a good deal that's listed on the HUD site. There could be a good deal that's listed on the MLS.

But if you're the one that's got it locked down and ready to go on a contract, you're past all the negotiating, you're past all the craziness with dealing with what the bank wants to do and everything, you've got it locked up and ready to go, they probably would buy a HUD property from you if you got it for the right price.

So this is going to give you a good snapshot of what's going on in your market, and it makes a great tool for virtual wholesaling, like I said. So utilizing the HUD property trick is something that a lot of people don't do, and if you spent the time and go through it and really get the methodology down - you can really get it to the point where it could get you a deal a month if you really worked it correctly. So, have you ever used HUD properties before, JP?

JP: You know, I've toyed with it, but I've never really immersed myself. Now we should say, in order to bid on HUD properties you have to go through a realtor who is, for lack of a better term, authorized or certified to bid on HUD properties.

Alex: Yes.

JP: Not every realtor is. It doesn't take any special training per se for them, but the realtor has to go through and kind of get connected with HUD in that way, and you have to go through them. You can't just - you know, like with an REO, you can make an offer directly without a realtor representing you, but you cannot with HUD.

Alex: Yes. You're right. Thanks for bringing that up. You actually will find, too, in your area, if you spend any time doing it, you're going to see the same exact realtor popping up all over the

place who is the HUD guru of the area, so to speak. And you want to call that guy and get in with him.

JP: Absolutely.

Alex: You want to be that pain in the neck like I was talking about. Like, some guy calls me all the time looking for properties. Because he's being a pain or contacting me all the time, he's going to run into me, and he's going to have a property that I could pass off to him just because he's being in front of my face all the time. And that's what you want to do. And he's not going to mind it because you're going to make him money down the line. So it's definitely a good habit to get into. Anything you want to say about the HUD trick before we move on?

JP: No, man, good stuff though.

Sneaky Trick #9: The “Older the Better” Trick

Alex: OK. All right. The next one is "the older the better" trick. This is something to where we're going to talk about probate leads. Most investors are so intent on getting the hottest probate leads, the ones that just fall right off the shelf, so to speak, the ones that are just hitting the paper, and most people overlook the leads from six to 18 months back. And if you're aware of any of the logistics and procedures that work with a probate file and the things that they need to go through, some people can't sell for six to even, I wouldn't say 18 months. 18 months might be a long time. But definitely a six-month time frame is not unheard of. Would you say?

JP: Sorry, I had my phone on mute by accident. Yeah. I would, right. And I love this tip by the way. This one has paid me, yeah -- you're like the only guy in town at that point. So this one has paid me more than once and that makes me very happy.

Alex: Yeah, you can pick some up when they're through everything and just want to be done. They're being beat up by the lawyer who is handling the estate. They've got all this on them. As time goes on and you kind of have to understand the role of the administrator or an executrix or whatever you call them in your local area. These people I think they feel kind of a sense of pride that they've been elected the executrix or the administrator. And they feel that they're gosh darn it going to get the best deal for this property and the best price because they want to do the person that passed away, they feel like maybe they are doing them a service.

They feel like that they owe it to them, so to speak. But as time goes on, they start to feel the weight of that property. They start to feel the fact that it needs maintenance, the fact that because it's vacant there could be people break and enter the property. The fact that there's taxes that need to be managed. And all the other things that go into and then they start to get to the point where they just want the elephant off their back.

So if you work from the standpoint of going back and getting the leads that are older when we talk about probate you could be putting yourself in a position where you get some instant

deals rather than have to go through the whole funnel with the probate leads by getting the newest ones.

JP: What is your pace? For probate leads specifically do you typically mail them one letter or do you have a sequence, a time sequence of letters or what...

Alex: I don't get that, I don't want to say fancy, but I guess I'm a little bit on the lazy side. I have a virtual assistant do this and we'll talk about that a little bit, as well. What they do is they get all the leads for me. I get the newest leads and I send them postcards because yes, like I said, there is the mentality of the executrix and the administrator whatever they want to get the highest price. But sometimes there's ones that actually get scared of having this responsibility and just want to sell right away and be done with it. But I send to the new ones that come out and then I make sure as we're going along, we're getting the older leads as well.

And I just send them a postcard. It's doesn't even say anything about probate on it, actually, or passing away or anything. It's just a general postcard that says, "I understand you may have an interest in this property" and approaches it that way, rather than a specific marketing approach.

I don't know. It's worked well for me. I think sometimes people -- and this could go either way, and you're never going to be able to please everybody when it comes to marketing. I think some people will say, oh, there's targeting me because they know my husband died and it makes them mad and they don't want to deal with you.

So if you approach it from the standpoint of the generic approach of: hey, I'm an investor in the area looking for a house to buy and your house just might be something that fits my criteria, then you might ward some of that off, so to speak. You have anything to say about that idea?

JP: Well, for me with probates -- and I've tried it a few different ways. I'm really still not even sure what I prefer the most, because I'm not the greatest at... I'm good at trying certain stuff but not at measuring the results. [laughs] But I can tell you, I've done as much as a sequence of four letters and I have gotten... I think the direct mail statistic is that 80% of people, now this is general for direct mail in general, 80% of the people who will respond to you via direct mail respond after the fifth mailing.

Alex: I've heard that before.

JP: Pretty staggering.

Alex: And I'll tell you, I guess I don't know because I do some high response marketing campaigns. I use very personalized postcard and if I'm not doing probate I'm doing more absentee marketing. And I'll send out a 5,000 postcards and I'll get as much as 300 to 400 calls. It's insane. So I don't know if, because I do send the same people over and over and over again, but I don't know which ones are coming from the fifth attempt but I know if I just had done it once, I would still get the call.

But here's another thing, too. If you're in any market where people are marketing they're all sending out very similar pieces? People, it almost comes out of that, it almost I think throws the whole "they'll contact you the fifth time after they hear from you" thing out the window. Because there's people out there that are sending them letters and direct mail or whatever where they start to associate you as the same person.

So it gets to the point to where your competition is almost helping you in the marketing because they got a piece from your competitor the month before but they weren't ready to sell at that point. Now, you just sent them a postcard the month after and, guess what, they're read to sell at that point.

JP: That is hugely important. Just because they've heard from 25 other people before you doesn't mean you got beat out of that deal because they may not be able to sell until they finally get your letter.

Alex: Yeah, that's right. I mean, and that's what you have to understand. Yeah. Life is a parade. Things happen to where the month before, and this is true in your own life. Think about how easy your moods change and how easy things just, how your mind sways back and forth and things like that. You could do things on an impulse that you wouldn't think you would have done the month before. And so, all you have to have is something happen like a tenant that doesn't pay rent or a house goes vacant and you just don't want to deal with it or whatever the case may be. If it doesn't happen that month you are not going to deal with it but that month that you get the postcard or the letter or whatever, it just might be that magical time that does it.

JP: Here's a great way to put that into a word picture. I mean, I hate to say it this way but my two and a half year old. She's a pretty good example of this because if she... You have kids. Now, you have a son. Is he your first?

Alex: And one on the way.

JP: OK, so you may not be able to relate this yet but you will, I promise. When Kelsey wants something, let's say she wants to draw with markers. But I'm preoccupied when she's asking me. She talks a lot. This little girl loves to talk. So a lot of times frankly, even though I love her and what she has to say is not unimportant, it's so easy just to tune her out because I'm not ready to listen to her. So she may walk up to me while I'm working on the computer or something and say, "Hey can I draw with markers, Daddy?" I don't answer. "Can I draw with markers, Daddy?" I don't answer. "Can I draw with markers, Daddy?" And I'll realize somehow it will creep into my subconscious that she's been asking me to draw with markers after about the 12th time. She's not even getting impatient. She's just being consistent, being persistent.

[laughter]

JP: You know she'll break through my shell in a minute. And finally, I'll be like, Whoa, what? Yeah, OK, sure. Well, if she had given up [laughs] then she wouldn't have gotten to draw with

markers. I know this is kind of a silly example but that's life really works. A lot of times people just, you don't get through to them, even just through the noise of their life until about the 12th time. So just an example.

Alex: It's true. And thank you to all my fellow real estate marketers who keep marketing because when that postcard... I mean, we're all helping each other so to speak. It's just being consistent puts you in that mix to where if you didn't market that month or whatever you may not have got it but because you did because of all the other previous attempts from other people and stuff it all works out. So it's leverage.

JP: Yep.

Alex: Oh, I think I just wrote on the screen.

JP: Wow, I didn't even know you could do that. [laughter]

Alex: How do I get rid of that?

JP: Well it's kind of cool. I don't know.

Alex: There we go.

JP: Did you just click and drag your cursor over the...

Alex: Yeah.

JP: Wow! [laughter]

Alex: Look at that, and so we can tell it's a probate negotiation trick. [laughter]

JP: Nice.

Alex: OK. Too much fun. [laughter]

Sneaky Trick #10: Probate Negotiation Trick

Alex: All right. So probate negotiation trick is the next one here. And this we use, OK, when we have multiple heirs in line for the property. And most probate files do have multiple heirs. I had one recently where the lady had - well, we'll get into the example in a little bit. But the cool thing about this trick is that discounting does not hurt as much when you have multiple parties. And that's because most of the time a \$50,000 discount off the price would completely destroy a deal.

You would think \$50,000, and it sounds like a lot of money. But it's not a lot of money when you have a lot of heirs, and here's why. You have to help people understand that the most important thing when we're dealing with this property is what they're going to be walking away from closing in their pocket.

And again, this goes back to that whole mentality of, oh, I'm going to get uncle Bob the best price on this property that I possibly can. And some people get blinded by that and they get to the point where they really want to get the best price and they don't even care about how much money they're getting.

But you have to break it down. And you kind of have to appeal a little bit to their greed senses, so to speak. Because you want to show them what are they going to walk away from closing in their pocket. They have to see that taking a small discount to make the deal go through is worth it. It is most 100% definitely worth it. Because a quick sale is worth a lot more than a no sale for six months. They have to understand that. And as time goes on, like I said, things start happening.

And this is what happened in the house I was dealing with. Somebody threw a rock through the window. They're dealing with the lawn needing to be cut. They're dealing with maintenance and managing the taxes and all this crazy stuff. That this really starts to hit home with themselves.

And a lot of things when you're dealing with probate situations, or just motivated sellers in general, it does come down to some sort of salesmanship.

And I don't mean trying to pitch somebody like in a slick-willy manner. I mean dealing with people in a sense to where they really feel you're genuinely concerned and that you're there to help them. They also understand you're there to profit and benefit, but they've got to feel connected. And I think good salesmanship definitely helps with that.

JP: And I think as a side note to that, you should be unapologetic to the fact that you need to make a profit on your deal. And that's the reality of it and they know that. Don't insult them by assuming that they think you're then this for some altruistic reason just to help people. But while the deal's got to make sense and you should openly say, "I have to see that I can make a reasonable profit on this." At the same time, I believe in win/win situations. So you've got to work for you, too, and I never take advantage of people. It's just not the way I do things. So that's just something I wanted to say.

Alex: For sure. OK. So let's take a look at the way this breaks down. Let's say they want \$60,000 for the property -- and this is an example as a deal that I recently did. And actually while I'm going through this, I want to get your opinion on this. Would you find that most deals that you do happen are the ones that people are already asking that discounted price? Or do you think you can get equally the amount of deals from people that are asking the retail price, but because you did a good job and executed good salesmanship, you're able to negotiate that price down? What do you think about that? Like going out and following up with people and stuff like that or just saying, oh, they want retail, I'm not even going to bother with that.

JP: . I mean, a lot of the time it depends on the type of lead. Really, if it's an old dusty REO that's been in the market for six months but still is priced too high, then slinging mud at a ridiculously low price might make them come down. But if it's a fresh REO that I've got to see that it's in the ballpark of where I need to be.

Alex: That's REO, yeah.

JP: Right. But if you're dealing with a motivated seller -- I mean, I'm almost always negotiating it down to lower because these are people who know that they're going to probably have to settle for less. And usually even if they don't know, it's usually negotiated down, to answer your question.

Alex: Yeah. That's for sure, for sure. OK, so they want \$60,000 for the property and you offer \$42,000 for the property. And this is how it breaks down. There are six heirs associated with the deal and at \$60,000 -- if they got their full asking price, glory, hallelujah -- they would walk away with \$10,000 each. Right? So at \$42,000 they would walk away with \$7,000 each. And this is exactly what I did. When I went in the house, OK, I said, "So if I give you \$60,000, each one of you guys would be walking away with \$10,000 each. Right?"

And they said, "Yeah."

I said, "Well, would you be terribly offended if you only walked away with \$7,000 each?"

And they said, "No."

[laughter]

Alex: So we just took a \$18,000 dollar discount, turned it into a \$3,000 dollar discount and helped the seller feel good about it. So hopefully that makes sense to everybody on there, because when you split it up, it really doesn't hurt as bad. And that's why I like having so many Heirs. Now sometimes heirs can be a pain in the neck, because everybody's not in the same accord or whatever. But when everybody wants to sell, you could take a discount that would seem like \$18,000, yeah, it seems like a lot of money. But when you break it down six different times, that's only \$3,000 dollars. You know?

And then the way you turn that or break that down to the seller is, "So are you guys going to let \$3,000 dollars stop you from being done with this property and not having to worry about taking care of this thing anymore?" And it almost sounds ridiculous. You know?

JP: Yeah, I love that line. And this is really about positioning this from the perspective of how it benefits them, really.

Alex: WIIFM.

JP: Yeah. And if you look at the number of people involved here and you can clarify for them really the much less impacting difference that discount is going to make than they perceive. Because it sounds a lot worse when you take it off the big full amount and you say, "Well, I need a \$10,000 discount in order to make it work." It just feels worse. It sounds worse.

Alex: Yeah.

JP: So if you can frame it differently in a way that the benefit to them of getting it off their shoulders for only \$3,000, you can have a much different result.

Alex: No, for sure. For sure, definitely. And it works the same way. So let's say we've got five heirs and if you even use the bigger number -- and when you're dealing with a house, if somebody's got a \$100,000 house, is it unheard of that they would take \$90,000 for it? No, right? Definitely not.

JP: Right.

Alex: So if you've got a \$50,000 discount, right? You've got five heirs, and if each one takes \$10,000 less, now you've got a \$50,000 discount, just like that. By each one just doing something that's not uncommon. "So are you going to let \$10,000 stop us from getting this thing done?" [laughter]

Sneaky Trick #11: Prepping the HUD Trick

Alex: So it works really well. OK. Moving onto the next trick: prepping the HUD. And this comes down to also understanding how a whole transaction works, wholesaling-wise. The prepping the HUD trick. Most investors are scared of what the seller's going to do when they see your fee, supposedly. Right? But the best thing to do to avoid this is, if you're terribly scared about it -- and I've done this many times -- is to review the HUD with the seller before the closing.

Now, I guess I should say what the HUD is first of all. HUD One actually is the appropriate term. And what it is, is a document that is required by the government and it contains all the fees or all the money that is transacting during this closing. So that way everything is disclosed, nobody's in the dark, and anything that's done off the HUD is actually regarded as fraud as far as the government is concerned. So everything has to stay on the HUD.

So what you're going to do is you're going to make sure the seller understands what's going on the HUD. You don't want them to see every single thing that's going on because it would - if you've seen a HUD before, it has a lot of numbers and a lot of lines and a lot of crazy stuff going on it.

So you just want to show them what they're walking away from closing with in their pockets. Just like we were in the probate negotiation trick, the most important thing is what is going in their pocket and what they're going to be walking away with. So same thing on the HUD.

So, this is what you do if a seller brings up to you, "Well, what is this fee that's going on here?" or, "What is this?" And you know what, JP? It really happens. Have you ever been really questioned about an assignment fee on a HUD?

JP: No, I haven't. I've always dealt with it one way or another in advance, and it has never been an issue.

Alex: OK, yeah. And it's pretty much the same thing for me. But if it is questioned for whatever reason, the way you put this - and it's very honest to do it - is you say that this is money that was pulled out between you and your partner to complete the deal. And that's a very honest way to put it, and it usually defuses this situation very easily. So if a deal is going to go awry, it's usually going to happen at the closing table. [laughs] So the seller might be unsure of what to look for on the HUD. Most of my sellers, they go to closing, and they're just going there with a pen and a smile, is what I tell them to do, and just sign. Just sign, and they're going to get the money.

And you're going to show them - OK, actually this is important, too. Make sure that when you go to your contract with your seller, make sure it's a net contract, OK? And what that means is if you say you're going to give them \$42,000, that's what they're going to walk away with at closing without having to worry about transfer tax and grantor's fees and all these different things. Unless they have some obscene judgments or liens or things that they need to pay, they're going to be walking away with a check for \$42,000.

So all they have to do is look at that line on the HUD where it shows cash to seller, and they see that \$42,000, and everything else really doesn't mean anything to them.

So this is what you want to do. I really don't go to closing at all anymore, but what I'll do is I'll go over the HUD with them at night or the day before the closing because I have my closing attorney email me the HUD so I can review it. And I definitely recommend that you do that as well, so that way when closing is about to happen you don't have problems going and the seller gets uncomfortable for whatever reason may be.

So make sure your HUD is straight the day before. Contact the seller and say, "All right, I just want to go over with you exactly what's going on at the closing, all right? You're going to be cutting \$42,000 at closing, and all you need to do is you're going to need to sign your name there, and we will have completed this deal, and everything will work out."

So that's the way you prep the HUD. You make sure the seller understands exactly what is going on, and this is what you do to point out on the HUD: make sure the HUD is laid out correctly by the closing attorney, OK? This is something I see that attorneys actually do, and I don't know if it's because they don't understand or if it's actually the way it's supposed to go. Most of the time, the assignment fee goes in the 1300 line items. Isn't that right, JP?

JP: Yes, yep.

Alex: So - which is the miscellaneous items that are going on, on the HUD. But make sure - sometimes what happens is the attorney or closing attorney or title company will put your assignment fee right by the purchase price. Or they'll even make your HUD - let's say I'm buying for \$42,000 and I'm selling for \$47,000. They'll actually put the contract purchase price as \$47,000. You don't want to do that. You've got to tell them, "No, the contract price is \$42,000 and my assignment fee is \$5,000." So sometimes what you have to do to come to a happy medium for whatever reason, if they don't want to put that in line item 1304 or in the 1300 section, they'll actually put your assignment fee right underneath the purchase price. And I'm OK with that sometimes, because sometimes I'll use my buyer's closing attorney who may not

understand exactly where everything is supposed to go, and I just walk him through it.

So prepping the HUD actually has to do with prepping the attorney and the seller and making sure everybody is on the same page. So again, the main thing is show the seller what they're going to be walking away with from the closing table, and you're going to be avoiding a lot of problems down the road.

JP: Alex, what do you like to have the closing company call it when they list it as a line item? You know, what they call it can matter. What terminology do you like them to use?

Alex: They actually call it an assignment. They call it an assignment fee.

JP: OK.

Alex: Yeah, why?

JP: One of the things I started using that I - I don't know, you touched on the word "partner" earlier. I like to have him put "partner split," which kind of leans...

Alex: Really? That's a good idea.

JP: Yeah. It kind of leans towards what you said earlier. Now, some people may feel uneasy about calling your end buyer your partner, and let me just say, you really need to get over that. Partner is actually what he is. Now, it is a joint venture partner on a deal basis, right?

Alex: A joint venture.

JP: So it doesn't mean you have a legal partnership with this person that you file it with the state and that kind of stuff. It's not that type of partnership, but it is a joint venture partnership. So there is absolutely no problem. In fact, when I'm negotiating with a seller, I'll tell him, "You know, as part of my contingencies, my contractor is going to have to look at this, and my partners are going to have to look at it. They have to lay eyes on it to make sure it works for them. It works for me, I'm pretty sure it will work for them, but I've got to have them lay eyes on it."

And when I say partners, who do you think I'm talking about? I'm talking about all of my potential partners in this deal, one of whom will be buying it. So don't be afraid to use that terminology.

Alex: "Funding partner" is a really good way to put it.

JP: That is not a term that scares or intimidates people. It makes total sense and it gives them a good sense of, "OK, that makes sense. I can understand why you need to do that." And when they see it on the HUD, it makes logical sense. It's not that you're trying to hide something from them, that you're in business to make money or anything, but they already are coming into this transaction potentially a little leery of you.

Alex: Of course.

JP: You know, investors don't necessarily have a reputation like realtors do, because we don't have a bunch of lobbyists and millions of dollars of ad campaigns making us look like the greatest thing since sliced bread. In fact, there is always that history of negative press that the one bad apple gives all the rest of us. So they're already approaching it from kind of a sideways look. Hopefully you're good at building rapport with them so that they don't have a reason to feel that way, but there's always that underlying, "I'm waiting for you to give me a reason to distrust you."

So you don't want to give them information that they don't understand, that will confuse them at best or give them a reason to be afraid of you. So it's not that you're trying to deceive them in some way by not just saying, "Well, I'm an assignment fee, I'm a wholesaler, I'm going to flip this to somebody." They will automatically - they just don't understand. It feels like - you know, any time, a confused mind says no. You guys have heard that. "A confused mind says no."

Alex: That's right.

JP: So frame everything you do from a way that they will not be confused by it.

Alex: It helps, I thought...

JP: I'm sorry - to another point you said earlier about having your title company send you the HUD one in advance, I'm going to tell you: absolutely, positively do that. And if your title company - if your closing attorney gives you any flack because they don't want to send that to you a day in advance, find another title company to work with.

Alex: [laughs] That's right.

JP: You absolutely have a right to see it, they should be responsible enough to have it prepared in time, and I can tell you: there are mistakes on the HUD that you will need to fix from time to time. It will happen.

Alex: More often than not. [laughs]

JP: So you need - if you're not familiar with the HUD, it can be an intimidating-looking document, OK? I know that. But it's like anything, once you get into it and you have somebody explain it to you one time, it just clicks and you go, "OK, this is really not nearly as awful and confusing as I thought it was going to be." That's one document you really need to understand how it works, so that when they send it to you, you can look at it and make sure that everything looks like it's in its proper place. And you may have to call them and say, "No, you guys, you've got to fix this. I'm supposed to be making \$8,000, not \$5,000 on this. And also you can't call it this because I don't want you to call it that."

So that's the kind of relationship you need to have with them. No ifs ands or buts. And you can easily frame it well when you're going over it in advance with your seller like you suggested,

Alex. Easy just to say, "This is an intimidating document, things are going to go kind of fast at closing tomorrow and I don't want you to be confused by it. So that's why I want to go through it with you in advance." And they appreciate it.

Alex: Yeah. What you're really doing is overcoming or addressing a problem before it becomes a problem. You know?

JP: Yeah.

Alex: And also by going over it yourself more and more you'll gain more experience with it. But let me also say this. The HUD is a document that can actually keep you out of jail or land you in jail. So make sure you understand it very, very well. [laughter]

Alex: I don't want to scare anybody, but make sure that everything you do at closing is on the HUD.

JP: Yep. Yep. Don't say, "I'll just take my assignment fee off of the HUD."

Alex: No.

JP: Even if people tell you that you can do that and get away with it.

Alex: Especially if there's a bank involved. [laughter]

JP: Oh yes. Especially now more than ever, that's true.

Alex: For sure, for sure. OK. So we're ready to move onto the next one?

JP: Yep.

Sneaky Trick #12: The Competition Crusher Trick

Alex: OK. The competition crusher trick.

Now this is something that I've used and has bit me in the past because I did it wrong. And this is something I've used that's worked really well. OK. So a lot of sellers are going to call multiple investors. It's just going to happen, just from... Just like I said, the mentality of going on Google and filling out every single seller form that you can lay your hands on. But sometimes you don't want to be the first one out there every single time. Because with this you could come in after the other investor and find out what they offered and beat it.

And this can happen to you, too. But what this is going to help is bringing that seller to reality. OK? If you're the one that has to deliver the bad news, sometimes you don't get the deal just because of the nature of your news.

Basically what you do is you find out a very simple question. Am I the only one that you're dealing with here on this house? And they'll tell you, "Oh, you're the first one of many." Or they'll say, "Yeah, you're the only one you're dealing with. "

And usually that happens when you do direct mail. Sometimes for whatever reason, you're the only one they deal with when you go with direct mail. The Internet can sometimes just lead to a shopper's mentality.

But when you're dealing with the sellers along this line, you want to make sure that you're the last one in the door. And sometimes this can be something to where if you are the last one and you have somebody that's a really good closer, they can cut you out and just shut it down right there. But if you're the last one in the door, OK, or let's say...

Let me put it this way. If you're the first one in the door and you know everybody else and their mom is going to be coming out there, what you say to the seller is, "Listen. I understand you want to get the most possible that you can get to this property. But if you'll do me this favor, I'm going to help you get the most possible for your property. But please promise me that you will give me the last attempt on this property."

Therefore now you're in a position to where you're helping the seller. OK? And you're in a position to where you're putting yourself to where you're not going to be in a bidding war because you're going to understand what that last offer is and you'll have a chance to attempt to beat it. This is something to where you want to put yourself in a position where you're there to help the seller, but also they're going to be working with you.

So it kind of builds a little rapport with them, but also helps you not waste your time, either. Because when they simply call and tell you what the highest offer is you say, "Well, good luck You better take that offer while it's still hot and save you a little bit of time and effort." So kind of a quick one. Do you have anything to say about that one?

JP: So just to make sure I'm understanding you. You're basically telling them if you're going to shop this to other people, before I put any more time into this at least give me a last right of refusal kind of thing.

Alex: Exactly. Exactly. That's exactly what you do. And it's just a matter of asking. Some people right away, when they get into that situation -- and I have the temptation to do this as well. Oh, they're just shopping. I'm out of here. And then I'm never going to get a good deal on this property. So instead of doing that and putting yourself in a spot to succeed, you simply ask them that simple question. And I actually heard this. I got that sort of from Fan Merrill. When people are shopping you put yourself in that spot where you have the last refusal because you're positioning to the standpoint of you're going to try to get them the most for their house. But also you've got to work with me in order for me to do that.

JP: I like that.

Sneaky Trick #13: The Expired Wholesaler Trick

Alex: All right. So the next trick is the expired wholesaler trick. This one is kind of...

JP: The dead wholesalers? Is that what that is? [laughter]

Alex: Dead wholesalers, no. This basically is a trick that is kind of like expired listings on the MLS. But what it does is puts you in the position to profit again from other people's efforts, marketing money, time spent, and everything. So the expired wholesaler trick. A lot of investors out there are putting properties on their contract and they're not selling them. Why? Well maybe they're not using the shop and drop trick. They haven't been on this call. No, I'm just kidding.

JP: Right.

Alex: But they're not at the right price point. People just think that they can go out there, put a property under contract -- and some people do this. Some investors, they go see a property that's listed in the newspaper or whatever and they get all excited. They call the seller up and they offer him a price and now they have a property under contract. They go out there and they sign it and they're all excited. But then they go crash into the depths of despair when they can't sell it, because they don't have it at the right price point. And that's what a lot of wholesalers are doing out there right now because they're not properly educated on knowing where the right values are.

And remember, another way you can learn what those right values are is the rapid REO evaluation trick. So check what the REOs are doing and see what's going on and make sure you're at the right price point to avoid being the expired wholesaler.

So this is the truth. Sellers do not live in true reality when it comes to the price point. Every seller thinks they can get the most they possibly can for the property and they think it's just going to happen magically. But if you use other investors' inability to sell the property, you're using it to your advantage.

Let the other wholesaler go out there and offer too much and put it under contract. And this is what's going to happen. Sometimes every seller needs that feeling of not being able to sell a property before they come to reality. Some sellers are in the position to where they don't understand the market. They think we're in the market of four to five years ago where you would think about selling a house and just as you were about to put that sign in the ground, somebody comes running out and says, no, no, wait. I'll buy it.

[laughter]

Alex: That doesn't happen anymore. So sellers need to feel that they have that position to where, oh, man, I can't sell this property as easily as I thought. So wholesalers who are trying to get deals just to get deals, as a result they can't move them. And a wholesaler who just wants that deal to get a deal gets the property at a price where you need to sell it and make money. They're right at that price point. So they're not maybe just too far off from where we need to be, but

they've got it at the point to where you need to buy it or a rehabber needs to buy it or whatever the case may be.

So let's put this into terms of real numbers. So let's say you need to get a property for \$65,000. The wholesaler has it under contract for \$65,000. And they can't sell it. Or I should say, you need to get it for \$60,000 so you can make \$65,000. But the wholesaler has it at \$65,000.

The seller is going to be a lot more apt to sell that property with the idea of a quick close. OK? So you keep your eyes on the properties that are out there and that are not selling.

Now I'm not saying they're all properties out there are right on the verge of this. But if you keep yourself in tune so that other wholesaler's lists, beyond their buyer's lists and things like that and see what's going on. And keep attuned to it, you're going to run into this quite often.

And the way to do this is you've got to get on as many wholesalers' lists as possible. Use the Internet. Use REIA meetings. And then watch the properties that come through and the price points that they're coming at. And then watch to see if they're selling their properties.

You can do this by a follow-up phone call. You can call the wholesaler and ask them. Another sneaky method of doing this is to check the public records and see if that property has changed hands yet. And then make an effort to contact that seller directly by mailing the properties that have not sold, or you can call them if somehow you can get their phone number from offline or something like that.

But by putting them into a mailing sequence, you can stumble upon some deals this way. So it's pretty much the same as using the expired listings on the MLS, but you're leveraging, again, the other wholesalers' properties, his marketing money, and his time and things like that, and you're getting people where they're right at that point to where they now understand, "Yeah, I'm going to need to discount this property to get it sold, and if I just come down just a little bit more, maybe \$5,000, maybe \$7,000, I can move it, " well, now we're in a spot where we can profit from it.

So by using this trick, again, all these little tips and techniques that I'm giving you, if you employ each one of them, you're definitely going to rustle you up some extra deals and things. So any comments on that one, JP?

JP: Nope. Nothing specifically on that one. Another good one, though.

Sneaky Trick #14: Spy on Those That Buy Trick

Alex: OK. Spy on those that buy. This is a trick that is going to show you where the buyers are, OK? And that's where people have the question, "Where are the buyers?" Well, you can try to use other wholesalers' buyers, like I was saying, but it's always good to make data-driven decisions. And most wholesalers are banging their heads against the wall looking for buyers, and

if you waste your time working with unqualified and unproven buyers, you're going to bang your head against the wall, too.

Not everybody who says, "Oh, yeah, I want to buy your property," and doesn't even give you a hesitation on the price or whatever is the person you want to deal with, because they might be trying to tie up your property to try to wholesale it to somebody else, or they may think they've got the money or they can't qualify or whatever the reason may be.

So make sure you're dealing with people that are actually doing in the market. So the key is to find the buyers that are actually buying properties today, not years ago. These are the buyers that are going to write your paycheck, basically, because you will know the exact areas they are buying in and what prices they are buying at, OK? So this is a trick that's going to show you not only who is buying but where they're buying, even down to the subdivisions they're buying in.

OK. The step to implement this - and I got this from Chris Chico...

JP: Let me say this before you go into this Alex. Guys, if you're distracted right now, stop it. Pay close attention to what you're about to learn. We've covered lots of great tactics. This is probably one of the biggest, sweetest, most important so far. So pay attention. That's all. That is all.

Alex: [laughs] Wake up. OK. So go to listsource.com, www.listsource.com, and again I can't manage the screen right now to show you exactly what you need to do, but you select the absentee homeowners, you can select the criteria by city or county, and then you select your state and your county or city. And you are going to look for the last market recording date within the last three to six months, OK? I guess what I should do is define "absentee" for people who don't know. What that means is people who have properties that they don't live at. They're investment properties. They could be properties that are rentals, or they could be properties that they just bought to flip, or whatever the case may be. And this is targeted by the tax assessment or tax bill being sent to a different mailing address than what the actual property address is.

So that's how this finds those types of people. So you're going to purchase a spreadsheet and sort for repeat buyers and what they are buying. And this is as cheap as 10 to 12 cents a name, OK? So if you do this, you can do this after this call is over and you can literally find 200 real buyers within the last three to six months who are actually buying in this market, and then you can check to see who are the repeat buyers.

You can even get a little fun with this and even go three years back and spend a little bit of money and see who has really been buying throughout the down markets and the high markets and the low markets and where they're buying. But there's one thing here that you have to see that is important, OK? Just because somebody has recently bought doesn't necessarily mean they're a good buyer.

They could have just been the one-time buyer, the one-time, "Oh, I'm going to give real estate a shot. I got all excited because I saw flip this house and flip that house and property ladder and property

virgins and all this stuff, " and now they're going to go out and try to attempt it themselves. And they might be on that one property that's going to sink them because they don't understand how to do a rehab or whatever. You know, they may not necessarily be a good buyer.

But the good buyers are the repeat buyers who have been buying over and over and over again, and now you can spy on that because you have the data. You can see where they're buying, how they're buying, and what they're buying for. So this is key and critical information when you're looking to move your deals, for sure.

JP: And if you really get aggressive, you want to get really aggressive with it, you can do a reverse lookup on some of your hottest prospects there. You can just Google "reverse lookup" and you'll get a bunch of ways that you can do that. It's not free, but it's not that expensive either, and a lot of times you can track down a phone number for those people and actually call them up. Not just send them a letter but call them up and say, "Hey, are you buying houses in this area, because I've got a house I'm trying to sell." You'll get their attention if they're buyers.

Alex: Yeah. Yeah, for sure. That's definitely one way to do it. You could call them, or you could even mail them. And that's the Chico tactic, is just to send them a direct mail piece, send them to a blog to capture their information, and go that way. That's a little advanced way of doing things, but the main key is you've got their information right there in front of you and you can mail them or call them or do whatever you want and try to get them on your team, so to speak. OK, this next...

JP: Quick question. Do you know - just because I don't - for curiosity's sake, where ListSource gets their data from? **Alex:** Yes. They get it from First American Core Logic, and they are tied-in sisters with realquest.com. So realquest.com is a subscription website and ListSource is not. So you can sign up for ListSource and just buy a one-time list, or you can sign up with RealQuest.

I actually am a subscriber with RealQuest, and I can download up to 5,000 records per county and get comps with my subscription. So that's www.realquest.com. 5,000 records per county, so that way I'm not buying ten cents a name every single time, and it's really more economical for me as a full-timer. So ListSource is good...

JP: What does it cost you for your subscription?

Alex: I pay \$350 a month for six counties, and again, I can download up to 30,000 records a month if I wanted to for that price.

JP: Nice. And it's the same data, basically, though?

Alex: It's the same exact data, just a different portal, so to speak.

JP: OK, makes sense.

Alex: That's the way to go. And you can get comps with RealQuest, too.

JP: How do you feel about the quality of the comps? I've only used comps from the MLS or from a local service here called Channeler, so I'm not familiar with the quality of their comps. I know you don't want to use things like - Zillow comps are a joke. So how does this one...

Alex: Actually, you say that, but I actually use Zillow, Cyberhomes as points of reference when I'm considering the comps from RealQuest to the MLS. I look at everything, OK? But I think RealQuest is really good on comps because it's straight out of the courthouse. That's where that data comes from. So you can actually narrow it down to subdivision if you want with RealQuest, or you can do a mile radius, and it actually will give you the FSBO or for sale by owner sales that the MLS does not pick up.

JP: Yeah. And that is a benefit, definitely.

Alex: So it's definitely advantageous to have all that there. But Zillow and Cyberhomes, out of those, I think Cyberhomes is more accurate. It usually has a lower, more conservative value, for what that's worth.

JP: OK.

Alex: It's getting better and better, for some reason, I think maybe because more data is coming through. I don't know where they pull their data from, but I think there's more readily data available on the Internet. Or maybe it's just the low REO sales that are going through that and neutralizing the high prices that it used to have.

JP: Maybe so. And I haven't given those things a try in a while.

Alex: Well, you've got the MLS. You don't need it.

JP: Right. They were kind of new when I first started playing with them, and then I would compare that to what I was seeing in the MLS. It was probably just because they didn't have enough data to really balance everything out. But I guess it would make sense. The more data they get, of course, Google is assisting with that in so many ways, but they're going to get more accurate. So, it makes sense.

Alex: Yeah, definitely.

Sneaky Trick#15: The "Ghost Offer" Trick

Alex: OK. The next trick is the ghost offer trick. Many beginning investors are afraid to make offers to sellers. OK? And frankly, I don't like making offers to sellers, personally, myself. It's just you always get that knot in your stomach, and you always get that feeling of "uncomfortability." Is that a word? I don't know.

JP: It is now.

Alex: Yeah. [laughs] The feeling of uneasiness. And many investors quit because they can't handle that negative reaction or criticism. And if you're on this call, I'm sure you've heard the call that I was on -- the bad call, right -- where that seller was letting me know what he thought. And it's the truth. It's what happens. This is what I do. OK? I have virtual assistants, one in particular that makes offers for me.

Now, here's another way you can use the ghost-offer trick. You could send them a fax of your offer, if they have a fax. Or you could send them an email, or whatever the case may be. That way you don't have to deal with the negative response, and you only get to deal with the deals. I think the virtual assistant-method is better, because you're actually having the VA talk to somebody and actually kind of shielding you from that negative reaction, because when you fax, they're going to want to call you up and say, "What?" [laughs] if it's really that type of a seller.

So I only have a VA make an offer after I tell them exactly what to say and offer, and that's something I recommend that you guys do to start out with. But I'm actually in the process of systematizing my business a little bit more, because I find that I spend a lot of time going through each one of my leads and say, "OK. Offer this. Offer that. Offer that. Offer that."

I'm just going to come up with a rough formula that's not too low but that's in a position to where, if they're willing to play ball, I'll focus my attention a lot more on it rather than having to deal with the people that I really wouldn't do business with anyway.

And it stops me from having to send all the emails that I do to my virtual assistant on a daily basis for what to offer and what to say and things like that. So that's just me trying to streamline what I've got going on.

So the reality is the majority of sellers want top dollar for their property. It's just bold-faced reality. And you're going to have to negotiate to get the deal you need. And the majority of sellers can be unpleasant to handle. And most sellers are going to reject your first offer and make you feel stupid. Again, it's reality. It's what they do. [laughs]

This is a very good way to make it work. OK? You get a call from a seller, and you get all excited about it, right? You run the comps on a property. This isn't the way you implement it, but this is kind of the way it works, right? You run the comps on a property. You try to pull all the public records you possibly can. You set the appointment to go view the property, you show up at the property and you find out the seller wants top dollar and has leveraged 100%. [laughs]

If I did that, if I showed up at every single property that I got a call on -- and I remember back in the day, when I was just starting to run ads and stuff and get little leads here and there. When a lead came in, it was gold. It was solid.

I was like, "I'm going out there. I'm going to talk to that seller." I'm not even really asking the right -- I'm just going out there. And you can get burned out really fast doing that. Did you ever go through a stage like that, where you just thought every lead was gold?

JP: Oh, yeah. Oh, man, yes. And I would chase after anything. Of course, I put myself in a situation where I had to do deals to eat and didn't have any other way to make money and still hadn't really proven myself. That's how I kind of dealt with it. I would hop every lead to its fullest extent, and exhausted myself doing it.

Alex: Yeah, for sure. So, this is what you have to do, and this is just a brief place. This best resource... I just hired a virtual assistant, actually, to go after code violations in my area, and I did it on Friday. It's really cool. What I did was I went to Odesk.Com, put a very simple advertisement out there, or a post. It's free and all I said was I'm looking for somebody to do some data entry for me. And JP, my email box had literally 50 people responding to my ad at \$2.00 an hour. In the course of one evening, OK?

JP: And they're all either from India or the Philippines. Which is great.

Alex: The Philippines -- I'm not prejudiced. I love everybody, but the Filipinos are the best virtual assistants. They just are. You go to Odesk.Com, put in an account, and you will get a virtual assistant very, very quickly. Sift through your applicants. I didn't even look at everybody that came through. Because they're so readily available, I didn't want to waste my time spending hours of looking at this person's application, and how they tested on this test, and what they did, and how they evaluate.

I just looked at their basic hours to see what type of time they've put into Odesk. Some of the tasks that they did, and looked at the first five that came in, and gave one a shot. And you know what? If she doesn't work out, I can go find another one in a snap of a finger. Don't waste your time getting bogged down into it.

She's great, by the way. She's already pulling code violations for me, and I'm testing to see how they pull. And also, I'm actually using her to tell me the tax assessed value, and what the last sale date was, so therefore I'm not mailing to over-leveraged properties and putting myself in a position where I can't do anything anyway.

JP: So, you hired this Filipino gal, and you basically -- I'm guessing here, but you probably went and made a screen capture video that just said here's what I want you to do, and here's how you do it.

Alex: You've got it.

JP: You probably walked her through doing it, and said here's what I expect. I need this much done in this amount of time, and done exactly the way I just outlined, and now she's cranking these out at two dollars an hour for you.

Alex: Yeah, for sure.

JP: Boom!

Alex: This is what you've got to do. You've got to go to Jing.Com, and that way you can do a free screen cast of what you want done, and then you simply just email it to them. I've never spoken to this lady in person. Everything's been email, Skype. Actually, not even email. Just all Skype, and that's it. I send her the video, she sees it, and she does it, and it works out great. The same thing with making offers. When you have leads coming in -- obviously, this is more of an advanced tactic to when you have a lot of leads coming into your business on a daily basis, and you don't want to be in a position now where you're looking at every single one, and emailing, saying, go off of this, go off of that, go off of that.

You can streamline your process to what each lead is going to be offered, and your virtual assistant can just offer people. The cream will rise to the top, so to speak, and it will save you a lot of time and effort for sure.

JP: Just real quick. I'm not sure if it's Jing.com. I can't check, but it might be JingProject.com.

Alex: Oh, you're right. I'm sorry.

JP: It is slight difference there. I don't know what Jing.com goes to, but it is a free -- you can download it, and it's free. Up to five minute screen captures. There's another one, too, called ScreenToaster.com which is very similar, but slightly different. By the way, while we're on that topic, there's another really great resource that I don't know if you're familiar with, Alex, but if you want to do a screen sharing with someone, where they can see your screen while you demonstrate something. There's paid services galore out there, but there's a free one called Mikogo.com, and what you do is you would go set up a free account if you want them to see your screen.

So, you go set up a free account. Pick a user name and password, and it installs a little piece of software that sits in the background. When you to share you screen, from your system tray on you computer you just start a meeting, I guess you would call it. Whatever it's called. Start a session, it may be what they call it.

Then, you tell the person who you want to see your screen to go to Mikogo.com, and there's a little button that says, "Join a Meeting, " or "Join a Session." I think one of those. It's real obvious, in the upper right hand corner. If they click on that, all you have to do is give them the session ID that your computer gives you when you set up the meeting and - boom - they can see your screen. It's so super fast. It takes less than 60 seconds for somebody to join you and see your screen, and it's free for unlimited use.

Alex: Wow. That's awesome.

JP: Now, there's no audio, so you'll have to be on Skype with them or over the phone or something like that. It's just visual. But I use the heck out of that.

Alex: That's awesome. That's great, especially when you're using a virtual assistant. I mean, that's the way to go.

Sneaky Trick #16: The Try Before You Buy Trick

Alex: We're down to our last two tactics here. This one here is the "try before you buy" trick, OK? So a lot of investors are afraid to put properties under contract. They don't want the embarrassment of having to back out of a contract. They're afraid of legal action upon defaulting on a contract, right? So it's the fear that stops them from making any money.

Number one, if you use what I exactly just told you in one of the previous tricks, make your contract in a position to where your earnest money is due after the inspection period, you'll never have to worry about earnest money and you'll never have to worry about defaulting and being held liable and such. So make sure you do that, and I'm sure you gave out - for people on this call, you gave out the contract you use, right?

JP: Yeah, yeah. It is in my stack of stuff. Now, that's the contract I use sometimes. A lot of times nowadays I'll use the standard realtor gargantuan seven-page thing. I use that a lot of times.

Alex: I don't work like that.

JP: Yeah, I just use that a lot of times because people are familiar with it.

Alex: Well, I'll tell you what. I actually did a little experiment. I've actually brought out the big contract and my one-page contract and people actually like the one-page contract over the big contract. Like, sellers do.

JP: Well, how did you test that, though? I mean, did you put it in front of them and say, "Which of these do you like better?"

Alex: Yeah. I said, "Which one do you want to use?" [laughs]

JP: Well, obviously they're going to pick the one - yeah. they're going to say, "Oh, I like the easier one." But I'm just saying...

Alex: But some people, though, might be like, "Well, you're hiding some..." Some might be, "Is that a legit contract?" I've had people say that, too.

JP: Well, again, I play it off as a positive and say - because literally, it's the Board of Realtors' contract for Tennessee. And it says so at the top. So I just say, "Hey, look. I know this is gargantuan and ugly, and I'm going to kind of run you through it. This is the standard agreement that every realtor uses around here, and so they try to cover every possible scenario. A lot of it doesn't even apply. Don't be intimidated by it. You know, it's just kind of standard realtor junk."

Alex: Yeah.

JP: And it sets them at ease because they know realtors aren't going to sit there and try to take advantage of them. Now, if it were not a standard realtor contract, I wouldn't want to use the big gargantuan thing. But a lot of times I think - and I haven't tested it, but I don't think it has really negatively impacted me. Just another angle on it.

Alex: What's that?

JP: Just another angle on it, but I still use the one-pager too, especially if I'm dealing with - I'll try to read the situation. If I think these people need something that's going to be really simple or if I'm dealing with somebody I've dealt with before or whatever, then I'll a lot of times just use the one-pager.

Alex: No, seriously. Definitely. Well, the key to this trick is to develop some type of relationship with your buyers, OK? If you get a decent call from a seller, you'll have a general idea of if this is a deal or not. And this is for people who have good relationships with their buyers. You don't want to use this trick on a property if it's not even close because you're going to waste your buyer's time, you're going to make them annoyed and whatnot. So don't worry about revealing the property before you have it under contract, because most of the time these people have no way of getting in touch with the seller. They have no desire of dealing with sellers.

Because that's what we do as wholesalers: we deal with the sellers and we deal with all that. All the buyers want is a finished "Yeah, I can buy this for this price" and move on from there. So the best way to implement this trick is to acquire the lead - which, a motivated seller is offering a good deal - and then you need to make sure you have a proven buyer. OK?

So remember what I said, going back to spy on those that buy. You make sure you have a proven buyer, and you call your buyer again, obviously, if you have the relationship with them, and ask them if they like the neighborhood where their property is located and ask them to drive by the property.

And then this is what you say: "I have the property that seems to fit the criteria in the neighborhood you like to buy in. I'm estimating the property needs about 25 in repairs. Could you please drive by this property and let me know if - blank - would be a good price if the repairs fall in line with what I am telling you?"

OK? So in this situation, it's a good way to work with your buyer before you go through putting a property under contract if that's an issue that you have. Most of the times I would say, you know, "When in doubt, tie it up, " because you can still back out. But I don't like to back out of contracts. In fact I hardly ever do. I can't remember the last one I've backed out of. And that's because I've used this before. Try before you buy.

Chances are - and the buyer's not going to go around you, OK? Chances are they don't understand the whole mechanics of what we do, like I said. They don't know how to get the

seller's info, and if they did - if they did they would not have a chance to mail them or get their number.

And they understand that if they did go around us, they would lose out on big future profits because we are the ones that supply the good deals, and they understand that. They don't want to go through what we have to go through to put the good deals on the table and to make the good deals happen.

I mean, I've talked to one of my key buyers about this a lot. He always says, "Hey, Alex, you always say you want to make \$50,000-\$60,000 on a rehab, but I always say I want to make quicker money.

You know, the grass is always greener on the other side, but when I start thinking about what you go through with talking to all the sellers you do and analyzing the leads that you go through, I realize I'm happy making my bigger pops managing my crews. So I manage my crews on my rehabs, you manage your sellers and just provide the deals."

And that's what you have to understand as a wholesaler, what your role and what your function is. And your buyer is not going to go around you if you do this, but it's going to give you a good idea of whether you can go out there, put this deal in a contract and make money or if you're just going to be wasting your time.

JP: Well, one side note to that. I'll add a caveat, and that is your buyer might go around you, but they'll only do it once.

Alex: If he's -- yeah, that's right. [laughs]

JP: Because I've had it happen. And it won't happen much. Most of them are going to be smart enough not to do it. But I've had twice in my business where somebody has out-and-out shafted me. I mean just flat out...

Alex: Is this a regular buyer?

JP: Yeah. That was one, the other was a guy who just decided he wasn't going to pay me an assignment fee.

Alex: Wow.

JP: And we had agreed to it. So there is twice that has happened. And the reason I'm bringing that up is it's not going to happen most of the time, but a lot of people are afraid of that happening. And so you don't do anything, you don't move forward on anything because of your fear of things going wrong, people shafting you, that kind of stuff. And here's the thing: I didn't let that really affect me one way or the other, other than getting really mad in the moment. But I still give people the benefit of the doubt most of the time. I have a healthy sense of caution. I'll maybe document something a little differently when that happens.

But just know that it may happen from time to time. What you just described, Alex, most likely it isn't going to happen to most people, but there is that possibility. Don't let it validate to you that, "Hey, I shouldn't have done business the way I did, " necessarily, just because one guy decides he's going to find a way to shaft you because he's just that kind of guy.

Alex: Yeah. Yeah, you're right. But if they do shaft you, like you said, they're not going to do it again. [laughs]

JP: And you had better believe, as somebody who was running the REIA group at the time, [laughs] it affected their business in other ways. I'll leave it at that. Alex; Yeah. But if this is a regular buyer that you do business with, it would be like just doing something wrong to a friend. And it's somebody that you've been doing business with - yeah.

But yeah, you're right, it could happen. And maybe that person needs \$5,000 extra or \$10,000 extra that month and they're willing to shaft you over it. But it all changes when money hits the table. Isn't that a true statement?

JP: Yeah. That's the truth. And also another truism is that some people are idiots.

Alex: Yes. That's a very good truism. [laughs]

JP: And occasionally you're going to encounter them.

Sneaky Trick #17: "If You Can't Beat Em Join Em" Trick

Alex: Some people are idiots. So "if you can't beat them, join them" trick. Our last trick, I believe, in this sequence here. And this is something as well where you have to use caution, but I use this. And it was to my detriment because I did it wrong.

[laughter]

Alex: But if you use it the right way you can make some money, just like the guy did to me that made the money off of me on this one. [laughter]

Alex: All right. So the cold hard facts, there are people in your market that are marketing for motivated sellers. You're going to run into some of them from time to time on a repeat basis. And you may end up competing for the same deal on multiple times. And as a result you may bid the property up or blow the deal altogether because you guys are fighting over it and the seller understands. And then gets bid up way beyond belief. So what do I do? Well, again, you need to get to know the competition in your area, and you need to not view your competition as a threat, but as a help. OK? Use this with caution, remember.

So you find you're working on the same deal as your competitor, you need to work out a JV. OK? It all comes down to leverage again. So you say, work with my competition? What? Well, they're going to work with you because if they don't you're just going to go and bid the price up.

Now I'm not saying to be vindictive about it, but you want to be in a spot where they understand. Hey, if you don't work with me, we're going to get into a bidding war. So if we collaborate we're going to have a better chance of getting this deal. So you'll be able to benefit from each other's buyers list also from this, and you simply split the deal and move on.

That's the way to work it, usually we have an investor will have made an offer and found the seller's bottom line. OK? They'll let you know and your job is to offer just a little more or a little less than the other investor. This will solidify the offer in the seller's mind as the best that they can get.

So the seller is getting the idea that they're shopping around trying to get a good price, and we're approaching it kind of from both sides on this. But there are things to watch out for on this. Make sure that the seller is willing to work with the other investor. OK? And do not give the other investor access to the buyer for the deal.

Because you're working with the other investor on it, you don't want to give up your buyer. So now he can go directly to him, so make sure that because you're giving away money in that instance. Because if that other investor has a property, they should come through you so you can go to the buyer and you can still make money on the deal. Just a couple thousand, whatever the case may be.

But if you put the contract onto your company name to ensure you get paid, then that's always the best way. And always approach this as a JV and not an ongoing partnership, because you don't want to obligate yourself to each other.

So a JV is always the best way to go. Now, the way I got burned on this and I should have listened to my wife. We always should listen to our wife or whoever when it comes down to it. I had a lead on a property. The seller was asking \$120,000.

He also was dealing with another investor and he told me who the other investor was. So I got a little antsy and I said, oh, man, if I could just approach this from both sides maybe we can make this work.

So what I did was I called up the other investor and I said, "Listen, let's approach this from both sides so we can get this deal and we'll just split it right down the middle." And the investor said, "Great, great." And this was before I went out to the property. So I was a little antsy, I just wanted to get the deal. I knew it would be a good deal and I kind of looked at it as almost a situation of "deal or no deal."

If you gamble on it and call and deal with the other investor, yeah, you're going to get a deal. But if you don't you may not get the deal altogether because the other investor has it tied up or whatever the case may be.

So I went out finally and talked to the seller, turned out the seller did not like that investor one bit. No rapport, the guy totally confused him and was going to take my offer anyway. So now I'm in a position where I'm splitting a deal with an investor where I could have just had the whole assignment fee to myself. [laughs]

JP: Yeah. That speaks to a powerful truth as well about don't assume that price is always the most important thing to a seller. It always has some level of importance, but I can tell you there's been many, many times when what has been more important has been that they trust you over someone else, or that you can move faster than someone else and then be willing to sell for less to somebody who can give them what is more important to them than that amount of money. I can tell you, I remember a house I bought in Fraser that the guy lived in Texas and he responded to a mailing that I sent. A non-owner occupied absentee owner mailing. And I went to this house and it was really a pretty nice three-bedroom/two-bath house, but it had been vandalized. And the guy apparently, as a long-distance landlord, he was just really traumatized by the fact that some druggies had jumped in his house and had just knocked holes in all the walls and that kind of stuff.

So it really just emotionally troubled him and he felt really this sense of being powerless and out of control and didn't want to have to deal with anything.

So the problem was that he owed \$10,000 dollars more than the most I felt like I could pay for it. So a lot of people would look at that and just go, no deal. You know, I can't. There's nothing I can do here.

And I almost did, but I have a mentor who urged me -- at the time he said, just make your offer. You don't know. Just make the offer that makes sense to you. And make it respectfully, make it acknowledging that they owe more than that. But make it. You're not going to hurt anything, they might get mad, they might not.

And by the way, another one of my mentors has a slogan. "If your offer doesn't embarrass you, it's not low enough." I don't know if I agree with that, but it gets the point across.

And so I told him, I said "Look, I said this is probably not going to work for you, I realize that. But it has to make sense to me." I don't remember what the numbers were, but let's just say that he owed \$50,000 and the most I could pay was \$40,000. It was probably about right for this neighborhood.

So I said, this is the best I felt like I could do. I know that probably can't work for you because you'd have to come out of pocket \$10,000 at closing to make that happen. But I feel like that's honestly what would make sense for me to be able to do this. And of course he wasn't happy about it, but he also wasn't unreasonable about it. And I did the deal.

Alex: Wow.

JP: This cat came to the closing table with \$10,000 to pay. He had to borrow it from his parents to make it happen, but he paid \$10,000 to pay off the mortgage so that he could sell that house and get rid of the problem. So his relief was worth more than that \$10,000 out of pocket.

Alex: No, you're right. You're right. We just did a deal with one of my partners, one of my virtual partners. And the seller came to the closing with like \$22,000, if you could believe that. That's a record for me.

JP: Yeah. Yeah, wow. So bottom line, and this links back to your last tip here is don't assume that money is the most important thing to your seller. You don't know what's going on inside. You don't know what's going on inside their head and their heart. Make the offer that makes sense to you.

Alex: No, you're right. You're right. So be very careful about that and the best way to implement the trick is to, again, approach it as a JV. And you can use it to where, let's say, JP, you're going out and making offers on houses and they're in the lower ballpark or whatever. You can go ahead and give me that address that you made the offer on and I could send them a mailer and they'll contact me or whatever the case may be. And if I go ahead and offer and get the deal, we'll split it. Or if they end up accepting your offer because of the offer I made, we'll split it. That's the best way to do it.

I didn't approach it from the standpoint of -- I kind of jumped the gun a little bit. And because I did, it ended up costing me money on something where I really didn't need the other investor to do it.

[laughter]

JP: All right.

Alex: So that is it. 17 sneaky wholesale tricks.

Questions and Answers

JP: OK. Here's what we're going to do. I've got three hours, 14 minutes is how long we've gone.
[laughter]

Alex: Wow!

JP: So for those of you who have hung with us all the time so far, thank you. Now, I've got one, two, three, four, five -- four or five, I'm not sure. I wrote down notes here. Four or five additional tricks that I thought of while you were going through yours that are completely outside them. But I'm not going to go through them right now live on this call. What I'm going to do instead, here's the true marketer in me is coming out. I'm going to negotiate with you guys listening. OK?

Because we so want your feedback and if you've already given feedback that's awesome.

But I want you to give me your feedback and so if I can get 30 people to give me feedback/ testimonial for this call that we can either learn something as to how we could improve it the next time we do something like this. Or maybe use as a testimonial in the future for this.

If I get at least 30 of those, then I will make a separate recording going through five more tricks that you haven't even heard yet. And I would go through them here and I didn't even pre-plan this at all, just so that you know. But it's been so long when you really need to get to Q and A and get this thing rolling.

So that's what I'll say, that's my enticement. If you want to help make that happen or if you just want to be a nice Joe or Jane and give us the feedback or a testimonial then drop it in the question box on the left there. So let's go ahead, drop your questions in there to --it may take me a second to sort through them.

All right, let me toss this one out to you – and why don't you roll with this one for a second while I sort through the rest of these. This is RJ and he says, ***“Do you suggest people have other income while they wholesale until you have enough cash coming in to go full-time?”***

Alex: Sure. I would definitely say so. I mean, that's what I was talking about when you talked about going full time. You want to make sure that you've got that money in place before you make that jump. Now, if you're already unemployed for whatever the case may be, obviously that's up to you whether you want to get a job that can supplement your income while you're waiting for wholesale deals. And I was thinking about this the other day. I was like, what if the bottom fell out and the wholesale market went kaput or whatever the case may be? I was like, wow. What can I do that can make me a quick \$5,000 or \$10,000 or \$15,000?. There's nothing. There's really nothing else that I could really do that could do that, because I don't have the Harvard education.

So wholesaling is the quickest way to make money and if you're in the position where you could completely focus your attention to it, you're not in the spot where you're depending on it for your income and just getting started. I would say tackle it for a while if you're unemployed at this time.

And employ some of these trick tactics and make a quick \$5,000, make a quick \$10,000, and then start having your business start to fuel itself so you can get rolling and really start making things happen for yourself.

JP: All right. Let's see, RJ also says, ***“What database do you use? Do you use RealeFlow or Freedomsoft?”***

Alex: I actually use Freedomsoft. I was a beta tester for them and I continue to use it on a daily basis.

JP: Freedomsoft is good. Any time you get into something that's marketed well like that you're always going to get into it and see maybe you're going to find some things that you didn't think about that aren't quite what you expected. So just expect that with anything. But I do think Freedomsoft is a great product. Real Flow actually is rebranding as Open Road and they've upgraded their entire system.

Alex: Yeah.

JP: They're going to do a release next month, which I'll help you guys preview for those of you who are subscribers of AwesomeREI.com as well. I'm sure you will too, Alex.

Alex: Yes, for sure.

JP: OK. REOs are helping me negotiate, but it's killed some deals. It's hard to compete, especially on the south side of Chicago. It's forcing me to go to the 'burbs. It's not really a question, but do you have any thoughts on that?

Alex: I would say yeah. REOs, like I said, can be used for using it rapid evaluation trick will help you establish property values really well. And then also if REOs are giving you a hard time, try to mess with the HUD properties like I was saying.

JP: OK. Just a suggestion from someone: ***“On a vacant house you could have a neighbor show the house and then pay them a fee.”***

Yep, that's another great angle on the unlimited access tip. I got some social proof from D. Cole in Phoenix says, "You are so right about the Kodak." He's talking about the Kodak Z18 camera.

Alex: Ah.

JP: You ought to check that one out if you haven't already.

Umberto in Waxahachie says, ***“OWP email, OWB, rapid REO, unlimited access trick, shop and drop, Google trick for free. I may be wrong, but those are the tricks I wrote down, about seven. And we'll be going into HUD property.”***

All right, I guess there's no question there. I'm not sure. Umberto, if you have a question maybe you could drop it in there and clarify for me. I'm not sure what you're saying or asking. It looks like he stopped before he finished writing it.

Next question is: ***“How do you avoid being tagged a dealer by the IRS?”*** It's a little off topic, but...

Alex: Great question. I've never been tagged. I don't know. [laughter]

Alex: I've never had that issue. I don't know what makes you a dealer. Is it doing a certain amount of deals?

JP: Well, the bottom line is you are a dealer.

Alex: Oh, OK. This is the thing. I'm not taking title to the house, so what I am dealing is contracts, not houses.

JP: Yeah, well that's true. If you're not ever taking contracts, if you're not ever taking title of the house then technically what you're selling is personal property, not real property. You're selling your equitable interest.

Alex: Right.

JP: So that's an angle you can take if you're strictly wholesaling. But if you're taking title of the property and then flipping it, sorry dude, but you're a dealer.

Alex: Yeah, yeah. Just listen to what the IRS says and do it. [laughter]

JP: OK. Good question from Kim in Wilmington says, *“If your buyer attempts to go around you, isn't there a way to cloud the title?”* I've got a little story about that one, but why don't you go first.

Alex: You know, that's interesting. The textbook normal answer would be, sure, you can go ahead and put a memorandum of contract and record it and it will stop things. And in one instance I was wholesaling a property that other wholesalers failed to wholesale. The expired wholesaler trick. And he had a memorandum of contract on the property. And it slowed things up for a little bit, actually.

But on the flip side, I did a deal... Or didn't do a deal. I was in the process of doing a deal where we put a property under contract with the seller, I had assigned it to the buyer. We were ready to go to closing and the seller went and sold it to somebody else before we could close on it, didn't even tell us about it.

JP: Oh, man.

Alex: And yeah, I talked to an attorney because we were going to go and sue her, plain and simple. And trying to overturn and the attorney said, well, we could try but it's going to cost us much and all this stuff. And I said, well, what if we were to put a memorandum of contract on the property. Or a record of it and he said, well, that really wouldn't have done that much.

JP: Why wouldn't it have done that much?

Alex: I don't know. I think because maybe he said the courts, I don't know if it's a state thing. The courts don't really recognize that as a valid document.

JP: Well, I'll tell you what it is. It's a cloud on title that a title insurance company will care about.

Alex: Yes! Title insurance, yes. They will care.

JP: And that's where it comes. You're not going to be necessarily having to prove in court that this is some valid document. And it is a valid document, whether they recognize it or not. But here's my story with that. Oh man, I still remember. 2242 Hunter Avenue was this house. This guy -- oh there's so many stories I could tell about this guy.

[laughter]

JP: I went and negotiated to buy his house for -- I don't even remember how much at this point. I've still got the file, though. I should look it up. Had a contract on it, right? Oh, let me see. Let me see if I've got it. Hang on, this will make the story that much better. This was December of 2003, was it? No. Hang on. OK. My contract date was -- this was June of 2002.

Alex: You found it.

JP: Yeah, I did. I sure did.

Alex: Wow.

JP: Exactly \$20,000 is what he agreed to sell this house to me for. So then he comes back to me and says -- basically this guy was kind of emotionally crazy, really. And I could tell that he was a little... You had to be careful. If people are a little unstable, they're unpredictable. And so I was there for some other reason shortly after we signed the contract and he just turned on me and said, "I don't like you anymore and I'm not going to sell you my house." [laughter]

JP: And I decided, I'm Mr. Smart Real Estate Investor. Now I've been investing like a whole two years, so I'll show him. [laughter]

JP: So I said, "Yeah, well, we have a contract. And so I'll tell you what I'm going to do, I'm going to go record an affidavit of equitable interest that says that we have a contract." And basically I went and did that. I recorded it and the guy, he still hasn't sold the house to this day to anyone else. I get a call every once in a while from somebody who's figured out, because they've done title research, that this thing is clouding his title. And they'll say, "So what do we need to do to make this thing clear up?" And I'll say, "Well, it's simple, \$1,000."

[laughter]

JP: I'll say, "One way or another, somebody's got to pay me \$1,000 to clear this thing off the title."

Alex: That's right.

JP: Because I was going to make \$5,000, because I had a buyer for this thing. This was days before closing, like a couple of days before closing. It made me look bad. I mean, he just for no

good reason just decided because he didn't like me he wasn't going to sell me the house. And it's not like I'm being a jerk. The house is worth a lot more than that and at any point, whoever is going to buy it, they ought to be able to work it into it. But they have yet to work out where somebody can pay me \$1,000 as compensation for everything I did at the beginning there.

Now some of you guys hearing that are going to go, oh my gosh, I can't believe you did that. Maybe you're thinking that, Alex. But I'll tell you, honestly it's been probably been about three or four years since I've heard from anybody on the house. But I received several people who have approached me over the years who have wanted to try and get that thing cleared up one way or another. So I'll tell you for a fact, it can work.

And it was just the simple matter of me -- he didn't have to sign it. I just filled out the affidavit of equitable interest and went down and had it notarized. Of course when I signed and then recorded the thing, if it were ever to really take any time from me at all, I'm not going to. Or if I had some kind of compelling reason to think the guy was coming to me with his hand in his hat.

But it's always been pride and arrogance and ego that's been on the forefront with this. So it can work.

Alex: You actually have to make sure as well that you are really -- because you are clouding a title. And if it is a situation, you just have to be very, very careful because you could get sued for clouding somebody's title if you don't do it right.

JP: Yeah. And I'll tell you. I probably wouldn't do it again in the same circumstances. But that's just a little bit of social proof that it can. In fact, I'm looking at the statement of settlement from August 8, 2003 from one of the guys that contacted me. "I will agree to release all rights to the equitable interest in the above referenced property for a compromised fee that is significantly reduced according to the following terms: payment in the amount of exactly \$1,000 dollars to be made..."

[laughter]

JP: So there you go.

Alex: Somebody's going to pay.

JP: But most of the time it's probably not going to be worth it, guys.

Alex: No, you're right.

JP: Gave me a great story to tell, though.

OK. So Tequila Payne in Michigan. *"How would you flip a HUD house and what are the clauses or disclosures that you put into the contract?"* I guess on a HUD house specifically.

Alex: Yeah, well a HUD house is going to be handled just like an REO. You've got to use the realtor's contract and you will be required to put up some earnest money. Usually put \$1,000. Actually the more money the better you have the chance of getting the offer accepted, so you do have to play that game. But to flip it you're going to have to do a double close, which means you're going to have to line up the closing with your buyer the same day you are buying it. And you're going to get a new contract with your buyer and at closing the attorney is going to do two simple closings, to the bank to you, and then you, to the seller.

And usually you're going to have to get transactional funding to do it that way. And there are so many places right now where you could get transactional funding. I can't think of one off the top of my head to recommend because I never used it before.

I actually have a private guy that lends me money for transactional funding and stuff like that because he knows he's going to get his money back in one second. So I haven't had to use transactional funding, but if you do it's pretty easy to find. Just do a search for transactional funding and I'm sure you'll find a couple.

JP: OK. Loretta Steele in California. *“What type of motivated seller list, i.e. free and clear,*

absentee owner, pre-foreclosure, et cetera do you use in your mailing campaign? And which have you found has a better response? Post cards or yellow letters? Plus how often do you mail in your list?” So there's three questions there.

Alex: Post cards. OK. Well I do both absentee and free and clear. Absentee is the most frequent and I do post cards. And mailing wise, let's say I have a list of 20,000 total for my area. I break that up into four separate mailing lists, 5,000 each. And then I cycle through it and then I simple cycle through it again once a month. And I just keep doing it. I just keep mailing that same list.

JP: Have you done yellow letters before?

Alex: No. I have not.

JP: Yeah, I've never tested the yellow letters, either. I've been tempted to, but...

Alex: I've just had good luck with the post cards I use.

JP: I've only done letters and I've only done them to probates and absentee owners. So I don't have a wealth of additional experience to pull from there. I have gotten more deals from my absentee owners, but I've gotten better deals from my probates, interestingly.

Alex: Yep. That's right. Well there's more equity and you come on upon that executrix that just wants to sell. [laughter]

JP: I really like the probate deals when they happen, too. Because you really feel like you're really... You're not just solving somebody's problem, but it's a really emotional problem and

you're dealing with somebody who passed away. So some people worry with probate that they're taking advantage of people. I feel just the opposite. I feel ecstatic because I'm really helping somebody who, their price is not most of the time the most important thing to them. It's relief from a hurtful situation from a monkey on their back that this house has become or whatever the case may be.

Alex: Exactly.

JP: All right... *“You mentioned not going to closings. Do you have a way to get your purchase and assignment contracts and deposits to your title company without you actually taking it yourself?”*

Alex: Fax or email. [laughter]

JP: Yep, that's right. You don't have to have an original blue ink signature on this stuff in order for it to be legit.

Alex: Nope.

JP: OK. We've got a question from Mark in Long Beach. *“Are REO properties the best to wholesale right now? What's your opinion?”*

Alex: I would say they're one of many sources.

JP: You don't really focus on REOs, do you?

Alex: No.

JP: I mean, you focus at this point on the individual motivated sellers.

Alex: Yes. Yes. But this month I did do one where a corporate entity owned the property and ended up putting up some money on it. But you just have to approach it differently. So I wouldn't say they're the best to wholesale, but they're just one avenue where you can get a deal from and to definitely consider them. Just understand that rules are going to be a little bit tighter than when you're in the motivated seller sector.

JP: Got a real quick question from Greg on what the correct website was for Jing. I can't check right now. Would you check JingProject.com and see which one of those is correct?

Alex: Sure. I'm pretty sure it's JingProject.com, but I'll check right now.

JP: OK. Let's see. Thank you guys, those of you who have submitted feedback so far.

Alex: Yep. That's it.

JP: JingProject, OK. JingProject, great.

Question from Lloyd in Portland. *“What makes me unique? What are good things to put as my USP in my 'we buy houses' ads? I'm new and I really don't feel unique.”* And by USP he means, Unique Selling Proposition, a little marketing he used there.

Alex: Yes.

JP: What do you think is the answer to that?

Alex: You're unique because you can offer a quick and fair solution. I mean, in an ad, usually you don't have a lot of room to offer that. But the best way to come up with a unique selling proposition is to picture yourself in the mind of the seller. And what do they want the most, right? They want it to be quick, they want it to be easy, and they want it to be fair. So make sure that what you're offering is quick, easy, and fair. I can close quick, a very easy process, and a fair cash offer. You know, something like that.

JP: Let me touch on that too, Lloyd. Truly, what makes you unique is going to be dependent upon you to figure out, because there may be something about you that we don't know that is unique. And here are examples of what it might be. If people give you the feedback that you're good at seeming trustworthy, then maybe what's unique about you is just that, that you more easily build rapport. Now, you can't put that in an ad, "I'm better at building rapport than the other guys, " but that might actually be what makes you unique, and you should find a way to display that if that's the case.

The best thing in terms of actually placing your "we buy houses" ads, in terms of standing out, my best advice for that is - and I meant to say this earlier - don't make the mistake that most realtors make and focus your ad on you. Instead, focus the ad on them and what you can do for them and the benefit for them. They really don't care about you.

Now, even the phrase "we buy houses" is self-centric and goes against that rule. However, because it is so synonymous with our industry, it is a keyword term you want to be found for. We're known as the "we buy houses" guys in a lot of people's minds.

So that would be an exception where using the term "we buy houses, " even though it's focused on you instead of them, it would be smarter from a marketing perspective to say, "Sell your house fast." Because it's focused on them and what they get to do because of their engagement with you.

But the term "we buy houses" is the exception because it's kind of almost a brand, but the rest of your ad needs to focus on them. You need to say something along the lines of, "Sell your house fast, get an offer in 48 hours." Not "We give offers in 48 hours, " "Get an offer in 48 hours." Focus on them, and that will be on thing that can make you unique and stand out.

Because what do you get when you get a business card from a realtor? It's a picture of them and all their certifications - you know, GRE, SSE, blah, blah, blah, whatever they mean, and how awesome they think they are. You know, million-dollar producer. I don't give a crap. [laughs]

But when I see a business card that tells them, "Sell your Collierville home faster than anybody else can sell it, " or something like that, that frames it from my perspective. That answers that WIIFM, what's in it for me. So try and think inside that box.

Next question is Edwin in Chicago. *"As a beginning investor looking to wholesale, what do you think is the most important thing to do?"* Well, that's a big question.

Alex: A beginning investor?

JP: Yeah. Just someone who hasn't done a deal yet. what do you think is the most important thing to do? I don't know if there's one answer to that, but...

Alex: Go out and get the deal. So they've got to start - I would say using other wholesalers' properties is a great way to do that. So go to the local REIA meetings, and if you've got some money, start marketing. So look at getting some postcards, marketing to absentee homeowners, and that's a really good start. What would you say?

JP: So yeah, I think the biggest thing I can - it's hard, because I'm actually working right now on a series of the biggest newbie killers. As I said, I've known so many newbies and had the opportunity to take them under my wing here locally over the years and seen all the mistakes that you can make, about. And I think there's not just one. And I can give you kind of a quick synopsis. One that you need to do is take action. Don't sit there and feel like you have to have everything figured out before you go out and try to muddle your way through a deal. Don't be afraid of making mistakes.

In fact, embrace the fact. You don't want to go into something foolhardy, but embrace the fact that you're going to make some mistakes, and some of them will have zeroes on the end of it, but that's...

Alex: [laughs] Oh, yeah.

JP: Let's be honest, that's a part of the process of success. You cannot become a successful real estate investor or any kind of entrepreneur without making some mistakes. You're going to break some eggs. So walk into it. And if you haven't seen "Meet the Robinsons" - have you ever seen that, Alex? The cartoon movie "Meet the Robinsons"?

Alex: No, I don't think so.

JP: I know your kids aren't old enough to enjoy it. It doesn't matter. Go rent that movie and watch it. It's a good movie. You know, they make cartoon movies where adults can enjoy them now, and I really enjoy watching it. But it's got an incredible message. The main character in the movie has the slogan, "Just keep moving forward." Just keep moving forward. And in this family, this quirky family, whenever somebody makes a mistake, they erupt into applause. They celebrate it, and they have a big party to celebrate it, because you're one step closer to getting it

right. This guy's a scientist, and kind of like they say that Edison failed like a thousand times on the light bulb before he finally got it right.

Now if somebody knows the more accurate version of that, then feel free to email it to me, but the bottom line is that - you get the point - you're going to have to make some mistakes.

And if you can't make yourself handle that as a new investor, you will not make it in this business. So just know that going into it, and don't be afraid to get out there and mix it up and make those mistakes and embrace what you learn from them. That is one of the biggest things I would say, the biggest pieces of advice I would give to you as a new wholesaler.

Let's see. This is Lloyd in Portland. "What do you mean when you say a property is over-leveraged? Is it that they owe way too much, and at what point is it not over-leveraged anymore?" Good question, Lloyd.

Alex: Over-leveraged could mean that, yes, they owe way too much. So over-leverage is almost a subjective thing, because if you're a homeowner and you're looking to buy a property from somebody and they owe \$200,000 and it's worth \$205,000 but yet you're willing to spend \$200,000, then that property is not over-leveraged. But in our field, they are over-leveraged, because it means they owe too much. They cannot accept our offer without coming up with a whole bunch of cash to the table, because we're going to have to buy that property for at least - I don't know, I'd say \$120,000 or less depending on the repairs and whatnot. And depending on the area. So over-leveraged is subjective, but mainly it could mean that they owe more than what the property is actually worth.

JP: OK. This is Mark in Long Beach again. ***"What's the best way to wholesale an REO property?"***

Alex: Best way is to get it under contract, and you've got to get up - same thing, you've got to get your buyers through there, so you've got to have some type of access to the property in order to get your buyers through there, and then you would do a double close with transactional funding, or if you have a private lender they could put the money up and get it back very, very quickly, the next day or however long it takes for the deed to record.

JP: OK. Next question is from Denise in Oakland. Denise says, ***"I've heard it's difficult to submit an offer on the REO where you're going to assign it. That is, the banks are not willing to accept the offer if you put 'and assigns' or something like that. How do you get around that?"***

Alex: You're correct. You don't do an assignable contract. You will do a contract that is just a solid - your company to buy from them. They will not take assignable contracts. You have to do a double close.

JP: And even if you think you got it over on them by giving them a contract that had it on there or something, I can tell you, the addendum that you sign on every REO automatically overrides that. By the way, quick contract law: any addendums on a contract, anything on an addendum that conflicts with the contract overrides the contract, and anything handwritten anywhere overrides anything else. So that's something interesting worth knowing. Yeah, and they just don't want you to do it. So there is a little bit more of a risk there. You really should have your buyer lined up. What you don't want to do is go put a contract on an REO not intending to close and not have a buyer in place pretty solidly and then end up backing out of the deal.

Their addendum on an REO typically has built into it, I think it's seven days typically in my experience, an inspection period. But, they don't really want you to use it and to back out.

Legally, yeah, you can use it and back out, but you will get blacklisted. You start putting contracts on deals. You're talking about a small, tight-knit community. Most of the REO deals are listed by realtors who do most of the REO deals, and you back out of a contract once, and that might be all that it takes for them to not -- they'll do it, they'll...

I've had realtors, not because of that reason, but -- they're not supposed to do this but I've had one realtor just say, "Your offer's too low. I'm not going to submit it."

I would say, "Well, you have to."

He would say, "Yeah, but I'm not going to."

So just know that you don't want to get on their bad side. And the bank will even blacklist you too, so you've got to be careful with that. Would you add anything to that for Denise?

Alex: No, it's definitely true. I've heard of systems where they say, "Oh, just send out all these contracts automatically to the bank, " or whatever, but that's the fastest way in the world to get kicked out of the industry before you get into it. The REO industry, that is. Because you're sending out lowball contracts, and they're going to know. The REO community is tight-knit, as you said, and they're going to say, "Oh, did you get that contract from so and so the other day?"

"Yep, I rolled it up and threw it in the trash can."

"Oh, me too."

JP: By the way, you don't want to disrespect your normal mom-and-pop sellers, either, by locking up their houses if you really have no clue if you're going to find a buyer, and giving them the expectation. The guy who started investing at the same time as me, his first deal, he ended up getting a property on a contract and he told them, "I'm going to buy your house. Here's the closing date. Blah, blah, blah." He planned to wholesale it, and he couldn't find a buyer. He went back to them and had to say, "I just can't buy your house now."

Do you think they were happy? Do you think they felt wronged? Do you think they should have felt wronged? A much better way to approach that, in my opinion, if you really -- you

think it kind of smells like a deal, but you're not sure, but you want to give it a go and try to see if you can find a buyer, put an option agreement into place instead and just be honest with them. Say, "Look. I think maybe this is a deal. It might not be. I need to do some research. I need to have some partners look at it."

You can use your inspection contingency, too, to do that if you want to have a... That's another way to do it, but don't set this really high expectation that feels totally solid to them if you don't have that in reality on your side. It's going to come back on you.

Alex: You're right. That's why I don't like tying up properties that I really don't think are going to happen. You can use the shop and drop trick, but it's got to be really close.

JP: Set a realistic expectation, too.

Alex: Yes, for sure.

JP: If you're not sure about the deal, don't make them think you're 1000% sure.

Alex: Right, exactly.

JP: OK, let's see. Next question from Umberto in Waxahachie again. He says, ***"I'm a real estate agent's assistant. Do you think it would help with credibility if I told sellers that I was a real estate agent's assistant?"***

Alex: I don't know, because obviously you're dealing with market stuff, but also, that just -- I don't know. I think it can go either way.

JP: Yeah, I say maybe. I can't really see that it would hurt you, but if you do it, I think you're going to need to be sure you mention it with a proper perspective. If you want to say something like, "Just so you know, in addition to buying and selling houses, I'm also an assistant for a friend of mine who's an agent. So I get this business from multiple angles." But, again, make sure you're not putting yourself like you're their realtor or something. And also, I would ask the agent if they're comfortable with you doing that, because you're going to be name-dropping there.

OK, next question. This is Loretta in Marino Valley, California. ***"I'm confronted with a lot negativity from sellers because I'm an investor. Realtors have told them that investors are going to rip them off. What's your best comeback to this negative press?"*** Interesting question.

Alex: Yeah. Basically, people are skeptical about investors ripping them off, but you really have to approach it from the standpoint of, "Listen. I'm giving you a situation here, a solution that you have the choice of taking or not taking. It's that simple." If you approach it from that standpoint, and not of trying to sell them into it, and trying to hard close them into it, and giving them the choice of they can take it or not, and really having that attitude, it goes light years above, "Oh, you really need to do this deal. You really need to do this deal." You know?

JP: Yeah, I would agree with that. I think it's just a matter of you're going to have to become someone who can make people feel comfortable with you. If you're not there, don't be

intimidated by the fact that you're an investor. Don't be embarrassed by the fact that you're an investor. Don't come across like a know-it-all and Mr. Arrogant, either. Or Mrs. Arrogant. If they bring it up, then my answer to that would be, "Well, that's unfortunate. There are bad Realtors out there who do bad deals, and they would give all Realtors a bad name if realtors didn't have lobbyists making sure their image was spotless. Unfortunately there are also bad investors, and bad doctors, and bad everything else. Every once in a while, when a bad investor gets a lot of press, it casts a shadow on the rest of us. All I can tell you is I have a great reputation. I can give you some phone numbers of a couple of colleagues if you want to validate that I'm a man of my word, but the bottom line is here's what I can offer you, and I always do business in a fair manner."

I would say something like that, and just try to express it genuinely. Ultimately, if they're not going to trust you, they're not going to trust you anyway.

Alex: You're right. You're absolutely right. Approach it from the standpoint of "I really don't..." Even though you may need that deal, if you approach it from the standpoint of, "I really don't need this deal, because I have so many coming in." That's really going to come across to somebody. Not a cocky attitude, but a confident attitude of, "Listen. I'm here to help you. You're not here to help me." But, again, in more of a confident mode than a cocky mode, and that really will come across.

JP: Next question: ***"Do you prefer REOs or absentee owners to deal with?"***

Alex: Absentee homeowners.

JP: I go through phases where I prefer one to the other.

Alex: Yeah, you're right. Phases, because sometimes REOs are listed at really low prices, and then it's real easy. But sometimes not. They're all just different avenues, and you've got to put yourself in a position where all those can come to you, and then you can choose what you want to do. The more avenues of deals you have coming towards you the better.

I hope you've enjoyed the last roughly three and a half hours of solid, content-packed training. This has been a great experience for all of us. Alex and I want to thank you for hanging in there with us. I hope you've really learned some valuable tips and pointers that you can use in your own real estate investing endeavors. Thanks a bunch for tuning in. If you'd like to get more information from Alex and I, if you'd like to tune in on what we're doing on the interwebs, you can catch Alex over at his blog, LiveRealEstateInvestor.com, and you can catch me over on mine at REITips.com. Both of us are committed to providing ongoing value to our community of subscribers, so be sure and tune in to what we've got to offer you over there.

Thanks again for tuning into this, and we'll catch you again on the next one.