Ron LeGrand's ®

Wholesaling Houses Step By Step

V.05162023

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Wholesaling Step By Step

What We Will Cover

- Where This Will Work
- What Are The Target Properties And Conditions
- Advantages And Disadvantages
- Most Common Mistakes And How To Avoid Them
- How To Prescreen Your Prospects Quickly To Buy And Sell
- How To Construct Offers That Get Accepted And Ensure A Profit
- Where To Find The Best Deals In The Shortest Time
- How To Estimate Repairs In Minutes
- How To Sell Quickly To Hungry Buyers
- How To Work With Agents To Leverage Your Time And Increase Your Income
- Most Common Questions From Students
- How To Put Your Business On Automatic Pilot

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My Last 2 Wholesale Deals

House 1

Purchase Price	$ 59,000
Sold	$ 96,000
Net	$ 37,000
Time	16 days

House 2

Purchase Price	$ 61,500
Clean Out	$ 3,000
Sold	$112,000
Net	$ 45,000
Time	31 days

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Where Will This Work?

It will work in all price range houses anywhere in Canada or America. It works best in lower priced markets simply because it's easier for your buyers to raise the cash needed to purchase the property. However, I have students in both high and low priced areas doing very well by simply finding the bargains and passing them on quickly to bargain hunters. The low dollar areas produce more deals but less profit per deal. The higher priced markets produce larger checks but they are harder to find because of market demand from owner occupants who can raise cash. Both markets can be worked effectively with the ability to structure offers properly.

I'd suggest you work well below the median price all the way down to low income areas, even war zones.

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Is It Worth Your Time?

The minimum wholesale deal is worth $10,000 in low priced areas.

Using the $10,000 figure it would only take 10 deals per year to yield a $100,000 income.

When properly trained, an investor should get at least one offer accepted for every 10 – 15 presented on bank owned houses and about one out of three on prescreened FSBO's.

Therefore, using 15 offers per deal, a whole year's work would consist of making 150 offers to make $100,000 and that's a very conservative plan. I won't touch one for less than $20k net and most pay more.

That's 13 offers a month or 3 per week. And that's assuming you don't get better than 1 out of 15 and you don't make more than $10,000 per house.

Is it worth your time? Perhaps you should be asking…is your job worth your time? It's a part time business with a full time income.

What if you get serious and flip 5 a month at $10,000 each? That's $600,000 per year. Somewhere in here is a real business better than most any franchise and you owe me no royalties or franchise fee.

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Wholesaling Disadvantages

- Limited to houses that can be bought well below market value.
- Only one payday on each property.
- An investor focusing on wholesaling will only achieve 20% - 30% of the total income potential of those using all methods available.
- May be difficult in high priced areas because the buyers must produce larger sums of cash.
- The current market condition generates a lot of competitive activity.
- You'll need proof of funds to make offers on MLS houses. We will address here.

Note:

A few states have outlawed assigning contracts unless you have a real estate license. This does not prevent you from closing the house and quickly selling it. This will require private lenders or your money.

Wholesaling is a great use of your Roth IRA if it has the funds to close.

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Wholesaling Advantages

- Requires very little training.
- Need very little money and no credit.
- Very little risk.
- You can generate lump sums of cash quickly.
- Can work from home with minimal overhead.
- Requires only small amounts of time.
- No tenants or buyers to qualify.
- No long term delays.
- High income potential.
- Fast track to job replacement.
- No repairs or contractors.
- No license required.
- Ample supply in today's market.
- Can wholesale in any state from you state.
- No appreciation, no depreciation, no debt relief, no forfeited deposits

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The 15 Step Quick Start Guide

The following are guidelines to help you through your first deal. These guidelines contain some easy to follow steps you should be able to complete during your first few days as a real estate entrepreneur. Proceed at your own pace. I realize some people have a lot of things going on in their lives and time is at a premium. Others want to get started immediately and proceed as fast as possible. Regardless of whether you complete these steps in fourteen or thirty days make sure you complete them. Don't skip any. You can't rush success by bypassing the basics. In fact, if you want to create a sure-fire plan for failure, ignore these steps and make up your own rules as you go. I did it and learned my lesson.

My refusal to listen and my rushing to succeed cost me about five hard years of learning from the school of hard knocks as well as several million dollars in stupid mistakes. Don't let this same thing happen to you. I'm recommending these steps because I know they will work if you let them.

There are only two ways to learn anything. The first is the hard way. Inventing the wheel and learning from one battle after another can be a very expensive education, not only in lost money and time.

The second is to learn from someone who has walked before you and smoothed the pathway. If you take this route you'll be glad you did. It's quicker, easier and a whole lot less expensive by far. Following this path may mean the difference between success and failure.

You can improvise a little here and there. I'm a firm believer in testing new things as you grow. Many of my students have done much better in their first year than I did in my first five. The reason is simple:

I Had To Create The Basics, *You Don't!*

The students who quickly excel are those who do much of what I ask and don't constantly work to outsmart me. Spend your time processing deals as I've laid them out for you in your course and you should find yourself making money very quickly.

I've spent over 41 years and personally done hundreds of deals. I've trained thousands of students nationwide. I'm the best qualified person on earth to help you quickly make money with single family homes, with little or no money, no credit and almost no risk. I know what works and what doesn't and how straying from the basics even a little can make the difference between making money or not. So, for now, trust in your new program and let's get to work.

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Step 1: Learn the Basics

Regardless of your education, current lifestyle or past experience, you can't learn what I know unless you take the time and make the commitment to do so. Please, make the time and do whatever it takes to absorb the material it has taken me so many years to compile and qualify to offer to you. Your family will be glad you did.

If you purchased this course, it's a very easy way to learn the business at a minimal cost.

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Step 2: Identify The War Zone

Obtain a map of your city and have it reduced to an 8½" x 11" size. You may use both sides and split the map in half, or, if necessary, use several sheets. Any copy center can do this for you. Identify your residence with a dot and write home above it. Then draw an outline around the areas you consider to be war zones. Write War Zone inside this area.

If you don't know where the war zones (low income, heavy crime) are in your city, get the help of someone who does. This can be a member of your local real estate association, a Realtor, a landlord, an appraiser, a postman, meter reader, or anyone else who is knowledgeable enough regarding your city. You will need to research and pinpoint these areas, which you'll only have to do once. You'll get better as you get out in the field, but most cities have war zones that are common knowledge. Find all you can and indicate them on your map.

If you live in a large city such as Chicago, Los Angeles, Atlanta, the Washington D.C. area, etc., it is not necessary for you to locate every single war zone. You won't need to. The purpose of this exercise is to acquaint you with your city, not to make you a map maker. It won't be difficult to locate these areas in any city with a population of one million or less. In the larger cities, simply locate as many as possible.

There's a lot of money in war zones with wholesaling—not rehabbing.

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Step 3: Locating Ugly Prospects

See Lesson on Locating Prospects For Terms & Cash Deals

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Realtors

All bank owned properties will be listed and most in the MLS. This is a viable source of deals today, but not without a price.

Here's the downside:

- This is the easiest place to find cash deals so it's the most worked, thus a lot of competition.
- You'll have to make 15 – 30 offers to get one accepted at a price I'd approve (coming up).
- Realtors want to control everything and you'll have to learn to handle them correctly. This will take time and likely a little frustration to learn.
- You'll need larger deposits and proof of funds, unlike FSBO's (coming up).
- Some investors do nothing but use Realtors to buy houses and that's a recipe for frustration and failure. Consider them only one way to find deals…not the way.

Here's the upside:

- There's a plentiful supply of bank owned properties that must be liquidated in all price ranges.
- They're all free and clear and delivered with clean title.
- There's no short sale to negotiate or long time delays.

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- No pre-foreclosure laws you'll inadvertently violate because the house is no longer lived in.
- The agents do almost all the work, leaving you free to do other things.

You'll be using Realtors only for buying all cash deals. No "subject to", seller financing, options or anything outside all cash.

Do not try to educate agents. Work with them the best you can to make them comfortable with you but don't try to change their comfort zone.

When you find an agent who sounds serious about working with you, have them set you up with a daily feed of properties through the site they use.

I use ListingBook.com. It's available in many states. If not, they will have another service that will do the same thing.

You'll set your own parameters and only those houses will come through.

I set 3/1 minimum, 1,000 sq. ft. minimum, condos, townhouses are okay and I picked the areas.

Note—We don't use Realtors on the Terms business.

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Finding The Right Realtors

There are only two ways to locate them, either find the agent first and back into the houses or find the houses first and back into the agents.

I prefer the later but do both.

If you're driving around looking for houses or have your ant farm set up, you'll find plenty of ugly, vacant houses with agency signs in the front yard. This will back you into the proper agents because they have bank owned houses listed and understand that part of the business.

Now you simply call the listing agent on the sign and ask for the MLS printout so you can make an offer. You should also ask for comps and anything else he/she knows that would be helpful. Here's your script:

"Hello _____, I'm inquiring about the house at 123 Main Street with your sign on it. Could you fax/email me the MLS sheet on it if it's still available so I can get you an offer tomorrow?"

Pause – Wait For Answer

"I buy 2 or 3 a month and I've got some capital I need to put to work quickly. Do you have more like this you can send?"

This dialogue will get their attention if you say it with conviction, but don't assume you've impressed them much. They hear a lot of hot air from so called investors and will need to see some serious intent before their trust level goes up much.

If you do this with all the houses with agency signs, soon you'll have a flood of prospects coming at you every week, all from the listing agents who don't have to share their small commission.

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Keeping Good Agents

Here's a list of things not to do:

- Never disclose you must sell to raise the money.
- Do not ask them to show you houses. You don't need them to waste their time. You can see them for yourself.
- Don't insist on using your agreement. Use theirs or the lenders or you lose.
- Don't get cheap on the deposit. It's $500 - $1,000, up to $2,000. Any less may not meet seller's requirement and indicates you're broke. <u>You only need one deposit with multiple offers until your second offer gets accepted.</u>
- Don't remove their signs or change locks behind their lock box.
- Don't keep the house off the market for the full escrow period if it becomes obvious you won't close. Tell him/her you can't close and why and release it. Yes, you will lose your deposit. It's the honorable thing to do and you may save the relationship in the process.
- Don't build your business with only one agent in your life. One is the worst number is business.
- Don't let the agent push you into doing things you don't want to do, such as close early. You tell them when to close.
- Don't get cocky and think you have all the answers or assume because an agent wants to do things different than your norm that they are wrong and you're right. Shut up and listen and you'll learn a lot from people who spend their lives with real estate. This includes the right vendors to make your life easier.

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When you find one or two you like, you can now ask them to find you some good prospects in the MLS from other listings and begin an ongoing relationship.

Here's my search criteria:

- **Area I Want To Work** – You can cover a lot of area with wholesaling because you'll never visit the house more than once and maybe not even once.
- **Price Range** – The wholesaling business is best done in the bottom of the market. That depends where you live. For the majority of the US, that means houses with ARV's from $75,000—$150,000. Other markets in the US and Canada could go as high as $300,000 - $400,000, but you should still stay at the bottom of your market where people who can qualify for loans want to live.
- **Search Words** – Bank owned, foreclosure, REO, needs work, TLC, special addendum required, etc. – your agent will know them and use them.
- **Time On Market** – The best deals are not those fresh on the market. The longer they've been listed, the better prospect they are and the better price you can get. Once the market has played out for two to four months, the banks are much more flexible and will move the houses, even at prices less than they were offered months or even weeks ago.
- **Square Foot Multiplier** – Here's an easy trick I learned. If the average house in a neighborhood in excellent condition sells for about $100 per foot, ask your agent to pull up all listings less than say $70 a foot. That means the house or the seller likely have a problem.
- **The Spread**– The larger the spread between the asking price and the ARV, the better the prospect.

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Step 4: Prescreening Your Ugly House Prospects

Actually, you have already done most of the necessary prescreening if you've followed the previous steps as I've laid them out. However, there are things we need to discuss to ensure you have a clear understanding of what constitutes a good prospect. I've thoroughly covered this in the course. It would pay you to review the course again instead of chasing dead end leads. In a nutshell, a good prospect to be purchased wholesale will have the following components:

- Probably vacant (not mandatory)
- Probably needs a lot of repairs (not mandatory but these are usually good prospects)
- Asking price is at least 30% below ARV
- Has a lot of equity or is free and clear (mandatory unless you intend to short sale)
- At least 1000 square feet and preferably 3 or more bedrooms

Once you have compiled a list of suspects, the next step is to whittle the list down to the best prospects as described in your course as well as above. We don't have time to chase dead ends. Our objective is to deal only with the prospects that have the best chance of success. The better you get at prescreening the easier your job will become. You'll begin making more money with less work. However, I'm fully aware that all crafts have to be learned by doing things wrong so you can learn to do them right. In the beginning you'll spend time on unqualified prospects. It won't hurt you a bit as long as you don't lose sight of the main objective.

Weed Out And Deal With Only Motivated Sellers, Unmotivated Sellers Will Quickly Destroy Your Confidence.

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With FSBO's, when you've found a motivated seller you'll know it. You'll see a whole different attitude. Many times they will ask you if you can help them, not grill you on why they should allow you to buy their home. Just remember, you are in control, you don't beg, drag or plead with anyone. They are either in or out. Your job is to prescreen, not to try making an unmotivated seller motivated. Make or take the call, get facts and control the conversation in a polite and friendly manner. Those who want to play will surface quickly. Remember, some will, some won't, so what, someone's waiting. If speaking to people is a problem for you, you have two choices. Get someone else to do it or make offers only on listed junkers. This way the agent makes the contact with the seller.

Before proceeding to the next step, you should have a pile of prescreened prospects amassed from a heap of suspects. Remember, prescreened prospects only. If at this point you don't feel you have any worthwhile prospects to work with, don't move on until you do. I'd rather you stop here and keep looking than get beat up by an unmotivated seller. If you're a brand new real estate entrepreneur my experience tells me you can't take much rejection before you convince yourself there aren't any motivated sellers out there.

There are plenty! More than you will ever come in contact with in a lifetime of looking. However, you must look in the right place or the right brand of prospects. Remember, it only takes one little wholesale deal to put several thousand dollars in your pocket. Once you master these steps, you can do several deals per month or just an occasional one. It all starts with:

Locating And Prescreening Prospects

Your prospects will either be **FSBO's** or **Listed**.

For FSBO's, use the script on the next pages.

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For listed properties, the biggest qualifier I use is all the houses that are listed well below the ARV, at least 30%. Some are listed at MAO or below (coming up). I will instruct the Realtor to seek out only these prospects but there are other considerations to help the search.

- Area I want to work
- Price range I want to stay in
- Search words such as foreclosure, bank owned, needs work, TLC and many more any REO Realtor will know.
- Time on market. The longer it's been for sale the easier it is to buy.
- Price per square foot search. If the average house in a neighborhood in good condition is selling for $100 per square foot, I may ask the agent to pull up all houses listed at $70 per square foot or below. That means the house or seller likely has a problem.

Before you can prescreen any house, pretty or ugly, you must know:

- The ARV – After Repaired Value
- The asking price, only seller knows.
- The loan balance, only the seller knows.
- Approximate repair cost, your best guess.

The ARV is easy to obtain and on listed properties the agent will get for you.

The asking price is on all listings and if it's bank owned there is no loan.

The repairs you can do from a photo with a little practice and a visit to Quick Start Real Estate School. See the resource section.

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Script For Prescreening FSBO's
Appear To Be All Cash Deals

"First Name, if I pay you all cash and close quickly, what's the least you can accept?"

(Regardless of the answer):

"Is that the best you can do?"

(Regardless of the answer):

"So you're saying if I don't pay you _____ , you won't sell me the house?"

- If you like the answer, get a contract
- If you don't like the answer, leave the door open

"Well, I'm sorry but I just can't pay you what you're asking. Let me know if things change."

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Lead / Property Information Sheet

Client/Student:_____ Email:_____

Date:_____ Owner's Name:_____

Source:_____ Cell Phone:_____ Evening:_____

Address:_____ ★ Asking Price:_____

City _____ State:_____ ★ What do you think it would appraise for:_____

Area of Town:_____ Your Comps:_____ Rent Comps:_____

Phone:_____ *Rentometer.com

★ **Existing Mortgage Information (must have)**

1st - $_____ Lender _____ _____% Pmt _____

2nd - $_____ Lender _____ _____% Pmt _____

Is Payment PITI? Yes No Is Payment Current? Yes No If No, $_____ in Arrears

A If asking price and loan balance are within $35,000:
Will you sell the house for what you owe on it? **Check One**

Yes - OK, I'll have my boss call to set an appointment.
What's the best time? _____

No - If we take over your debt and pay all closing costs, what's the least you could accept for your equity?

$_____

B If the seller didn't disclose mortgage info or are unsure of the balance, OR If the home is owned Free & Clear: We can either pay cash or make your payment until you're paid off in the future. The cash price would be considerably less than the terms price, but if you don't have to get all your cash now there's a lot of advantages to terms. Would you like my boss to call you and go over them so you'll know all your options?

Yes - OK, you'll hear from them shortly — May I have your email address, please? _____

No - So you're saying you have to have all cash now?

Yes - What's the least you can accept for all cash? $_____
OK, just a few more questions.

How did you arrive at your asking price? _____ Reason for selling? _____

Does it need repairs? No Yes, approximate amount? _____ Vacant Occupied

★ When do you want to move? _____ Is the house listed? Yes No

Client Use Only →
Down $_____
Month $_____
Term _____

Description:

★ Bed/Bath _____ ★ Square Feet _____ Lot Size _____

Construction: Frame Brick Block Stucco Other _____

Garage: 0 1 2 ____ Amenities: Carport Basement Refrigerator Range Dishwasher

★ Is it House Condo Association fee $_____ per Month Year

Notes:_____

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Step 5: Determining Market Value

You must decide how you will determine the After Repaired Value (ARV) of the prospects you will soon be seeking. There are several ways to do this. How you go about it depends on your experiences and current involvement in the real estate field.

Your Choices Are:

1. You're licensed and have access to the Multiple Listing Service (MLS).

2. You know or will find a real estate agent who can do market analysis for you. Since you will be making offers on some listed houses, the listing agent should provide the After Repaired Value (ARV) on these. This can also lead to a relationship to get comparable sales done on non-listed houses.

3. If you're contacting the seller directly you should always ask what he/she thinks the house would be worth if it were in excellent condition. This may or may not be a real number, but it's something to go by until you can do a more diligent investigation. Always ask how they arrived at the value. If it came from an agent's analysis or an appraisal. Remember, if the house is ugly it's probably the "as is" value. You're looking for the after repaired value, so it should be higher. If the seller's figures came from the tax assessment or Zestimate, it's usually well below the real market value.

Here's a list of websites you may find useful in researching your market analysis:

www.domania.com

www.eppraisal.com

www.Trulia.com

www.Zillow.com

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How To Determine The True Market Value

The only way to find the market value of a house is to do a:

Comparable

Market

Analysis

When a CMA is prepared on a house, only houses that are **SOLD** can be used for comparison.

The following items make up a CMA.

1. Recent Sale
2. Close in proximity
3. Close in square footage

If three very close comps came in at $243,000, $239,000, $245,000, what would you price your house at after putting it in excellent condition? Mine would be $245,000.

<u>This is the ARV (After Repaired Value)</u>

You may not want to rehab the house, but must look at it like your buyer will.

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Step 6: Constructing All Cash Offers

By now you should have a list of ugly house prospects. When constructing offers on junkers the formula discussed in the course must be understood and applied. Review it until you feel comfortable with how to arrive at an offer based on the information you've collected on the house. To do this you must know the ARV and an approximate amount needed for repairs. Neither needs to be exact, but both should be in the ballpark. The ARV should be within 10% plus or minus and repairs can be as far off as 50% on most houses.

I've discussed how to determine the ARV in this guide. I will also cover repairs. If you don't feel comfortable estimating repairs after listening to the course, remember, you don't have to be that close. A few thousand dollars off will not destroy the deal if you make offers as I've taught you to do using my system. You'll learn as you grow. We've discussed ARV. Now let's cover estimating repairs and what to offer.

General Rehab Costs For Major Components

The following estimated rehab costs are based on a 1,200 square foot, single story house. These costs are only a guideline. If you intend to buy and rehab the house you should get repair estimates before you close. These numbers include materials and labor.

- **Floor Covering** – $5.00 per square foot, regardless of whether it's carpet, hardwood refinishing or tile.
- **Windows** – $325 installed. The windows actually cost $125-$175 each.
- **Interior Paint** – Estimate $2.50 per square (house size)

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- **Exterior Paint** – $2.50 per sq. ft. for the whole house including trim.
- **Roof** – $6,000-$8,000 should totally replace our model roof. This does not include a lot of rotten wood replacement.
- **Central Heat And Air** – $4,500-$6,000 with all new equipment. This does not include changing panel box.
- **Kitchen** – $4,000 - $6,000 assuming you're gutting the kitchen and replacing 6' of upper and lower cabinets, sink, granite counter top, faucet and labor. This includes stainless steel appliances.
- **Bath** – $1,500 assuming you're gutting the bath and replacing tub, toilet, sink and cabinet and wall fixtures.
- **Electrical** – $1,500 will replace the panel box with a 200 amp system in most areas. This is usually the biggest electrical expense. All the rest will normally be done by your general rehabber – items like fans, lights and plug replacements.
- **Plumbing** – the only plumbing in our model is kitchen, bath, water heater and pipes. Kitchen and bath are already covered above. A water heater will cost about $500 installed. Pipes are not a major component and are very inexpensive to replace.
- **Garage Doors** – $1,000 for a single, $1,600 for a double, installed.
- **Concrete** – About $6 per square foot.
- **Asphalt** – About $5.00 per square foot.
- **Rotten Wood** – This is not a major component unless there's an excessive amount of damage. The cost will be in the hundreds as a rule, not the thousands. Wood is relatively cheap to fix. Don't let it scare you away.

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- **Miscellaneous** – $3,000 minimum, but usually runs about 20% of total rehab cost. This can only be done on a case by case basis.
- **Foundation** – There's no way to put a figure to this because of the varying degree of situations. However, foundation problems usually cost a fraction of what they appear. This creates opportunity for you and should not scare you off. Once you get a feel for what foundation repairs really cost, you'll probably be looking for them.

Note

These numbers are based on a 1,200 square foot, single story house. You must adjust upward for larger houses.

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Miscellaneous Repair List

Interior	Exterior
Mini Blinds	Screens
Glass	Landscaping
Doors and Hardware	House Numbers
Light Fixtures	Mailboxes
Wall Repair	Minor Wood Repair
Wall Paper	Termite Treatment
Ceiling Fans	Roof Repair
Range Hood	Gutters
Faucets	Trash Removal
Minor Plumbing	Outbuildings
Dishwasher	Pavement Repair
Shower Curtains	_____
Medicine Cabinets	_____
Toilets	_____
Electrical Switch Plates	_____
Broken Tiles	_____
Minor Repairs	_____
Hot Water Heater	_____
Appliances	_____
_____	_____
_____	_____

Do not try to estimate these items individually. This list serves only as a guideline of items we try to classify as miscellaneous. Usually the miscellaneous estimate will fall between 15 – 30% of all other repair costs. This is strictly case by case.

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Determining The MAO (Maximum Allowable Offer)

All Cash Offers (ONLY)

(DOES NOT APPLY) To Pretty Houses Where You Take Over Debt

	% of ARV
1. Determine the After Repaired Value	$300,000
2. Subtract the Repair Costs	Can't use % ($30,000)
3. Subtract the Purchase Costs (This does not include down payment or purchases prices.)	1%
4. Subtract the Holding Costs (Add payments when applicable)	2%
5. Subtract the Sales Costs (3% without Realtor)	3%
6. Subtract minimum acceptable Profit	20%
7. Subtract a Hedge Factor (Approx. 3% - 5% of sale price.)	4% 30%

8. The result will be your Maximum Allowable Offer.

(MAO). THIS IS NOT YOUR OFFER, but only a threshold you can not cross without sacrificing profit.

Simple Formula

ARV x 70% - Repairs = MAO

(ARV x 80% - Repairs = MAO (when ARV exceeds $300,000)

$300,000 x 80% = $240,000 - $30,000 = $210,000 MAO

Never Pay MAO

Your max offer is MAO less $10,000 on cheap houses. I won't pay that. The uglier the house the farther below MAO you can buy it.

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Step 7: Presenting Offers

If you're working with agents you should only be dealing with ugly houses or short sales. In this case presenting offers is easy. They will do it for you. Your job is to locate and prescreen the prospect and then tell the agent what you'll pay. They'll do the rest.

Never tell an agent you need a buyer before you can close. This is an instant deal killer. If the agent suspects you don't have funds available they will be very reluctant to work with you. You must act credible and present your offer with conviction. Act like you have the money, even if you don't. If agents become a problem you'd rather not deal with then simply don't make offers on listed houses. There's a whole city full of FSBO's just waiting for you.

If the house is listed be prepared to put up an earnest money deposit with a minimum of $500 to a maximum of $2,000. If any more than this is required, you may elect not to deal with the property or agent until you get a little more experienced.

When making offers with FSBO's on junkers the terms are simple. Will the seller accept what you're willing to pay? If so, write up an agreement. If not, what will they take and will they finance for you or is all cash the only offer they will consider? This can be done in person or by phone. If the seller is out of town then obviously it will be by phone.

I usually get 30 days to close, but rarely take that long.

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If your offer is orally accepted you must get it in writing as fast as possible and send the seller a $10-$100 deposit for consideration. Do not go to the next step until the signed contract is in your hands.

Before sending the contract to the seller, ask if he/she is the only one on title. If not, all sellers must sign.

If one is deceased, ask seller to return a copy of the death certificate and a copy of their deed with the signed contract. Send both to your closing agent in the next step.

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Where Do I Get Proof Of Funds?

In today's market you will not buy bank owned properties without proof of funds. You will need it with all MLS and auction properties.

You can use any bank statement from a relative or friend or even a private lender. The statement usually does not have to come from the buyer's account.

You may also use anyone's IRA accounts, stock or money market accounts.

If you can't provide proof of funds, your only choices are to:

- Make an offer on FSBO's only.
- Get a partner to supply POF and maybe even the capital to close if needed.
- Any private lender can also provide POF.

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Step 8: Preparing An All Cash Standard Purchase And Sales Agreement

If the property is listed, this will be the agent's responsibility. All you need to know is the offering price, size of deposit you're offering, costs you're willing to pay, buyer's name and time you're asking to close. He/she will do the rest. You'll pay customary closing costs and need 30 days to close. You should meet little or no resistance to these guidelines in most cases. If you meet resistance, it will probably be the deposit. Some agents will want more. In today's market, you will need proof of funds to attach to most listed bank owned houses.

The offer must be made in the entity you wish to close if it's bank owned. No assignment will be permitted and the words "and or assign" will kill your offer.

If you don't intend to close yourself, you can make the offer in an entity, as trustee then close in the trust with your buyer participating. He/she must understand they can fire your entity as trustee at will and replace with their own after closing or even at closing with a cooperative closing agent.

Creating your own agreement to buy junkers from FSBO's may seem scary in the beginning. However, if you'll take time to read over the agreement in your course, I think you'll find them manageable. All you do is fill in the blanks based on your understanding of your agreement with the seller. It's always a good idea to have the agreements you

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intend to use checked by a professional before using them. Some states may require an additional disclosure form or have some provision that should be in your agreement.

Presenting offers and preparing agreements will be quick and easy to learn, but can only be mastered with practice. When the seller is ready to complete the paperwork, you should be prepared to do so on the spot. This involves producing your agreement and briefly discussing the context.

You must make sure all owners of the property sign to have a valid agreement. The best way to verify ownership is to see the seller's deed or other legal documents showing ownership.

Always retain the original agreement and leave the seller a copy. It's not good practice to write up two original contracts by hand.

Watch me go through contracts to buy both pretty and ugly houses at **RonLeGrand.com/contracts**.

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Step 9: Check The Title

Here you are with your first deal under contract to buy. Only a few days or weeks from cashing in. That's great, but before we start the process of selling a junker to a bargain hunter, there is a very important step we must complete.

Either a title company or an attorney must do a little title search to verify there are no liens on the property other than disclosed by the seller. They will also verify the current owner is the only owner and there are no other parties of interest. Until this process is complete, you're not ready to sell. Most states allow title companies to close real estate transactions. Some require attorneys to close. A call to a local title company will acquaint you with the answer.

Ugly Houses To Wholesale

If the property you're buying is an ugly house that was listed with an agent, he/she will want to handle this for you. Simply ask who he/she intends to call for the title work. Tell him/her you'd like to handle the title yourself. If no agent is involved, see **'How Do I Find An Attorney And A Title Company?'** in this manual.

Either call or visit this title company or attorney or pick another of your choice. Hold a short conversation with them about a simultaneous closing and assignment. You must make sure your closing agent won't be a problem when it comes time to close. This is important to ensure the continuity of your deal. Agree on a price for this service before you order a search. The cost should not exceed $150. If it does, shop around. Also, make sure the cost of a search will be deducted from the actual title insurance cost when you close. This is important because you can get a rebate at closing if the seller agreed to pay title insurance or you'll get your policy cost reduced by the cost of the search fee.

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Remember, with a wholesale deal you'll be buying and reselling quickly. This will require a title policy for your buyer. Therefore, you won't need a title policy, only a search. Do not let your Realtor get wind you are doing a simultaneous closing. Make certain your title agent doesn't divulge this information either. When you're satisfied the closing agent will perform without being an obstacle, you may order a title check and deliver a copy of your Purchase Agreement if you're doing a closing. If you don't feel comfortable with your conversation with the closing agent, find another. This whole process should take place within three days after you get a signed Sales Agreement in your possession.

A title search should not take more than three days to complete. Be sure you clarify this up front. If you're told it will take longer, get the title agent to agree to three days or less, or move on to another. Get a file number for easy reference when you call back to check on the results. All files are referenced with a number, which is assigned at the time of your order. Call back in two or three days to see if the search has been completed. If so, ask if any problems exist. If the answer is no, move on to the next step.

If yes, ask what it will take to clear the title. Report these results to the Realtor, if applicable. Do not go to the next step until you have the clear title. If there is a title problem and no real estate agent is involved, your findings should immediately be relayed to the seller.

At this point, you can void your agreement or get legal help to clear up the problems. The cost should be covered by the seller unless you're willing to cover them yourself. If the seller is not willing to do what's necessary to clear title problems, you can elect to do so or pass. Sometimes title problems can be cleared by a simple document being signed by an affiliated party. Other times, major title problems may occur, which will prevent you from selling the house. That's why this step must take place before your proceed in finding a buyer.

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Step 10: Getting Ready To Sell

Once you know the title is clear, the next move is to prepare the house for sale. This won't be difficult because in most cases you're selling it in "as is" condition if it's an ugly house. So the only concern is when it can be occupied. When wholesaling a house you won't even need to put up a for sale sign. In fact, you shouldn't in most cases since you don't own the house. A sign is not necessary and may attract attention from the seller or agent if placed without permission. If you're using an agent and buying an institutionally owned house, you'll find it difficult to get possession of the property during escrow or permission to clean it up and get a key. It becomes a liability issue. An agent's sign on the house is not a problem once you have a contract.

If the seller is not an institution, it's much easier. You can do pretty much what you can get permission to do. If the yard needs cleaning or the house is trashed and you don't mind getting it done, simply ask. You should be able to get a key as well. However, you are not to spend much money or make any alterations to a house you don't own. Remember, you're selling "as is" for a wholesale price. Your buyer is getting a good deal because of the condition of the house. The most you will do is clean up the premises and secure the doors and windows and usually you won't do that.

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Step 11: Attract Buyers

It's now time to run an ad on Craigslist and every online source you can locate to place the ad. Put "Your City" Classified Ad Sources" in Google and make a list of sources. Make sure you're set up with a place for them to go to respond. It could be simply an email to you, which should trigger an autoresponder to them with:

- Location
- Asking price
- Bed/Bath and Square Feet
- Your estimated ARV and repairs
- Your contact info, once they see the house
- Instructions to call you after they see the house with your number

Now you've captured their email addresses, which you should now save to build your buyers list, which is your most important asset in this business. See sample email enclosed.

Handyman Special, Cheap, Cash

(Your Phone Number And Email Address)

Make sure you or someone working with you is available to take calls or return them.

Note - Our VA's will do this for you.

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Don’t volunteer any information. Answer only what you’re asked and send the prospects to the house you have advertised. Tell them to get in if they can and to just look if they can’t. If you have used my formula for making your offer and are reasonably close on your ARV and repairs, your asking price should be below MAO, which should be at least $10,000 more than you agreed to pay.

You are not to visit the house with your callers. They will call back if they’re interested or respond by email. Continue this process until you get a buyer who wants to give you a $1,000 deposit. Make certain they can look into all the windows. You are not to show the house. Let the house show itself.

Stand your ground. No need to negotiate. Price at MAO or a little above, not based on your purchase price.

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Sample Email Auto Responder
(This Will Go To Your Prospect Immediately Upon Their Response To Your Ad)

Thanks for your inquiry. My house is located at 123 Main St. which is in the Northside. It's a 3/2 with 1,283 square feet and concrete block construction. My comps show it's after repaired value to be about $250,000 and our best guess is $40,000 in repairs. The price is $125,000 cash, no terms please. The lock box code is XXXX.

There's a Remax sign in yard. Ignore it and call me, Ron Grant at 904-555-5555 if you want the house or email me and I'll submit an agreement.

I get houses like this occasionally and if you would like me to notify you when I do, please answer a couple questions below so I can do so.

What areas would you like to buy houses? _____

_____

When I send you a good deal, can you close within _____ 15 days _____30 days _____ longer?

What's the maximum cash you can raise for a deal? _____

What after repaired price range would you prefer? _____ to _____

Thanks! Contact me as soon as you've seen the house. It won't last long at this price.

Submit Now

(Your Link and Phone Number Here)

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Step 12: Prescreening Buyers

You've run a handyman special ad and you're getting calls and emails from prospective buyers. You've sent several to the property and now one calls you back who shows serious interest and says he/she wants the house. Ask your buyer when he/she would like to close. If the answer is ASAP, you have a real prospect. Any other answer is not acceptable unless you're convinced your buyer is real and can perform. If no agent is involved, this can easily be done by getting a key from the owner if you haven't already done so. We do not show houses.

If an agent is involved, ask him/her if you can get a key to show the house to the prospective contractors. Most will cooperate, some will not. If this presents a problem, make sure buyers can see through all the windows.

You'll be surprised to learn when you leave enough profit on the table for your buyer, they will usually find a way in or agree to buy without entry. Your common sense applied to the circumstances surrounding the deal will guide you to the right choice here. Use your own judgment.

I've been known to put a new lock on the back door with a lock box and key.

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Step 13: Getting A Commitment

Until you have a deposit from your buyer, you have nothing but hot air. Never stop selling the house or building your buyers list and never assume it's sold until your have a check from a closing agent for the full amount.

Even when you get a deposit, you don't know it's sold until you get the money.

There are two key ingredients to ensure that happens. The first is getting a deposit and the second is limiting the closing time so the deal isn't in jeopardy unless you raise the money and buy it.

Deposit

I will not accept less than $1,000. Anything less quickly tells me it's a time waster trying to tie up my house to flip and chance of closing is 50/50 at best. $1,000 isn't a lot but it tells me at least there's serious intent from my buyer.

However, if you go to the extreme here, you'll lose a lot of good buyers. A $5,000 deposit on a $50,000 sale will meet strong resistance and you'll sit on the house a long time.

The deposit should be made out to you or your entity but don't let it lose a sale if the buyer insists it to be your title company or attorney. Notice I said YOUR title company.

Never let a buyer use their company to escrow your deposit. It's made out to you or your closing agent or tell your buyer to take a hike. NO EXCEPTIONS!

The deposit from your buyer should be the same or more than the deposit you gave the seller if you don't own the house. This may be difficult in the case of some bank owned houses you buy at auction or through the MLS because in today's market, some are asking up to 10% for the deposit. You'll find it very hard to get your buyer to give you a

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10% deposit because you don't have the credibility of an auction house or real estate firm with a government regulated escrow account. If you go for 10%, you'll likely need to use your title company's escrow account to offset some scrutiny.

Caution

Make sure your title company or attorney produces an escrow agreement that automatically gives you the deposit if buyer doesn't close. This will eliminate his/her signature to get the money. They sign the escrow agreement along with the assignment of contract or sales agreement. This is applicable only if the deposit is not made out to you.

Time For Closing – Will determine if your buyer has access to the funds or is simply trying to flip your house. The longer the time requested to close, the less likely they have the money available.

I give my buyers 15 days and often extend to 30, but never longer. You could give them 15 days and build into the agreement a 15 day extension for an additional non-refundable deposit of $1,000 or more.

Do not fall for the stories you'll hear from your prospects on why they need more time. The ones who jerk you around the longest are the ones you'll never close. Your philosophy should be simple, the more time you want, the more money I want up front.

Of course, if you're under a 30 day window to close the purchase, you can't play games with your buyers unless you've lined up the money to close to protect the deal. You'll find it a lot easier to make cash offers and sleep better knowing you can close if you have to. Until you get to that point, a few flippers can pay the bills, but it does mean tighter control over your buyer.

Note

In today's market, many of your buyers will be owner occupants. In this case you can go for a larger deposit and extend more time to close as long as your buyer is not trying to fund your deal with a bank loan. Banks do not loan on ugly houses and your buyer may not know this yet. Don't let them learn at your expense.

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ASSIGNMENT

This assignment is made and entered into this ____ day of _____, 20____ by and between _____, with its principal place of business at _____ ("Assignor"), and _____, (with its principal place of business at/residing at) _____ ("Assignee").

WHEREAS, Assignor is a party to the purchase and sale contract for real property located at _____(address), _____(city), _____(state), _____(zip code) (the "Property"), more specifically described in the contract which is attached hereto, and incorporated by reference, between _____ ("Buyer") and _____ ("Seller") (the "Contract"); and

WHEREAS, Assignor desires to transfer his rights in the Contract to Assignee and Assignee desires to receive such rights under the Contract, and in consideration thereof, Assignee agrees to pay an earnest money deposit in the amount of $_____ upon execution of this Assignment and the balance of $_____ at closing. This deposit shall be non-refundable unless clear title to the Property cannot be delivered to Assignee, in which case the deposit shall be returned within three days after notification of same from the Assignee.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby covenants as follows:

1. Assignee hereby accepts said assignment and assumes, covenants, and agrees to carry out and perform all of Assignor's obligations pursuant to the Contract.
2. This Assignment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.
3. This Assignment shall be governed by and construed in accordance with the laws of the United States and to the extent applicable the laws of the State of _____ exclusive of the choice of law provisions adopted thereby.
4. This Assignment shall expire _____ days from the date of the Assignment if the Property is not purchased by that time. The parties agree that this Assignment may be extended upon Assignee's written request for an additional _____ days with an additional, non-refundable deposit in the amount of $_____ which will be applied to the purchase price.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the date first written above.

ASSIGNOR:

_____
By:
Its:

ASSIGNEE:

_____
By:
Its:

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Assignment Vs. Simultaneous Close

With an assignment of contract there is only one closing. Your seller is selling it to your buyer and your fee will show on the closing statement. You have no closing costs except maybe your attorney fee.

This is the simplest way to wholesale a house but is not always applicable. There will be times when you can't or choose not to close with an assignment and use a simultaneous close.

A simultaneous close is two closings, usually on the same day. You buy and quickly resell. This means you must either put up the funds to close or set it up for your buyer's funds to be used to fund your purchase. This may not be possible in some states and will be determined by your attorney or title company. If they can't, you will have to raise the cash to do a simultaneous closing or use assignments only.

Unfortunately, many banks and all government sellers will not allow assignments as of this writing. This includes FNMA, Freddie Mac, HUD and VA and a few states.

Your choices here are to raise the money to close with your own funds, private money or a One Day Dough program, if your buyer can close simultaneously.

With your own funds of course it gets easy. Simply close and get an immediate refund of your money and a profit.

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With private money it's more trouble, paperwork for your attorney to do and expense, but it buys you time and the luxury of maybe selling for more or many other exit strategies beyond wholesaling. If you're in and out the same day and using private money, simply tell your lender the facts and pay them $500 – $1,000 for the short use of the money. You may not even need your attorney to create a note and mortgage or deed of trust.

The only reason you're even using private money in this case is to satisfy the closing agents state mandated requirement to have the funds in the escrow account prior to closing. Your attorney will tell you exactly how and what needs to happen on your first deal and any title company can do the same.

There are companies who will send the money to closing for you as long as you have a buyer waiting. It's not a loan. The money never gets disbursed except back to the sender. It's only sent to satisfy the closing agent's requirements. Your credit is irrelevant. No one cares.

These funds will cost you between 1% - 3% of the funding needed.

Remember, have a chat with your closing agent to determine if any of this is an issue. A simultaneous closing is only applicable in the above cases or when you're simply making such a large mark up you don't want your buyers to know. If he/she doesn't see your contract to purchase from your seller, the only way they will know what you're paying is if you or the closing agent tells them. All they see is a contract from you to them, no assignment.

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Step 14: Closing The Sale

Listed Houses – the agent will want to control the closing and push you to do so as soon as the seller is ready. You are under no obligation to close until your contract says you have to and should not yield to agent pressure, unless you're ready. Simply tell him/her you intend to close on or about the last day and will notify them if it changes.

You should also disclose you will set up the closing and have your title company or attorney notify them with the details. If you're closing with a title company appointed by the seller, usually a bank or government agency, you have a choice.

You can let them close and work with them to coordinate the sale to your buyer or the closing of your private money loan, if applicable. If you're writing a check to close, this will be simpler with less potential problems.

I'd suggest you do not close with the seller's appointed company unless your attorney is representing you. A lot of things can happen that are too complicated and lengthy to insert in this course. Let your attorney protect your interest. It's worth the few hundred dollars it cost and will be a critical component to make your wholesale business run smoothly.

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“Let Others Do What They Do
Best So You Can Focus
On Doing What You Do Best!”
~ Ron LeGrand

A title company or escrow company is not your attorney. They can close real estate transactions, but they do not represent you, cannot practice law and in most states can’t even close unless a title policy is purchased.

Buying and selling houses without an attorney is like entering a sword fight with a switch blade. You’re going to get bloody.

In a nutshell, your only responsibility should be to find the buyer, get an assignment or sales agreement signed with a deposit and turn it over to your attorney along with your agreement to buy and funds, if you’re providing. He/she will do the rest.

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Contingency Plan If You Don't Find A Buyer

One of the most frightening things for a new entrepreneur is the nagging question of what happens if I can't sell the house. In fact, my experience tells me after years of training, this is such a big concern it keeps many people from even trying. I sure hope this doesn't apply to you. Let's discuss our alternatives if our mystery buyer doesn't appear. There are only a few things that could occur for this problem to become a reality. So using a problem/solution format, we'll discuss them.

Problem: Your asking price is too high.

Solution: Lower it! Either you've paid too much or you're just too greedy. If you've paid too much you must renegotiate a low price or forfeit your deposit and learn from your mistakes. If you find this is the case, fix it early. Don't wait until the end of your escrow period only to make the seller or the agent angry. Fix it quickly, admit your mistakes and move on. If you make offers using my formula your chances are good of never having to concern yourself with this problem.

Problem: The property is in a war zone and no one will buy at the price you're asking because they know people who can qualify for a loan won't live there.

Solution: Find out what your buyers will pay and if they're interested at any price. Then renegotiate a lower price with your seller or simply forfeit your deposit and move on.

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Problem: The property is such a serious rehab it scares away even seasoned investors.

Solution: If the house is in that bad of shape perhaps you shouldn't get involved in the first place. Any property needing more that 25% of the ARV for repairs is off limits. Even these houses will sell if you offer them at a low enough price. So it all comes back to paying too much.

Problem: No one calls from the ad you placed.

Solution: this problem will occur only in your head. If you use my Handyman Special ad greed will compel people to call. If not, check your ad. Is it buried where no one can see it? Is the phone number correct? Is it in the Investment Property section and/or on enough web sites? Are they calling and no one is answering the phone a good part of the time? Are their emails getting through or spam blocked? Have you run the ad I gave you or a creative version you dreamed up? I've never known my ad to fail, why fix it?

Problem: You're offering a multi-family unit and can't get any interest.

Solution: Stick with single family homes for now. The market is large for houses and small for rentals. Stay where the market works best. If you make an offer on multi family properties be prepared to buy it yourself.

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Be careful not to sign with a specific performance clause giving the seller the right to sue you in case of default. The agreement in your course calls for the deposit being the only remedy for default. In that regard, the most you can lose is a few dollars to a seller you're working with directly or a few hundred through a Realtor. If you make any of the mistakes above, the solution is not buying the house yourself. Your mistake will only be compounded if you do.

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When Do I Use An Attorney And When Do I Use A Title Or Escrow Company?

Every deal you do will require a title search, which is what title companies do. You should order the search yourself and get your attorney the results. In some states you don't have that option and if that's so you'll know immediately by asking other investors or your attorney.

Many investors use title companies exclusively and rarely use an attorney in an effort to save a few bucks. I'd suggest you adopt the opposite policy and use mostly attorneys and an occasional title company only closing. You will need a title company.

Here's a list of cases where an attorney is very important to get involved:

Any purchase of a bank owned property.

- Any purchase from the elderly, military or any seller in fore closure.
- Any purchase involving seller financing of any kind or taking debt "subject to."
- Any sale involving new financing, seller financing, lease option, option or to the elderly or military personnel.

Since that doesn't leave much to close without an attorney, why not just let him/her close all your deals.

- They'll get proper disclosures signed and do all the paper work except the assignment or purchase and sale agreement.

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- They'll keep you from breaking the law.
- They'll act as a buffer between you and your buyer or seller.
- They make good witnesses if you ever go to court and if they close will likely prevent that from happening.
- If you're paying for a title insurance policy from a title company, it may actually be cheaper for your attorney to close because they get half off on the policy. This is assuming you make him/her know you know, so you can get a break.
- If you're selling with owner financing or lease option and sometimes for cash, you can pass the cost of your attorney on to your buyer so it's free to you.

Only Fools And Attorneys Do Their Own Legal Work

They will:

- Coordinate with the Realtor.
- Coordinate with your buyer.
- Prepare the closing package(s) and send to both for signatures and get returned.
- Collect the funds from you or your buyer.
- Disburse to all concerned.
- Send closing packages.

There Is No Closing For You To Attend

Get out of the way and let the professionals do their thing while you oversee to make sure it's getting done.

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How Do I Find An Attorney And A Title Company?

1. Ask any active Realtor who they use to close real estate deals.
2. Ask all the investors you know. The active ones have probably done the research for you and found the investor friendly attorneys and title companies.
3. If you have a local real estate investment group, attend a meet ing and ask around and you'll likely get several using the same companies. Also see if they have a local resource list you can get.

Deal only with user friendly attorneys and title companies who want your business and work to make the deal happen, not kill it. If they become a roadblock, whack 'em.

Be careful! Is the problem really them or are they giving you good advice and you refuse to listen? If you find other investors successfully using them and not complaining, I think you've found the answer.

Closing Non-Listed Houses – this is much easier because you've eliminated Realtor interference and maintain total control over the closing agent and process.

The steps are simple:

- Get buyer under contract after your title search comes back clean.
- Send sales contract to your attorney with buyer and sellers contact info and tell him/her to get it closed ASAP.
- Monitor the process until you get paid.

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Step 15: Complete The Process

The check and file is in your hand. Put the file in a file cabinet as is and deposit the check in your flipper entity or your own account.

Add a photo of the house to your file and copy of the check, if possible.

Send the legal secretary flowers with a thank you note. Send the buyer a gift of food like Omaha Steaks.

Take your family to dinner in a nice restaurant and tell them why you're there and every time you get a check you'll be returning. They get to pick the next restaurant.

Send Ron a testimonial letter with a copy of the check, your photo and photo of the house. One page please.

Send your Mentor the same, if applicable.

DO IT AGAIN SOON

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Marketing Houses Wholesale Recap

1. Find a good deal and tie it up.
2. Check title.
3. Run online ad “Handyman Special, Cheap, Cash, *Your Email*”
4. Build buyers list while selling houses.
5. Get contract and binder from buyer.
6. Give both contracts to your closing agent, then get the time and date for closing. Discuss the whole process with the closer to make sure they know what’s going on.

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Common Questions From Wholesalers

1. **Q. How do I get inside vacant houses to inspect?**

   A. In some cases, you don't. You should be able to estimate repairs by looking through windows well enough to submit an offer. In other cases you'll find doors unlocked and windows open. Soon you'll be able to estimate repairs from a brief description of the interior and a photo.

   If you're licensed, you should have a key to the listed houses. Dragging around Realtors to show you vacant, listed houses will end in a very short relationship.

   If you can't see the inside, simply make the offer assuming it needs everything.

2. **Q. What if I'm wrong on repairs?**

   A. If you're so far off on your estimate that it kills the deal…you offered too much. You will be wrong. It doesn't matter if you use my formula. It already contains a margin or error.

3. **Q. How do I know the agents won't steal my deal?**

   A. You don't! Every once in a while it will happen, but as a rule the agents don't want your deal. They are licensed and live by a code of ethics. If you lose one now and then…quit crying over spilled milk and go milk another cow.

4. **Q. Will I need a deposit for every offer I make?**

   A. NO! You should tell the agent you'll either do one of two things, put one deposit in their escrow account to be applied to the first accepted deal, or put on the contract the deposit is due upon receipt of accepted agreement. In the case of a FSBO, your normal deposit is $10 so it doesn't matter. You only hope you need a lot of $10 bills.

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5. **Q. Should I assign my contract to my buyer or do simultaneous closing?**

A. You should assign your contract if you don't care if the buyer knows what you're making and if your contract to purchase is assignable. This saves closing costs. If an assignment is not possible or probable, do a simultaneous closing but pass all the costs you can to your buyer. Some institutional sellers will not allow a contract assignment.

6. **Q. What happens if I can't close?**

A. You lose your deposit. Most contracts clearly state your deposit is the only remedy for default. If it doesn't, you'll have to take your chances, strike it out or don't make the offer. No one can force you to buy a house.

7. **Q. What if my buyer backs out at the last minute?**

A. Postpone the closing and find another. You should get a non- refundable deposit and close well before your deadline to prevent this from being a concern. Before signing a sales contract, ask your buyer when he wants to close. If the answer is longer than ASAP, get a larger deposit and/or shorter escrow time.

8. **Q. When I get a contract through a Realtor, should I remove their sign?**

A. NO! It's not yours to remove and it won't hurt you. The house should be listed for more than you're asking, so if your buyer calls the agent, they'll know it's a good deal.

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The Most Common Mistakes

1. Buying in the wrong area
2. Paying too much
3. Working with the wrong agents
4. Worrying too much about repair costs
5. Letting lack of money stop you from making offers
6. Not prescreening prospects
7. Not making enough offers
8. No follow-up system
9. Not building a buyers list
10. Not learning the rest of the business: Options, Getting The Deed, Owner Financing, Work For Equity, Retailing, Short Sales
11. Taking advice from unqualified advisors
12. Listening to the dream stealers who insist you have no right to succeed and want you to fail to keep them company.

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How To Build An Auto Pilot Business

There are really only 5 basic things to master in the wholesaling business. Once you have conquered them, you can train others with very little effort to do most or all of the work.

1. Finding and prescreening prospects
2. Determining the market value
3. Estimating repairs
4. Making offers and counter offers
5. Selling

Your focus should remain on generating revenue. Don't get bogged down in details. Your time is best spent on making offers. All the rest can be delegated. Let our trained virtual assistants take the minutia out of your business. Go to RonsVA.com

Pick Out What Only You Can Do

And Hire Someone Else

To Do The Rest

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To Whom Are You Listening?

Listening To The Wrong People Will Put You Exactly Where They Want You To Be…Broke

Never Take Financial Advice From Anyone Who Isn't Making Several Times Your Income!

Free Advice Is Almost Always Worth What It Cost.

Good Advice Is Almost Never Free.

Don't Listen To The Morons

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Resources

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Ron LeGrand's® 4-Day
Quick Start Real Estate School

This event contains behind-the-scenes secrets you'll uncover by actually getting involved in the process rather than trying to just absorb a lecture. We actually teach you and coach you.

Before you come, we'll send you instructions on how to find good prospects. In this incredible 4-day event, we'll explore and learn dozens of ways to make money from these beautiful homes. Just look at some of the topics we'll cover:

- How to pre-screen callers in seconds so you deal with only the cream of the crop. We do this LIVE while talking to real sellers about real deals.
- **How to make huge profits on nice houses, even when you pay almost full retail price!**
- How to make the seller your partner and create nothing-down, high-profit, win/win, killer deals!
- **How to live in a house 3 times what your banker says you can afford, and pay no more than you're paying now!**
- How to avoid the due-on-sale clause, so you can buy where others can't!
- **How to literally have sellers begging to give you their houses, FREE! Many students get paid by the seller to take the house.**
- How to create monthly cash flow that can surpass your current salary and keep coming in whether you work or not!
- **Why only fools personally guarantee loans, and how you can avoid this unnecessary liability and risk forever!**
- How to take control of and profit from any house, regardless of underlying financing. Then you'll learn how to structure the deal, so you can pass the house to your buyers without having to get them qualified for a new loan!
- **We'll examine and practice real world strategies (selling methods) until you master them and feel comfortable making these offers on your own!**
- How to find the next home of your dreams for your family without worrying about qualifying for a loan or raising a big down payment. Many of my students find a home while looking for deals.
- **How to protect yourself going in and out of real estate transactions, so you can avoid costly problems!**
- How to get out of consumer debt within a year and start collecting payments instead of making them.
- **Learn a fast track plan to ditch your job within 90 days.**
- How to make a fortune selling beautiful homes to all the people Realtors and builders cast aside.
- **How to become the gatekeeper and live by your own rules and take no orders from anyone else as long as you live.**
- How to provide a badly needed public service to help deserving people and make a lot of money doing it.
- **How to make sellers treat you like a "pro" even when they know you just started.**
- How to build a million dollar business from your home, just by attending this class.

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All of this and more in an intense, hands-on class with real, live calls to sellers, genuine offers and time spent learning the right way to fill out simple paperwork.

You'll also learn the Five Critical Steps to making your real estate investment business the best it can be, and in this 4-day event, we'll be covering them all in detail, so you're confident with each and every step.

1. **Locating Motivated Prospects.** Buyers & Sellers. You'll become a Guerilla Marketing expert - providing you more buyers and more sellers than you'll ever need.
2. **Prescreen Prospects.** You'll have a system that prescreens and does the work for you automatically, so you can spend your time on your business, not in it.
3. **Construct and Present Purchase & Sales Offers.** It's the key that unlocks the vault. There are a lot of ways to buy and sell houses…some right and MANY wrong. We'll focus only on the strategies that work for YOU. We'll make you a transaction engineer in three days and make it so simple to understand and implement it, you'll wish we had invited you to this event last year!!
4. **Follow Up.** There's very little paperwork involved, and it'll only take a few minutes to cover it, but we'll make sure you understand what this is and feel comfortable with it.
5. **Close Quickly.** Every day is critical when you're selling. Learn how to shortcut the process to a few days, not weeks, and pick up a check for several thousand dollars on every deal.

A lot of time in the class will be spent working on deals and becoming proficient at pre-qualifying ugly houses. Many leads are generated by a local Realtor before our arrival at the seminar; others are brought in by students. All the houses will be pre-screened, so we can get the cream of the crop of only the most qualified prospects.

You'll Learn:

- How to find and use a Realtor to capture the smorgasbord of bargains in the MLS system.
- **How to pre-screen houses to pick the best candidates.**
- How to start with nothing and begin making $5,000 every month, and never own a single property.
- **How to construct offers fast and simple, so you'll never pay too much for a property again. You'll be an expert at this when you return home. In 10 minutes, you'll learn the formula that took me 10 years to create.**
- How to locate houses that nobody else knows are for sale.
- **How to determine the true market value of a home without software or a real estate license.**
- How to repair costs on major items and arrive at the total cost in minutes.
- **Various exit** determine **strategies to maximize your income from each property.**
- You'll learn how to increase your profits and get the most from each deal.

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We'll spend time learning how to earn the most revenue with the least amount of work. We'll focus on working smarter, not harder. By the end of the day, you'll have a clear picture of just how easy it'll be to replace your current income with a new, more rewarding lifestyle. Plus...

The Perfect Way To Reach Sellers Who Never Read The Newspaper... And There Are A Lot Of Them! How You Can Do 3 Deals A Month With Zero Marketing Costs!

- How to make $20,000 with one letter that's become the backbone of our marketing and changed our entire industry. It gets one third of the sellers you mail to call.
- **How first class mail will save you twenty percent on your mailing costs.**
- How to ensure your letter never gets thrown away until it's read and also costs less to send!
- How to make sure your letters get opened, read, and responded to at lightning speed.
- **Why you'll never lick an envelope or personally get involved in mailing letters.**
- My most successful technique ever on how to get people in foreclosure to call you with the best deals you'll ever do in real estate. Foreclosures are at an all time high right now, and my students and I are making an absolute killing in this part of the business. Rest assured, we'll be devoting a lot of time to getting these hot prospects to call you. You'll have an unfair advantage over your competition after this event.

The bottom line is no one can offer you more complete real estate marketing information than what you'll get during these intense 4 days. We'll provide you with every strategy you need to ensure you have motivated sellers lining up to do business with you, so you don't miss good deals. Whether you're a beginner or a seasoned "pro," this day will have your mind racing at warp speed and is exactly what you need to "jump start" your buying machine in any market.

A brand new world of generating cash will unfold right before your eyes! You'll be among the few individuals in the nation who possess the knowledge and understanding of this business. You'll have an unfair advantage over your competition. We'll build a fast-track game plan for you to follow step-by-step when you return home!

I was very pleased with each part of this program and Boot Camp Event. Each day that went by, I felt more positive and comfortable that I will enjoy being part of the industry. It was a fun experience.

Bonita Vitek
Naperville, IL

When you put it all together, here's how your future will look...

- Prospective buyers flood your answering service as a result of your inexpensive marketing campaign.
- The prospects go see the house on their own... without talking to you first, and then send their application to you only after they know they want the house. You talk to them only after they've seen the house and have decided they want it.
- **You have them prescreened quickly and pick the best of the best to process while not even taking the house off the market. This has nothing to do with a back up contract. You'll learn who has the most down payments and the best credit without talking to a single buyer. The cream will rise to the top without your participation.**

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- The mortgage broker or loan processor, if applicable, meets your buyer, gets their deposit, takes their application, and calls you when it's approved. If you're selling a wholesale deal, this step is eliminated because there are no loans involved.
- **You show up for closing and pick up a check. In fact, I don't go to closings. I have the paperwork and check delivered to me. Soon you will too.**

You'll learn how to attract so many calls from quality buyers you'll wish you had a lot more houses to sell. You'll be building buyers lists for each category and advertising will be something you only do occasionally, instead of every time you get a house.

> The Quick Start Real Estate School was very beneficial and worthwhile. Besides the excellent speakers and information, I was able to network and gain information concerning private lenders, local realtors who work with investors and gain new friends who I can call for advice.
>
> **Mike Adams**
> **Naperville, IL**

Here's What You Get With This Quick Start Real Estate School:

- A pre-event package with instructions on how to generate leads to bring to class for us to analyze. Not required but certainly to your benefit.
- My two Cash Flow Systems Manuals: The **Pretty House Terms Cash Flow System Manual** covering all the basics to buy and sell houses without money, partners or banks. Plus, the complete **Ugly House Cash Flow System Manual**. Learn how to quickly "flip" houses to another investor who likes to do fix-'em-ups instead of doing the fixing yourself…or, be able to find 'em, fix 'em, flip 'em and forget 'em!
- You'll also get scripts, ads for finding sellers and buyers, details on getting buyers approved and much, much more.

Plus You Get…

- Free tuition for your spouse, significant other, adult child or parent!
- For a full year after the event, you and your guest can repeat as many times as you want for no additional cost! It's a great way to keep your engine fine-tuned! After your first year is over, you can still come back for only $500 per person per visit, as often as you like. We do 14 events per year across the country. You can come with or without your guest, and they can return without you.

If you are reading this, you're entitled to a $1,000 credit toward Ron LeGrand's Quick Start Real Estate School

Call 800-567-6128

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Ron LeGrand's 1-888-840-8389

Gold Club Membership/Virtual Assistant Services

Gold Club & Gold Club Virtual Assistant Services were created by entrepreneurs for entrepreneurs. We know what it takes to start a business and grow that business. We understand sometimes you have a lot of mundane tasks that get in the way of you growing your real estate business. We're here to make your life easier and give you back the time you need to focus on the growth.

Yes, sign me up! **I understand I'll be immediately charged a one-time set-up fee of $500 for the Gold Elite or Gold Elite VA levels.** All Members may purchase à la carte VA time with a minimum prepayment of $105.00 (35 cents per minute/$21.00 hour) which will provide 5 hours of VA Service or $200 for 10 hours of service.

Gold Elite VA BEST DEAL!

- **Everything in the Gold Club and Gold Elite Levels below plus:**
- **Includes up to 25 hours of VA services per month who'll assist you managing your DREAM Solutions Pro buyer/seller website and can manage the following tasks:**
  - Contacting your sellers and completing the Property Information Sheets
  - Setting Appointments for real estate deals with sellers
  - Transcription services for your IVR (Interactive Voice response system)
  - Reporting & documentation of all properties, calls made to buyers and sellers
  - Many other administrative duties that may arise in relation to running your real estate business that can be performed by phone or internet

☐ $697 Per Month

Gold Elite

- **Gold Club Membership as Outlined Below**
- **DREAM Solutions Pro Buyer/Seller Custom Website including, but not limited to:**
  - Interactive Voice Response System (IVR) to collect buyer information
  - Web Tools - Built-in Landing pages, Web Forms, Websites
  - Your Property Pipeline to manage all your current deals in one place
  - Marketing Tools
  - Reporting Tools to track your marketing efforts
  - Contact Management System for all your Buyers and Sellers (your email service and auto-response center, text blasts)
  - Action Center with your To-Do List
  - Message Board to House and Organize all Your Important Messages
- **For Sale By Owner (FSBO) Lead Service**
- **Pre-foreclosure Lead Service**

☐ $297 Per Month

Gold Club Membership

- **Exclusive Gold Club Membership Site**
- **FSBO Lead Service**
- **Forms & Agreements Library**
- **Weekly Lesson videos**
- **Exclusive Member Webinars, Events & discounts**
- **Monthly "Open Line" Monday Q & A Calls with Ron LeGrand**
- **The Gold Club Weekly Report**
- **The Monthly Mentor Newsletter & CDs**

☐ $59 Per Month * *Members may purchase VA Services in 5 and 10 hour increments with one-time set-up of $500*

2 Ways to Order; Order online www.RonsVA.com or call 1-888-840-8389

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