

# THE GUIDE TO \$100K+ A YEAR IN REAL ESTATE

W/ NO LICENSE OR EXPERIENCE



BRAD MUNROE

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Closing Remarks | Let's Work Together

# MEET BRAD MUNROE

## YOUR REAL ESTATE INVESTING COACH



Brad Munroe is a Brooklyn, NY born author, real estate investor, real estate consultant and serial entrepreneur. His book, "The Guide To \$100K+ A Year In Real Estate With No License Or Experience" details how new investors can take advantage of any real estate market in any economy. After having his share of success in the industry, Munroe made a commitment to teach his success principles to people from all walks of life. Through his many platforms, Munroe shows others how to invest their time, energy, and money into opportunities and tangible assets that will give them a return of more time, freedom and fulfillment.

Brad's passion for real estate investing as well as his passion to help others live the lives they deserve is the driving force behind both this book. Millions of people feel stuck in dead end jobs and feel there is no way to escape the rat race. Most people fail to realize that complacency can come to a screeching halt through educating themselves, being in the right rooms, and simply speaking to the right people. Congratulations on your purchase of this book. This is your first step toward the best chapter of your life.

# Terms You Need To Know

**Appreciation**

The increase in the value of a property due to changes in market conditions, inflation, or other causes.

**ARV (After Repair Value)**

An estimate of the potential value of a property after all repairs have been made. After repair value is used by wholesalers, fix-and-flip investors, and property owners to determine the potential profit after renovations and updating.

**Assignment**

When ownership of your mortgage, or property is transferred from one company or individual to another.

**Comparables**

Recent sales of similar properties in nearby areas and used to help determine the market value of a property. Also referred to as "comps."

**Contingency**

A condition that must be met before a contract is legally binding. For example, home purchasers often include a contingency that specifies that the contract is not binding until the purchaser obtains a satisfactory home inspection report from a qualified home inspector.

**EMD or Earnest Money Deposit**

A deposit made by the potential home buyer to show that he or she is serious about buying the house.

**Equity**

The difference between the fair market value of the property and the amount still owed on its mortgage and other liens. Also, referred to the profit should an owner decide to sell.

**Escrow Account**

An account that holds item of value, money, or documents with a third party to be delivered upon the fulfillment of a condition. For example, the earnest money deposit is put into an escrow account until the transaction is closed.

**Fee Simple**

The greatest possible interest a person can have in real estate.

**HUD 1 Settlement Sheet**

A document that provides an itemized listing of the funds that were paid at closing. Items that appear on the statement include real estate commissions, fees, points, and original escrow amounts. Also known as the "alta."

**Lease**

A written agreement between the property owner and a tenant that stipulates the payment and conditions under which the tenant may possess the real estate for a specified period of time.

**Lender**

A term which can refer to the institution making the loan or to the individual representing the firm. For example, loan officers are often referred to as "lenders."

**Lien**

A legal claim against a property that must be paid off when the property is sold. A mortgage or first trust deed is considered a lien.

**Loan**

A sum of borrowed money (principal) that is generally repaid with interest.

**Max Allowable Offer**

The maximum price point at which investors in a real estate deal can realistically expect to pull in a profit while minimizing the risk of losing money.

**Mortgage**

A legal document that pledges a property to the lender as security for payment of a debt. Instead of mortgages, some states use First Trust Deeds.

**Proof of Funds**

Documentation that is provided to the seller to show funding necessary to close the transaction.

**Transactional Funding**

A borrowing process where an investor borrows short-term capital to close a deal. It's also known as ABC funding, flash funding, same-day funding, or a one-day bridge loan.

# **Chapter 1:**

## **No Regrets**

All my life I wanted more. I was tired of the norm. I wanted more time, more money, more accomplishments, more control of my life, more everything! I simply wanted to live better, do better, and be better. I wanted to live a life with no regrets. From an early age, I had a vision and knew exactly what I wanted for me and my family, but I wasn't sure how to get there. I did know, however, that my job was NOT my ticket to the life I dreamed of. I was completely frustrated back then and I felt trapped. It was the worst feeling in the world. I knew that I had the ability to become successful but did not know where to begin. I always knew real estate would be one of the vehicles to get me out of my situation, but I lacked the specialized knowledge I needed to grow a successful real estate business. It's amazing what I discovered when my back was against the wall, and I made the commitment to change my life through real estate investing.

Now, I am quite sure that you picked up this book because you have the same aspirations. You want more out of life but you feel stuck. You feel trapped in a cycle that you feel will never end. You want to get to the next level. I have been there and I am here to tell you that those days are over! If you truly want to see change, you have picked up the right book. I simply ask that you read this from beginning to end and apply the strategies I teach you. Be consistent in your efforts and soon enough you will see change.

Now, let me get back to my story. After years of unhappiness in my line of work at the time, they finally put me out of my misery. I was fired from my employer the day after I returned from taking care of a very personal matter. Apparently, the powers that be were not fond of me handling my personal duties during "busy season." It was "crunch time" at my company and numbers were low. My managers felt that work and increasing their bottom line should have been a priority over my personal obligations. When I returned to work after being out for a few days, my manager called me into her office to ask me how I was doing which I felt was odd. Then she laid it on me. She proceeded to tell me that it was my last day of employment. According to her it "wasn't working out" and just like that, I was unemployed.

To her surprise, I didn't erupt in a rage of anger or appear distraught. Although I was rather outraged, I was also totally disgusted with corporate America at the same time. It was amazing to me how heartless companies could be, especially after all the money I had made them. But there was nothing I could do. It was over.

I had been pursuing real estate on a part time basis, but after being fired, I made the commitment to make it my full time career. I didn't tell anyone that I was out of work except for my wife, my business partner, and my uncle. This was because I didn't want everyone in my business. I had to focus. I told myself that I would never go back to another job. I promised myself that I would make a name for myself in real estate and promised myself that I would win.

**ACTION STEPS:** Print this page. Write the reason(s) why you need to be successful on the lines below. Refer back to this if you ever feel like quitting. The reason(s) WHY you need to be successful MUST be bigger than you.

[illegible]

# **Chapter 2:**

## **How It All Began**

Back in 2009, I noticed that many real estate mentors were teaching and selling courses centered around no risk, no money down real estate investing. Real estate investors were making hundreds of thousands of dollars using this method of investing without being licensed as realtors and I wanted in! I watched hundreds of videos, read tons of books, attended multiple seminars but at the end of the day was still confused as to what no risk, no money down investing was and how to begin.

I eventually found and received guidance from an established investor who became a mentor and he explained the concept step by step. The concept was called wholesaling real estate. It was amazing to me. It felt like the best kept secret. The concept could produce large sums of money in a relatively brief period of time and all you needed was a piece of paper and a seller willing to sell their property! It was recession proof. It was simple. It almost did not seem legal. But it was! In fact, many large corporations use the same concepts we use in this business. Contract law makes this method of investing legitimate. So, I immediately took action.

I introduced the concept to a good friend, and we hit the ground running. We formed a company and started to pursue wholesaling on a part time basis. I remember our first deal like it was yesterday. We had only been in the business for a month. The deal came from a relative of my business partner. It was an estate sale and the house being sold as part of the estate had been vacant for some time. The property was in Southfield, Michigan. It was a Rancher style single family home that needed minimal repair. The problem was, we were in Baltimore and over 700 miles away.

We had never done a deal before and never saw the house. We didn't know what to expect, how to structure the deal or how we would pull the deal off. The only thing we knew was that we were determined. As they say, if there is a will there is a way!

Fortunately, my business partner grew up in Michigan and was pretty familiar with the Michigan real estate market. He also knew that the representatives of the estate were looking to sell the home at a price that was far below market value just to rid themselves of the headaches caused by the property. Fortunately, we had a deal on our hands, and it took no work, no negotiation, nothing!

We put the deal under contract, found an end buyer, and made a nice \$4,000 check. I must say, favor was on our side during this process. We never met the sellers, never met any of the buyers we spoke to on the phone and never step foot inside of the

property. All we did was listen to my mentor's advice, market the deal, line up a buyer, and close the deal - all from over 700 miles away!

After we closed this deal, we were addicted. There was no stopping us and we were ready to find the next one. We were officially in the game. It was crazy! It was like making money out of thin air. We were hooked! We controlled hundreds of thousands of dollars in real estate with no risk, no money, no credit and very little experience. And then, were able to flip that real estate with a single piece of paper and make thousands of dollars in a matter of days. There was nothing like it!

But, let me back up for one moment. Our first deal was very uncommon! I'll even go so far as to say, our first year in business was uncommon. Not many new investors had the success we had in such a short amount of time. But along with our success came failures and mistakes. As you continue to read this book, my hope is that you will learn from my victories and my failures but most importantly do things right the first time.

**ACTION STEPS: Print this page. Below, write what you want your story to be. Include what you do for a living currently, how you will use real estate as a tool to get you where you want to go and who you ultimately want to become. Be specific. Talk about how much you make currently and how much you want to make one day. Don't be realistic. Think big. You need to start visualizing and manifesting your rise to your level.**

[illegible]

# **Chapter 3:**

## **Creating A 6 To 7 Figure Income Without A License**

Now, we have come to the moment of truth. The real estate strategy you will soon learn has the ability to ignite your financial future once applied. It can make you unemployable and financially independent. It can allow your family to no longer struggle if you make a commitment to make it work. It can give you more time to do the things you love. It can, if you let it, change your life.

When I first started wholesaling real estate, I was nervous. It was nerve racking because of the learning curve. I was not familiar with the terminology, how to properly analyze deals nor did I know how to fill out real estate contracts. I would find myself stuttering on phone conversations with sellers and other investors who were in the business for years and made millions of dollars. But as the famous author Jillian Michaels said, "You have to get comfortable with being uncomfortable." I was a newbie, but I was up for the challenge.

So, what is wholesaling real estate? Wholesaling has been coined several terms over the years including flipping houses, assigning contracts, selling paper, playing the middleman, and much more. Allow me to clarify the term. Wholesaling is simply putting a property under contract at one price with a seller and then assigning your rights to that contract at a higher price to another investor. The wholesaler collects the difference between the price they assigned the deal for and the price that was on the original contract with the seller as an assignment fee. The best part about wholesaling real estate is that you do not need a license to do these transactions.

Wholesalers typically look to find and wholesale deeply discounted properties that need renovation. The wholesale transaction must be completed within the time frame indicated in the original contract. That can be 30 days, 60 days, 90 days or more.

When wholesaling real estate, you want to control the terms of the deal as much as possible. The way to do that is by putting the property under contract with the seller yourself. This simply means that both you and the seller have reviewed the contract, you both agree to terms of the contract and you both have signed off on the contract.

The sales contract between you and the seller should state that it is legally binding and that it protects both of your interests in the transaction in a court of law. To the seller, this means that by signing your contract they are legally entitled to sell to you

and cannot sell to anyone else during your contract period. Although I am a huge advocate of doing deals with a partner and joint venturing wholesale deals, which we will touch on later, you can easily be phased out of a deal or “burned” if you have not put the deal under contract yourself.

**Here is an example of a wholesale transaction:**

John Doe finds a distressed property at 123 Main Street and the seller says they wants to sell. John sends the seller a contract and the seller signs. John now has that property under contract with the seller for \$50,000. A week later, John finds a local builder and assigns his rights to the contract to that builder for \$75,000. At settlement, the seller receives a check for \$50,000, John receives his assignment fee in the form of a check for \$25,000, and the local builder who is the end buyer brings a check for \$75,000 which funds the entire transaction. John did not have to bring any money to the table. And yes, John just made \$25,000!



This niche of investing in real estate can make you huge profits and is a win – win for everyone involved in the transaction. A good wholesaler can do these deals several times a month and make a substantial income because there are thousands of hungry investors all over the nation willing to pay cash for good, deeply discounted deals time and time again.

The best thing about wholesaling real estate is that you do not need a real estate license to do it. With the right systems in place, you can do these deals anywhere in the country with no money, no risk, and no experience. In the pages ahead, I am going to show you how.

# **Chapter 4:**

## **Who You Need To Know**

There are a few professionals you will need to seek out to close real estate deals consistently. Some of the professionals you will need are:

- Investor Friendly Title Agents
- Investor Friendly Realtors
- Lenders
- Contractors
- Other Investors
- Transactional Funding Companies

### **TITLE AGENTS AND TITLE ATTORNEYS**

Having a good title agent or title attorney on your team is imperative because they will be the ones conducting title searches on properties and cutting you your checks when you close on your deals! It is important that you find an investor friendly title agent or title attorney who is familiar with wholesaler and investor transactions. There are investor friendly title agents and companies in every state so you should not have trouble finding one at all.

### **LENDERS**

Your relationships with private lenders and hard money lenders in your marketplace can set you apart from your competition. There may come a time where you need to provide financing options for your end buyer so they can close on a property you have under contract. Since you are selling properties at a discount, you should have no problem getting your buyer qualified for a loan with a lender if the buyer has decent credit and cash reserves. As a wholesaler, you can bring these lenders business and get paid points on the transactions. This allows you to get paid 2 times when the deal closes. You will get paid points from the loan as well and take home an assignment fee.

### **GENERAL CONTRACTORS**

Contractors will become an essential part of your team when you begin to buy and renovate property yourself. As a wholesaler, you may need a contractor to join you at property from time to time to give you a repair estimate. Assessing repairs is one of the trickiest things to do, especially when first starting out. Certain areas will call for high end renovations and other areas will not.

To find contractors, first ask people you trust if they know of any general contractors they can recommend to you. You want these contractors to be licensed and insured. You can also stop by a nearby home improvement store like Home Depot. These stores are filled with contractors. Ask contractors there for their business cards and give them a call when you need them to come out to a property.

### INVESTOR FRIENDLY REALTORS

Having an investor friendly realtor on your team can be extremely helpful. A seasoned realtor can let you know about good up and coming neighborhoods in your marketplace. They can also tell you about their opinions on property value in certain areas. We also like collaborating with realtors when we are looking to assign properties we have under contract because they normally have relationships with hungry cash buyers. We also tell realtors to let us help them sell any non-listed distressed properties they come across. If you know enough investor friendly realtors, you can joint venture with them on deals repeatedly.

### OTHER INVESTORS AND WHOLESALERS

Trust and believe, building your network of investors and wholesalers can double or even triple your monthly income. Having other experienced investors and wholesalers to call on about deals you are working on can truly be the difference between you making and losing money. I would suggest that you create a small group of like-minded investors and meet with those investors monthly to exchange ideas and talk about deals. If you can find local investment clubs, join them and attend their meetings regularly. Collaboration is much better than competition.

As you begin your quest as a wholesaler, there will be times when you are unfamiliar with an area or may have trouble selling a property. Having these relationships in place will increase the chance of you making the right decisions and closing on deals. One of my highest netting deals to date, came from another wholesaler in our marketplace. The wholesaler had an excellent property under contract, and we had the perfect buyer for the deal. We decided to join forces to get the deal closed and split the assignment fee 50/50. Everyone walked away from the deal happy and paid.

To reach your full potential in this business, you must surround yourself with the right people. You never know who or what the next investor knows and the impact it can have on your business. Lead with value and lend your knowledge to other investors as well. They will reciprocate. You will see that that these relationships are truly invaluable.

### TRANSACTIONAL FUNDING COMPANIES

This one is big. Some states are cracking down on wholesaling and no longer allowing contract assignment. Because of this, wholesalers and investors must find ways to creatively get these deals to the closing table. This is where transactional

funding comes in. Transaction funding companies allow investors to borrow short-term capital to close a deal. The investor or wholesaler will then repay the loan from the transactional funding company by quickly reselling the property to another investor at a higher price. This is called a back-to-back closing also known a double closing or simultaneous closing.

As long as the numbers make sense and the property is deeply discounted, a transactional funding company will fund 100% of the transaction between the wholesaler and the seller for a small piece of the pie. Many times, the transaction can be completed in as little as a day but sometimes can take up to a month depending on the type of transaction and the laws in the state where the closing is taking place. Transactional funding companies make their money by charging either interest or a flat fee on the loans they provide.

As you grow your network, you can ask some of your cash buyers to provide transactional funding if needed. You will need to negotiate their return on investment and show them that you have a transaction that will close. This can be a quick way for your cash buyer to make money. They will get their full investment back with interest in just a few days.

**ACTION STEPS: Go on meetup.com and go on Facebook and find both real estate meetups and real estate investor clubs to join. The Facebook real estate groups will be free but the meetups may require an investment to join. Network and find a title company, a lender, a contractor, a realtor, other wholesalers/investors to partner with and a transactional funding company.**

# **Chapter 5:**

## **Rehabbing Real Estate Vs. Wholesaling Real Estate**

### **REHABBING REAL ESTATE**

Many people watch the Property Brothers and Tarek El Moussa on HGTV and want to emulate what they do. They want to buy, rehab and flip properties. This is called *rehabbing*. While you certainly can do that, keep in mind that an upfront investment will be required. These reality show rehabbers are professionals and rehabbing a house is not nearly as easy as they make it look. There is a lot of risk involved and the project can sometimes take several months to complete. I am telling you this from experience as I have had my share of horror stories in the past.

Rehabbing properties requires a lot of moving parts and requires the rehabber to sometimes deal with many different personalities. Your estimates for renovation costs and ARV (after repair value) must be spot on for you to make a profit. Please understand, I am not mentioning this to discourage you from rehabbing houses. Rehabbing houses can be extremely lucrative; however, I would recommend getting a mentor or doing your first rehab with the help of someone who is experienced to avoid the common pitfalls, even if that means giving up some of your profit when the deal closes.

When rehabbing properties, I also recommend obtaining the help of a highly recommended licensed local contractor. You will need to make sure that the contractor provides you with an itemized estimate for the construction. They should also include a date of completion in their estimate which details how long the project will take from start to finish. Believe it or not you can do rehab deals with zero cash in the deal as well. I have personally done this. But I will save those secrets for another book.

At this point in my investing career, I am what you may call a “reluctant rehabber.” I will rehab a property if it’s an excellent deal but I prefer to only rehab properties that I can get in and out of quickly. I prefer to focus on wholesaling several deals each month and creating passive income through income producing properties.

### **WHOLESALE REAL ESTATE**

Wholesaling is unlike rehabbing because you make absolutely no repairs to the property. I suggest starting with wholesaling over rehabbing, as a beginner, because you can start making money without taking on any risk. Wholesale transactions also close much quicker which allows you to start making money quicker.

After closing my first wholesale deal, I immediately realized that I had discovered a gold mine. I had found a business that could make me thousands of dollars weekly using just my phone and computer. When first starting out, no employees are needed so there will be no overhead costs. You just have to put in the work.

Once you discover how much money you can make on an hourly basis, you will be blown away. In the beginning stages, my company was making nearly \$275 an hour. No jokes, no exaggeration. I discovered this by dividing the profits we made from each deal by the number of hours it took for us to put the deal under contract and assign the deal. Business was booming and opportunities were endless. The best part was, I was just getting started.

After reading this book, you will be able to make large amounts of cash. The checks that will start coming in will make you understand the potential you truly have and will unlock a confidence in you that has been hidden for some time. That confidence will allow you to do deals more frequently, forge the right partnerships, and will propel you forward in many other areas of your life. Your time for change is now!

## **Chapter 6:**

# **Learn As A Property Scout**

When I first started wholesaling, I worked as a *property scout*, also known as a “bird dog,” for a few different investors to gain experience from them. I went to a local real estate meetup and found different investors who were actively looking for properties and paying cash for them. I told them I was new to the business and asked if I could exclusively work with them to bring them deals. I would only collect \$500 to \$1000 if they purchased a deal that I presented which wasn’t much but I made sure to ask them a lot of questions. This is an excellent way to forge relationships with investors in your market, familiarize yourself with real estate terminology, and learn where investors are buying in your market and why. Property scouts can get started with no risk and no money and can work on a part time basis.

As a property scout, your role is to find deeply discounted off market properties for that investor. These off-market properties should not be listed on the MLS (Multiple Listing Service) hence the term “off market” and should leave the investor with equity so that they can renovate the property and still make a profit after they purchase.

Equity is defined as the difference between what someone paid for a property and what the home is currently worth according to recent comparable sales. So, if an investor pays \$150,000 cash for a property but similar houses nearby are currently selling for \$300,000 then that investor has \$150,000 in equity in that property. In real estate you make money “on the buy” and savvy investors never pay retail prices for properties. They always look to buy at a discount.

Now, after closing a few deals as a property scout, you should begin to set your sights on starting your own wholesaling operation. I say this because, once you begin your own wholesaling operation, you will see the profit you make per deal go up substantially. My team typically sees an average fee of about \$20,000 per wholesale deal.

Just imagine if you closed 5 deals a month at just \$10,000 per deal doing this PART TIME. Would that change your life? Now, what if you closed 10 deals per month at \$15,000 per month? Do you see where I am going? If you apply the strategies I teach, the money-making opportunities are truly endless.

## **Chapter 7:**

# **Building A Buyers List**

To achieve success quickly in life, it is important to reverse engineer your success and begin with the end goal in mind. It should not be any different when it comes to wholesaling real estate. The way to reverse engineer your success as a wholesaler is by networking with qualified cash buyers who have the ability and the capital to close on properties you bring to them immediately. This should be your first step even before looking for deals. When you have investors with capital behind you, you can prospect for deals with confidence knowing that when you find the right deal, both you and your investors can get the deal funded and closed.

As I mentioned toward the beginning of this book, when I started in real estate, I would frequently attend real estate meetups and networking events. At these events, I would talk to the attendees, ask plenty of questions and identify the real players in the room. I would then collect their business cards and make it a priority to call them within the next few days to arrange a sit down. I would take some of the investors I met out to lunch or to coffee and would get an understanding of what type of real estate they were

buying and where they were buying it. At the end of the meeting, I would let them know that they would be placed on my VIP email list and have first look at all of my deals.

I would suggest that you do the same exact thing. I would suggest that you join local real estate investment associations, meetups and attend as many networking events as possible. Shake hands and meet a lot of people. Dress for success and let them know that you want to bring them deals.

This will give you a lot of insight about your market, the best areas to start looking for deals, and the areas you may want to avoid. Commit to finding anywhere from 10 to 20 serious buyers. Ask questions like:

- How many properties are you looking to buy this year?
- How quickly can you close if I presented you a great deal tomorrow?
- What price range are you looking to stay within?
- Are you buying both single family and multi family?
- How many properties have you flipped?
- How many doors do you currently own?

By having these conversations, you will be able to tell which investors are experienced as well as serious and should be at the top of your VIP list. Quick tip: Be mindful of the investors who tend to brag about what they have and what they own. Sometimes, they are legitimate but sometimes they can be problematic. I've found that the investors who are very modest yet confident and knowledgeable, tend to not only be the wealthiest but also a pleasure to work with. They will rarely back out of deals and I tend to form long-term working relationships with them.

**ACTION STEPS:** Reach out to at least 5 investors in the Facebook investment groups you joined. Contact them privately through direct message and tell them that you have a few investment opportunities coming up. Get their phone number and give them a call. Ask them the questions above.

# Chapter 8:

## Identifying Motivated Sellers

Wholesaling is a numbers game. The wholesaler who speaks with the most people will typically end up putting the most deals under contract and making the most money. The people who contact us about selling their properties are typically going through different challenges with their properties. Sometimes the problem may not be the property itself but the tenants or squatters living inside of the properties. Our job is to handle each call professionally and present ourselves as the solution to their problems. Here are just some of the types of sellers we will come across:

- People who have **inherited properties** after a death in their family and do not have the money to fix them up.
- People who are going through **foreclosure** and need to sell.
- **Absentee Owners** – Someone who owns a property but does not live there.
- **Angry Landlords** – Landlords who are tired of dealing with problem tenants.
- People who live **out of state** and own properties that have been sitting **vacant**, collecting dust, accruing **taxes and violations**.
- People who are going through **divorce**.
- People who are going through **bankruptcy**
- **And more!**

### 4 PILLARS OF MOTIVATION

To maximize the amount of deals you close and ensure that you are not wasting your time on the phone with sellers, you must become good at quickly determining a seller's level of motivation. We typically can gage a seller's level of motivation by asking questions that center around 4 things. We call these things the 4 pillars of motivation:

- Pillar 1: Timeline for selling
- Pillar 2: The reason for selling
- Pillar 3: The condition of the property
- Pillar 4: The asking price

### PILLAR 1: TIMELINE

If a seller is in a rush to a sell, this is a sign of a motivation. There is nothing better than dealing with a seller who has a sense of urgency to sell. This allows you

both to work together to get the deal done expeditiously. A question you may want to ask to get a better understanding of a seller's timeline is:

**“If we can present you with the right price and can line up all the details of this transaction, when do you think you would like to finalize the sale?”**

See how they respond to this. I love working with sellers who respond to this by saying that they want to sell ASAP or within 90 days. If a seller wants to sell in the next 120 days or more, I would put them on a follow up schedule and reach out to them every 2 – 3 weeks. Following up with sellers is extremely important and can lead to huge pay days so make sure that either you or a virtual assistant is following up with your leads consistently.

## PILLAR 2: THE REASON FOR SELLING

When negotiating a deal, it is important that you understand your seller's pain points. We want to know the truth behind their decision to ultimately let go of their property. Did they move out of state? Are they too old to deal with tenant? Are they going through a divorce? Is the property in tax sale?

Once they tell you their reasoning, it is important to be empathetic and use this question to find ways to build rapport with them. Try to find commonalities between you and the seller and bring it up during your conversation with them. Try not to sound robotic over the phone. This will allow them to feel more comfortable with you. Remember, people like doing business with people they know, like and trust.

A question you may want to ask to get a better understanding of why they wish to sell is:

**“Mr. Seller it seems like a good house, is there a reason why you are looking to sell?”**

This is your chance to get the seller to like you. After you build the rapport here you can go on to find out the next pillar of motivation and, eventually throughout the course of the conversation, make your offer.

## PILLAR 3: THE CONDITION OF THE PROPERTY

In my company, we make offers on every single property regardless of the condition. We buy properties as is, where is, and make the sale very easy for every seller. I have wholesaled properties that were well kept and I have also wholesaled properties where I almost fell through the floors when I walked in. The uglier they are, the less you pay.

I suggest that you make an offer on every property as well. If a property needs substantial work, factor that into your offer. If a property is in great condition, factor that into your offer as well. Make every seller what you would consider a fair offer but remember that the offer needs to be below market value and low enough to where you can still make money wholesaling it. Your end buyer needs to also be able to make money once they renovate it and go to re-sell it.

The question you may want to ask to learn more about the condition of the property is:

**“Mr. Seller if you can rate the property condition on a scale of 1 to 10. 1 being poor condition and 10 being straight out of a magazine, what would you rate it?”**

If they reply by saying it is a 4 out of 10 then you say,

**“Mr. Seller, what would bring it up to a 10?”**

#### PILLAR 4: PRICE

Ultimately, the numbers have to make sense when investing in real estate. As investors we make money “on the buy” and cannot make the mistake of overpaying for properties. Overpaying for a property can completely eliminate your profit margin and you do not want that.

I always try to have the seller tell me their asking price first. In sales, the general rule of thumb is whoever says their price first loses. Same applies here. The question I suggest you ask to find out how much a seller is looking to sell their property for is:

**“Mr. Seller, what do you think is a fair price for the property?”**

You will run into many sellers who say, “make me an offer” or “you are the one who contacted me.” Typically, these are not the sellers we end up doing business with. These sellers have their guard up and you should not waste too much time with them. I would suggest making them an offer at 50% to 60% of market value and seeing how they react. If they respond to your offer with a positive response, keep the conversation going to see if you can both agree on a fair price. If they come back with a negative response to the offer, ask one more time if they will tell you their asking price and if not, thank them for their time and end the call.

Keep in mind that you are only looking for the sellers who are looking for you. You want a seller who is engaged in the conversation you are having with them and feels comfortable answering your questions. It is hard to break down a seller with their guard up and quite frankly, there is no need to. There are a plethora of sellers who need to sell and won't put you through the nonsense. You just need to put in the work and find them.

# **Chapter 9:**

## **Finding Off Market Properties**

In this business, finding good deals is and always will be the foundation of your success. As a wholesaler, your ability to specifically find off market deals consistently will determine how much money you make each month. You want to consistently locate and put deeply discounted off market deals under contract because these are the deals that brokers, realtors and hungry cash buyers do not have access to. These deals are what I like to call “hidden gems.” When you can consistently find these hidden gems and present off market investment opportunities to the marketplace, you become a person of value to investors in your marketplace. Investors will gladly pay you for the service you are providing and, if the deals continue to roll in, these investors will pay you again and again.

There are several ways to find off market deals including but not limited to direct mail marketing with yellowletterhq.com, cold calling using virtual assistants, text blast marketing through sites like batchleads.io or text magic, pay per click, ringless voicemail through Slybroadcast.com, and internet marketing. All of these strategies work, however, the key to each strategy is consistency. In our wholesaling business, we primarily focus on marketing to residential private sellers who have owned a property for at least 5 years and do not live at the property they own.

Here are FREE ways to find off market property deals:

### **DRIVING FOR DOLLARS**

Driving For Dollars to this day is one of my favorite ways to find off market sellers. It has made me a lot of money over the years and requires you to simply jot down the addresses of houses that look distressed as you are driving to and from your destination. I suggest setting aside an hour or two each week to drive an area and find houses that show signs of needing repair.

Below is a list of things to look for when out driving for dollars:

- Uncut and overgrown grass around the house
- Overflowing mailboxes
- Shattered windows
- Junk cars in driveway
- Property in need of obvious repair- shutters damaged, roof shingles missing, etc
- Official notices from the state, banks, or utility companies posted on door
- Newspapers all over the yard because they have not been picked up

- Lock boxes on the doors
- For Sale By Owner Signs
- For Rent Signs
- Plastic or wooden boards on the windows and doors
- Fire Damage

Many times these houses are vacant and are owned or inherited by people who live out of state and cannot afford to maintain or fix up the house. Other times, these houses may be owned by the city in which you live and may have liens or taxes owed that need to be paid off. You will run into many different scenarios and, when you do, it is your job to present yourself as the solution to the problem.

Once you begin wholesaling, jotting down the addresses of “ugly houses” should become an instinct. You should train yourself to be on the lookout for that next deal. I would suggest that you keep either a pen and paper or voice recorder in your glove box so that you can take down notes about the neighborhoods you are in as well as the addresses of the houses you see.

**A Quick Safety Tip: When driving for dollars, pull over when you are jotting down addresses and use your hazard lights if you need to. Safety first!**

Driving For Dollars does require effort and a commitment, but when you do land a deal, it will be all worth your while. Driving Dollars has brought me some of the juiciest and most profitable deals of my career. The deals will sometimes require patience as you work with all walks of life but, if you stick it out, you will be glad you did.

### PROSPECTING FOR DEALS THROUGH CRAIGSLIST

Craigslist is another tool you can use to find off market property leads without putting out marketing dollars. You will need to go to [craigslist.com](https://www.craigslist.com), hover over housing and then click on real estate for sale. Once in this section, you will need to specify that you are looking for real estate by owner properties.

You will see a lot of inventory on sites like Craigslist. Since these leads are on the internet, there may be more competition but don't let that discourage you from calling the number on the ads you find. Another wholesaler or investor may have already put the property under contract but that is fine. All you need is for the sellers or wholesalers you find to have a high level of motivation to sell.

I have personally made multiple six figures using Craigslist to find leads. If I found a seller who had a good deal, I will have them sign a sales contract directly with me and then I would proceed to wholesale it. If another wholesaler had the deal, I would let them know that I had a buyer for the deal and would get their permission to market it to my network of buyers. Once the deal closed, we would split the assignment fee 50/50.

## OUTBOUND LEAD GENERATION TACTICS

### TEXT BLAST

Text blast campaigns were very effective in 2000 and 2001 and still can yield results today, however, phone companies are starting to become gate keepers and have recently started to block the texting capabilities of phone numbers that send out over 500 texts per day. I still incorporate text message marketing when prospecting for leads but I do not rely on it as a sole lead source. I suggest using sites like batchleads.io or textmagic.com for your text campaigns because they are always compliant with text guidelines and laws. They also filter out numbers that are on the DNC or do not call list so that their users do not get fined by homeowners who have been bombarded by other investors texting them daily.

### COLD CALLING

Cold calling is also an effective way to generate leads but just like every other lead generation source it requires a lot of consistency. You can get a free google voice number online and use it as your work phone or you can invest in an auto dialer and a headset which allows you, an assistant or an intern to make calls without having to manually dial every number. Some sites you can use to purchase an auto dialer are:

- Mojodialer.com
- Calltools.com
- Xencall.com
- Batchdialer.com



## DIRECT MAIL

Although text messaging and cold calling are cheaper lead generation sources that you can scale, direct mail is one of my favorite tactics to use because it requires a seller to pick up the phone and call you about their property. This shows that a seller is serious about selling and also shows that a seller already has some motivation to sell. If not, they would not have taken the time to call you.

If you are consistent with direct mail, it has the ability produce excellent results. I typically send post cards and use [www.yellowletterhq.com](http://www.yellowletterhq.com) for my marketing campaigns. You will want to compile a large list of potential sellers through driving for dollars or download a list of potential sellers from a site like listsource our [www.dealmakerdata.com](http://www.dealmakerdata.com) and then upload the list onto the yellowlettehq platform. Their team will then send out your postcards or letters.

I suggest sending out a minimum of 2000 at a time. I also suggest uploading a picture of yourself or a picture of your family on your mail piece to make your marketing piece stand out. Remember, marketing is a numbers game. The more that people see your marketing message, the more likely you are to get phone calls and deals under contract.

Here is an example of a direct mail piece:

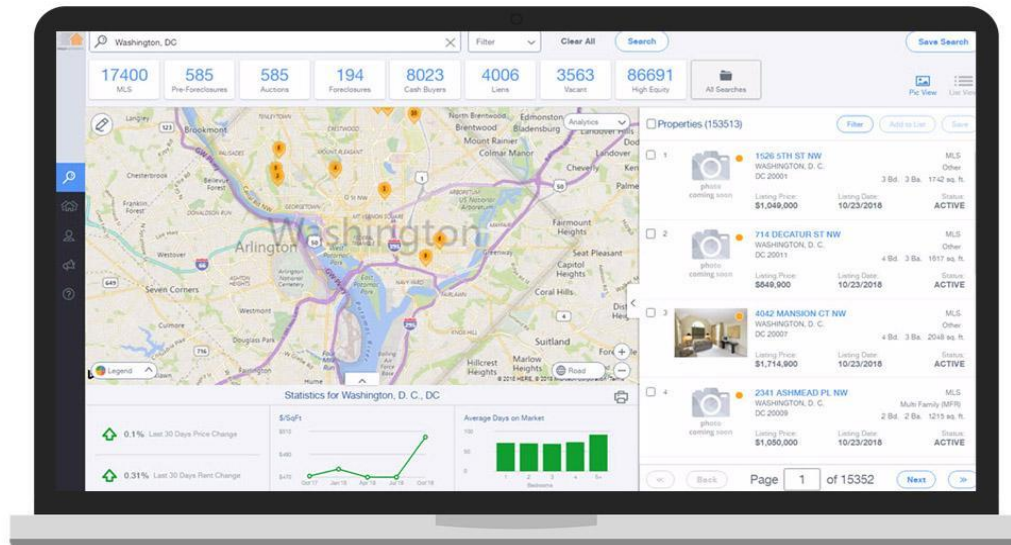


## PAY PER CLICK

Pay per click is highly effective and also requires sellers to reach out to you after seeing your ad or offer online. This lead generation source is something that needs to be set up by a professional in order to get your desired results. You will end up spending a few thousand dollars per month for a campaign like this, but it is well worth it. Please understand that in order to create a thriving wholesale operation, you will need to treat it like your million-dollar baby. You must understand that every business you start will require some type of monetary investment, and you must be willing to spend money in order to make money.

## PAID SUBSCRIPTION SITE

For around \$100/month, you can buy a subscription to **Propstream**. Propstream is a data provider that aggregates real estate data nationwide and allows you to export thousands of leads each month. This will be a game changer for your business and will allow you to close deals consistently. With your subscription, you will be able to target pre foreclosures, vacant properties, properties with tired landlords, properties with senior owners, properties with liens, expired listings, absentee owners, and more. **You can get a free 7-day trial to this site by going to [www.dealmakerdata.com](http://www.dealmakerdata.com).**



## SKIP TRACING AND FINDING PHONE NUMBERS

Once you have built a list of potential seller leads, it is time to get in touch with the owners so that you can begin to make offers! We use our local tax assessors web site to find the first and last names of the owners and then put all of their information into a CSV file. Dealmakerdata.com can also provide you with the first and last names of sellers.

We then typically use [www.batchskiptracing.com](http://www.batchskiptracing.com) to skip trace the leads. Skip tracing is the process of finding a person's whereabouts. Batchskiptracing.com not only gives you the address of where a seller lives but also provides a phone number for the seller as well. Once you have this information, it is go time!



The next step is simply for you to get on the phones and start dialing. The golden rule in this business is that you CANNOT be afraid to talk to people. Money making opportunities are attached to people and you have to keep that in mind.

You may reach some non working numbers and hear some unhappy people when you cold call the owners but you just have to keep on going. To us, it made no difference when we first started. No one person telling us no or yelling at us when we called was going to stop us from changing our lives and making thousands of dollars each month. We developed thick skin early on and that helped us close deals faster.

#### VIRTUAL ASSISTANTS AND AUTO DIALERS

You can hire a virtual assistant from a site like onlinejobs.ph and have them cold call these leads for you on a daily basis. This will relieve you of the task of cold calling and is the first step toward turning your business into a wholesale operation and no longer a one man or one woman show. Delegation will be the key to you creating an actual business and not working inside of your business.

#### **ACTION STEPS:**

1. **Go driving for dollars and collect a list of atleast 50 properties that appear to be distressed on the exterior. Commit to doing this once a week**
2. **Go to [www.dealmakerdata.com](http://www.dealmakerdata.com) and create a free account. Download a free list of absentee, high equity properties with owners who have owned the properties for at least 5 years.**
3. **Go to [www.batchskiptracing.com](http://www.batchskiptracing.com) and skip trace the phone numbers**

# **Chapter 10:**

## **Phone Script**

### **COLD CALL PHONE SCRIPT**

**YOU:** Hello (Seller Name)? How are you?

**YOU:** Yes, my name is [Your Name] and I am calling in regard to your property at [Property Address].

### **PRE-QUALIFICATION**

**YOU:** The reason I'm calling is because our company is looking to purchase 1 or 2 properties and we wanted to reach out to you personally to make you an offer on your property if you are interested in selling.

**YOU:** Great! Well, we don't just throw out an offer until we get a little information from the homeowner, but the process is very simple. I just need to ask you a few questions about the condition of the property. It will just take a few minutes of your time... is that OK?

### **QUESTIONS**

**YOU:** Great, you still own (property address) currently correct?

**YOU:** Can you give me a little bit of history on the property?

**YOU:** How many bedrooms and bathrooms?

**YOU:** Were you already thinking about selling before we called? If we can agree on a price, how soon would you want to finalize the sale?

**YOU:** Is the property currently occupied or is it vacant? If vacant, how long has it been vacant?

**YOU:** What is the condition of the property? On a scale of 1 to 10 - 1 being property needs to be torn down and 10 being straight out of a magazine - what would you rate it?

**YOU:** Just curious, is there a reason why you are looking to sell? Why don't you fix it up yourself or sell it with a realtor?

**YOU:** Do you have any idea what you think a fair price is or what the neighbors are selling for?

### **CLOSING / SETTING APPOINTMENT FOR NEXT CALL**

**YOU:** Okay, got it. The next step is for us to run the numbers and give you a call back with an offer. If we presented you an **ALL-CASH** offer that you liked, when would you be ready to review and sign off on the paperwork? (Today, 7 Days 30 days or 60 days+)

**YOU:** Great! I just want to confirm, is (insert phone number here) the best phone number to reach you?

**YOU:** Perfect. Would it be ok if we gave you a call within the next hour?

**YOU:** Ok Great. Well thank you so much for your time. Talk to you in a bit.

## **Chapter 11:**

# **Determining Your Max Allowable Offer**

The saying by hip hop entrepreneur Jay – Z, “Men lie, women lie, numbers don't,” rings true in real estate today more than ever. Not every lead that comes into your pipeline will be a good deal. We have to weed out the good from the bad. To be considered a good wholesaler, you must learn how to determine the right offer to make to a seller and put properties under contract at a steep discount so that you can make money and your end buyer can make money as well. The end buyer will need to have enough margin in the deal to renovate it nicely after purchasing and still have enough equity left in the deal to make a profit.

The formula we use to determine our maximum offer to a seller as a wholesaler is called the 70% percent Max Allowable Offer (MAO) formula. The formula is a numeric equation that ensures that we can maintain our desired profit while considering expected fixed and rehab costs. The 70% rule says that a wholesaler should pay no more than 70% of a property's after-repair value (ARV) minus the cost of repairs minus our assignment fee.

You can determine your ARV(after repair value) by going on [dealmakerdata.com](http://dealmakerdata.com) or a site like [redfin.com](http://redfin.com) and searching for three similar styles homes that were newly renovated or in very good shape and sold within the last six months within a .25 mile of the subject property. These houses must have the same number of beds and baths

and similar square footage. Calculate the average sales price of those three properties and that is your ARV.

For properties with a high ARV—typically \$250,000 or more—investors may make an exception to the rule to 75%. They may also use the 75% figure in highly competitive markets. I don't recommend this but it truly depends on the market conditions where you are.

**The formula is as follows:**

**$ARV \times .70 - RE - AF = \text{Wholesaler's MAO}$**

**Where:**

- **ARV is the after-repair value**
- **RE is the repair estimation**
- **AF is your assignment fee a.k.a the money you make from the deal**

**Here is an example using some numbers:**

**If a property has an ARV or after repaired value of \$100,000 and needs \$20,000 in repairs, your max allowable offer would be calculated as follows:**

**$\$100,000 \times .70 - \$20,000(\text{repair estimate}) - \$5,000 (\text{your assignment fee}) = \$45,000$**

In this scenario, \$45,000 is your MAO. However, if you want to make \$15,000 as your fee on the transaction, you would subtract \$15,000 as your assignment fee, making your max allowable offer \$35,000.

The formula would look like this:

**$\$100,000 \times .70 - \$20,000 (\text{repairs}) - \$15,000 (\text{your fee}) = \$35,000 \text{ as your MAO}$**

This simple formula builds instant equity into a deal so that you can make a profit and your end buyer will see a return on investment as well.

# **Chapter 12:**

## **Presenting Your Offer To A Seller**

I remember the first time I made an offer on a property. I had called this seller several times before he finally returned my call. I was in my car when his number came across my caller ID. I picked up and when I realized it was him on the other line, I was ecstatic. I had called and emailed a bunch of property leads and it finally paid off. I had a potential deal on my hands. The house was in Baltimore City and needed a lot of work. I needed a contractor to provide repair estimates for the property, but I was new to wholesaling and did not have a contractor in my rolodex just yet. Nonetheless, I made an appointment to meet with the seller to view the property.

Before meeting with the seller at the property, I did my due diligence and looked online at the comparables in the area to determine the ARV. I looked at houses that were newly renovated in the area by investors and knew that this property had to match that type of renovation to sell at a high price on the retail market. I also looked for properties that were selling as is so I could get an idea of what other investors were looking to pay. You should always look at comparable sales before making an offer on any property.

My seller was asking for \$150,000 for his property and had an entire explanation as to how he arrived at that asking price. After looking at the property and referring back to the comparables in the area, my offer to the seller was \$98,000, over \$50,000 lower than what he was asking. The property needed a full renovation and was not worth \$150,000. I told the seller exactly why I could only offer \$98,000 for his property by pointing out every repair that the property needed. I went on to explain that he would need to make a lot of improvements to the property in order to get what he was asking.

There was an awkward silence in the room after I made my offer to the seller. After a few moments, the seller finally broke the silence and said, "That should work. Draw up the contract so that I can review it and I will sign it and send it back to you tomorrow afternoon." I had successfully negotiated my first deal. I was on cloud nine.

I am telling you this story because I wanted to point out the fact that you must make offers on every property. Even if your seller has a price in mind that is much higher than yours, make the offer that makes sense and is right for you and your investors. I offered the seller over \$50,000 less than what they wanted, and they accepted the offer. Some sellers are simply looking to get rid of their problematic properties. Some sellers care less about what they are making and more about the headache they are losing.

After my meeting with that seller, I rushed home to put the contract together. The terms I put in the contract allowed me to either buy the property myself or assign the contract to another end buyer within 45 days. Any price I tacked on top of the sales price would be my profit. In this business, everything must be in writing. Verbal agreements will not hold up in a court of law. Once a price is agreed upon verbally between you and the seller, a paper contract must be written up and all parties must then sign.

As a new wholesaler, I suggest that you add contingencies to your contract. A contingency clause defines a condition or action that a real estate contract must meet to become binding. There are quite a few contingencies you can use including but not limited to:

- Contingent upon finding financing
- Contingent upon a partner's approval
- Contingent upon satisfactory inspection
- Contingent upon appraisal

I would suggest that your contracts include one or all of these contingencies. Entering your contracts with these contingencies in place will prove to be priceless in every stage of your investing career. You want to do your best to enter every contract with no risk and a way to back out of it legally in the rare case that you cannot find an end buyer to assign your contract to.

## **Chapter 13:**

# **Assigning Your Deal**

So you just put a deal under contract. Now what? Well, now it is time to assign the contract to a hungry cash buyer so that you can get PAID! If you negotiated the deal right and the price is low enough, it will be easy to find an end buyer. Good wholesale deals will normally fly off the shelf quickly. If you haven't assigned your deal after marketing it to buyers for 2-3 weeks, the deal may be priced too high and you may need to renegotiate the sale with your seller.

### **MARKETING YOUR DEAL**

Now, you should already have photos of the property by this time. I usually take pictures when I first visit the property, or I will have the seller send me recent photos of the interior and exterior. If you are wholesaling a property out of state, you can go on a

website like taskrabbit.com and hire someone to take the photos for you. Photos taken on a I-Phone or Android are perfectly fine.

It is best to get pictures of the entire property. Make sure to get a picture of the front and back of the house, the bedrooms, the bathrooms, and even the street that the property is on. I try to take at least 10 photos of the property. If the property is in really bad shape, take pictures of the areas that need work. I do not like to hide anything from my end buyers because it can truly ruin a relationship. It's much better to be honest with your end buyers about the property condition so that you do not waste their time or yours.

If you followed my advice in the Building Your Buyers list chapter, you already have a handful of end buyers ready to see some of your deals. You want to keep your word and send them the deal or deals you have first. If these buyers do not want to purchase, then you must look for other end buyers asap. I suggest that you find your buyer before the end of your inspection period in your contract to avoid the risk of losing your earnest money deposit.

I use [www.mailchimp.com](http://www.mailchimp.com) to blast out my emails. The emails you send should contain a catchy subject line like. "GORGEOUS 4 UNIT CASH COW IN ATLANTA" or "EOG SINGLE FAM ONLY \$50K ARV \$189K" and the body of the email should contain a description of the property and photos. You want to include your asking price, the ARV as well as recently sold comparable sales.

Advertise the deal on sites like Facebook marketplace and craigslist. Facebook marketplace has become a very popular place to advertise just about everything these days. It would be good to join Facebook investor groups in the area where the property is located and to post in those forums once the administrators grant your request.

Posting your deal in the groups and forums mentioned as well as sending to the email list you have developed should give your deal the exposure it needs to garner interest. When the calls come in, make sure to collect your buyer's information including their name, phone number, and email address. Even if they don't buy this particular deal from you, store their information so that you can contact them about future deals.

## THE OPEN HOUSE

When you have a few serious buyers who want to see the property, schedule a one day open house at the property and let your seller know that you are having some investors and contractors coming in to inspect the property. It is especially important to let your buyers know that they should not be talking to the seller at all. Any questions they have should be asked AFTER the viewing. The buyers should also make any and all offers to you and you only AFTER the viewing and AFTER they leave the property. Make sure that you let your buyers know this.

# Chapter 14:

## Controlling The Deal To The Finish Line

This is the moment you have been waiting for. Now it's time to get your deal to the closing table and get cash in your pocket! You have worked hard and deserve to get a nice pay day. You took action and did not quit and soon you will see how great this business pays off. To ensure that your deal goes to closing, you need to control the deal from the beginning to the end. Closings can take some time so be patient with the title company you choose.

**Important: Make sure to find an investor friendly title company that works with investors and is familiar with assignment contracts and other investor transactions. Ask other investors and wholesalers who they use to close deals in your market.**

Once you have found an end buyer, you will want to make sure that they can close on the deal. One of the biggest mistakes new wholesalers make is not screening their end buyers after receiving their verbal commitment to buy. This is an extremely important part of the process. There are many ways to screen your end buyers including asking for proof of funds, requesting a commitment letter from their lender, calling their lending personally, and getting certified cash deposits from the buyer. Do not feel that you are overstepping your boundaries by asking your end buyer for their proof of funds. Remember, you are running a business and you cannot waste your time with buyers who are not serious. You want to make sure that your buyer has the ability to close on the deal.

If your end buyer is hesitant to send you proof of funds or tries to avoid these conversations with you, you need to let them know that you cannot proceed until you are given some proof that they have the funds to close. It is not personal, it is strictly business. You have a seller who is depending on you to close on their property and you absolutely need to get paid. You need to do what is best for you and your business.

Once you have verified that your end buyer has the funds to close, you will want to ask the buyer for an "earnest money deposit" toward the purchase of the property. An earnest money deposit or EMD is the same as a good faith deposit and is common in all real estate transactions. It is simply a monetary contribution toward the purchase of the property showing that the buyer has full intention on closing on the deal. We typically ask our end buyers for a nonrefundable \$2,000 earnest money deposit in certified

funds. Always let your buyer know that their deposit is nonrefundable. This deposit makes it so that they have what we call “skin in the game” or personal stake in the property.

The next step is to draw up an assignment contract between you and your end buyer. An assignment contract is a one-page agreement which states that you, the original buyer, will be assigning all rights and obligations set forth in the original contract between you and the owner of the property to your end buyer, for an assignment fee. After this contract is signed, you will need to email it to your title company along with the original purchase agreement.

In a few days, give the title company a call to find out the status of the transaction and when you can schedule a closing date. Ask the title company to send you a copy of the HUD -1 or Alta so that you can confirm that all numbers are correct. Most importantly, you want to make sure that your assignment fee is listed on the HUD.

Here is an example HUD below:

Previous editions are obsolete. Form HUD-1 (2006) off Handbook 4000.2

**A. Settlement Statement**

U.S. Department of Housing and Urban Development  
Cash Approval No. 2002-0285

1. ☐ Cash 2. ☐ Other 3. ☐ Other 4. ☐ Other 5. ☐ Other 6. ☐ Other

7. Loan Number 8. Mortgage Insurance Case Number

9. File Number 10. Title/Express Settlement System

11. Note: This HUD-1 is a summary of the settlement. It is not a contract. It is not a receipt. It is not a statement of the settlement. It is a summary of the settlement. It is not a contract. It is not a receipt. It is not a statement of the settlement. It is a summary of the settlement.

12. NAME OF BORROWER: Seller: Hanga by and through Realty Exchange Corporation

13. NAME OF SELLER: Edwin E. France and Jeanette D. France

14. NAME OF LENDER: 2030 Fontana Court, Royal Palm Beach, FL 33411

15. PROPERTY ADDRESS: 250 South Ann Street, Baltimore, MD 21201

16. ☐ Principal Residence ☐ Other Residence

17. SETTLEMENT AGENT: Eagle Premier Title Group, LLC

18. PLACE OF SETTLEMENT: 1118 E. Pratt Street, Baltimore, MD 21202

19. SETTLEMENT DATE: 06/28/2011

**J. SUMMARY OF BORROWER'S TRANSACTION:**

100. GROSS AMOUNT DUE FROM BORROWER		400. GROSS AMOUNT DUE TO SELLER	
201. Contract sales price	235,000.00	401. Contract sales price	235,000.00
202. Personal Property		402. Personal Property	
203. Settlement charges to borrower (line 3400)	21,000.50		
204. Assignment fee	28,450.00		
205. Adjustments for items paid by seller in advance		403. Adjustments for items paid by seller in advance	
206. City/Town taxes	06/28/21 to 06/28/21	406. City/Town taxes	06/28/21 to 06/28/21
207. Ground Rent 5/28/21 to 5/21/21	4.36	407. Ground Rent 5/28/21 to 5/21/21	4.36
208. GROSS AMOUNT DUE FROM BORROWER	280,783.13	408. GROSS AMOUNT DUE TO SELLER	235,323.63
209. AMOUNTS PAID BY OR ON BEHALF OF BORROWER		500. REDUCTIONS IN AMOUNT DUE TO SELLER	
210. Deposit or earnest money	3,000.00	501. Escrow Deposit (see instructions)	
211. Principal amount of new loans		502. Settlement charges to seller (line 1400)	250.00
212. Existing loans taken subject to		503. Existing loans taken subject to	
213. Exchange Escrow Funds	138,955.15	504. Payoff 0004504124	106,028.28
214. Realty Exchange Corporation		505. Arvest Central Mortgage Company	
215. Ground Rent 5/28/21 to 5/21/21		506. Ground Rent 5/28/21 to 5/21/21	
216. Ground Rent due 5/21/21		507. Ground Rent due 5/21/21	30.00
217. Jeffrey J. Silbermann		508. Jeffrey J. Silbermann	
218. MD withholding		509. MD withholding	9,648.13
219. Clerk of the Court		510. Clerk of the Court	
220. Adjustments for items unpaid by seller		511. Adjustments for items unpaid by seller	
221. 20/21 Taxes PAID 28,960.91		512. 20/21 Taxes PAID 28,960.91	
222. Water read 5/21/21		513. Water read 5/21/21	36.78
223. Water 5/21/21 to 5/21/21		514. Water 5/21/21 to 5/21/21	33.13
224. TOTAL PAID BY OR BORROWER	141,955.15	515. TOTAL REDUCTION AMOUNT DUE SELLER	116,028.30
225. CASH AT SETTLEMENT FROM OR TO BORROWER		600. CASH AT SETTLEMENT TO OR FROM SELLER	
226. Gross amount due from borrower (line 220)	280,783.13	601. Gross amount due to seller (line 420)	235,323.63
227. Less amounts paid by/bor borrower (line 225)	141,955.15	602. Less reduction amount due seller (line 520)	116,028.30
228. CASH FROM BORROWER	138,867.98	603. CASH TO SELLER	119,247.33

**K. SUMMARY OF SELLER'S TRANSACTION:**

230. GROSS AMOUNT DUE TO SELLER

231. Contract sales price

232. Personal Property

233. Settlement charges to seller (line 1400)

234. Existing loans taken subject to

235. Payoff 0004504124

236. Arvest Central Mortgage Company

237. Ground Rent 5/28/21 to 5/21/21

238. Ground Rent due 5/21/21

239. Jeffrey J. Silbermann

240. MD withholding

241. Clerk of the Court

242. Adjustments for items unpaid by seller

243. 20/21 Taxes PAID 28,960.91

244. Water read 5/21/21

245. Water 5/21/21 to 5/21/21

246. TOTAL REDUCTION AMOUNT DUE SELLER

247. CASH AT SETTLEMENT TO OR FROM SELLER

248. Gross amount due to seller (line 420)

249. Less reduction amount due seller (line 520)

250. CASH TO SELLER

SUBSTITUTED FORM 1099-B SELLER STATEMENT. This information contained herein is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a refundable penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported. The Contract Sales Price described on line 401 above constitutes the Gross Proceeds of this transaction.

SELLER'S WITHHOLDING. If you are required to file a return, you must report the withholding on line 240. If you are not required to file a return, you must report the withholding on line 240. If you are not required to file a return, you must report the withholding on line 240.

You are required to file to provide the settlement agent (and Tax ID No.) with your correct taxpayer identification number. If you do not provide your correct taxpayer identification number, you may be subject to civil or criminal penalties imposed by law. (OIGP) (Section 6041(c) of the Internal Revenue Code)

SELLER'S SIGNATURE: \_\_\_\_\_

SELLER'S NEW MAILING ADDRESS: \_\_\_\_\_

SELLER'S PHONE NUMBER: \_\_\_\_\_

Previous editions are obsolete

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
**SETTLEMENT STATEMENT**

File Number: EP21-1297  
 TitleExpress Settlement System, Printed 06/16/2021 at 18:17 A/W  
 FINAL PAGE 2

Item HUD-1 (OMB) ref: HHS/BKAC 4305.2

I. SETTLEMENT CHARGES		PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
<b>700. TOTAL SELLER/BROKER'S COMMISSION based on price \$235,000.00 =</b>			
Division of commission (line 700) as follows:			
701. \$	to		
702. \$	to		
703. Commission paid at Settlement			
<b>800. ITEMS PAYABLE IN CONNECTION WITH LOAN</b>			
801. Loan Origination Fee	%		
802. Loan Discount	%		
803. Appraisal Fee			
804. Credit Report			
805. Lender's Inspection Fee			
806. Mortgage Application Fee			
807. Assumption Fee			
808.			
809.			
810.			
811.			
<b>900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE</b>			
901. Interest from	to	at	for
902. Mortgage Insurance Premium for	to		
903. Hazard Insurance Premium for	to		
904.			
905.			
<b>1000. RESERVES DEPOSITED WITH LENDER FOR</b>			
1001. Hazard Insurance	ins. @ \$	for	
1002. Mortgage Insurance	ins. @ \$	for	
1003. City Property Tax	ins. @ \$	747.48	for
1004. County Property Tax	ins. @ \$	for	
1005. Annual Assessments	ins. @ \$	for	
1009. Aggregate Analysis Adjustment		0.00	0.00
<b>1100. TITLE CHARGES</b>			
1101. Settlement or closing fee	to: Eagle Premier Title Group, LLC	255.00	
1102. Abstract or title search	to: Tony Smith	245.00	
1103. Title examination	to: Eagle Premier Title Group, LLC	275.00	
1104. Title insurance binder	to: Eagle Premier Title Group, LLC	99.00	
1105. Document Preparation	to: Eagle Premier Title Group, LLC		
1106. Release Products/Notes/TaxEx	to: Eagle Premier Title Group, LLC		250.00
1107. Attorney's fees			
1108. Title Insurance	to: Old Republic National Title Insurance Co.	3,331.50	
1109. Lender's Policy			
1110. Owner's Policy	259,450.00 - 1,331.50		
1111. Lien certificates(2)	to: Eagle Premier Title Group, LLC	110.00	
1112. Judgment Reports	to: Eagle Premier Title Group, LLC	90.00	
1113. Post-closing/TaxEx/Counsel	to: Eagle Premier Title Group, LLC	125.00	
<b>1200. GOVERNMENT RECORDING AND TRANSFER CHARGES</b>			
1201. Recording Fees Deed \$ 60.00	Mortgage \$	Release \$	60.00
1202. State Recordation Tax	Deed \$ 2,595.00	Mortgage \$	2,595.00
1203. State Transfer Tax	Deed \$ 3,297.75	Mortgage \$	3,297.75
1204. City Transfer Tax	Deed \$ 3,891.75	Mortgage \$	3,891.75
1205. Transfer/record/imp.deed	to: Clerk of the Circuit Court/UP		595.00
<b>1300. ADDITIONAL SETTLEMENT CHARGES</b>			
1301. Surveys			
1302. Pest Inspection			
1303. Document Archival	to: Document Archive Systems	50.00	
1304. 2021/22 Taxes due 7/1/21	to: estimate	9,750.00	
1305. Water Excise to record		200.00	
1306.			
1307.			
1308.			
<b>1400. TOTAL SETTLEMENT CHARGES</b>		23,009.50	250.00

HUD CERTIFICATION OF BUYER AND SELLER

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all amounts and disbursements made on my account or for me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement. I agree to further adjustments in the event of errors or omissions and indemnify and hold harmless Settlement Agent against such errors or omissions.

Signature/Stamp to be sent through escrow/escrow coordinator

You will then need to coordinate everything with your end buyer and seller. You will let them know when to arrive at the title company and what to bring. Have the end buyer and seller arrive at different times. Then, simply make sure that everyone arrives on the closing date so that you can get paid! Once your first deal closes, you will feel incredible and will see just how amazing this business can be. Now, all you will need to do is repeat the process and do it again and again!

# Closing Remarks!

## Let's Work Together!

Thank you for taking the time to read through this guide. I truly hope that you have enjoyed what you've read and now feel prepared to take a leap of faith into the wholesaling world. You are on track for remarkable change. Building your business will take time, patience, and energy but the methods that we teach in our programs are methods that have been time tested and proven. Make a promise to yourself to not stop until you succeed.

My mission through public speaking, books, and online programs is to help 100,000 people close their first deal and to create 100 millionaires through my insider's circle. I pride myself on helping others see their true potential and pushing them to new levels both mentally and financially. **If you are serious about taking your business to the next level and want to work with me personally, book a call with myself and my team at [www.calendly.com/reidiscoveycall](http://www.calendly.com/reidiscoveycall).** Together, we can create systems and processes so that your business can thrive and reach levels further than could ever imagine. See you soon!

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