

# **My Life & 1,000 Houses**

200+ Ways to Find Bargain  
Properties

© Mitch Stephen, February 25, 2015

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DEDICATED TO...

Tommi Stephen and Shannon Stephen, my wife, and daughter, who show up every day and watch my back.

Rod & Rita Stephen, my mom and dad, who are always in my corner.

Katherine Conner

Who made sure this book happened.

## What People Are Saying About MITCH STEPHEN and 200+ Ways to Find Bargain Properties

*"Mitch's first book, "My Life and 1000 Houses", was one of the most powerful books I have ever read. I did not want to put it down. Mitch is a master at his trade and on a different level than most real estate investors and other real estate trainers and gurus. He doesn't just think outside the box -- he thinks outside the room that holds the box. I use Mitch's techniques in my real estate investing business and recommend them to my students. Mitch is the real deal and I can't wait for his next books!!"*

- Dennis Henson

President, Vanguard Marketing and Investments, Inc.

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*"I have been investing in real estate for 30 years and love real estate deals. When I was first introduced to Mitch Stephen I didn't figure I had much to learn - I WAS WRONG!*

*His innovative, fresh approach proved to me that the old school training I had received before, was actually leaving huge stacks of money on the table. So I wasn't surprised when **"200+ Ways to Finding Bargain Properties"** pushed me past what I knew and even beyond my imagination.*

*I have found Mitch to be a man of integrity who is truly interested in helping others succeed.*

*I highly recommend anything he writes and this book is no exception."*

- David Cole

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*"I have known Mitch Stephen for a couple of years now and I keep being amazed by the way his mind works. He is truly one of the most creative and gifted people I have ever met and his abundance of creative ideas on how to find deals, and make deals happen has no ends. So I can't wait to get this new book in my hands and get my hands on a little piece of his million dollar brain!"*

- Jack Bosch

#1 Best Selling Author of Forever Cash  
[www.ForeverCash.com](http://www.ForeverCash.com)

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*"It all begins with the deal! When it comes to finding bargain properties, Mitch is a consummate deal finder. It's been said, "It takes 10,000 hours to become the best at your endeavor. Mitch Stephen passed his 10,000 hours...10,000 hours ago."*

- W Eddie Speed

Founder of NoteSchool  
President of Colonial Funding Group

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*"Mitch Stephen has opened up to share his knowledge with us all, the sign of a 'real' real estate investor. In a space where there's a lot of hype, Mitch is the real deal, and a teacher with a big heart. Real Estate, unlike almost any other vehicle, has the power to change lives. There aren't*

*many like Mitch that are capable of truly showing the way, based on real and significant experience."*

- Mike Hambright  
FlipNerd.com

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*"I have known Mitch since around the time he bought his first house. Mitch is a teacher and a DOER! He is one of the most creative and straight forward people I have ever known. This book is extremely detailed. After you read it you will definitely know how to find bargain properties in any market. THE REST IS UP TO YOU."*

- Jack Rogers  
Chaminade Capital Corp.  
Seller Financed Note Buyer

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*"I highly recommend to the book " 200+ ways to find bargain properties" It's a great book to educate yourself on finding more properties.*

*I also highly recommend Mitch as a Great Friend and Mentor. His work ethic and creative mind are second to none. I've known Mitch over 20 years and am still amazed at his creative mind.*

*Not only is Mitch a great real estate investor, he is a better Husband, Dad, Son and Uncle. Someone with true family values. Someone to admire and learn from. Buy the book and know Mitch better."*

- Sam Madrid

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## Chapter 1:

### Prelude

. . .



It is my privilege and my honor that you have decided to read this book, **MY LIFE & 1,000 HOUSES**: *200+ Ways to Find Bargain Properties*.

Since 1996, I've been self-employed. It wasn't always easy and it wasn't always fun. While I've enjoyed the fruits of being self-employed as a creative real estate investor, I have always tried to describe my journey with all of the real

life ups and downs of the business and of life in general. Sure, it's the victories and the big paychecks we all love reading about, but I refuse to gloss over the pains of this business we call *real estate investing*.

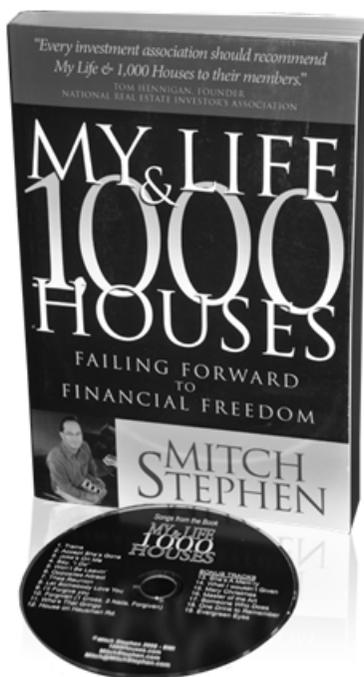
I believe that in life all things are possible. I also believe it's helpful and encouraging for others to know the potholes in the path to obtaining that which we seek. It is not always a bed of roses.

In my first publication, ***MY LIFE & 1,000 HOUSES: Failing Forward to Financial Freedom***, I shared my personal story. It's basically a book about how a high school graduate came to find his tail end with both hands. It is a book about falling down. For those of you not familiar with my first book, the elevator pitch reads:

***MY LIFE & 1,000 HOUSES is an autobiographical tale of an amateur entrepreneur who stumbles upon the long standing revelations of business, money, love, and life, while struggling to find his own financial freedom. The journey culminates in the eventual purchase and sale of over one thousand houses but make no mistake, this is a book about falling down and getting back up. Laugh, cry and cheer, but most of all... be inspired.***

For those who have not read this book, you may find the first 100 pages free at <http://1000Houses.com>

I wrote that initial book to definitively answer the question; *How did I accomplish buying and selling over 1,000 houses?* Upon its completion I thought I had answered



once and for all *how I did it*.

My autobiography proved to be an inspiration for those struggling for a light at the end of the tunnel. After all, if such a simple man could do it, so could you. But the book seemed to pan out and bring forward people that wanted more; more of a direct lesson plan.

In response, I created some educational opportunities.

## 1,000 Houses.com

**“The Art of Owner Finance-Pro”** is approximately 20+ hour course packed with sample documents, apps, webinars, and interviews hosted by yours truly.

**"Group Coaching"** includes the above online course plus a weekly Q&A Group Coaching call plus 200 hours of archived Q&A. All hosted by yours truly.

**Learn more here: [1000houses.com/Pricing](http://1000houses.com/Pricing)**

**“Be the Bank”** includes all of the above plus my personal contact information and few time restrictions.

I begin each **"Be the Bank"** membership with a personal, one-on-one phone call to learn:

- Where you've been in life.
- What your RE investing experience level is.
- What your resources are.
- What are you good at.
- What you're not good at.

- What your fears are.
- Where you want to be.

Because this is a far more intimate and time consuming relationship of mentoring, I have to limit the number of people I can bring onboard; about 20 people under my current circumstances. Keep in mind that I make my primary living buying, selling, and supporting the deals I make on a daily basis. I spend little, if any, time touring the lecture circuit. To learn more about my “BE THE BANK” mentoring go to:

<http://OwnerFinancePro.com>

Becoming a successful entrepreneur, replacing your J.O.B. and living a life of more freedom is a mindset. Those who succeed have a *way of thinking*. I became a student of that *way of thinking* through the school of hard knocks. I like to say, “I graduated from “La Calle” University (La Calle means “The Street” in Spanish). But my path could have been shortened through mentoring. Every young investor should seek and find meaningful mentoring. If not me, connect with someone who is actively where you want to be.

I would have been better served to have come to that realization sooner in my life.

So before we begin, I’d like to tip my hat to you. YOU have shown great resolve by putting forth the effort to continue your education beyond that of traditional schooling. By purchasing this book, or any other book for that matter, you are taking the necessary action to better yourself. Again, my hat is off to you!

## **About The Bonus Page 1000Houses.com/BonusPage**

Throughout this book you'll be referred to [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) for helpful information and resources under certain headings. I'm referring you to the Bonus Page site in an effort to keep this book as evergreen as possible. For example; if I give you a list of vendors you need today (etched in stone on the pages of this book), those same vendors may not be the best choices tomorrow. By keeping my suggestions and recommendations on a live page, I can continually update the information and keep the resources fresh and viable as time passes.

When you arrive at the Bonus Page, you'll have an opportunity to suggest other viable or better resources for consideration in each category. The goal is to continually improve the amount, and the quality, of information and resources at [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage).

So, if you've got a better suggestion in any category, I invite you to help improve the page. We've made it easy to submit your suggestions and recommendations.

*MY LIFE & 1,000 HOUSES: 200+ Ways to Find Bargain Properties* is my earnest attempt to answer one big question.

## **How Do You Find Great Deals on Houses?**

This is far and away the most popular question of the day. In the pages that follow, I give examples of how I've found bargain properties. Some of these topics will be mundane in their explanation, but they are all effective when applied with thought and conviction. To make the book less mundane I have elected to intersperse stories from my real life experiences. If you are a meat and potatoes kind of

person and just want the facts, you may be tempted to skip the stories. Be careful, more often than not, there is a nugget or two in these stories and there is always a mindset forming theme.

Every way depicted in this book can result in the consummation of a great deal, but there is no one way to get all the deals an aggressive investor wants. There are inexpensive ways to cultivate leads and there are very expensive ways to create leads. I've come to know that most investors start out on a shoestring budget. I started on a shoestring budget. So with that in mind, I've tried to start with the less expensive ways first.

I made a major mistake when I first began mining for deals. I didn't do some basic things that would have made branding my name a much faster process. If you get some things right from the start, you'll have everything pulling in the right direction from the beginning. Mining for leads is a form of advertising. In advertising, you want to brand yourself in your community as fast and as effectively as you can... with the least amount of expense. What I am about to explain is as basic as it gets, but more important than that are a few things you'll never know until it's too late. It starts when you choose a name for your company.

### **What's In a Name**

It all starts with the simplest component of starting a business; choosing a name. Seems simple enough right? Well, there could be a little bit more to choosing a name than you might think.

May I suggest that a good name does at least three things for you? In today's market, a good name should say:

1. Who You Are.

2. What You Do
3. Where To Go... to get more information

It is a very natural mistake to name your company something that means everything in the world to you but means nothing and says nothing to everyone else in the world. For example, I might take great pride in the name **Mitchell Enterprises**, and while I may be driven to do great things in honor of that name, *Mitchell Enterprises* says nothing to my potential customers.

The name, *Mitchell Enterprises*, is very unlikely to bring a customer to me on its own. Even worse, people will read that name and walk right past it...never knowing what I do. A name like *Mitchell Enterprises* is a big ZERO in the asset column and that's a crying shame. The name of your business is going to be on everything.

On the other hand, a name like **Mitchell Buys Houses** just might garner a customer. When you see this name, **Mitchell Buys Houses**, you know exactly what my business strives for every day. More importantly, the name of my business automatically poses a very important question to every person who reads it... "*Do YOU have a house you want to sell?*" Now, if the person reading "Mitchell Buys Houses" has a home they want to sell or otherwise get rid of, you can bet they're wondering if this company can help them. Do you see the difference between the two names? *Mitchell Enterprises* and *Mitchell Buys Houses*?

**Mitchell Enterprises** says nothing about *what you do*. It only says *who you are*. The big question is who cares who you are? The brutal answer is - NOBODY! Tell a person what you do, and you might have a connection.

The second name, **Mitchell Buys Houses** is a much better name. This name not only says *who I am*, it also says *what I do*. People having a house for sale might want to contact me and that's what you want your name to do, get people to call you. A name that can generate customers on its own is a giant PLUS in the asset column. Your company's name must be an asset!

Ok, so we've got a name that speaks to people now. Even so, you'll have to add a phone number (additional information to remember). Your prospective customers will have to remember your name and your phone number... or... they'll have to remember your name correctly to call directory assistance or get to a computer to look up your phone number – this is an extra step for your prospective customer... and it is NOT good. We want to make it as simple as possible for prospective customers to find us...to contact us.

When you think about where your name will be seen, things get a bit more complicated. If you hand someone a business card and he or she puts it in their shirt pocket, there's no problem. That prospective customer has plenty of time to take it all in when and where they are ready. BUT, if your name is on the side of your vehicle and you're moving down the highway at 55 miles per hour, we have a different set of problems. This is why every letter counts.

Now, let's take this a step further. What if you could design a name giving your prospective customers all the information they could possibly get from a name?

*Who You Are*

*What You Do*

*Where To Go* to get more information about your company.

Is there such a name?

Perhaps the name of this company should be [MitchBuysHouses.com](http://MitchBuysHouses.com). Yes, make your name your website address! You are going to have come into the 21<sup>st</sup> century and get a website but don't panic. It's not that hard and it doesn't have to be elaborate or expensive. The money you do spend on it will be well worth it. I like to spend my advertising budget on things I pay for once and then they work 24/7/365 – forever! The creation of a website is one of those things.

To find out if the name you want is available, go to [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) and search under the heading Website Name Search. This is where you'll find web hosting sites that you can search to see if the name you want is available.

Want to build a little something for FREE? See the resources page for this book at [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) and search under the headings “BUILD A WEBSITE” or “BUY A WEBSITE.”

NOTICE: I cut “Mitchell” down to “Mitch.” It's always better to have a shorter name than a longer name. Less chances for typing errors and less for your prospective customers to remember and remember correctly. In the case of email addresses and in website names (URLs), less is better.

*URL stands for “Universal Resource Locator” and **MitchBuysHouses.com** is the URL for my website.*

WOW! Now we have a shorter name that does more! This kind of name does the very most anyone could ask a name to do. With a name like [MitchBuysHouses.com](http://MitchBuysHouses.com) we have a

name that does it all! It says, *Who You Are, What You Do, Where To Go* to get more information! Your “all encompassing name” will be very easy to remember at a stop light... as easy as you could possibly ask for.

Ask yourself this question:

What’s easier to remember?

A). **MitchBuysHouses.com**

B). **210-xxx-xxxx**

If a potential customer can remember **Your.com** name... they can get all the information about you and your company they could ever want:

Your official name

Your phone number

Your email address

Your physical address

Your accolades

Your mission statement

Your guarantees

Your customer testimonials

Your inventory – prices – terms – photos – even videos

Potential customers will get it all when they type in your URL and visit your website.

So now, we have your name tied to your web site...because your name is your web site!

This is “BUSINESS 101.” You’d be on the right track to choose a name that doubles as your website site URL.

When someone asks your name, you don't say, "**Mitch Buys Houses**"... you say, "**MitchBuysHouses.com**"

Having a name that ends in **.COM** is a super positive mark in your asset column! It's a very powerful beginning!

## **Choosing the Right Email Address**

Now that you've gotten off on the right foot by choosing a name that is also your website, you've made it easy to choose a professional email address. There are at least three reasons to contemplate your choice of an email address wisely.

**1. Be Professional.** The last thing you want to do when choosing an email is pick something cute or otherwise NOT professional. I see people all the time with names like [CutieBuysHouses@Hotmail.com](mailto:CutieBuysHouses@Hotmail.com). Buying and selling property is a very serious business... fun... but serious. In fact, I don't know any successful business that isn't *serious*. Some day you'll want to borrow money or bring on a partner. You are not going to want to send over vital information about you and your company seeking financial support with an email address like [CutieBuysHouses@Hotmail.com](mailto:CutieBuysHouses@Hotmail.com).

**2. Be Unique.** I also don't think it is top notch to use any of the Hotmail – Gmail – Yahoo email addresses. Why not use your own name or business name? Like I said, you've already made it easy by choosing the right name to begin with. So why not use that super effective name in your email address? How about [Mitch@MitchBuysHouses.com](mailto:Mitch@MitchBuysHouses.com)? Now, you've not only have a *name* that says *Who you are*, *What You Do* and *Where to Find You*, you also have an *email address* that says *Who You Are*, *What You Do*, and *Where To Find You*.

On top of that, your new email address is professional and uniquely yours. Using your unique company name in your email address says that YOU are in business and not just trying the business on for size. You are branding your name, not Google's, or Yahoo's...why would you want to proliferate those giant companies when you need that space to proliferate yourself? Make no mistake about it...that space is advertising space!

Make the decision upfront to create a **company name** AND an **email address using your company name** in the asset column!

**3. Be Specific.** Because you've taken time to choose the correct name, because you've used that name to come up with a professional and unique email address, something special is going to start happening. It's going to be very affordable and you are going to get untold mileage out of that special something. You may do hundreds, if not thousands, of emails or other transactions with that email address every a day; you are going to begin branding your name into the eyes and minds of people all around you. Every time you email someone or someone emails you using your unique email address. With every transmission you will be branding your business!

Imagine that! Every time you do something you were going to do anyway (email someone)...you're branding your name, yet again. Do you see how everything is starting to pull in the same direction?

### **IMPORTANT:**

Keep your BUYING name and website separate from your SELLING name and website. Yes, these two sites are as different as night and day. DO NOT confuse your customer. Each site must have pin-point accuracy and

result in calls from the exact customer you are seeking. **MitchSellsHomes.com** is looking for a completely different kind of customer than **MitchBuysHouses.com** and these two sites have their own unique languages and objectives. You may have already noticed a subtle difference in the two names... YOU BUY HOUSES... YOU SELL HOMES. Get my drift?

Now, let's keep this branding thing going everywhere the opportunity presents itself.

**"Your business will never  
out grow YOU! We must  
keep growing in order for  
our business to grow."**

-John Maxwell

## Chapter 2:

### Introduction to Buying Bargain Houses

. . .

I run ads and put out bandit signs all of the time reading "I BUY HOUSES FAST." These signs are effective. People call all of the time asking how much I will pay for their house. Before I get into any serious discussion with them, I explain that I am a wholesale buyer and that I will not be making a full price offer. My typical offers are for between 60% and 70% of the market value. Why wouldn't I let them know up front? I don't want to waste my time or their time hiding the fact when it has to be revealed eventually.

#### **No Shortage of Real Estate Investing Advice**

Enter a search phrase in Google pertaining to real estate investing and you'll get back millions of returns. There is an abundance of information out there about investing in real estate. It's not all good.

One of the most common sayings in our business is, "*You make your money when you buy.*" The market will only bear up to a certain price. It's harder to increase the price the market will pay than it is to decrease what you will pay for something. So learn what the market is paying for a

product and then become an expert at negotiating great deals.

Anyone getting into real estate investing quickly learns that finding bargain properties is easier said than done. Although all the investing advice is about buying bargain properties, there's not much out there about how to find those great deals. "How do I find bargain properties" is the most asked, but, the least answered. That is exactly why I wrote this book.

There Are Plenty of Bargain Houses for Everyone



**Before**



**After**

## Chapter 3:

### Pretty Phone Numbers

. . .

In the beginning, you may be handling all of your incoming calls yourself but in the future you may end up having different people helping you. One handling your buying calls and another handling your selling calls. If we start with the end in mind, you are going to save yourself a lot of wasted effort. I've learned this the hard way and I'm trying to get you set up correctly from the start, so listen up. You want to start branding your company with everything you touch. That includes phone numbers on your business cards, websites, letterhead, bandit signs, billboards... on and on. So let's get it correct from the beginning and get separate numbers for buying and selling. Visit [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) and watch the video on the home page of [LiveComm.com](http://LiveComm.com) under the heading "LEAD GENERATION." There you will be able to buy phone numbers that have huge marketing potentials. Watch the video on the home page to see what I mean.

## **Pay a Little More for People to Remember Your Number**

Actually, there are two different types of handy-dandy phone numbers. There are “Pretty Phone Numbers” and there are “Vanity Phone Numbers”

PRETTY = 210-777-7000

VANITY = 210-BUY- HOME or 888-888-8888

We use to need vanity numbers but since your name (MitchBuysHouses.com) says it all, there really is no need to struggle with trying to get a vanity number. That and the fact that it has always been a pain trying to figure out what number goes with the letter “B” and then what number goes with “U” and “Y”.... so the heck with it... the new smart phones make this all but impossible anyway!

You can get a phone number with forwarding capabilities and recorded message possibilities from [LiveComm.com](http://LiveComm.com). On the surface, free numbers like Google are cool because they’re FREE! But, it’s smarter to get a number from a site like [LiveComm.com](http://LiveComm.com) that knows exactly what you’re trying to accomplish and provides for those intimate, creative real estate solutions. You’ll find the [LiveComm.com](http://LiveComm.com) link at [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) under the heading “**LEAD GENERATION.**”

It’s hard to find a “Pretty Phone Number” for free. Pretty numbers may cost but you only need two pretty numbers (One for your *buying* side and one for your *selling* side).

Check out [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) for some companies I’ve used to acquire “PRETTY PHONE NUMBERS.” You may have to pay a little for a pretty phone number but I think it’s worth it. Last time I bought

some regular numbers (ugly numbers) for tracking purposes, they cost about \$2.00/mo. The last time I bought 2 pretty numbers they cost me \$299 each but it was a one-time fee and the numbers weren't *used* - they were *new* (meaning I wasn't getting a bunch of callers trying to contact the last company that had the number). Those pretty numbers have served me well for years.

If you don't make the decision to get two numbers from the beginning (a Buying # and a Selling #) you're going to find yourself in a tough spot sooner rather than later. It will be difficult to go back and change everything you have in play.

Believe me! When it comes time to reward yourself with a two-week vacation in the Amazon rainforest, you're going to be kicking yourself if you can't forward lucrative calls to an appointed expert. Especially since your phone isn't going to work at all in the rainforest!

So get two phone numbers (maybe even pretty numbers): One for selling houses and one for buying houses.

**Are you starting to see why it's so important to get everything right from the beginning?**

Oh, but there's more... much more! Yes, we're going to get to the glamorous things like signs, logos, and flyers, so hang in here with me. I'll help you get everything lined up right.

## Chapter 4:

### Letterhead

. . .

Your letterhead is an incredible branding opportunity, and believe me when I tell you, it will go out more ways than you can imagine right now... and it will all happen naturally.

The important thing to remember is to keep your BUYING LETTER HEAD separate from your SELLING LETTER HEAD. Yes, you may have the same address on each but your name, phone number, and slogan will be different.

## **MitchBuysHouses.com**

*We make selling your house quick and easy!*

**4035 Naco-Perrin, #104 San Antonio, Tx 78217**

**210-669-xxxx**

## **MitchSellsHomes.com**

*Perfect credit not necessary!*

**4035 Naco-Perrin, #104 San Antonio, Tx 78217**

**210-657-xxxx**

It's simple enough, right? I say, "Keep it simple." Don't get too wordy or overly clever. Remember to keep it professional. These are two serious businesses. Treat them as such. The goal of a website is to get the calls and/or to get prospective buyers to contact you.

In the two website names above, notice how the first letter in each word is capitalized? Did you notice that the first letter of each word is a larger font size? You may also make each word a different color to improve distinction between words that have no space between them. This keeps your **.com** name easy to read at a glance: very important!

Again, notice there are separate phone numbers for buying and selling. This will become very important as your business grows more sophisticated.

**In the beginning, you may be handling all of your incoming calls yourself but in the future you may end up having different people helping you. One handling your buying calls and another handling your selling calls. If we start with the end in mind, you are going to save yourself a lot of wasted time and effort. Don't fall into the novice trap and brand phone numbers, business cards, websites, letterheads, bandit signs, billboards... on and on... that you'll have to change when you want to automate.**

### **Selecting Paper for Letterhead**

Selecting the paper for your letterhead has more variables than you might think. Normal writing or computer printing paper is too light and poor quality to be used for letterhead. Using too heavy of a paper comes off as being ridged and over spending on a basic supply.

Bonded paper has approximately 25% cotton linen in the content. This gives the paper a nice feel and quality appearance without over doing it. Paper thickness is measured by how many pounds a stack of 500 sheets weighs. What you want to use is Bonded 24 pound paper for your letterhead.

Now think about the color or don't think about colors. Your letterhead is general purpose stationary that you use to create a professional impression of your business. Go with a neutral color. No blues or greens or reds. White, cream, beige, or light gray paper works best.

Besides using a neutral color, use standard size paper. You will have the option of selecting different sizes of paper but 8.5 X 11 sheets are more utilitarian and you'll have less trouble feeding them through printers.

Before you make a final decision on the quality of your letterhead paper, talk to a printer if your letterhead will be going through a laser printer. Laser printers need specific qualities and characteristics for the paper they print on to obtain the high quality results you purchased the laser printer for in the first place.

Finally, don't forget about page two of your letterhead. Typically, all of your contact information and logo are only on the first page but follow on pages are designed to resemble the first page logo without duplicating it.

### **Your Logo and Message**

The message your letterhead needs to convey is the same as what went into your business name:

*Who You Are*

*What You Do*

*Where To Go* to get more information about your company.

What you add to the letterhead is: *How to contact you*.

The difference is the person has your letterhead in their hands or on a computer screen. They don't have to memorize how to contact you when your car sign is going 55 miles an hour down the road. That enables you to include a little more information.

I want to emphasize - it's a little more information. You don't want to use too much space. Keep in mind you're going to be using this logo everywhere. Including on much smaller media such as business cards and email signatures. You want the person to call or email you so that you can start a dialogue with them.

You add a little more information about what you do. And what separates you from others in the real estate industry - mainly separate yourself from real estate agents. You buy houses fast. You buy all types of houses. You buy ugly houses, pretty houses, little houses, big houses, houses needing repairs, any house.

That is clear and concise information about what your business does. Use it to create a concise slogan for your branding. Here are some basic tagline ideas for both your buying and selling businesses.

**I buy houses fast!**

**I buy pretty ugly houses!**

**We pay fast cash!**

**I'm here when you want to sell now!**

-----  
**Perfect credit not necessary!**

**We sell homes “owner to owner!”  
Homes for sale by owner  
STOP paying rent!**

That now becomes part of your brand. It quickly conveys what you are in business for. As soon as someone reads your logo, they are ready to start talking business with you. You don't need to explain much more to them. The objective is convincing the person viewing your letterhead to call you. You need to include your pertinent contact information.

- Your name
- Office phone
- Cell phone
- Email address
- Physical address

That's generally the order that you want them in as well. But you can vary the order if you have reason to.

Use an easy to read font. Use a non-serif font such as Arial or Trebuchet MS.

Your business name goes at the top and is in large font. Include your logo on the same line as your name or incorporated into your name. Keep the graphic simple. Finally, add your contact information.

The sample at the beginning of this chapter is about as simple as it gets. This over-all design can be used across both of the two divisions of the business (buying and selling). I prefer NOT to deal with logos. Here is a sample:

**MitchBuysHomes.com**

*"I buy houses fast!"*

210-669-xxx cell, 210-657-xxx office

[Mitch@MitchBuysHomes.com](mailto:Mitch@MitchBuysHomes.com)

4035 Naco- Perrin #104, San Antonio, Tx 78217

**MitchSellsHomes.com**

*"Perfect credit not necessary!"*

210-669-xxx cell, 210-657-xxx office

[Mitch@MitchSellsHomes.com](mailto:Mitch@MitchSellsHomes.com)

4035 Naco- Perrin #104, San Antonio, Tx 78217

## Chapter 5: Branding Your Signature Blocks

. . .

Branding your signature block is about making a professional impression every time you mail something on your letterhead. Another is when you run a direct mail campaign. Instead of having glossy and expensive marketing materials created for the direct mail campaign, you can print the message you are sending out directly on your letterhead.

### **It's Almost All About Branding**

This chapter shows you how to design and brand your signature block, both for your stationary and your email signature. Clearly, this is about building your brand. But more importantly, keep in mind that the purpose of all your marketing materials is to get people to contact you.

Only after you have that thought in the forefront of your mind do



you move on to consider other branding concerns such as a logo and slogan.

When it comes to your brand and message clear and concise overrides cute and clever every time. Once your brand is out there, you don't want to change it - ever. So, you need to get it right the first time. Take the Campbell soup brand. It was started in 1869. To the best of my knowledge, the company has never changed the brand labels on their soup cans.

Campbell soup labels are super simple and clearly convey what is in the can. The front of the label is nothing more than the brand name in large letters and the flavor of the soup.

As an investor, you're not advertising a product you can stock on a shelf. You are advertising a service. You are trying to convey in the clearest and most concise way that you BUY HOUSES and you want to make it as easy as possible for sellers to contact you...or to remember how to contact you.

Keep it simple.

- I Buy Houses!

- Do you have a house for sale?

Call ME!

## **Getting Started Building Your Brand**

The second rule of building your brand is consistency. Your business card, letterhead, website, and all other marketing materials must deliver the same look and message.

## **What's In a Signature**

Called a Signature Block, it's another opportunity to again remind the person you are writing to what you are in business for and how they can contact you.

Your signature block is also about branding. You include the same elements that go into your letterhead. Include your name, a title if you use one, the company name, physical address, phone numbers, and a email address. Some people include social media links if the business has those websites.

It's pretty simple and straight forward. Here's an example:

---

Mitch Stephen - *"I buy houses fast!"*  
**MitchBuysHouses.com**  
123 Main St. Any Town, USA  
210-657-yyxx Office 210-477-xxxx Cell  
Mitch@MitchBuysHouses.com

If you are transmitting financial or personal information about other people, a confidentiality statement needs to be included below the signature block. Consult with you own legal council (I'm not an attorney nor am I giving legal advice). I have seen statements along these lines before...some much longer:

*"This mail contains confidential and proprietary information. It may not be shared with anyone other than the intended recipients without written consent from the sender."*

## **The Power of Your E-Signature**

Your signature on all out going email is one of the most powerful brand builders you have because email is used much more frequently than printed mail. Your letterhead

can double as your E-Signature but you'll want to add two more things; a live link to your website and a live link to your email address.

### **Getting Your Signature Block Just Right**

If you have employees, it's imperative that you establish a signature block policy for them to follow. The policy is exactly what we've just covered. You just need to communicate it to them and periodically check the emails you receive from them to verify that they are following it. This is all about branding and branding is about consistently presenting the same message about your business to everyone that you and employees come in contact with.

Leave your philosophical beliefs and quotes out of your business email. You run the real risk of alienating sellers when you share your political beliefs and/or other philosophical beliefs with them. What you support and what you believe in has little to do with why sellers need you to buy their house.

There is one last element of either your email letterhead or signature that you'll need to decide for yourself. That is the use of an icon or graphic. It can be a powerful branding tool when included as either a header or signature block of your email. However, you run the risk of people not opening your email because it appears as an attachment in the recipient's inbox. Some people will be leery that it possibly contains a virus and refuse to open it. You decide.

***“Price is what you pay.  
Value is what you get.”***

— Warren Buffett

## Chapter 6:

### Car Signs Make Big Impressions at a Small Cost

. . .

What do you think you can learn about car signs? I know one thing; they will generate interest in your business. But as we've already discussed when deciding on a name for the business, you want to keep your car sign simple. That's why you go with your web address as your business name. Now, you slap it on your car and start advertising everywhere you drive in town.

Magnetic car signs are inexpensive and last for years. They are very easy to put on and take off.

More permanent signs work as well. In fact, a permanent sign might make a strong statement to prospective customers. Signs that cannot be quickly removed could imply you're not *part-time* and that *you have* a higher level of commitment.

A man once tracked me down in a restaurant I was eating at. He walked through the establishment asking for the person who had the "I BUY HOUSES" signs on the truck outside. When he finally found me he said, "*I want to talk*

*to you because your permanently affixed signs say to me that you are committed to the house buying business and not merely trying the business on for size.”*

That man was Ken DeAngelo, the founder of HomeVestors. I cannot express enough how valuable that meeting was for me. In the years that followed, we would talk and strategize for hours. The man that made the slogan “*We Buy Ugly Houses*” famous could have looked at me as a competitor, but instead, we became friends and confidants... and all because the signs on my truck weren't temporary.

### **A Nation of Lines**

When you take a moment to think about it, we are always standing in a line. In many parts of the country, there is a grinding commute in and out of the city every day. If you commute, you have all kinds of people following behind you, if not parked behind you, or next to you as the traffic grinds to a halt. Sooner or later, someone who needs what you do is going to call.

I used to have signs in 3 places on my truck. I put one number on the doors and another number on my tailgate so I could track which position got the most calls. The tailgate pulled 5 to 1.

Now take that revelation and apply it to your attire. Realize you are always *standing* in lines too; at the bank, in stores, waiting to order a cup of coffee. For some reason, people would rather read your logo in private than read it while you're looking at them or speaking to them. Maybe it's because they're bored in line and don't have anything better to do but read what's in front of them. All I know is this, when it comes to vehicles and logos on your apparel,

people read what's on the back more than they read what's on the front or on the sides.

You've got to love this idea because you can go out and invest in ten or fifteen different styles and color shirts and use them for years.

The logo on my shirts were always in two places. I had one on the back, an inch or so below my collar, and between my shoulder blades and one in the front over my heart. Sometimes it was just my .com name and sometimes it was my name and my phone number.

**MitchBuysHouses.com**  
210-xxx-xxxx

All you ever really need is your **.com** name.

### **Things That Work 24/7/365**

Are you starting out on a shoestring budget? All of the things we've talked about so far are simple and affordable things you can do. More importantly, you pay to have them done once and they will work for you 24 hours a day, 7 days a week, 365 days a year. These are the things you can do right now!

### **Expectations**

It would be unreasonable to think that any one thing we've talked about up to this point would get you hoards of houses. However, it's not unreasonable to think that each of the things we've talked about thus far would get you one house per year. Yes, it is likely your well thought out email address will get you only one house a year. But think about all these individual efforts as a whole:

1. Your email address.....one house per year.
2. Your email signature.....one house per year.
3. Signs on your vehicle.....one house per year.
4. Monogrammed clothing.....one house per year.
5. Letterhead.....one house per year
6. Website.....one house per year.
7. Business cards.....one house per year.
8. Printed paper signature block....one house per year.
9. Employee's email signature.....one house per year.
10. Your vanity phone number.....one house per year.

How much can one house make you? \$5,000 - \$10,000 - \$20,000 – more? I say, if you can get ten of these things going, all pulling in the same direction and branding your **.com** name and a consistent message, you're going to do fine!

Do you have a calculator? Plug in any of the numbers above and ask yourself. “Would it be worth it?” And don't forget, all of the things we've listed are going to have an expense in the first year but most of them will last for years and years and maybe forever. Shoot, my truck signs lasted for almost a decade. I'm embarrassed to say it but I still have monogrammed shirts from 1998... and I still wear them! My website's been good for almost two decades!

Don't get discouraged when your cars signs don't instantly produce 10 sales the day you stick them on the side of car door. It's not going to happen like that.

### **Business Cards**

Your business cards should replicate your letterhead as closely as possible. In most cases, it should convey the exact same information as your letterhead: and a simple graphic with important contact information. Nothing more and nothing less. Here is a nice example to give you an idea of how to keep your branding on point and provide the information people need.

#### **MitchSellsHomes.com**

*"Perfect credit not necessary!"*

210-669-xxxx cell, 210-657-xxxxoffice

Mitch@MitchSellsHouses.com

4035 Naco- Perrin #104, San Antonio,  
Tx 78217

#### **MitchBuysHomes.com**

*"I buy houses fast!"*

210-669-xxxx cell, 210-657-xxxx office

Mitch@MitchBuysHomes.com

4035 Naco- Perrin #104, San Antonio,  
Tx 78217

Personally, I like business cards that are blank on the back and made of a stock that is easy to write on. It's really hard to write on glossy business cards. If you're new in the business or don't have as many houses as you would like to have, you need to always have business cards... and lots of them. If you have plenty of business cards on you, you'll always have something to write on.

And while you're at it, always have a pen. When newbies in the business ask me, "Do you have a pen?" I always look at them and reply, "Sure I do. I'm a businessman." ...implying, "Why don't you have a pen if you're in business that requires a pen?"

I don't believe in spending money frivolously but I've always carried an expensive pen. Why? Because when I carried an inexpensive pen I never could hold on to one. When I carry a pen I've paid way too much for, I tend to hold on to it... for years! My last Mont Blanc pen stayed in my shirt pocket for over 8 years until I lost it... or as I like to say, "Someone stole it!"

### **Take a Page from the Pizza Guy**

So, you've slapped magnetic signs on both the doors and stuck one in the back window of your car. But there's one more place you might not have thought about. I'm sure you've seen the signs that taxi's have on them so they can be spotted in traffic from the curb. The lighted "A" shaped signs that go on the roof.

I don't know about where you live but where I live the pizza delivery guys are using these signs now. There is no reason you shouldn't as well. They let your business sign be seen in traffic at night because they are lighted. They let your business sign be seen in the parking lot of the mall

where door signs and rear window signs are less visible. Those small plastic roof mounted signs are a great way to promote your business.

## **Wrap Your Car in Vinyl**

You've seen them but you might have thought they were very detailed and very costly paint jobs. I'm referring to car wraps. These are highly detailed and come in multiple eye-catching colors. These are computer-designed custom vinyl wrappers that can be applied to any car or truck.

Granted they are much more costly than magnetic door signs but they do stand out. With these *wraps*, you can brand the hood of your car, the roof, the back fender, the front fender, or every square inch of your car.

Vinyl wraps come in quarter wraps, half wraps, three quarter wraps, and full wraps. You can have your vehicle wrapped any way you want but these are the ways they are described and priced.

Vinyl wraps may not be an option if you lease your vehicle. Although wraps don't damage the vehicle, you do need permission from the lease company to wrap their cars. Another great thing is these wraps can be removed when you sell the vehicle or return the lease.

Search Google for "Car Wraps" and take a look at all the creative things people are doing to get their message out to the world. Some of these wraps are pure genius in their design.

## Rolling Billboards



## Chapter 7:

### Customized Clothing

. . .

Let's cut to the chase. The way I see it, giving away shirts and jackets, baseball caps etc., with your logo on them is an ego thing. Yes, everyone is proud of the company they've started. That doesn't necessarily mean that everyone else has the same level of enthusiasm for your company as you do. Consequently, I don't think too much about buying hundreds of shirts and giving them to friends and/or strangers anymore unless I just feel benevolent. The few times I've done it I've regretted it from a *rate of return* standpoint. I prefer to spend my money on things I can track the results from easier.

## Chapter 8: Sponsor a Jr. Sports Team

. . .

Generally, I avoid donating shirts to others. But there is one exception; Sports Teams!

Why sports teams? Because when you sponsor a local youth soccer team or baseball team, etc. there is a certain kind of pride in wearing that shirt. Granted, the team isn't proud of **MitchBuysHouses.com** but they are proud to be a fighting "Dragon" and hence they'll wear the shirt.

**MitchBuysHouses.com** is simply hitching a ride on "Dragon"

pride...if you know what I mean.

If nothing else, you know the shirt is going to be worn for every game and maybe at every practice. Beyond the season, it



seems to make sense that those jerseys or t-shirts will continue to get worn regularly by the players. Team pride doesn't end when the season is over.

So you still want to give away more customized clothing or gear? Great! Pick out a classy pull-over "Polo" style shirt in the team color(s) with a classy logo embroidered above the right breast and give them to the parents of all the players to wear to the games. Team spirit! It's pretty cool seeing a majority of the bleachers sporting your URL and a rendition of the team mascot!

Having known my fair share of coaches, I can tell you for sure that many of them have more pride in the team than the entire team put together. Give the coaches a sporty looking jacket with the same URL/Team Mascot Logo. If you make it classy enough even the coaches will keep wearing the jacket long after the season is over.

The cost of a custom T-shirt varies depending on the quality, shirt color, how many colors you have printed on the shirt and how many you order at a time. A medium quality white T-shirt with one print color starts at about \$7 each when you order 50 at a time. Of course, the variables and options can go on forever; everything from windbreakers to head bands and elbow pads.

I also wear a hat with my logo on it most of the time. Like T-shirts, hats can be given away and people will wear them even more than your shirts. If you want to give away custom hats, these start at about \$15 for ones with both your text and logo on them. Of course, buying in volume will get you a discount.



I have included several clothing catalogues that specialize in advertising at [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage). Search under the heading “**EMBROIDERY & CLOTHING.**” These catalogues have everything you can imagine and more and some of it is pretty cool!

In addition to the advertising aspect, you’ll be giving to a great cause; kids and the community! You can feel good about yourself even if you don’t get a house out of the trade. Your son or daughter will be proud of your generosity and other parents will wish they’d thought of it first. Believe it or not, other parents want to look good in front of their kids and community too you know. Everyone wants to feel that kind of good. When you give it inspires others to give. Try it and see what I mean.

With sport teams, you can also buy advertising on a play field fence. Play field fence advertising prices vary but can be as little as \$100 for the entire season. You can also advertise on the scoreboard.

In most leagues, you receive additional recognition beyond the players' uniforms. Leagues often print programs that include the name of their sponsor. Most also have a group photo of the team taken and mounted on a plaque. It's given to the sponsor to be displayed in your office as recognition for sponsoring a community Jr. league team.

You're not limited to Jr. league teams. Other types of teams you can sponsor include:

- Bowling
- Soccer
- Adult softball
- Stockcar racing
- Rodeo
- People participating in charitable events

Use your imagination to come up with all kinds of ideas to use clothing to market your house buying message around your community.

So, if you want to spend money on logo clothing do it for these 3 categories;

**You and/or Partners**

**Employees**

**Jr. Sports Team(s)**

## **Designing Your Custom Clothing**

We've already been over the fact that you're branding your business. That means you want to use the same logo as you have on your car door and letterhead. Keep it simple; URL at least, Phone number maybe.

## **Working Around Long Hair**

If you're sponsoring a girls team you may want to make some adjustments. Generally, the logo is on the back but, long hair can obscure your message. The answer to this minor dilemma is having your logo printed on the backs or the outside of the sleeves on shirts, jackets, sweatshirts, etc.

It won't be as prominently displayed or as large but it still gets your message out. There are creative solutions to every problem, big or small.

***“In every human act of  
charity, something  
larger, greater, divine  
has come down to visit  
the act.”***

— Geoffrey Wood

## **Chapter 9:**

# **Small Billboards - More Creative Marketing**

. . .

Professional billboards can cost up to \$30,000 per month in major cities. These are very large billboards measuring 48 feet by 14 feet. The smaller professional billboards are 11 feet by 5 feet. In lower traffic areas these can cost as little as \$1,500 per month. I think you'll agree this is still very expensive if you are just getting started in the business.

A much more economical option that you put in place once and works well for years is making your own small billboards.

### **Where to Place Your Small Billboards**

As with all marketing signage, you have to be a little concerned with the local sign police. When scouting out places to put up these signs, you also want to be concerned with homeowners associations (HOAs). I've actually had more trouble with HOAs over the years than with the sign police.

Most local jurisdictions have codes preventing businesses from putting up marketing and advertising signs in public

places. Learn these codes so that you at least know what the potential fines are. HOAs have rules preventing most signs from being put up in entire neighborhoods, including on private property.

Still, there are places you can post these signs and they won't be torn down nor will you be fined. Face it, these signs are a low priority for the police or code enforcement officers, but not such a low priority for HOAs. I stay away from HOA neighborhoods. I look for abandoned properties. I prefer properties without a structure on them - abandoned lots. Your contact information will be on your sign. If the property owner wants to contact you, they can easily do so. If they do, you can offer to pay them a very modest fee to leave the sign on their unused property. I've had people allow me to put signs up on their vacant lot for as little as \$15 per month.

You can also approach homeowners on busy streets about putting up a sign on their private property. Corner lots at the intersection of two busy streets will get you the most exposure. You'll probably have to pay a little more to put your sign in someone's front yard but people can be motivated for \$50 or less a month. This is a whole lot less than what a big professional billboard costs.

The truth is if you pick the right place, no one really cares that you are marketing your business as long as it isn't a real eyesore or interfering with people getting around or obstructing their view.

### **Have a Pro Build Your Billboards**

To those of you who want to run out and build your own signs, I'd like to present a novel idea - pay the sign company to make signs so you can get on with the business of buying houses.

There seems to be no shortage of sign shops. This is even truer on the internet. You'll find reasonable sign companies at: [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage). Search under the heading **“INTERNET SIGN COMPANIES”**

Find a company with a good price and order what you want. I prefer 4' x 8'. In some places, I choose to use a 4' x 4' panel size. There are places where *too big* will get a negative response from the powers that be. I'd rather have a sign that is half the size and still out there working for me after five years, than a big sign I have to take down the first month I put it up.

Aluminum panels are strong, durable, and lightweight. They cost a little bit more but your sign will still be there in five years. Lesser signs fade and/or decompose to fast.

For a super long lasting sign that is highly reflective at night, use highway reflective tape over a contrasting background. The 3M company offers several variations in a product they call "Stamark." I also used this Stamark brand of reflective tape on my truck. My black F350 with reflective Yellow highway tape was undeniable at night...especially my tailgate!

## Chapter 10: Newspaper Classifieds

. . .

Most of the time, I'll tell you to forget about the newspaper. People just aren't using that medium anymore. But when it comes to looking for houses, I say it's still worth going to. The reason I like the newspaper for finding houses is because the local investing community has abandoned the classifieds. Yep, I think you will be one of the few investors that actually go through the paper every day looking to buy a deal.

Compared to the internet, newspapers are ineffective when it comes to selling houses, therefore the investment community left the newspapers. However, some of the less sophisticated public still place their private properties for sale there in the classifieds. The homes for sale in the classified section of the local newspaper could be great finds with little competition – seriously!

### **Newspaper Tragedies**

Scanning the local news for tragedies is another way to find bargain properties. When tragic events happen, people may need to sell their property fast and for a low price. The idea that we as investors make our living off the misfortunes of

others has some misguided people labeling investors as *grave dancers*. The idea that investors sit around hoping for tragedy is utterly ridiculous. For me, nothing could be further from the truth. I don't see this business as grave dancing at all. A fair and compassionate investor can help people get through some of the toughest times in their life.

Real estate investors don't cause the properties that we invest in to become distressed. *Investors* are there to help survivors deal with the inevitable fall out.

### **Investors Helping People in Need**

Often, these people are going to lose the property if action is not taken immediately. A compassionate real estate investor can actually offer the homeowner a better solution than losing the property and getting \$0. In short, any option is better than no option at all.

Maybe the option is nothing more than keeping a foreclosure off the seller's credit history. More often than not, investors give seller's some much needed money when otherwise they'd lose the house and get nothing.

Sometimes, real estate investors can offer the seller more time before they have to leave the property. There are millions and millions of people in need out there and every situation is different.

### **Here Are Scenarios to Look For**

**Flooded houses** are one example. Many homeowners are not aware that they need to carry flood insurance as a separate policy from their existing homeowner's policy. Or they don't consider themselves in a flood prone area until a five-hundred year flood comes along to do severe damage to their house.

Now, they find themselves with an uninhabitable house with no insurance and without the financial ability to make repairs themselves. No one on the retail market wants a flood-damaged house. However, a real estate investor can often make life for these people easier. If the sellers have enough equity in the house, it's possible for an investor to make an offer that pays off the mortgage and puts enough money in the seller's pocket to make a down payment on another house. Or maybe it's only enough money to buy new furniture for an apartment they'll be renting. Either way, the seller is better off than only having the option of abandoning the property and ending up with a foreclosure on their credit history at a time when they probably desperately need access to a line of credit.

**Fire damage.** Same thing goes for fire-damaged houses. Amazingly, some people don't carry homeowners insurance once their mortgage is paid off. The house has a fire that makes a home uninhabitable and the owner/occupants find themselves in a situation similar to the flood example. What's different here is they own the home free and clear. Any money an investor pays for these houses goes directly into the pocket of the seller.

## **Disasters and When Investors Can Help**

**Tornadoes.** Unfortunately, tornadoes happen. They can totally destroy a house or partially damage it. If the house is seriously damaged, be sure you know what you are doing before making an offer. Even seasoned investors aren't knowledgeable enough about building structures to accurately estimate repair costs when half the structure needs to be torn down. Reality is, it can be more costly repairing a heavily damaged structure than it is to tear it down and start over. However, tornado damage isn't always that destructive. The house might not have taken a direct hit. It could be that it had a large tree fall on it or it was

struck from debris the tornado was flinging in every direction.

**Mold** is one that you won't see in the news very often unless there is a newsworthy story behind it. Maybe a particular construction company has gained a reputation for building houses that easily develop mold problems. If that is the case, there could be several houses available as distressed properties. Obviously, you want to become an expert at estimating the cost to repair moldy homes or bring in an expert before loading up on several houses with mold problems. **IMPORTANT:** Make sure you get your mold reports from experts before you own the property. Don't under-estimate the cost of a fully compliant mold remediation.

**Murder houses.** These are gruesome. Unfortunately, they happen. It may have even happened in a house you are thinking about buying right now. These houses become available for several reasons. Maybe the murdered owner didn't have any close family and a distant relative is trying to quickly unload an inheritance. Maybe a family can't bear living in the house after the murder of a loved one. Maybe the murder victim was the sole breadwinner and the family can no longer afford the payments. Maybe the person who committed the murder needs to sell their house because they will soon be living off the state (prison). Be extra empathetic when you talk to the relatives of a murder victim. Same thing when it comes to suicides.

In my state (Texas) you have to disclose to the buyer if you have knowledge that a violent murder was committed in the house you are trying to sell. Be sure to check what your state requires before you buy a house that has had a violent crime committed in it. **IMPORTANT:** It can be hard to sell a house when you have to disclose a murder has been

committed in the house. Take note that it can also be hard to sell a house where anyone has died in it, for any reason, if the neighbors are going to come over and tell every prospective buyer what happened.

FYI - Suicide is not considered a violent murder in Texas, and does not have to be disclosed by law in my state. Be sure to check with your state and/or your attorney as to what is required in your state.

**Abandoned pets.** Occasionally, you'll come across a local story about abandoned pets. Not abused pets but abandoned pets. Abandoned pets usually reside in abandon properties. If an owner has abandoned a house, chances are it's going to be difficult to find them. However, it can be worth some effort because this person obviously has no interest in the house. If the house was a rental and the tenant abandoned the animals when they moved out, the house could be in bad shape by the time the landlord discovers it. They might just be in a mood to sell fast instead dealing with the problems that abandoned animals create. Once a house has been urinated in and defecated in for an extended period of time, it can be difficult getting the unpleasant odors out. However, it can be done.

I've written a special report about the process of dealing with houses that reek of animal urine and feces. You can find that report at [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage). Search under the heading "**SPECIAL REPORTS**" and look for the report titled "*How to Sell That Stinking House!*"

**Deaths by natural causes or illnesses.** People live and people die. It's the natural cycle of life. The extended family may not have any interest in the house and wants to get rid of it fast. Or maybe the deceased had several rental houses and the family doesn't want to deal with those. If

you don't call and ask if you can help, you'll never know what problems they're trying to solve.

In my first book, [My Life & 1,000 Houses: Failing Forward to Financial Freedom](#), there is a very interesting story on page 351 entitled "What A Blessing." This story deals with selling a house that someone had died in. You may read the story if you wish by the link at: [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage). Search under the heading "**SPECIAL REPORTS & STORIES.**" Look for the story titled "*What a Blessing*"

**Relocation of a major business.** This can cause a major upheaval in people's lives. Suddenly a few hundred people in a community lose their jobs and can no longer keep up the house payments. Or maybe many of them will be transferring to the new business location. That can cause a large number of homes to come on the market all at one time with sellers in a hurry to sell before they have to start working at the new location.

**Major business closures.** This situation can be a definite call to action for investors. This has pretty much the same affect on a local real estate market as a business that relocates. Large numbers of people suddenly don't have the income they depended on to make the monthly mortgage payments. A large influx of houses for sale on the market drives prices down. Wealth comes from chaos. This is a form of chaos.

**Military installation closures.** Similar to businesses that cease operations in a community, a closing military installation often has a bigger impact on the community and brings different dynamics. Military life is a mobile lifestyle. Military installations provide for some family housing on the military base. That housing might be for

sale at very big discounts when the installation closes. Because they move so often, many military families rent in the local community instead of buying. Many of these properties will come on the market at discounted prices when the families move on to other military bases. The rental market will dramatically shrink when the military leaves.

True investors listen to the news with a different set of ears. Listen for the chaos. Look for the wealth building opportunities. Follow up in the areas that are hit by chaos.

## **Help People Deal with Flooded Homes and Other Disasters**



## Chapter 11:

# Professionally Advertise on Craigslist for Free

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The next couple of chapters are free methods you can use to track down houses to buy. These take some time but can be very effective. Because our time is valuable, consider, hiring your children and young adults in your extended family for this type of work... not that it isn't worth your personal efforts, but because it is time consuming and a mundane skill you can easily sub out. Teach the youngsters how to earn their allowance and help the family business is my motto. Keep your time open for following up, negotiating, and writing contracts.

### Multiple Ads in Multiple Sections

Craigslist.org is a wonderful site. It's super effective for selling your properties...especially if you are offering owner financing. But it can also be a great place to buy houses. You just need to know where to advertise to catch the attention of people that are in need of a wholesale buyer.

The craigslist sections I recommend are:

1. Services / Real Estate
2. For Sale / Wanted
3. Housing / Real Estate for Sale Section
4. Housing / Apt. & Homes Section
5. Community / General

Under the major category of "Services", you'll find the subcategory of "Real Estate." All types of real estate services are advertised here. You'll also see some people advertising they buy houses here. I'm not sure this is the most lucrative advertising section but, if people are looking for repairmen, they must have houses with problems. Some homeowners will just throw their hands up and sell once they get the prices for repairs... or if the contractor runs off with their money before the repairs are done. Hey, it happens to us as professionals from time to time. Imagine how often it might happen to novice home remodelers.

Also, the "Services / Real Estate" section is where the few people that need a wholesale buyer are likely to be looking. That makes it the top choice for your advertising and one of the sections where you want to refresh your advertising often.

The "For Sale / Wanted" section" is a bit of a contradiction in terms. This major category is a catch-all section where you can state what it is you want. I always say, "If you want something, ask for it. You'll never get it if you don't ask." Well, here's a section of CraigsList where you can ask for what you want. You want to buy a house? Ask for a house to buy here!

The "Housing / Real Estate for Sale" section. Not only can you look for advertisers who sound like your kind of seller,

you can also advertise that you buy houses here. Sellers are posting their properties for sale in this section. Some of those sellers will look around at other advertisements for ideas about pricing and how to write an effective advertisement. They'll be able to see your message here and if they are in a hurry to sell, they just might call you.

The "Housing / Apt. & Homes" section is where people go to offer their properties up for rent. The secret here is to attract disgruntled landlords. You're looking for landlords that have had enough and want to sell. Let's face it, more than one deal has been made after a tenant moves out and the landlord gets to deal with the mess and destruction left behind.

So who's in this section looking to rent a home? I suppose you might find a seller that is being foreclosed on. It's a bit of a stretch but you never know. I do know this; if you don't put an ad in this section announcing that YOU BUY HOUSES... you'll never get a call from this section.

Probably the best play in this section is to call all of the landlords and ask them if they'd be interested in selling.

Activity spawns opportunity. Keep moving, keep posting, keep calling, keep asking. Something is going to happen!

The "Community / General" section is a catchall. It's the least useful but you are providing a community service so you might as well run an ad here.

nearby cl
abilene
austin
beaumont
brownsville
college station
corpus christi
dallas
deep east tx
del rio
east tx
galveston
houston

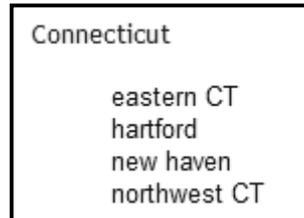
## Multiple Ads in Multiple Cities & Suburbs

You need to know the expanded area that you are looking for houses in. Suburbs, smaller cities, near a major city, and nearby cities all have their own craigslist listings.

Sometimes these are shown as tabs at the top of the major city's home page and other times they will be listed along the right hand column of the home page.

Areas that are more rural are also included on craigslist as larger regions. The Texas example on the previous page shows east tx and deep east tx in the nearby cities list.

Smaller states are mostly categorized by region. You may even want to look in nearby states depending on your exact business model.



The bottom line is that with craigslist, you have the ability to get your message out that you buy houses fast for wholesale.

## Craigslist Policies You Need to Deal With

Running multiple ads on craigslist can be a bit of a challenge. Craigslist's policy limits you to posting to one category and in one city, no more than once every 48 hours. When you try to post the same ad in multiple sections, craigslist has an algorithm that spots the duplicate advertisement and blocks the second message from posting. This is not an issue when you post to other cities or regions that have a different home page.

There are ways you can make multiple posts in different categories of the same home page. The method I use is to write the ad once and simply change the order of the paragraphs when I post to different categories. The other

method is more time consuming because you have to write a different ad for each category.

### **Writing Effective Ads**

You don't need a long-winded advertisement to get your main points across. A good subject line is important but it doesn't need to be anything other than:

I BUY HOUSES FAST FOR WHOLESAL

You can also experiment with other subject lines like:

I BUY FIXER UPPERS

SELL YOUR HOUSE NOW!

I BUY HOUSES - ANY CONDITION

I do use all capitals in my subject line but not in the body of the text. I do make the paragraphs short so that I can change the order of the paragraphs and end up with the *same ad, but different* to post in different categories. I also occasionally change the wording to see if something a little different works better. I'm always trying to improve my business. Here is an example of an effective ad test:

Call Now - 210.590.XXXX

I buy houses fast.

I buy houses in any condition.

I pay with funds immediately available.

No commissions.

No fees.

No Hassles.

Call Now - 210.590.XXXX

Ask for Dale

I put my contact information at both the top and bottom of my ads. You need to use a "call to action." Most people say, "call today." I don't want people procrastinating so I use "Call Now."

I code the ads by using different names. Dale is my middle name. I use my middle name in all my Craigslist ads. If callers ask for "Dale" I know they're calling from craigslist. This helps me assess the effectiveness of my Craigslist efforts.

I also have others posting for me. Shelby is my niece and from time to time she does my posting for some extra pay. When I get a call from someone asking for Shelby, I know she is actively making the posts. I simply tell the caller that Shelby is not here right now but I can help... and then I continue on with my prospect. If you have virtual assistants (VAs) overseas posting for you, give them a nickname. That way you'll know when their postings are being effective.

### **Keeping Ads Current**

You want to keep your ads current and near the top of the lists. As others make posts, your advertisement will be forced down the page. I have received calls from ads that were far down the list but I'm sure being near the top of the list is more effective.

I have someone post on Mondays, Wednesdays, and Fridays. That works through Craigslist's 48 hour posting policy. You have to go in and delete the old post but after you do, you can post the same ad back at the top of the list. Oooor, you can switch up the paragraphs in your ad and just post away.

In years gone by, when I was very aggressively looking for houses to buy, I would post every day. All you need to do is write a different ad that doesn't replicate the one that is only 24 hours old, but craigslist is getting smarter. If they sense you're plastering the same ad all the time, everywhere, they will "Ghost" your ad. *Ghosting* means that craigslist will send you an acknowledgement your ad was posted but it was not really posted. Be sure to enter craigslist as a consumer and see your advertisement with your own eyes. Otherwise, you may be posting for nothing.

One thing I'm sure of, craigslist will be forever evolving. Use Google to learn what they are up to and how to keep up with their ever-changing algorithms. The latest changes are that they will no longer post your ad if it has a web address in it. To combat this I post my website as Cash4HousesDOTnet ...or... Cash4Houses(.)NET ...or... Cash 4 Houses DOT net. Savvy sellers know what you're doing.

Using these craigslist methods to find houses to buy is both free and effective. I don't bother advertising through the paid newspaper advertisements anymore because almost everyone uses craigslist.

Be on the lookout for the next new website. To keep up with the every changing world of technology and FREE places to advertise that you buy houses, go to [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) and search under the heading **"FREE ADVERTISING PLACES."**

***“Business is a game, played for fantastic stakes, and you're in competition with experts. If you want to win, you have to learn to be a master of the game.”***

— Sidney Sheldon, *Master of the Game*

## Chapter 12:

# Creating a Wholesaler's Distribution List Using Craigslist.org

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As you start to peruse through the advertisements on craigslist you'll start to see some of the same numbers over and over again. These are local investors selling all the houses they have purchased. Collect these phone numbers and put them into a text distribution list on your phone. I have an iPhone and I previously used the GroupText application (app). Today I use [LiveComm.com](http://LiveComm.com). Because these apps are constantly changing, you'll want to see the latest one I'm using listed at [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage).

Whenever I'm hungry to buy a house I simply text every investor I know using [LiveComm.com](http://LiveComm.com) and ask them if they have any deals they want to wholesale. This is very fast and effective.

I use to have somebody call each investor individually on my behalf and get an email address from them as well. Today I simply send a text to all my wholesalers and ask them for anything I want... email or otherwise.

## **Chapter 13:**

### **Search the Internet for Houses to Buy**

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This might not be absolutely free because you need to have an internet connection. However, you're not going to go very far in this business without being able to access the internet. I'm guessing you already have the internet.

There are several ways to do internet searches to find inexpensive houses for sale in your local area. Here I cover:

- Homes for sale by owner
- Homes for rent
- Finding foreclosure auctions
- Real estate wholesalers

#### **Houses for Sale by Owner**

Houses for sale by the owner can be a mixed bag. Many of these people are trying to save the cost of real estate agent commissions. Others perpetually run ads to sell their house hoping that someone will make a very high offer. But others are desperate to sell a house and most agents won't take the listing because the place is too run down or for a

list of other reasons. These are the ones you are looking for.

All you need to do is enter a location based search query such as "for sale by owner, San Antonio." Dozens of websites will come up on your screen.

Go to [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) to see a list of the most popular sites for **“FOR SALE BY OWNER SITES.”**

The ones that are not solely "for sale by owner" sites have a tab at the top of the home page that drops down to show you the "for sale by owner" category. If you bump into investors be sure to get their cellular phone number and or email address so you can add them to your distribution lists.

You can also sort the available houses in different ways. I typically sort from lowest price to highest price.

Another search you can use is searching for pre-foreclosure houses that are coming up for auction. Use the search term "foreclosure auction [your location]." I sort these by upcoming auction dates.

## **Homes for Rent**

As previously mentioned in the CraigsList chapter, when a rental house is sitting vacant, it can be the perfect time to approach a landlord about selling. Maybe the landlord just evicted a tenant or a tenant left the house in bad shape, or both. These are common occurrences in the landlord business and they cost the landlord time and money. He or she can become a disgruntled landlord or as I like to call them, “Don’t Wanters” ...because they just *don’t want* to be a landlord anymore.

Now the house is sitting vacant and quite possibly the landlord is making mortgage payments without any income from the house. These may be landlords that are having a hard time financially.

Be sure to check the newspaper classified ads for rentals. The classified ads of most newspapers are now online, but the fact that a landlord is still using the classifieds may indicate that they are old and out of touch with how we market today. This could be part of their problems... and the problems could be making them want to sell!

You may want to collect the phone numbers and emails of all the landlords you come in contact with. It never hurts to send out a message to your “Landlord Distribution List” when you’re looking to buy your next property. Again, texting with [LiveComm.com](http://LiveComm.com) is making email addresses less and less important. Almost everyone reads their text messages. More and more, emails tend not to get opened.

SIDE NOTE: This is a book about buying houses but all your distribution lists can be built using [LiveComm.com](http://LiveComm.com); retail buyers, wholesale buyers, owner financed buyers... even generate great leads for private money using [LiveComm.com](http://LiveComm.com). Go to [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) and search under “LEAD GENERATION.”

## Chapter 14:

### Buy Houses from Business Cards

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This chapter transitions from *free* ways to find houses to inexpensive ways to bring in leads 24/7/ 365.

Your goal is to distribute between 25 and 50 business cards every day. For that reason and several others, you want to keep the design simple and inexpensive to have printed.

Business cards can be inexpensive and you want to keep yours that way. Complicated and expensive is not desirable in this department. You can have wooden business cards made in the shape of a cocktail coaster but they won't be affordable. You need affordable cards because for your buying card to work you're going to have to give out literally thousands of them. You'll want to leave a card or two or three or five everywhere you go. If you distributed 50 cards per day, 365 days in a row, that would be 18,250 cards. If you don't buy a house handing out that volume of cards (or anywhere close to that volume) then you have the wrong words on your card.

If this is all your card says, this will find houses for you:

## **MitchBuysHouses.com** 210-669-XXXX

If you have [LiveComm.com](http://LiveComm.com) you can designate an additional phone number to add to your business cards. This extra LiveComm number can be forwarded to a *free recording*. The important part is that you'll capture every incoming caller's phone number when they call to hear the free recording. Of course, you'd rather speak to the seller directly but because a *free recording* is non-confrontational, many would-be-sellers will call the recording when they would not call the direct person-to-person phone number. Once you've collected the phone number you can call them directly. Sneaky, but effective! Traditional cards, without LiveComm, give you one way to capture a lead. The example below, with LiveComm, gives you two ways to make contact.

## **MitchBuysHouses.com** 210-669-XXXX

### **Free Recorded Message 210-710-XXXX**

Cards with a *free recorded message* opportunity definitely work better late at night, when the night owls are up and about. Let's face it, no one is going to call you at 1:30 in the morning. However, a seller just might take you up on an offer to listen to a free recording at 1:30 am. BAM! ...if they're calling from a cell phone, you just got their phone number!

To find online sources that offer to print your business cards inexpensively, go to [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) and search under the heading "**BUSINESS CARDS & FLYERS**". Last time I checked some of these were offering your first 500 cards free. Get there and getcha some!

***“Doing business without advertising is like winking at a girl in the dark. You know what you are doing but nobody else does.”***

— Stuart Henderson Britt, *Marketing Management and Administrative Action*

## Chapter 15:

### The \$20 Business Card

...

No, I'm not suggesting you purchase business cards costing \$20 a piece. What I'm about to show you is a highly creative and humorous way of letting people know that you are looking to buy houses.

Have colored business cards printed with a \$20 bill on one side and your regular message and contact information on the other side. Make sure the \$20 bill is about half the length of a real \$20 bill. You don't want any one accusing you of trying to counterfeit money. Printers that specialize in these cards use paper stock that visually resembles a real \$20 bill.

#### **How \$20 Bill Marketing Works**

Head out to any public place. Malls, airports, bus stops, even a sidewalk. Any place with decent foot traffic works great. Fold a few of the business card \$20 bills in half or wad them up slightly and drop them in the middle of the foot traffic.

Want to have some fun? Move away from where you've dropped the *\$20 Card* and linger. People do the funniest

things when they think they've found money on the ground. I've seen people stop a few feet away when they spot it and just kind of stare at it, look around to see if anyone else sees it, and then go for it! I've seen people stand on them and then bend down, as if to tie their shoe, and snatch it from under their foot before they stand up again. It's fun to go with a friend or two and have them sit in the food court and watch as I patrol around nonchalantly dropping faux \$20 bills. Half the people look around in all directions expecting to be caught on Candid Camera or something. The other half invent ways to sneak the \$20 into their pocket in ways I'd have never thought of before...hilarious!

I use to drop faux \$100s but believe it or not, people are afraid to pick up a \$100 that is not theirs. People would get completely stressed out and walk off. I've seen it plenty of times. So use a faux \$20...and have some fun!

You can also just drop the faux \$20 card and walk away, knowing someone is going to come along and snatch up that imaginary \$20. There is not a chance it won't get picked up! There is not a chance they won't inspect the card and read your message! They may even keep it to use on their friends and family... and that is the reason I'd rather use a faux twenty dollar bill than any other card in the world. The faux \$20 travels! The more it gets thrown away, the more people pick it up again!

I choose to give shirts to sports teams because the



**I BUY HOUSES FAST**

**MitchBuysHouses.com**  
210-669-XXX

“team spirit” keeps the shirt relevant and traveling. I choose a faux \$20 card because the amusement keeps the card traveling around the community. Choosing to spend your money is an important decision. Try to invest it in things that have a longer life.

## Chapter 16:

### Website

...

As a real estate investor, you're much more sophisticated than the average house sellers you'll be dealing with. That doesn't mean you'll be trying to take advantage of them. It means you need to keep things simple while getting your point across at the same time.

You're in a bit of a unique position. Ninety-nine percent of the real estate websites out there are selling properties. You're buying properties. That means you have less competition - respectively. But you do have competition - so listen up.

#### **Keep It Simple**

Again, simple is better. Make it intuitive and easy to navigate. That means limiting the number of tabs so that people don't become confused and lost. Your objective is to have sellers contact you or listen to your *Free Recorded Message*. That is the main goal.

Give your mission statement. State your case short and to the point. Perhaps you have a few testimonials from other

sellers that were happy with you. Maybe you add a few pictures.

DO NOT TALK ABOUT...

- Selling Houses
- Remodeling Houses
- Borrowing Money
- Selling Notes
- Business Opportunities

This site is strictly for BUYING HOUSES. Do not confuse the issue one iota. Try not to look like a big company. Try to look like a grass roots, little but professional, company... after all, that's probably more like what you are. You want your prospects to see you as a down to earth "normal Joe" just like them. You're an independent businessperson working on one deal at a time.

If you followed the advice given near the beginning of this book in the chapter titled "What's In A Name," you already have a name that doubles as your URL or Domain Name. The site we are talking about right now is the site your customers will go to when they type in your version of the **MitchBuysHouses.com** business name.

As previously discussed, your house buying name/URL is all about branding. You will be plastering it everywhere. You'll most likely have it on the vehicle you drive, on your business cards, on bandit signs that you put out, and many other places that we'll cover throughout this book. This is where that URL leads to... so it's very important you get your webpage right.

After you give them just enough information so they understand your business model (which they already do from your business name and URL), you want them to see a simple form that they can quickly and easily fill out if they'd like to contact you. An example of that screen is shown on the next page.

### **Information Gathering Form**

When it comes to forms, less is better. This site should offer 3 pathways to get to your prospect;

1. Offer your number and suggest they call you
2. Offer to call them if they'll give you their contact information
3. Offer them a *Free Recorded Message* and capture their phone number

To accomplish the first path, make sure that when a prospect lands on your home page your contact information is right in their face and you're calling for them to take action:

**MitchBuysHouses.com**  
**210-669-XXYY**  
**CALL TODAY!**

**Free Recorded Message**  
**210-710-XXXX**

Strategically place a button that says "SELL YOUR

HOME NOW.” When prospects click on that button, you start the information collection process.

To complete #2 pathway, ask for the most important, most basic information, and conclude the form immediately.

Name

Phone number

Email

Address of the home you wish to sell



Full Name: \_\_\_\_\_  
Phone #: \_\_\_\_\_  
Email: \_\_\_\_\_  
Address of the property you are selling:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Submit

**Simple Seller Information Gathering Screen for  
Your Website**

The 3<sup>rd</sup> pathway to your client's contact information is to entice them to call your *free recorded message*. If you use the right system you'll be able to collect the phone number of every incoming caller... and that's all you ever wanted... the phone number of an interested seller.

To hear a sample of the free recorded message I offer prospects at my site, call this phone number...  
**210-529-7989.**

This is all you'll ever need from your website to be a success. Everything else you can get later and in person.

I see websites that expect a person to fill out all the details about why the seller is selling, all the detail about the property for sale, all the details about the mortgage and/or liens on the property... it's no wonder prospective seller's get frustrated and quit the form... never to be heard from again. Don't make that mistake. Use a micro-form to get the bare necessities of how to contact the prospect. You can get everything else after that. The task of your website is to get their phone number or email so you can contact them, if they don't contact you!

No kidding. Keep it simple!

It is a tremendous advantage to keep things simple for your sellers. It also works to your advantage. Your site will be very inexpensive to create because it is so simple.

On the next page is the overview of how simple the flow of your website should be.

**MitchBuysHouses.com**  
**210-669-XXYY**  
**CALL TODAY!**  
**Recorded Message**  
**210-710-XXZZ**

**Mission Statement**

We specialize in making sure that the seller knows and understands all their options.

**CLICK HERE TO  
SELL YOUR HOUSE NOW!**



**Shelby**

**"Mitch, I just had to send you a note letting you know how easy it was selling that old inherited house to you. You made the entire process fast and painless."**



**Mike**

**"I have to admit that at first I was skeptical about going through a wholesale buyer. However my experience turned out to be one where I was respected and not one where the only objective was to see how little I was willing to sell for."**

**SIDE NOTE:** Your buying site must be laser focused. Remember to have this same pin-point focus on your selling site, and your private money site as well.

### **Having Your Website Open 24/7 is Vital**

Remember when we discussed that people will call your *free recorded message* because it's non-confrontational? Well, people will go to your website for the same reason. Remember when we talked about people calling your *free recorded message* instead of your direct number when it is late at night? People will go to your website for the same reason.

Websites give you credibility and a chance to give your mission statement and win the prospects contact information. Don't underestimate this option. Make sure your prospects can find you on the internet when they go searching for you by website address.

I remember one deal in particular that came to me specifically because I had a house-buying website. Without my website I'd have missed this deal for sure. It involves an elderly, sickly woman here in Texas with a diminished mental capability. Her loving son was on the other side of the world working on a sea platform and a second son living in the home was a heroin addict. The elderly woman was in a rest home about to be evicted for her unpaid bills. Her son on the sea platform was trying to keep the rest home bill paid up but was struggling. Every penny the loving son sent home ended up in the veins of the heroin addict, feeding his addiction.

The elderly woman needed to get onto Medicaid to permanently solve the problem but she owned a once beautiful house that was now run down with her heroin addict son living in it. She could not get on Medicaid until

it was sold. It also represented the money necessary to bring the assisted living payments current.

One morning, I found an email that had come in overnight from the other side of the world. It was from the good son on the sea platform desperately asking for help.

I wish I had enough room in this book to tell the entire story. It runs about nine pages long and I need to condense this book. So, if you're interested you can read the entire story and 18 more stories like it by picking up a full copy of my first book,

**My Life & 1,000 House**  
*Failing Forward to Financial Freedom*

(Available at Amazon.com or you can order directly from my own site at [1000Houses.com/Menu...](http://1000Houses.com/Menu...) where you just might get an autographed copy)

Oooooor, you can go to [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) and search under the heading **“SPECIAL REPORTS & STORIES”** Click on the story titled ***“Off the Coast of Australia.”*** You'll learn a lot about the obstacles one can face and the thought process behind negotiating a deal with a very unreasonable seller... you're also going to learn how much money I made because I had a decent house buying website. It's guaranteed to make you think twice about skipping past having your own website!

## **Chapter 17:**

### **Realtors – What Makes Them Tick**

...

**"First things first:  
Real estate agents and brokers post their properties for sale in a centralized data base called the "Multiple Listing Service" (MLS). Any agent or broker can sell any property posted for sale there.**

**When a property is posted on the MLS for sale, it's called a "Listing."**

The real estate agent that lists a property for sale represents the seller (seller's agent).

Other agents are called the "buyers Agent" or "buyer's representative" You guessed it, they represent the buyer.

Real estate agents are required to work under a licensed real estate broker (If they are not a broker themselves).

Typically, the commission for selling a house is 6%. It would be price fixing if all brokers set the commission at 6% so the commission is always negotiable. However,

more often than not the fee ends up being 6% of the sales price. Go figure!

Real estate agents work together; or at least they're supposed to. It is very common for one agent to list the property for sale and for another agent to bring in the buyer. In such cases, the commission is split 50% - 50% (3% each).

**IMPORTANT!** If the agent that lists the property for sale also sells the property, they get 100% of the commission (less whatever they have to pay their broker of course).

In almost every case, the broker gets a cut from every agent working under his license. This cut is anywhere from 50% on down. Some offices have a sliding scale; the more an agent sells for the year, the less they pay. There are some offices where the agent simply pays a rental fee for their desk and use of the facility and equipment and share in the expense of the secretarial help. In other cases, the agent keeps most, if not all, of the commission but there is little support if any. The agent is on their own.

**IMPORTANT!** When an agent or broker withholds or delays listing his customer's property for sale on the MLS system, it's unofficially called a "Pocket Listing." Generally, it's a lucrative deal that the Realtor feels certain he or she may already have the perfect buyer for. It may be a deal so good that they are certain they can present it to a handful of favorite customers and sell quickly. It is ethically wrong and against Realtor standards to pocket a listing but it happens all the time. Among other reasons, agents and brokers have been known to pocket listings because they want 100% of the commission (both sides: the listing side and the selling side).

Now that we know how the real estate agent game is played from the commission angle, let's look at how to effectively work with agents to achieve your goal of buying houses at bargain prices.

**#1.** If you want to make a lot of low-ball offers through a buyer's agent (an agent that represents you as opposed to the seller), you're probably going to have to team up with a young, aggressive agent. The theory is that young agents don't have a lot of business and thus they have ample time to work this angle. And it's true. It's a lot of work and typically seasoned agents aren't up for playing the lottery in this fashion. Seasoned agents should have their share of high potential customers already in place.

Choose listings that have been on the market for a long time (90 days or more) or that just hit the market (minutes ago), check the "Days On Market" (DOM). Remember, not only are you making low-ball offers 30-50% less than asking price, you're also asking the listing agent to split the 6% commission with your buyer's agent (3% each). Expect to buy 1 out of 35 offers and you won't get discouraged.

**#2.** If you see a *for sale* sign in the front yard of a house, try to get hold of the listing agent. If the listing agent sells the house they will get both sides of the commission (100%). It's a natural state of being; people work harder, and pull stronger in your direction, if they are going to be paid double. If you buy the house from the agent that listed the house, the agent gets both sides of the commission – 100%. It makes it worth the listing agent's time to be enthusiastic about your low-ball offer.

**#3.** Taking in consideration #1 and #2, let's see if we can't optimize our results when we choose to make mass amounts of low-ball offers by:

- Gaining access to MLS. Set up a cookie-cutter operation for making offers.
- Making the offers yourself, without an agent representing you. If you have a license yourself, exclude yourself from the commission and leave 100% of the commission to the listing agent.
- Presenting your offer/contract directly to the listing agent so they make 100% commission if the deal goes through.

I'm spending time on this because using the right system with the right angle works and it is very profitable. It's not easy. There is NO easy money. But you can get the art of mass offers systematized and streamlined to the point that a paid assistant can do much, if not all, the work for you. It is popular to use virtual assistants (VAs) from overseas these days. Many of them have a quite different pay scale than we're use to. I've seen VAs in the Philippines charge as little as \$1/hr. I didn't negotiate that price. That's what they were offering!

When you get this system honed in correctly, you'll be busy looking at the deals that get accepted. Oops, almost forgot to mention; you don't go look at these deals until your contract is accepted. In order to have this luxury you'll need to put a three to ten day inspection or feasibility clause in your contract that allows you to back-out without penalty or loss of earnest money.

On the subject of earnest money, make a copy of an earnest money check made out to the title company of your choice (use the same title company on every offer you make). Make copies of that check and put a copy with every offer you make. When a deal gets accepted cut a real check and run it over to the title company.

## **Finding the Right Realtor**

Want to find the right agent for the job? Place an ad on [www.CraigList.Org](http://www.CraigList.Org). Your ad should read something like this:

**“Real estate investor is looking for a dedicated real estate agent to make offers, offers, offers. Send your qualifications to Mitch AT MitchStephen.com**

Put the ad in several different categories: Homes For Sale by Owner, Homes For Sale by Broker, Wanted, and in the Jobs section if it’s free. DO NOT put your phone number, just an email address.

Do you remember the conversation we had about avoiding spiders and spam kings? Here’s a little reminder.

To avoid spiders and spammers always manipulate your email address as shown below.

Mitch AT MitchBuysHouses.com

...or...

Mitch@MitchBuysHouses(.)com

Have the prospective Realtors email their qualifications. If they can’t figure out what you’re doing to avoid spam... they aren’t qualified.

Never sign a contract with a “Buyer’s Agent.” If a real estate agent asks why you don’t want to work exclusively with them, explain to them that you cannot survive off of one real estate agent anymore than they can survive off of one customer. However, you are willing to work with them on a deal by deal basis.

As an investor, you want to work with multiple Realtors but some Realtors will want you to work exclusively through them. You can't for several reasons. Most Realtors specialize in one localized area. They become proficient with a certain type of deal and stick with it. They are working with multiple clients and can't dedicate enough time to assure all of the best deals are found and passed on to you.

You can find investor-friendly Realtors several ways. One is by sending out an email to a large number of Realtors to see which ones show an interest. Another way is looking at the smaller real estate ads without pictures. Realtors dealing in high-end properties are probably NOT your best bet. However, all Realtors should run across at least one or two great deals a year. Why they don't buy them on their own is a mystery to me.

Look for Realtors marketing properties in working class neighborhoods. Seek out Realtors marketing houses needing some work... properties needing elbow grease and/or are fixer uppers. They are most likely to understand and/or run across the investment grade properties you're looking for.

Once you find a Realtor with potential, you'll need to have a sit down meeting with them. You want to let them know precisely what you're looking for. You want a Realtor that decides quickly and is genuinely excited about working with you. And they have to understand, exactly, the task at hand.

### **Let Interested Agents Know What to Expect**

Your agent is going to make lots and lots of offers, but, they won't be expected to run you around to every house

like their retail buyers do. You'll drive yourself to the properties that interest you.

Occasionally, the Realtor will need to pull comparables but for the most part, you should know the basic values in the areas you're mining in.

For you, the relationship is mostly a lead generation platform. Make sure the Realtor understands that your offers will be low-ball offers and to expect plenty of rejection. You may make 50 offers in a month and only have 2 or 3 go through.

We used to promise Realtors that we would use them to sell the house. Agents love getting round trips like this, but times have changed. BE WARNED: Many of the MLS systems are now tied into the County Appraisal Districts and when you *list* your property at market price or higher...be aware that the tax assessor/collector may value your property at what you've suggested the sale price should be in your MLS listing. If you've got a very low tax basis, you may want to avoid listing the property for sale through an agent. If you're selling your properties with owner financing, then traditional agent /brokers are a bad choice to begin with. Most of them just don't get it.

Never ask for lower commissions. Agents and brokers typically have plenty of inventory and DO NOT need to sell a house that pays less. In fact, go the opposite direction. Since you are looking for houses at cheap prices, offer to pay agents that bring you a great bargain an extra \$1,000 for thinking of YOU first! This will get their attention. I like to pay that \$1,000 directly to the person who brings me a deal, agent or not.

Let's get something straight right now. When it comes to paying an agent an extra bonus, some will say that that you can't pay the agent directly. Most investors are NOT a member of the Realtor club. Most investors are not licensed, don't pay dues and are NOT subject to the rules and regs put out by the Board of Realtors or any other Realtor-related regulatory system. Investors, like you and I, have a responsibility to buy houses to feed our families. The agent's obligations to his or her broker are none of our business. If an agent needs me to write the check to their broker instead of them, then they need to tell me so. Until then, I pay the agent, or anyone else who brings me a house for that matter, their bonus directly! We are a free people and we can incentivize whomever, as long as it is not a bribe to do something illegal.

What the ideal Realtor does for you:

1. Finds great deals you can't find on your own.
2. Provides a brief assessment of why it's a great deal.
3. Gives an opinion as to what repairs are necessary to sell the house quickly.
4. Makes prompt offers, offers, offers based on your criteria.
5. Follows up on the deal without you having to prod him or her.
6. Possibly provides you direct access to the full MLS as their registered "Listing Assistant."

### **Another Strategy for Finding the Right Realtor**

Visit the neighborhoods you're interest in investing. Stop in at a few of the independent real estate offices. Explain to the agent on floor duty that you are an investor looking for

an agent to work with that is intimately familiar with the local neighborhood.

Ask them if there are any agents in the office that work with investors. Often the floor agent will be willing to work with you or recommend another Realtor for you to talk with.

### **Sample Emails**

Collecting email addresses of Realtors is super easy. These people want you to find them. I found that if the *Board of Realtors* exists in your town, that's where you start. First, ask if they have a digital list containing all of the Realtors and their contact information. If they don't have a digital list, ask for any list. If they don't have a free list, ask if they will sell a list.

If they have a website, go there and see if you can search for a specific real estate agent by name. If you can search for agents by name, try this: type in the letter "A" in the search box and hit "Search." If the website is set up like my city's site is set up, every Realtor with the last name beginning with "A" will pop up. Simply rinse and repeat "B" through "Z."

Don't give up, eventually you can figure out how to get a list of agents and brokers.

Hopefully, the agents' email addresses are included. If they are not included, you'll have to go the extra mile... and call each and every one of them to see if they would be interested in having you as a contact/client. If they're open to the idea, then get their email address by *exchanging* information with them. You volunteer your Name, phone number, and email first. After they receive your

information ask them for their information. It's pretty easy and straight forward.

Don't do all this yourself. Sub it out to a private contractor. If the list has the emails, pay someone from India or the Philippines to put them all in a spreadsheet.

First Name

Last Name

Phone #

Email

That's all you need.

If you're interested in starting up a relationship with a VA overseas, I have some suggestions of where to start. Go to [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) and search under the heading "**VIRTUAL ASSISTANTS.**" There you will find some sites that can connect you to the kind of help you're looking for.

If you have to call every agent on the list, be sure to choose a person that has a good command of the English language and isn't afraid to speak to strangers. Overseas VAs may not be the best choice for this particular task. You should have no problem finding a stay at home worker for about \$10 - \$12 per hour to take care of this project. Yes, it's an investment but imagine being able to reach thousands of agents with your message. Don't hit them all at once...drip out to 5 to 10 a day.

My home town has about 6,000 agents. Let's say I only feel like I made a connection with 25% of them, so I make that 25% my *Realtor Email Distribution List*...1,500 agents.

A decent computer - techno-guy can set up your computer to send out to 30 different agents a day; 10 in the morning, 10 at noon, 10 in the evening. This will get you branded quickly and will probably get you enough leads to keep you busy. It may get you more calls than you can keep up with so make adjustments. Send out a different message when you send out the second round of emails. When you've gone through the entire list, simply start over again with a new message.

In the previous example, I'm reaching out and touching this list of 1,500 agents over an extended period of time. Some say that's not enough but I really dislike marketers that beat me up with emails every day. I simply delete them. You don't want to be a pest. You do not want to get deleted. You want to slowly, methodically, and pleasantly brand your way into the minds of the real estate agent community. "*Steady as she goes*" is what I say.

Send out a personal email using a rather generic template. Short and sweet!

Hello [**First Name**],

My name is [**Your Name**] and I'm a local real estate investor looking for real estate investments opportunities. I have my own money and I have plenty of private lenders and/or partners. If you'd like to work with me to achieve mutual real estate goals please contact me at your earliest convenience.

Sincerely,

[Your Name]  
[Telephone Number]  
[Email]

You computer-tech-guy can personalize your generic email. This is important. It's called *mail merge* and your list of personal names is merged with the generic letter. The trick is to make the generic emails not so generic.

Make your emails short and to the point. Everyone is busy. They don't have time to read a dissertation any more than you do. Notice, you let them know; you have money, partners if you need them, and private lenders if you need them... you are sophisticated, conscious of their time and you can move FAST!

If you only have a few responses, you want to make an appointment with each one to sit down and have the same conversation described when you walked into the neighborhood office. There is nothing like a face-to-face meeting. Here's a goal for you; meet with at least 1 Realtor a day for, 5 days a week, for 12 weeks. When you meet personally with over 60 Realtors face-to-face, you are off and running in the networking department.

If you're on a tight budget, you can have that same conversation over the phone and skip the lunch and dinner expenses. If you have the money and budget, then plan to meet in person.

You'll want to follow up with a different email. Send a second email based on the template below.

Hello **[First Name]**,

Just a short update for you; I am gaining on my goals but I still need to buy some more properties. I have a substantial amount of resources. Do you have anything that fits my

criteria? I specialize in houses in the medium to low price range (\$100,000 or less). Is there anything interesting out there? I like properties in these zip codes...

78133

78135

78139

...but I'll look at anything you think is worthy. I need to buy at least two houses this month.

Sincerely,

[Your Name]

[Telephone Number]

[Email]

If you've bought some houses since your last contact, let them know this... and let them know the specifics; sale price, rehab cost, new retail price. This will give you added credibility as a real buyer.

Let people into your world. Tell them what's going on. Never let a successful purchase go by without letting your Realtor distribution list know you bought another house. You'll be saying, *"I bought another house!"* they'll be thinking, *"This guy's a real buyer and he's not buying from me. I better get busy and find him some houses!"*

You want to create some urgency. Tell them you're looking to buy 2 houses this week, or that you still have at least \$100,000 to spend this week. Stay at the top of their mind. Give them reason's to remember you!

You want to get the lead before your agent lists it in the MLS. This is not a pocket listing. This is just being notified

of a new listing that is about to be listed in the MSL. This is how some of your best deals are going to get made. Agents *in the know* can help you gain this advantage. You have to gain “*top of mind awareness.*” You want them to think of YOU when situations become apparent. These subtle but consistent emails will be driving you up in their memory. You have to separate yourself from your competition. It’s all about consistency. This business, like most all businesses, is about consistency and professionalism.

Property owners get into desperate situations and need a desperate solution. I once bought a \$75,000 house for \$25,000. The man was \$25,000 behind on his child support. He was going to jail in 4 days if he didn't get caught up. He had to move very, very fast. The house he sold me was one he had inherited from a relative a few months earlier. I got a great investment and he stayed out of jail. I didn’t even have to negotiate the price. That’s what he offered to sell it for!

### **Follow Up Emails**

Once you have a few quality Realtors onboard, stay in contact with them.

When you start receiving emails from agents, add them to a “*Short List.*” These agents are interested in you, contacting you, and fully engaged. You can talk to them differently and more often. Hit the short list when you have any news that proves you are in the game and winning. Here’s an example:

Hello **[First Name]**,

FYI - I just put two new properties under contract. Do you have anything I can look at? Wish me luck that my deals close.

Sincerely,

[Your Name]

[Telephone Number]

[Email]

When you can, always reinforce the fact that you are accomplishing your goals and buying houses. This will make agents take note that you're not just another wanna-be-investor. Agents want to get involved with serious investors and this strengthens your brand.

By now in the conversation, we have two lists of Realtors. The list you're reaching out to and the list of those who are reaching back out to you.

IMPORTANT: I like to spread email addresses from the same real estate office into different groups. If every agent in one office gets the same email from you on the same day at the same time, they'll sit around the coffee pot in the break room complaining about the jerk investor trying to do business with them all. Imagine that!

As previously stated, an investor can't make a living off one Realtor anymore than a Realtor can make a living off one investor. If you tell them so, in a kinder gentler way of course, some of them will understand and some of them won't. Throw away the ones that DO NOT understand.

I once had the president of a *Board of Realtors* called me to inquire if I was selling real estate without a license. I told him, "I was selling the hell out of it!" He put me under

investigation and when it came time for my hearing, I showed up without an attorney.

**COUNCIL:** “Are you selling real estate?”

**ME:** “Yes.”

**COUNCIL:** “Do you have a license to sell real estate?”

**ME:** “No.”

Then, they showed me a list of 50 houses I was advertising on the internet.

**COUNCIL:** “Are you advertising to sell this list of 50 houses?”

**ME:** “Yes.”

**COUNCIL:** “You are clearly in violation of the law!”

**ME:** “It’s against the law to sell your own houses?”

**COUNCIL:** “You own 50 houses?”

**ME:** “Yes. More specifically, I own THOSE 50 houses.”

**COUNCIL:** “Case dismissed! ... Mr. President of the Board of Realtors, may we have a word with you?”

Sending out emails to the real estate community in bulk brings out two types of real estate agents, the aggressive and the completely inept. Yep, I said it. The aggressive agents are looking for prospects and they will seek you out. The completely inept will find you to tell you things like, “It’s illegal to own finance properties” or “You have to have a license to sell real estate.” Both of which are completely incorrect. Spend no time with the inept. Be polite, don’t argue, get them off the phone as fast as you can, and then delete them from your list and your life as soon as possible. Do it the minute you hang up. They are cancer!

**NOTE:** When I first started writing this book I hadn't yet invented [LiveComm.com](http://LiveComm.com) - an app for sending out text messages to multiple people at the same time. Emails are great for certain situations but there is a big gap in what emails can do for the house business. Not to mention, there's a certain amount of pain one has to go through to gather an effective list of email addresses. I find [LiveComm.com](http://LiveComm.com) very effective in keeping up notifications to the *short list* of Realtors I deal with. Emails are great for longer communications but the open rate and response times are not so favorable. As time goes on, I find that short messages with an immediate, 100% open rate, more and more effective.

With [LiveComm.com](http://LiveComm.com), I can send out a short message to my short list that reads, *"I just bought 2 more houses this week! Do you have anything for me to look at?"* It will be opened by virtually 100% of the agents on my short list – immediately! It jars their memory. If any of the agents have something for me to look at, I'll know in minutes.

Today I use emails as one way to touch my sources and I use [LiveComm.com](http://LiveComm.com) as a quick and effective way to touch them in yet another way. It's all about gently staying in front of your network. Do not abuse their willingness to accept your communications.

## Chapter 18:

### MLS Listings Are Your Friends

...

What I'm talking about here is the Multiple Listing Service (MLS). Not the version that you can surf from just about any real estate website. I'm talking about the full blown version that only real estate agents and brokers have access to.

When you have direct access to the full MLS, it's unparalleled for what you can search, filter, and manipulate into usable leads. Most investors understand this and it's at the root of why they get licensed and join the local Board of Realtors.

#### **MLS Access – No License Required**

But wait. Is there a way to gain access to the full MLS without having to be a licensed agent or broker? I say there is and I've done it myself. It's not all that complicated if you start forming close relationships with agents and know how to choose your words.

If you start working with agents and brokers the cream is going to rise to the top and a small group of real estate professionals is going to form around you. Your *short list*

will contain agents that regularly send you leads and reply to the emails you send out. Although every agent would love to get a commission check, most of them just don't seem to get what it is you're looking for exactly. Then again there are a handful that do get it... and this is your "*Shortest List.*" Your *list* is what you make your *short list* from, and your short list is where you're going to make your deals.

Think of it like the 80/20 rule; 20% of the people get 80% of the work done. However, I think it's more like the 90/10 rule in this particular slice of the pie; 10% of the licensed agents are going to produce 90% of the deals you buy.

Your "Shortest List" will be made up of those that actually understand you, have a passion for finding you deals, and in fact, are finding you deals that are closing and being profitable. These relationships grow tighter and more lucrative and as you learn to trust each other more and more, there comes a time when you can get full access to MLS.

Real estate professionals will give you access to the MLS system if you present the opportunity correctly.

I use to ask those with access to the MLS if I could pay them to get access using their personal PIN or login info. This almost always ended up in a big fat "NO!" Even though some of the agents I talked to were struggling to pay their MLS dues and licensing renewal charges, they still wouldn't accept that deal.

Then I started noticing that the top agents, and certainly the top brokers, all had assistants... non-licensed assistants. I asked them, "What do your assistants do for you?" And they all replied that their assistants did anything and

everything: write up contracts, place advertisements, send out marketing letters, do current market analyses (CMAs), enter listings, removing listings...”

AaaaHa! Non-licensed folk can get into the system! They just have to be an “Assistant!” So I set out to present myself as a “Listing Assistant.” My pitch went just like this:

*Hey agent Mary, I'd like to become your "LISTING ASSISTANT." I want to help you get listings! Did you know, Mary, I have to look at about twenty houses before I buy one house? Did you know that I don't buy those nineteen other houses because they want to sell at a price closer to retail? You know I don't buy houses for retail prices - right Mary? I buy houses for wholesale prices...not retail - right Mary? Mary, what would you think if I tried to get those other nineteen sellers to list their property with you before I just walked away from them? Now Mary, Mary, calm down! Calm down! Sure, I'd love to help you become the top producer in your office. Sure, I'll start my job as your "Listing Assistant" today... of course! Oh yes, I'm excited too! OK, all I need is access to the MLS and a quick lesson on how to use it and we'll be off to the races!*

Now I've just had a little fun explaining to you how I figured out how to gain access to the system but make no mistake: I absolutely refer Mary to every seller I can't strike a deal with. I prove it by performing one simple act every time I can't buy a house from a would-be-seller. When I'm talking to a seller and I come to the conclusion we are not going to get together on a price, I simply, and without permission from anyone, dial Mary's cell phone number and say these words right in front of the seller...

*MARY, I'm here with Mr. Smith Seller. He wants to sell his house for more than I can pay and I was thinking you can certainly help him."*

Then, again, without permission, I hand over my phone to the seller...

*"Here Mr. Smith, my Realtor, Mary, wants to talk to you. She's one of the best in town and she's the person you need to deal with to get the price you're looking for. (Mary hears all of this as my phone moves from me to the seller).*

Mary knows I am fulfilling my end of the agreement and doing everything I can do to get her the listing. Later that night, I do some searching of my own on the MLS...to find her more clients of course!

This tactic turned out to be more of a benefit than I thought. Not only did I get access to MLS for FREE! ...but something else started happening I didn't plan on. I started buying those houses from those sellers that listed their houses on MLS with Mary but couldn't move them. Yes, you heard me correctly. Those sellers eventually came to the conclusion that I was right and they were wrong about the value of the house, about the condition of the house, about how much it would cost to fix the house, about the time it would take, about how fast their circumstances were closing in on them... and I bought the house when they were ready to sell it to me.

Having the real estate agent keep you up to speed as they try to sell and fail; house didn't appraise, the house didn't pass inspection, the buyer didn't qualify, etc., etc. All the while, your seller's time is ticking off. It puts you in the perfect position to monitor the situation. You'll know everything about what's going on with the property through

the listing agent you referred. You won't get all of the houses your friendly agent lists, but you'll get your share.

FYI - I do get MLS access for free and my agent was the top producing agent in their office.

## **What to Look For in the MLS**

The MLS allows you to search by categories. The main ones are:

- REO (bank owned)
- Government Owned (HUD)
- Short Sales (sometimes called "subject to third party approval")
- Private Owned (retail properties)

The MLS lets you automate your searches. Besides the four broad categories above, you have many other criteria to select from. When a property matching your criteria comes on the market, the MLS listing is automatically sent to you electronically. Either through the MLS system or to your email.

You can also set up multiple automatic searches. What you are looking for in one part of town is probably a little different from what you are looking for in another part of town. Also, what you are looking for in a fixer-upper is different than what you want from a non-fixer upper.

Some of the common criteria you can use in your automated searches include:

- Square footage.
- Price per square foot.
- Number of bedrooms and baths.

- Specific zip codes.
- Days on market (DOM).
- Price reductions.
- Year built.
- Expired listings.
- Last time it sold.

Want to become an expert at what things sell for in a certain area? Set up to receive an email from the system every time something sells in that area. It won't take long and you'll know exactly what things are going for in the area. What a house is listed for and what it sells for are often not the same.

Take note of comparables (completed sales) selling for CASH or a NEW LOAN within the last SIX (6) months and compare them to homes that sell with owner-financing. There's a difference and I always find this fascinating.

**NOTE:** If you haven't heard it yet, I'm an expert when it comes to selling properties using owner financing. If you're interested in the subject of *owner financing* you may want to visit [1000Houses.com](http://1000Houses.com). I offer a lot of free information on the subject. I also offer online training, live Q&As, and personal mentoring. Of course, buying houses is the first step in owner financing them.

## **EXPIRED LISTINGS**

I also strongly suggest you have a separate search for expired listings. These houses did not sell while they were under contract with a listing agent. Now that they are no longer listed, the potential seller has more wiggle room because the Realtors' commission is no longer part of the

equation. Expired listings are also a source of frustrated sellers that could now be in the mood for an *all cash* fast closing.

### **Quick & Easy Internet Options Like Zillow**

Zillow has become well known for its real estate price estimating tool called Zestimate. These are rough estimates. Since this is plus or minus 10%, the accuracy really varies by 20%... so be advised; just like looking at the tax value, these are only interesting numbers to use when negotiating. However, they are not nearly accurate enough over all to base a decision *to buy* on.

### **MLS Market Data**

You want to learn how to do various market analyses with the MLS data. You want to learn what areas around town are selling the most and least. You may want to look at the past two years of data for houses selling at or below a certain price. There is also rental information in the MLS.

With a little practice, you'll find a wealth of data in the MLS to help you find bargain houses. This is how you can spot trends and how you can find opportunities that you weren't aware of.

I have no doubt that, as time goes by, there will be more and more accurate websites coming available to non-real estate agents.

### **Using Comparable Sales Data**

You want to look at what similar houses are selling for in the same neighborhood. Not what they listed for. You use sales data at least twice. When you are looking to buy, use comparables to determine your Maximum Allowable Offer

(MAO). Use the information again, when you sell to determine the current market prices for comparable houses.

You want at least six comparable houses to evaluate before making an offer or setting your selling price. Here is how to do the comparison:

1. **Average Square Footage: Add up the square footage of all six homes. Divide by the number of comparables.**

Six homes = 13,000 square feet.

$13,000 \text{ square feet} \div 6 = 2,166 \text{ average square feet}$

2. **Average Sales Price: Total all sale prices. Divide by the number of comparables.**

Six homes = \$920,500

$\$920,500 \div 6 = \$153,417 \text{ average sales price}$

3. **Average price per square foot: Divide Average Sales price by Average Square Footage.**

$153,417 \div 2,166 = \$70.83 \text{ average price / square foot}$

4. **Value of the intended property. Multiply actual square footage of home by average price per square foot.**

$2,150 \times \$70.83 = \$152,283$

5. **Maximum allowable offer (if paying 65% of market).**

$\$152,283 \times 0.65 = \$98,983 \text{ MAO}$

I'll show you another way to calculate the purchase value of a house later. It's always good to have more than one way.

If you don't have access to the MLS, now is the time to either get your direct access or start working with an agent

or broker that understands investors and is willing to put in the time to do some serious searching for you.

## Chapter 19: Signs, Signs, Everywhere a Sign

...

The next several chapters are about affordable and highly effective ways of finding bargain properties. If you are just beginning as a real estate investor, you may feel you can't afford these methods. However, several of these methods you really can't afford NOT to use if you want to find the best deals.

You will quickly learn that **bandit signs can be a great source of leads** for buying houses.

So you're thinking, what on earth can there possibly be to learn about putting up plastic signs? Well, you might be surprised at how much there is to know. I was! What's in this chapter actually took me many years to learn - one mistake at a time.

One idea alone can make you thousands of dollars if you apply what you've learned. So here we go...

## **Make Bandit Signs a Big Part of Your Bargain House Buying Plan**

The particular type of sign discussed here is called the BANDIT sign, or in some areas the RENEGADE sign. They are called that because many cities have passed ordinances against them. Even so, they can be a big part of your marketing plan.

In 1998, I purchased exactly 150 properties and sold 97 of them. I've been putting bandit signs to use for over 18 years. I have rarely been fined. Part of my experience is how to avoid conflict with the sign police. Now, I'm not saying I know everything about anything but I do know a thing or two about generating business from cheap signs.

**WARNING: This type of advertising is not for everyone. Research the laws and ordinances in your area and YOU decide if the risk is worth the potential reward. Know that there is always the potential that you may be fined for using bandit signs. Understand that many in business consider the cost of the fine to be just another cost of doing business. You may choose to post signs legally. To post signs that are registered with the city has a cost as well. YOU DECIDE what makes more sense for YOU. Seek your own legal council before deciding to pursue posting signs in and around neighborhoods.**

The Bandit Sign strategy is an affordable and very effective way to generate leads. This strategy works tremendously well for both ACQUISITION and SELLING. It always blows me away... for the money, I get more out of a \$1.00 sign than anything else I've ever done. For a while, in my early career I didn't even pay for the signs (more on that later). Through the years, I have learned more about signs than I even realized there was to know. It wasn't until I sat

down to write this chapter that I actually considered how much thought goes into this simple act of marketing with plastic signs.

## **Materials**

I like CORO-PLAST. Coro-plast looks just like cardboard in its design but it is made of plastic instead of paper. If you study a piece of corrugated cardboard, you can see that the body is basically hollowed when you look at the edges. The hollow tubes that run the length (or width) of the Coro-plast are called “flutes.” This material is very durable and can last up to 3 years in the sun and weather. In fact, the lettering will fade or deteriorate long before the body of the sign fails.

You should be able to find a wide assortment of plastic sign materials in your local area. Do a search on your computer for “Plastic Supply” companies and ask for “Coro-plast.”

If you are on a tight budget, I can tell you this, it's not that difficult to find old signs laying around that you can flip over and write on... especially if it's just after an election. Generally, political signs are supposed to be removed within a very short period of time after an election is over (48 hrs in my city). They leave more than enough of those 4'x 8' signs up every year to keep you in business for months. Take the old signs, cut them up, wipe the backside down (which is usually white)... then write your message on the back and go to town! Believe it or not, I did a lot of this when I was starting out. I got a kick out of generating a great business with a 0% advertising budget and a little time and an eagle eye for old plastic signs that have run their course.

## **Cost**

In my part of the country a 4'X 8' piece of Coro-plast is about as big as most companies stock and that costs about \$12.00 if you order only ONE sheet. You can get a substantial discount by ordering in quantity. Of course, I want smaller signs than that so I have to ask them to cut the larger sheet up for me. They charge me \$1.00 per cut. By ordering the larger sheet to be cut into 19.2"X 24" sized signs I end up with 10 signs and little if any waste. The very best I have ever been able to negotiate (when I wasn't using "used" plastic) was 65¢ per sign and I usually order about 400 units.

Signs that are 18" X 24" are widely available online for about a dollar a piece when you buy 25 at a time. Color versions add about another 25¢ to the cost of each sign. You also have to account for the cost of shipping which is going to cost you another \$20. It's better if you can find them locally.

These days, things are a bit more expensive, but it's all chump change compared to what you can make in this business. I go with anything under a \$1 per sign as being well worth the money and when I'm in a hurry I pay others to do everything and of course my cost goes up.

Remember, "DON'T TRIP OVER THE PENNIES ON THE WAY TO THE DOLLARS." It's better to pay \$2.00 per sign than to have NO SIGN at all. Argue with the distributor for a short while. Show him you're not a push over. Let him know you are loyal and you'll be back for more... then pay what you have to and get on with it.

## **What Colors to Use**

You can find all different colors but this is what I think. I think the phone company uses YELLOW/BLACK for a

reason and you'll find that the Yellow/Black combination is the most distinct contrast there is. Next is Red/White but the problem with anything red is that red is the first color to fade in the sun. The logical order is to purchase yellow Coro-plast, plastic signs and write on them with a BIG, BOLD, BLACK MEGA MARKER. White and black is not bad either.

### **Size**

I like to use signs that are 24" tall and 19.2" wide. I find them to be just big enough without being over bearing. It is important NOT to attract negativity. Home Owners Associations and Municipal Authorities are among those you want to avoid. Sure, bigger is better, but, as you can imagine, if you were to put up a 4 foot by 8 foot sign on a telephone pole you'd get a call and maybe a fine by the end of the day. That kind of "bigger" is not better. I'll take a 100 smaller signs that stay around for weeks, months, or even years over BIG AND GONE tomorrow signs - any day.

One of my most effective marketing drives used hundreds of signs that were smaller still... 12" X 14". The more I put out at one time (the *denser* I choose to hit an area) the smaller I like to go. I want to get the message out "I BUY HOUSES" so I can start getting calls. I don't want calls complaining about my signs. Small signs are just as effective if you know where to put them. The main thing is that your message be CLEAR and DIRECT.

### **Easy to Read**

A sign must accomplish one thing; get the SELLER to CALL you! Keep your sign simple and to the point:

**I Buy Houses - Fast**  
210-805-XXXX.

I especially like company names that say EXACTLY what they do and where to find them on the internet + a phone number:

**MitchBuysHouses.com**  
866-303-XXXX

The above company name says EXACTLY what I do and EXACTLY where to get more information about my company, either by computer or by phone. As previously discussed, try to pick a company name that says what you do and where to find you on the internet.

Too many people try to put too much verbiage on their signs. Remember, you only have a split second to pose the question, “Do You Have A House FOR SALE?” I have to assume that most of your prospects will be in a car and may even be moving. You’ve got to get your message to them quick and easy.

ALL CAPITAL LETTERS are harder to read than just capitalizing **The First Letter Of Each Word**. Except for very short familiar words like FREE or FAST, I stick to that theory. If you have more than 2 lines then you should rotate “Bold Thick” letters on one line and then “thin skinny” letters on the next. When you are using bandit signs, I see no reason you should ever use more than 4 lines when *Selling* and 2 lines when *Buying*.

### **Individual vs. Big Company**

Which look is best for you? You may want to leave your options open. Yeah, I’ve seen it a hundred times. Some new and excited entrepreneur goes out and buys a hundred first class EXPENSIVE signs with his company colors and logo, then puts them out in a lower echelon neighborhood and intimidates the hell out of his unsophisticated prospects

to the point they don't even bother calling. Your dealing with working class people that have a healthy distrust for banks and big corporations demanding things your unsophisticated prospects just aren't willing to or can't produce (lots of documented cash flow or income). We've got to deal with different markets differently. A fancy sign works well in upscale neighborhoods but a simple plastic sign with "I Buy Houses Fast For Cash" in black magic marker just might be the ticket in another area... more effective and cheaper by a long shot!

Also, the sign police are a lot less likely to bother you if they think you're just an individual rather than some fancy company plastering signs all over the area.

### **Sign Placement**

Obviously, you'll want to put signs in every neighborhood you want to buy houses in. Keep the signs simple, to the point, and as visible as possible. But remember, people in upscale neighborhoods inherit houses in lower echelon areas from time to time. The fact is, a golden call can come from anywhere. The rich drive on the poor side of town from time to time, and the poor certainly drive on the rich side of town often, if not daily. Just remember, as a general rule, the upscale side of town will enforce the sign laws with more vigor.

There are plenty of other places to put signs. I like to put signs where the traffic is *slow* or potentially *stopped*. I have been a big fan of telephone poles but I can tell you right now, the powers that be DO NOT like you to put them on their telephone poles. If you insist then I must say "Do So At Your Own Risk"... and put them up just out of reach so they take some effort to remove. I like to use a 3' step-ladder. I'm 5'8" so if I add another 3' to my height and then raise my arms even higher to post the sign I figure the sign

is about 10” foot off the ground. Somebody will have to have their mind made up if they are going to remove my sign. They’ll also have to have a ladder or some special tool to reach up high enough to get the job done. The extra height will not deter the authorities (then again maybe it will) but it certainly deters competition from ripping your signs down quick and easy as not to get noticed as the scum bag they are.

While we are on the subject, DO NOT take down your competitors signs. Any competition that would rip your sign down is a smuck! All the “Go-Getters” are too busy making money to worry about competition in such a fashion. Don’t get down to this level...even if they do it to you. I’ll show you how to handle those smucks in a minute.

I have never torn down a competitor’s sign. I figure there is more than enough for everyone. The day I have to sneak around to tear down the competition's signs is the day I change businesses. Take the high road.

My signs have been abused by competitors and local “Do-Gooders.” I won't waste a lot of time on the “Revenge Section” of this chapter but I have learned of some very unique ways to get back at competitors that take your signs down routinely. I’ll save that for last... it is pretty funny and pretty ingenious but like most ideas I didn’t invent it. Like you, I’m just smart enough to recognize a clever idea when I hear one.

I also use wooden stakes and wire stakes when I can’t find something to nail my signs to. The problem with putting signs on the ground is that everyone and everything can knock them down. If you are depending on stakes driven into the ground... you need to check your signs every other day. Chances are they’re DOWN.

Put your signs where people have to *stop* or *wait*. I like “stop lights” and “stop signs,” “bus stops” and “parking lots.” Places where people have a chance to read and then find a pen and a scrap of paper. The second best places are parking lot exits and/or yield areas. Take special note of areas that move fast most of the day but end up in traffic jams in the mornings, going to work, and in the evenings, coming home from work. These areas can be just like parking lots at 8:00 am and 5:00 pm. People don’t have anything better to do but read what you put in front of them. Prospects call from their cars in traffic all the time.

If you are in an area that is well policed you may NOT want to put signs at major intersections. Move inside neighborhoods and stay off the major intersections with red lights.

One of the most successful investors I know has about 60 signs put out on Friday evening and has them picked up Sunday evening. This makes a huge difference in dealing with the sign police. It also increases his expenses somewhat because he hires teenagers to do it.

He gets so many calls that he instructs his people to only send him the top prospects: people that understand you're buying at wholesale prices and they are still interested.

Keep track of signs by using a smart-phone application that records locations. Take a picture of each sign so that location can be seen (proof they were put out) and marked with GPS notation (so they can easily go take them back down).

Always keep a GPS in the car separate from GPS on phone. You can't look at the GPS map on your phone

when your phone is up to your ear.

## **Flute Direction**

The flutes are the hollow tubes or the corrugation that gives the sign its strength. Yes, it makes a difference which way you choose to hang your sign. If you run the flutes horizontal (across from right to left) the sign will be stronger. If you run the flutes vertical (up or down) the wind will break the signs. When you see a sign on a pole folded in half it's because the flutes of the sign run up and down.

## **Avoiding the Sign Police**

I have heard of people that go to great lengths to use bandit signs and avoid the powers that be. Be sure you know the number of the sign police department and never return those calls. City employees are not about to go out of their way to find you.

As I stated before, if you are worried about the sign police in your area “Go Smaller” and “Go Inside” the neighborhoods instead of to the major intersections. If you get caught, pay your fine and consider it a cost of doing business. Like I said, you use bandit signs at your own risk. There is no guarantee about anything when it comes to getting fined. The best times to put out signs are late at night and on the weekends.

Also, have a logical story you can tell authorities if they do contact you. Explain that you don't only buy houses but that you make repairs to run down properties. You also sell properties and when you sell them they always sell for much more than they were previously valued for on the tax rolls. The end result is you bring in good homeowners to less desirable neighborhoods that keep up the properties

and pay a higher property tax than the local government was collecting before. If they can tolerate a few of your signs around town, you can help everyone involved.

One of my friends actually met with the council members in the area where he was getting fined for signs. He took them on a little road trip around the area he was selling houses and showed them before and after pictures along with the before and after tax assessments. The council members voted unanimously to let my friend put up signs to sell his houses as long as he took them down when the houses were sold. When he slipped in some "I Buy House" signs no one complained.

Personally, I only ask for permission after I get caught.

### **What Kind of Fasteners to Use**

The best sign fasteners are those nails with the little fluorescent orange plastic washer that are about one inch in diameter, but frankly, I've been using roofing nails forever and I've got no complaints. Just use nails that have a larger head so that the wind doesn't blow the sign off the nails easily.

Do NOT put your nails in a straight line... zig-zag them. One a little to the right of center, the next a little to the left of center... and the next back a little right etc., etc.

And again, keep them just out of reach of a man 6' tall. Use a stepladder or a paint bucket or something to get your sign up out of reach

### **Permits**

In upscale parts of town, you aren't going to get away with bandit signs all that easy. The neighbors will be dialing the sign police like there is some kind of reward or something.

In these cases, you are better off to just go and get the permits. Typically, you go down there and tell them you want to advertise and they'll give you the sticker... I'm sorry... this is government working with businessmen... they'll charge you for some stickers that you have to put on your signs. Those stickers will have expiration dates and you'll be fined if you don't remove the signs before they expire.

### **Part Time Investors**

Since you will be at work, you may want to employ an answering service or send calls to a voice mailbox. I like answering services because I can get them to ask my caller things like "HOW DID YOU HEAR ABOUT ME?" or any number of things. Beware: a bad answering service can hurt your success and there are a lot of bad answering services. Call the service yourself now and then to see how your clients are being treated. Pose as a Seller and see what happens to you. What happens to you is what's happening to your customers.

### **Keeping Your Signs Up**

If you are unfortunate enough to have petty competitors taking your signs down then I do have an idea or two. First, try things the compassionate way: simply coat your signs in new, clear motor oil, front and back. It won't hide or even dull your message but it will deter your little nemesis. With any luck, they'll get oil all over their tux as they're on the way to their wedding or something. If that doesn't deter them, you'll have to kick things up a notch.

### **Revenge on Sign Thieves**

Every now and then, someone I know gets fed up and takes off the gloves... declaring war on the sign gremlins.

Once, a friend of mine, Mike, was having problems with someone taking down his *For Sale* signs. Someone was taking down his signs every day! Every day my friend would go to his property and everyday his signs would be gone. Not only the signs at the front of the subdivision would be gone, even the signs in the front yard of the house for sale were disappearing! My friend couldn't believe it! So, one day Mike laid in wait to see who was stealing his signs.

At exactly 5:30 pm a well dressed yuppie in a new BMW screeched to a halt at the entrance of the subdivision. This neatly dressed Yuppie looking young man jumped out of his Beamer and briskly strolled over to Mike's signs. Once there, he pulled the signs out of the ground, threw them into the front passenger seat, hopped back in behind the wheel, and drove away. Unbelievable! Mike followed him to the house he had for sale. Mr. "Yuppy-Man" repeated the same scenario. Then Mike discretely followed Mr. Yuppy-Man to where he lived. As the garage door went up, Mike noticed a boatload of his for sale signs stacked neatly in this guy's garage. Mike was hot! He wrote the address down for future reference.

The next day, Mike replaced his signs (again), but this time he did them a bit different. This time, after the signs were in the ground, in front of the subdivision and in the front of the home for sale, Mike filled the flutes of the signs with 100% pure Clorox Bleach. Yep, using a needleless syringe, he squirted Clorox into more than a few of the sign's flutes. Can you guess what happened that evening? You guessed it!!! Mr. Yuppy-Man called Mike rather upset. Seems the signs he'd picked up that evening bleached all the carpet in the passenger side of his BMW and his nice three-piece suit as well! While Yuppy-Man was screaming over the phone, Mike put him on hold and called the police to report the

whereabouts of some signs that had been stolen from him. When the police stopped by to recover Mike's stolen signs, an agreement was made. Mike decided not to press "Theft" charges on Yuppy-Man and in return, Mr. Yuppy-Man agreed to leave Mike's signs alone while the house was being sold.

With his signs now effective, Mike sold his house in short order, left the neighborhood for good, and everyone lived happily ever-after.

**IMPORTANT NOTICE:** Looking back, the idea of putting bleach in the hollow flutes of the signs is a bit risky. It is NOT suggested you use this method... it was simply a tale that I believe can be improved upon. After all, bleach in the eyes could be dangerous. If a person has to push through a negative situation by fighting fire with fire, so to speak, perhaps one should use something not so dangerous to the eyes and maybe a bit more offensive to the nose. Liquids that stink to high heaven can be found in most sporting goods stores (see different scented lures) and in agricultural supply houses as well. Also, a colored dye might be effective as well. I like red myself...you would be able to recognize your enemies at restaurants and movie theaters etc., etc., their hands will be all red...along with their clothes, and the carpet in their car. The dye could be removable and not cause permanent damage. It would just be a pain in the keister!

## **Chapter 20:**

### **Mailmen Deliver Bargain Houses**

...

It may or may not be intuitive to you but letterhead, business cards, clothing logos, your website, and everything else that has been suggested for you to put in place is all about building networks. It's all about networking. We started out by setting yourself up correctly. Then we hit the masses. Now, it's time to recognize some individuals that are in the right place for the house buying business.

#### **May I Introduce... Mr. Mailman!**

Who do you know that spends every working day walking or driving neighborhoods looking at houses? The mailman does of course. When someone goes into foreclosure, the first three people to know about it are the homeowner who doesn't make the payment, the lender who doesn't receive the payment, and the mailman who delivers the certified letter notifying the homeowner that the lender has declared him or her in default of the loan.

It's a natural fit. It's mailmen (and women) that know where every single vacant house is at on their beat. In many

communities the mailman will change routes relatively often.

Mailmen can also look for other signs of financial distress such as power meters being locked out. They know how long a vacant house has been vacant or even when a house might be becoming vacant. Oddly enough, they may even be privy to the owner's situation; landlords in bad health, owners with financial problems, military personnel with transfer orders...on and on. It always amazes me how much a mailman can know about the properties he delivers to.

### **Inspiring the Mailman to Bring You Leads**

Head over to a neighborhood you want to invest in. Drive around looking for the mailman. When you find him or her, ask if they have a moment to chat about the possibility of earning a few hundred or a few thousand dollars over the next few months. Assure him it doesn't require any illegal activity and that they won't be asked to do any extra work. You just want them to be your eyes on the street.

Ask if they'd keep an eye out for distressed houses. Foreclosures, vacant rentals, abandoned houses, and that type of thing. Tell them you're a real estate investor always on the look-out for people needing to sell their house quickly. Offer a referral fee for any house you purchase because of their efforts. I like to offer a minimum of \$250, but, I like to surprise them with \$500 if I acquire a great deal. Remember, these mailmen are going to talk to each other. Make your offers consistent. Expect word about your bonus to spread as well!

The most effective way to track all the different houses from all the different mailmen is to have them Text you their leads. This way you have a thread from each

individual mailman with the list of all the houses they referred.

Not everyone has a smart phone, but these days almost every phone can collect contacts and send text messages. So it's real simple for the mail delivery people to inform you of the houses they find. They simply pull up your contact info on their phone and text you the address of the house they want you to follow up on. They can even include a picture or two. This also makes it easy for you (who should already have a smart phone) to keep track... and to send back a nice reply. Always let your birddogs know that you have received their text. I like to reply with things like...

I'm on it!  
--Mitch--  
MitchBuysHouses.com

This is great!  
Thx!  
--Mitch--  
MitchBuysHouses.com

You're the best!  
--Mitch—  
MitchBuysHouses.com

My message is always a short confirmation, full of energy (exclamation mark), and often with praise. These factors give a person reason to continue and are actually the beginning of a friendship if things go the way they are suppose to.

It is imperative that you keep track of who sends you what houses. I enter each birddog into my contacts on my smart

phone. Every time I'm sent an address of a likely property, I enter that house in the notes of that respective contact. I never have to remember who sent me which house. And there are important reasons to keep track.

It should be your goal to pay this mailman as soon as possible. The sooner a birddog sees their efforts pay, the more ambitious they'll become. If your birddog is texting you house after house but it's taking a while to buy your first property, send them a \$20 gift card from a local restaurant they can eat lunch at while delivering mail on their route. It's a simple gesture to say you appreciate their efforts, you're working on their leads, and you appreciate everything they're doing. You don't want them to feel forgotten. Remind them from time to time you're working their leads and you'll going to close on one sooner or later.

### **More Birddogs**

The neighborhood mailman is one of your most valuable assets. You shouldn't hesitate to offer \$250 or more for leads that turn into acquisitions. However, there are others in the neighborhoods that you want to make a similar offer to.

**UPS and FedEx Drivers** don't deliver to every house but they do drive the neighborhoods every day. They make the second best eyes on the street for you.

**Newspaper delivery people** are another good set of eyes on the street. Many adults take on this type of work as a second job. The fact that they're in need of extra money makes them a motivated lead generator.

**The ice cream man** can be a potential candidate. Pay the ice cream truck driver the same as you'd pay the mailman.

I've often thought that being an ice cream truck driver and a house finder/flipper would be the perfect combination for an entrepreneur that needs to earn a little cash each day while searching the neighborhoods for abandon houses and otherwise prime, potential deals. I can see a truck all wrapped in I BUY HOUSES décor and the loud speakers playing an endless loop of the 1970's song by Crosby, Stills, Nash & Young;

*"Our house...is a very, very, very fine house, with two cats in the yard... life used to be so hard...now everything is easy 'cause of you"*

Use your own imagination. Think about people that travel daily through the neighborhoods. Find others you can pay a small fee to for generating leads for bargain priced houses.

Let your birddogs know that deals can take some time to close. Not because you drag your feet, but because sometimes you're the last resort for these sellers. Potential sellers may try other ways of selling but in the end, the seller has to come back to you because no one else wants the house in its present condition or under the present circumstances.

Also, be sure your birddogs understand that you're not necessarily looking for "cute little houses" and that you buy any house – even ugly houses.

Once any birddog sends you some house addresses for your review, I like to send them a gift card for a free lunch somewhere that shows I put a little thought into it. Sure, a pizza is fine but a nice little steak special at a place I know is close to their stomping ground shows a bit more gratitude. You want them to know you're paying attention and that you're grateful. This is a little thing but in my

experience, it's the difference between someone that sends you leads for awhile and someone who is always on the lookout for deals you can use. This type of acknowledgement shows you are genuine and it gives your birddogs confidence that they will get paid when you eventually make a deal on a house. It keeps valuable people engaged and encouraged, even when you haven't been able to close any of the deals they've sent your way, yet.

### **#1 Reason Birddogs Birddog?**

Why do birddogs hunt? For one reason and one reason only... because you reward them! When you buy a great house due to their initial efforts, pay them! Never mind that they gave you that house 6 months ago and they've long since stopped texting you with houses. This is exactly why you want to pay them and pay them well! Forget the \$250 you were thinking about paying them. If the house you've just purchased represents a potential \$20,000 in profit, pay them \$500. Do you think your stock will go up with your birddog? Do you think a little voice inside them might say, *"Dang, I better start looking again. This guy's for real!"*

## **Chapter 21:**

### **Driving for Dollars**

...

I know that "Driving for Dollars" is an old cliché for anyone that has been a real estate investor for any time at all. However, I don't know of a better title for the task. I'm talking about driving up and down the streets looking for vacant and/or abandoned houses. You can do it yourself or you can have someone else do it for you but given the right follow up, this is always a good way to put money into your bank account. Let's start with having someone else do it for you.

This isn't rocket science. Put out the word that you are looking for someone who needs some extra money. I don't typically like using friends. I like to hire complete unknowns. Why? Because this is a business and I'm too soft when it comes to "friends." When I deal with friends I pay too much, spend time explaining the business and generally do not push them to get exactly what I want. Plus, I like to keep my friends. Business and friends don't always mix so well with me because I'm very serious about this business and some of my friends are, how do I say it nicely? ... "Happy go lucky?" Yep, that's it, "Happy go lucky." Friends will ask you after closing, "How much did

you make on that house?" You can't tell a friend, "I'm not going to tell you." When you tell them, "I made \$20,000" that's where the problems start. If you just hire a person specifically to find houses and then go home, there won't be anyone around after closing to ask that question.

## **Life Lesson 1**

Let's step aside for a second and talk about a life lesson I had to learn the hard way. You need to know a person very well before you jump into business with them. Here's where people make a mistake; I'm not talking about knowing a person since grade school. I'm talking about knowing a person's character and what makes them tick, where they've been and what they've accomplished in their life and how much resources they have (network, experience, clout, money). Most of which you can find out in 48 hours if you know where to look and follow up with their former and current business partners, vendors, and acquaintances.

For the record, I have had more partners than I'd wish on anyone. There's a common thread that runs through the partners I still have. I have four partners and one mentor I'll call a partner, all of which have been my partners for over 10 years each.

Most of them were older than me. This is not a requirement as much as it is an observation.

They were all proven, with proven track records.

They were all driven.

They all possessed an extremely high level of integrity...the highest.

They all believed in God. People have told me not to bring my religious views into the work place; ain't going to happen! A person's faith says an awful lot about that person.

It was all but impossible to find any upstanding person to say anything bad about them.

They all needed what I brought to the table; a high level of energy and a knack for finding good deals. I pay my bills, and stay out of trouble (In business and in life).

In short, pick partners because you need each other, not because you like each other. Don't get these two ideas confused.

*Being friends does not mean  
you're going to be good partners.*

My best partners have become my best friends and my most trusted confidants.

*Good partners turn into good friends.*

## **Finding People to Find Houses**

Let's start with [www.Craigslist.org](http://www.Craigslist.org). Place an ad under the Jobs section – real estate and under “wanted.” Your ad should read something like this:

*I'm looking for a person to drive neighborhoods and look for vacant and abandon houses. You must have a car, a smart phone, and be self-motivated. I pay by the address. For each house I need a:*

*Picture*

*Address*

*GPS marker*

*I pay by the documented address.*

*Email resume or contact info to  
[Mitch@MitchStephen\(.\)com](mailto:Mitch@MitchStephen(.)com)*

*Take out the ( ) from the email address. I will  
contact people of interest with details. This may  
lead to other kinds of work.*

*--Mitch--*

As previously discussed, be sure to re-up your ad in  
craigslist every two to three days on CraigsList.org

What you want your driver to do is simple...

Drive into the zip codes you have designated on a map.

Drive up and down the streets looking for vacant or  
abandon houses.

Take a picture of every house that fits the description.  
Number the pictures as follows; Date 1, Date 2, etc.  
Example:

9/25/13 – 1

9/25/13 - 2

Mark the location with a GPS pin using a smart phone.

**NOTE:** When you build a spreadsheet, put picture #1 on  
Line 1 of the spreadsheet, Picture #2 on line 2 of the  
spreadsheet etc.. etc.

It's simple, simple! I have them write down the address of every vacant house they can find, take a picture, give the picture a date and a consecutive number, and a GPS location. The last time I did this, my new hire brought back 110 addresses and photos in one day (a documented 8 hours of work). I paid \$1 per address + \$20 for gas. I paid when I was satisfied the work had been done and all the work was handed over to my office...NOT before! ...not one penny before!

### Life Lesson 2

Desperate people do desperate things. If a person cannot front the money for one tank of gas for the day... they are desperate... and you might want to think about getting someone else.

### Separation of Tasks

Now, here's where you need to make a decision. If you like the way your new hire works then you would naturally consider them to go to the next steps: creating a spreadsheet and then mailing out the letters. Here's the problem, you may be showing them too much of the business. You may well want to hire someone else to create the spreadsheets and even another person still to mail merge the spreadsheet and the letters and send out the letters.

The person that does the spreadsheet will add some information to what your driver has delivered. The *Owner of Record* along with their current address can sometimes be found in the County Appraiser's records. Here's an example of the spreadsheet:

	Tax Payer's Name	Name on Letter	Tax Payer's Address	Street Address of Vacant House	Vacant House Street Address
1					
2					
3					

After a spreadsheet is created, I have letters sent out to the current owners' of record. I like to create letters using yellow legal pad paper, with writing in blue ink, using a font that looks like it was handwritten. The communication is designed to look and feel exactly like a "one-off " handwritten note coming from a real person. Someone interested in one particular house on a specific street. I choose NOT to look like a large company or a conglomerate. I want to be one guy who can afford one more house at this exact moment in time. Use the "mail merge" function in MS Word to automatically include the taxpayer's name, the taxpayer's address, and the vacant house address. Here's an example of the letter:

**New letter – NO LETTER HEAD – designed to look like a “ONE-OFF” handwritten note, coming from an individual that has just enough money to buy one house...maybe.**

Dear **[Owner of record]**

I noticed a house I think is vacant at **[Vacant house Address]**. I was wondering if you might want to sell that house? I have some money saved and I would like to buy a house in that area. Please call me if you are interested in possibly selling.

Sincerely,

Mr. Stephen

210-825-wzwy

**NOTE:** The phone number is a special phone number; one that captures the incoming caller's phone number. I have used free Google Voice phone numbers in the past but there were challenges that later pushed me to invent

[LiveComm.com](http://LiveComm.com). You may be tempted to use the free Google Voice option. Trust me on this, use [LiveComm.com](http://LiveComm.com) instead. You'll get what you pay for!

The name at the bottom of the letter is my last name. I want to know when my efforts are working. When someone calls and asks for "Mr. Stephen" I know it's a call from a yellow letter.

Some people track things to death. I admire them but I don't track things to death. For better or for worse, I am not that detail oriented. I run some things by feel and it works well enough for me. Simple techniques like this give me a strong feel as to whether or not my tactics are performing. I know about what I spent on the mailings. If I buy just one house and make \$20,000, I figure "good enough." Let's do it again!

If I don't buy any houses, I need to rethink what I'm doing; adapt, modify, improve, and overcome. I know more or less what I've lost on a busted mailing campaign. But we all have to remember, it's not unusual to get calls months, even years after a mailing has been sent out. I'm sure some of the campaigns I thought were a bust eventually paid me back and more. It's crazy how long some of the letters are held on to.

## **Returned Letters**

Letters that have been returned to you are super important. Those letters have been returned to you because the *owner of record* is no longer living at the *address of record*. If your letter is not getting to the owner of record, no one else's letter is getting to the owner either! Going through County Appraisal Records is a common way for investors to track down homeowners. But most investors give up if there's no reply or the letter is returned.

If you can find a way to locate these owners, you'll have virtually no competition from other buyers; investors or otherwise. Your ability and drive to find the *hard to find owners* can pay very well! The deals I've made with hard to find owners have turned out to be some of my most profitable.

If you get stumped trying to find the absentee owner of a property, call in some bigger guns. Professional skip-tracers have resources not so readily available to the common person. To obtain such resources there's a small mountain of obstacles to overcome and a monthly charge you'll not want to afford if you're not killing it in the house-finding department. For help finding a good skip-tracer go to [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) and search under the heading "SKIP-TRACERS."

There's a story in my first book [My Life & 1,000 Houses: Failing Forward to Financial Freedom](#) that bears repeating at this juncture. If you've read my first book and know this story, then feel free to skip past it. If you don't know this story, read on through it and snag the money making technique I've used it hundreds of times in my career. This little trick has paid me very well! I hope you enjoy my story. Go to the [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage). Search under the heading "**SPECIAL REPORTS & STORIES**" and look for the story "*Old Dogs, New Tricks*"

## **Chapter 22:**

### **Disconnected City Utilities**

...

Let's look a little deeper into driving for dollars. This chapter gives you insights into when, where, and how to find distressed properties by driving neighborhoods. It also gives you telltale signs to look for.

#### **Good Times to Take a Drive**

This one isn't fool proof but it is a way to spot empty houses quickly from your car instead of stopping and jumping out every block or less. You're going to have to get up early because the garbage men start their rounds early. You want to head into the neighborhoods before the garbage men make their pickups.

Obviously, you're looking for houses that aren't putting out trash for pick up. It's a strong indication that no one is living in the house.

Another good time is a few days after new phone books are distributed. Houses with the phonebook still on the porch or sidewalk are good candidates that they are vacant.

If you are still working a full time job and can't take a neighborhood drive until the evening hours, take the family along. You'll get to spend time with your family and you'll have more eyes on the street. Some of the very best house spotters in the business are the kids. Make a game out of it. Give a fun reward for spotting vacant houses and pointing them out to you. Before you know it, your kids will be pointing out vacant houses even when you're not in the mood!

### **Where to Look for Vacant Houses**

Where you drive to look for houses depends heavily on your exit strategy.

I don't typically flip high-end properties. I look for houses in the working class areas or "Wal-Mart areas" as I've heard it called. My particular method of creating wealth deals with very affordable houses I buy with OPM (other people's money) and then sell with owner financing at double or more what I have in them. My particular mode of operation starts to break down (become less profitable) when the retail price of my homes gets over \$100,000. Just because I don't deal in expensive houses doesn't mean I can't make some money off expensive homes when I refer them out. Therefore, I DO TAKE NOTE of vacant houses even when I'm driving through expensive neighborhoods.

I know people that specialize in flipping expensive houses and they pay me well when a lead pans out. I can trust my personal contacts to pay me a referral fee if I deliver some vital information about the home and the current owner to them and they consummate a deal. I can make even more if I do more of the work; put the house under contract and sell the contract (flip the contract). There have been instances where the owners have allowed the property to get in such bad repair, that I could pick them up for less than 60 cents

on the dollar. When you flip a contract you can't take all that profit for yourself but you can get a nice chunk of \$ for a lot less effort. It's done all the time.

I don't care to deal in the worst parts of town either. I typically stay out of "The War Zones" as well. But that doesn't mean you can't make money turning over leads to trusted buyers in those areas.

*War Zones* are places where unemployment is north of 20% or 30% or where the drug gangs rule. These are places of high crime and low pride as a whole. Sure, you can find lots of vacant properties in the war zones, and make no mistake; there are people in the world that specialize in buying those types of houses as well. Just because you don't deal in those areas yourself doesn't mean you can't make some money from those types of houses.

Again, get some vital information about those houses to the guys who do buy in those areas and flip your lead to other investors for a referral fee if they consummate a deal. Better yet, get the house under contract and flip your contract for a little bit bigger piece of the pie.

I can't tell you how many times I hear young investors say, ***"I don't buy 1/1s"*** or ***"I don't buy 2/2s...I only buy 3/2s"*** (Three bedrooms / Two bath houses). That's crazy!

I hear young investors say, ***"I don't buy in that part of town."*** And that's crazy too!

When someone asks me, ***"What area of town do you buy houses in"*** I always reply, ***"I buy houses in the half-price part of town. Why? Do you know of a house I need to look at?"***

When I get leads that don't fit my particular preferences, I still research them and paper them up if I can get them under contract for a good deal... then I sell off my contract to those who value my work.

### **Be Vigilant!**

Be safe out there. Don't get so focused on looking at houses that you run over kids playing in the streets or hit parked cars. Be careful! It can be very distracting trying to look at houses on both sides of the street. For the record, I have hit a parked car while jotting down the address of a vacant home... don't laugh! I've since learned to use the record function on my smart phone.

Drive slowly and be cognizant of traffic backing up behind you. In most neighborhoods, it's easy to pull to the side of the road to get out of the way. If you have to, you can always circle back around the block.

Other tell tale signs may seem obvious but they're worth noting. In the spring, the grass will be overgrown. If it snows where you are, the front walk won't be shoveled or walked through in the winter. If you're not sure, you can check to see if the city has cut off utilities to house. I don't know what the policy is where you are investing but here the services are cut if the bill goes unpaid more than 45 days. It takes 55 days before it's actually *tagged*. In my town, you can spot disconnected utilities by the red tag they put on meters when the services are discontinued.

Yet other things to look for are broken windows or *give aways* piling up on the porch. Sometimes I see those discount door hangers strewn around. When you see these tell tale signs, talk to the neighbors. Take the opportunity to ask them if they know how to get a hold of the owner. Give

them your business card and ask them to give it to the owner or to call you when they see the owner around.

Look for grass growing up between the cracks in the driveway. There's a good chance no one is living or visiting there.

So, what do most investors do when they spot a vacant house? My experience says they simply leave a card at the front door and call it a day. This leaves you in a bad position to have your card removed and replaced by the next lazy investor. I prefer to leave a post-it note or a scrap piece of paper that reads, *"Please call me. I have some money for you. I'm trying to get it to you."* It separates you from the others and curiosity always gets them! Don't sit around waiting for a call. Start the work of being a real investor. Find the owner, find their phone number, find their new residence. If you want to beat your competition, find a way to call the owner. If you want to smash your competition, find a way to meet up with the owner face to face. Face to face always wins the most deals!

In addition to vacant houses, keep your eyes open for "FOR RENT" signs. When a rental is sitting vacant, it's a good time to approach a disgruntled landlord about selling.

Enjoy your drive....

## Chapter 23:

### Low Cost Ways of Finding Houses to Buy

...

Once you've bought some houses, use your own properties to advertise you buy houses fast.

#### **Put "I BUY HOUSES" Signs On Your Own Houses!**

Obviously you're already in the neighborhood. Let the neighbors know you're interested in buying their house! Since you're on your own property, you don't have to be concerned about the sign police. I strongly suggest you put these signs inside the windows so the competition or weather doesn't knock them down.

## 1810 Wilson's Creek



There are a lot of advantages to using your own properties to market both messages; you are selling AND you are buying. Make a separate sign for each.

**SIDE NOTE:** While I'm thinking about it, you'd be much better off to leave out the words "FOR CASH" in your URLs and/or your slogans. The most profitable acquisitions could be those properties you acquire by getting the seller to give you terms. If you go around advertising you buy houses FOR CASH you may be eliminating the possibility to buy houses using seller financing. At best, you make it more difficult.



Want to know for sure just how many calls you're getting from sellers because of those signs on your own property? Designate a **LiveComm.com** phone number for just that use. You can forward that designated number to your own phone. This way you'll not only get the call, you'll also get the incoming callers phone numbers in a list you can label "IN WINDOW -SELLERS." My guess is, once you're made aware of just how many calls you get from this tactic, you'll stop forgetting to use this strategy! All the actions I've described can be done right inside your **LiveComm.com** account; buy the number, name the list attached to that number, forward that number to your

personal phone, and last but not least... send a text to those numbers from time to time asking, “*Are you still interested in selling your property?*”

If you’ve been following me online or otherwise Google me and my operation, you’ll see that my buying URL is **Cash4Houses.NET**. This was NOT a good choice. By the time I came to realize this fact I had branded my name from here to kingdom come. I was simply in too deep to change to a better URL. If you’ve gotten this far in the book then you’ve already read how important it is to get your name and your slogans right and you have already been served well by this book.

**MitchBuysHouses.com** is a much better name for at least two reasons:

1. **MitchBuysHouses.com** leaves me more open to buy houses with seller financing terms (not just cash).
2. The **.Com** always trumps **.NET**

My selling URL is Homes2Go.NET. This was a mistake as well. I would’ve been much better off with

**MitchSellsHouses.com** or better yet

**MitchSellsHomes.com** (I buy houses...I sell homes).

Again, by the time I realized my mistake I was too far down the road to change.

Just because I made mistakes doesn’t mean you have to make the same mistakes.

A famous company in the arena of house buying advertises “We Buy Ugly Houses.” I can’t tell you how many sellers have called me saying they didn’t call that other company because their home was not ugly.

Be careful what you advertise. Leave yourself open to all deals.

## **How to Use Bumper Stickers and Decals**

Bumper stickers and decals are smaller than most of the other outdoor promotional materials we've discussed. For that reason, you want to use highly visible colors to catch people's attention. The obvious combination is the highly visible black on yellow combination already suggested.

Unlike the free clothing you give away with your logo on it, not many people are going to want to put your free bumper sticker on their car. However, you, your partner, and spouses certainly want to use bumper stickers to promote your business.

I once got a seller to put my bumper sticker on his car for 1 year as the last part of the negotiations to buy his house. He wanted yet another little concession on my part and I said I would concede if he'd agree to put my bumper sticker on his three vehicles and equipment for a year. He was in the lawn maintenance business and had trailers and trucks that toured the city on a daily basis. He said, "Yes!" ...and true to his word, he did!

Again, if you've chosen your URL correctly, all you need to put on your bumper sticker is your URL. I'd put a phone number as well, just in case someone wanted to call me immediately and not wait until they got to a computer to find my number.

# **MitchBuysHouses.com**

210-669-XXXX

Imagine...

Background = Black

Mitch = Bright Orange

Buys = Yellow

Houses = Bright Orange

.com = Yellow

You can also put these on other moving vehicles such as horse trailers, boat trailers, etc. You may be able to get a few satisfied clients to put these on their trash cans if you look for the opportunity early in negotiations. Think about that; every time they set their trash cans on the curb, they'll be advertising for you!

Use a rubber sticker that is easy to peel off. You want the sticker to be easy to remove if you put them some place that's not appreciated. You catch less flack if the sticker peels off easily. Rubber stickers will also last longer than paper stickers.

## **Doorknob Hangers**

Doorknob hangers are the easy to slip on advertisements that go over the doorknob of people's front doors. You can have 2,000 of these printed up for a little over a hundred dollars.

Most cities and large towns have an organization that finds work for the physically and/or mentally challenged. Hiring them to walk neighborhoods hanging these on people doors gets them some exercise and gets your message out to a lot of people... and you feel good about helping those who need simple work opportunities.

Doorknob hangers are the first thing people see when they come home. You won't get a huge number of calls from this type of advertising. However, because of the low cost, it only takes one deal to repay the costs hundreds of times over.

Two things you need to be aware of...

1. Check with the local authorities to see if you need a permit to hang these flyers.
2. Be sure to follow up behind those delivering these flyers and make sure they actually put them out and didn't just drop them in the dumpster at the nearest convenience store.

I've included a few companies that will make **Bumper Stickers** and **Doorknob Hangers** for you at the [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) under the heading **"STICKERS & DOORKNOB HANGERS."**



Again, if you want to know how well your **Doorknob Hanger** campaign works over time, use a number you can track, easily, effectively and affordably. I am certain that if I'd had an affordable, easy way to track the results of my own campaign, I may be doing more door hangers today.

The problem is, we, as investors, are generally very impatient. We do a door knob hanger campaign and we don't get immediate results, so we drop the idea. What if you bought a house six months after your campaign – from the door knob hanger campaign – and it made the campaign a total winner? Even worse, what if you bought 4 houses within 12 months of your campaign? Because you didn't know where those winning purchases came from, you don't know that your doorknob campaign was a total and complete success after all.

I know you may be thinking, Mitch is just using this book to promote his own agenda here. To that, I will humbly submit:

***“If there had been something affordable and easy to use, I would have used it... and I'd be promoting it here in this book. It would have saved me a lot of trouble and expense.”***

To the best of my knowledge, it did not, and does not exist, until [LiveComm.com](http://LiveComm.com). I invented [LiveComm.com](http://LiveComm.com) for a reason; I couldn't find what I needed for this business. Some came close. None were easy. None were affordable.

Today you can buy an extra [LiveComm.com](http://LiveComm.com) phone number, anytime you want, for a few bucks a month; hardly a deal breaker. Today, as I write this book, it's \$2 a month per extra number. Ridiculous! I reserve the right to change that price, but I'm not looking for a reason.

### **LET'S TAKE A SIDE STEP HERE....**

For those of you that have read my first book *My Life & 1000 Houses; Failing Forward to Financial Freedom*, you know I have a lot of heart. I was a much younger man when I wrote that book. I did not know for years why I

wrote that book. I never planned to write a book. I never wanted to write a book. I never thought I'd be speaking or teaching. None of this was ever on my radar. Years after I wrote my story, I asked the *Good Doctor* described in that book (My investor and personal physician), "*Why did I write my book?*"

**DOC:** "*Oh my boy, so you don't know why you wrote the book?*"

**ME:** "*No Doc, I really don't know. Every time I'm asked why I wrote the book, do interviews, speaking engagements, webinars, tele-seminars, radio talk shows, blogs, podcasts..., I answer them, but my answer never rings true in my heart.*"

**DOC:** "*You wrote the book because your suffered a tragedy in your life.*"

The minute I heard his response, I knew he was right.

**DOC:** "*Do you remember the movie "Forest Gump?"*"

**ME:** "*Yes, I remember.*"

**DOC:** "*Do you remember the part in the movie when Forest lost the love of his life?*"

**ME:** "*Yes. She died.*"

**DOC:** "*Do you remember what Forest did after she died?*"

**ME:** "*Yes. He ran from coast to coast and then back again.*"

**DOC:** *“Well my boy, Forest ran... and Mitch Stephen wrote.”*

**ME:** *“You’re right. I never knew until you just said it. Why is that doc?”*

**DOC:** *“Mitch, when someone suffers a tragedy in life, it’s very common for them to want to catalogue their life; why am I here, what have I done? What do I do now? Where do I go from here?”*

So there it is, the little known, never before, publicly divulged, reasons why I wrote my first book. It wasn’t for fortune and it wasn’t for fame. I use to say, *“I wrote the book to help people”* because I didn’t know what else to say. Today, when I’m asked, I say, *“I wrote the book because something tragic happened and I sat down to catalogue my life... I hope it helps.”* I suppose, because I wrote a book in grief, unfiltered, and from my heart, the book connected people and it took on a sort of life of its own. Since that first book, the most asked question of the day has always been... *“How do you find such great deals?”*

Today, I can say, *“I am trying to help people.”* **How do you find such great deals?** It’s a huge subject. The art of finding great deals is the cornerstone of a successful real estate investing career. Any one of these ideas, in a given market, could be your ticket. All markets are different, so I’m throwing out everything I can think of and everything I’ve ever tried. I’ve tried them all. I found what works in my market. You’ve got to find what works in your market.

Despite my success, my failures, and the brutal beating life gives to all of us, I still have the heart that wrote that first book. What’s the point? I wouldn’t sell anyone a bag of

crap for any amount of money. It's not how I want to be remembered.

While some of the ways depicted in this book may be mundane or obvious or even superfluous, I'm trying to get you thinking. I want to get your juices flowing. I'm trying to get you to see the opportunities, however small. I want you to see that the difference of whether an advertising angle works or not is in the minutia, the tiny things. One little twist, addition, or subtraction can change your outcome.

In the beginning, one deal can change everything. A good deal will inspire you to keep going. A bad deal could discourage you and you could quit a life-changing career one deal too early. To win at this game you have to be a thinker. I want to get your gears turning. I want you to start paying attention to the little things when it comes to advertising. You cannot quit when you've tried something that doesn't seem to work right away. Talk to others. Make adjustments. Tweak your campaign. This is a marathon, not a sprint.

On the subject of LiveComm... it's a way to see the longer effect of what you've done. LiveComm is still new, and we're still finding ways that it can work. I don't know where it will go or what will happen with it, but it's working for me and a handful of others. Get creative with it. If LiveComm becomes irrelevant in the future... so what. Find a concept that is relevant. There's fifty three years of living and over 2 decades of investing experience in this book. Soak it up! LiveComm or not!

This is a good place to set this book down. Fold this page right here, right now, and come back to it tomorrow. In the mean time, think about where you are. Think about where

you want to be. If you've had tragedy or if life's kicking the living crap out of you right now, think about what you're going to do about it. Re-up your resolve. Re-commit. Dig deeper. Adjust to the fact that it's going to be harder than you thought. If you're going to give up because life smites you, then just throw this book in the trash right now! ...'cause life is going to happen. It's going to happen to all of us. Nothing is going to be easy. Get over it. And get on with it.

But make sure you come back to this book... we're just getting warmed up!

## **Chapter 24:**

### **Investing in Nuisance Properties**

...

This one is going to take some research on your part. Different state, county, and city laws govern what's considered a nuisance property and how the property is dealt with.

#### **Finding Nuisance Properties**

Properties become a public nuisance for many reasons. When people lose interest in properties, the improvements slowly deteriorate until authorities declare it a nuisance property.

Authorities commonly send out warning letters before taking action to have the property cleaned up. This may be enough to motivate the owner. If the owner doesn't take action, the authorities may clean up the property and place a lien on the property title. These bills are not pleasant and relatively expensive compared to what you and I might get the job done for. It's basically a fine. Once a property is on the city's radar, they start fining the owner on a regular basis. In other cases, they must go through a legal process before taking action. In all cases, it starts costing the owner money.

Private individuals can also file civil actions to have neighboring properties declared a nuisance. The court may provide the neighbor with both a financial settlement and demand the property owner correct the problem. In cases that the owner doesn't respond to warning letters, there is a good chance the owner would rather get rid of the property than deal with authorities or disgruntled neighbors.

In my city this is called Nuisance & Abatement. In other cities I've heard it called *Code Enforcement*. Learn which local department is assigned to deal with nuisance properties in your city. Ask them how you can obtain a list of properties being fined every week. If they don't provide you a list, learn how to look them up at the courthouse. This information should be of public record. These properties have to be listed somewhere, somehow.

Here's an idea for you; if the powers-that-be don't want to give you the list, file for the list under the **Freedom of Information Act**. See how they like those apples!

When you suspect a property might have been declared a nuisance, you can look up the property title to see if a lien has been levied. This gives you an idea of how much the property owner needs to get to just walk away from the property.

### **Nuisance & Abatement**

Nuisance abatement can occur with occupied properties as well. Authorities target houses or properties that are being used as a crack house, brothel, gang headquarters, or other criminal activities. I've also seen them target commercial properties like bars and clubs where the police are called on a regular basis to break up fights and other criminal activities.

When criminal activities are happening at a property, some jurisdictions have the authority to seize the property and auction it off. Often these seizures make the news. Keep an eye out for these distressed properties. Also, contact your local authorities to learn how you can stay informed about properties coming up for auction.

## Nuisance House



## **Chapter 25:**

### **Estate Attorneys - Many Executors Don't Know What to Do**

...

When a loved one dies, someone in the family is typically assigned as the executor of the will. If there is no will, someone is appointed the executor of the estate. The executor of a will seldom has the skills and knowledge to legally and properly liquidate the estate. For help, they turn to an estate attorney.

Just as in the general real estate market, you find a wide variety of reasons motivating people to sell estate properties. Working with an estate attorney doesn't automatically mean they will deliver bargain properties to you. But occasionally, they will have a client that needs to sell a property fast or who is otherwise fed up and wants to close the case, settle the estate, and be done.

#### **Reasons Estate Attorneys Will Turn to You**

There are a number of reasons why an estate attorney would turn to an investor like you for a quick sale. There is a fast clock ticking if there's still a mortgage on the property and the death of the owner has stopped the income that produced the payments.

The heirs may decide to rent it out or list it with a Realtor for a full price retail sale. Yet other executors are less sophisticated or ill-equipped to handle situations at this level. This is when the estate attorney turns to you. The attorney is not all that concerned about what the seller and the buyer agree upon. They're more interested in closing out the estate and getting paid.

Also, the death of the owner doesn't stop property taxes and insurance costs from coming due. If the estate is short on cash and income and the property is the largest asset, chances are good the heirs will want to sell quickly. Selling the property may be the only way of raising cash to pay off other debts the estate is responsible for. Selling quickly is also a way to stop what little is left from eroding away.

Sometimes the property you're interested in is but a fraction of a large estate. The more heirs there are, the less your low offer affects each heir. Yes, it may be true that the property is worth \$50,000 more than you're offering, BUT, if there's five heirs, each heir is only affected \$10,000. Now, if the five heirs are looking to net about \$200,000 each from the estate, the heirs may be very likely to say, *"The heck with \$10,000... close the estate and give me my \$200K!"* The old *"Dollar waitin' on a Dime"* adage comes to mind. I love it when the property is the last thing between closing out the estate and the heirs getting a big fat check.

There are a lot of reasons that motivate executors and heirs. And every single one of those reasons are exactly why you should be motivated to start networking with estate attorneys.

## **Contacting Estate Attorneys**

You can begin networking by getting your name in front of the attorneys that deal with estates. It's easy to find estate attorneys by using the internet. However, they don't have a standard way of being contacted. All will list a telephone number but that's probably answered by an assistant. You may or may not get through to the attorney that you really want to speak with. Also, a telephone call doesn't leave a permanent message the attorney can refer back to when he or she needs your service.

Sometimes you can find their email addresses by finding their profiles online. Be careful not to spam attorneys... for obvious reasons. All this being said, people are getting numb to email, and I think the delete button is the most pushed button ever in the history of the world. I know I use it a lot. If I don't recognize you, BAM... you're deleted!

I like to send direct "snail" mail to the attorney. Have a VA, or your kids, or someone with decent handwriting write out the same letter 200 times, but use a different attorney's name to begin each letter. Ask for a meeting or to take them to lunch. Get to know them. Let them get to know you.

I once knew a person that needed an estate attorney. I didn't know one, but I told my acquaintance I'd do some research for her and in a week I'd give her the name and the number of a good estate attorney. She agreed to wait for a week while I researched and so I went to work. This was the perfect way to legitimately get in front of a ton of estate attorneys. I started piling up appointments with estate attorneys. I told them I knew of sizable estate in need of a good estate attorney and I wanted to meet with them. It wasn't hard to get a personal appointment with the attorney.

After my personal meeting I kept in touch with those attorneys. Eventually, I had to tell all but one of those attorneys that my friend had gone with a different attorney but that I tried. That message did not negate the fact that we had met and that we had exchanged contact information. Now I could email them and they'd read my email. Heck, I could even text them now!

Remember how we talked about emailing and texting Realtors? Well, you use that exact kind of campaign for estate attorneys. Send them ONE email or Text per month.

---

*Hey [Attorney's First Name],  
I bought 4 houses this past month. I want to buy 4 more  
this month. Let me know if we can help somebody close out  
an estate?*

*--Mitch Stephen--  
210-669-xxxx  
MitchBuysHouses.com*

---

*Hey [Attorney's First Name],  
I may be coming into a pair of first row tickets to see the  
Spurs play tomorrow. Would you like to come as my guest  
if I land the tickets?*

*--Mitch Stephen--  
210-669-xxxx  
MitchBuysHouses.com*

*Hey [Attorney's First Name],  
Have a happy New Year!*

*--Mitch Stephen--  
210-669-xxxx  
MitchBuysHouses.com*

---

*Hey [Attorney's First Name],  
I'm supposed to meet an estate attorney named Frank  
Smith. Do you know him? Is he a good guy?*

*--Mitch Stephen--  
210-669-xxxx  
MitchBuysHouses.com*

---

*Hey [Attorney's First Name],  
I just helped an estate attorney named Joe Smith liquidate  
their last remaining property and close out an estate. Have  
you ever met Joe?*

*--Mitch Stephen--  
210-669-xxxx  
MitchBuysHouses.com*

If you stay in front of 20 estate attorneys, 20 Realtors, 20  
real estate attorneys, and 20 wholesalers once a month,  
you're not going to have any problems finding houses.

It's easy! Incorporate whatever's going on in your life into  
a once a month text or email... just enough to stay on the  
top of their mind.

*Top Of Mind Awareness (TOMA).*

Remember, estate attorney's can't take a kick back or a referral fee for helping you get in front of an executor they're representing, so when they bring you a deal that winds up making you some great money, go buy that pair of front row seats at the basketball game (or whatever) and show them you appreciate them. It's a great excuse for you to sit on the front row and watch the game live! Reward yourself as well. Consider it a cost of doing business.

Over the years, I've bought plenty of properties from those same attorneys.

## **Chapter 26:**

### **Grassroots Advertising**

...

Every city and town, big and small has a city or town website. It's where locals and visitors go to find city services, events in town, and a host of other information about the community.

While most sell advertising, not all do. Bigger communities have deep sites. There will be many webpages that you can select from to decide how to best target the audience you want to reach. We want people who have to sell and we prefer sellers that need to sell fast. Look for sections that will squeeze down on this criteria. Don't shotgun out your information in this kind of medium. It's too expensive. Target your audience the best you can.

#### **Selecting a Section of the City Website**

Spend a little time becoming familiar with the website. Some will be larger than others. Most will contain major categories such as:

- Home page
- Police department
- Fire department

- Municipal codes
- Libraries
- Coming events
- Parks and recreation
- Link to Chamber of Commerce
- Economic development
- Starting a business
- Permits
- Convention centers
- Municipal golf courses
- Real estate and relocation

The homepage is a natural choice since most visitors start their surfing here. A links page is another good idea as are some of the recreation pages that generate the most traffic. The permits page can be a good choice to capture a reluctant owner about to start a remodeling project. However, I don't see much value advertising that you buy houses on the police, fire, and municipal codes page.

### **Other Local Advertising Venues**

City governments allow a wide variety of advertising on city property to bring in revenue dollars. Other common local advertising opportunities include:

- Buses
- Bus stops
- City mailings (maybe you can advertise on property tax mailings?)
- Park benches

- Pool houses
- Recreation centers
- Bike racks
- Parking meters
- Recycling and garbage cans

Find out what the local governments in the neighborhoods you invest in allow for advertising.

### **Look Into Local Online Community Guides**

These are typically private guides that individuals or businesses put up to both highlight the city and to provide local businesses with an advertising media. You'll find these are very popular in cities with an active tourism industry.

Do a little research before spending your advertising dollars. Larger municipalities may have more than one privately run city guide. Learn which one attracts the most visitors before spending your advertising budget.

A good city guide is consumer-friendly database of venues, restaurants, places to go, movies, events, nightlife, sports, visitor guides, interactive features. Many will have a real estate category that becomes a natural selection for your local advertising.

## Chapter 27:

### Email and Text Campaigns

...

When I started this book I was working email hard. As I'm finishing this book I'm thinking there's a shift taking place. Emails are getting harder and harder to get people to pay attention to. While it's still not a lost strategy, I'm turning more and more to texting. I use emailing for longer messages with more pictures and links. I use emailing to get responses but I shifted my contact with my "short list" over to texting. After all, if prospects are reading your emails, I'm imagining they're on their computer. Again, text messaging has an almost 100% open rate. Texting can render immediate responses.

As I'm reading this book for the final time, I realize there is a certain amount of redundancy. I've read these pages over and over trying to eliminate anything repetitive but I've come to the conclusion that a lot of these tactics used to mine for bargain houses overlap. The mediums might be different but the principles are re-explained because they apply yet again. If you keep hearing something over and over again, perhaps you should recognize the principle as important and look at it as *a point being driven home*.

## **Build a Large Network of Associates**

I've been told by more than a handful of people, that I'm the most *network connected* person in my arena they've ever seen in San Antonio. That didn't happen overnight. I persisted over a long period of time. I realize that I'm just a fish in a small pond, but hearing that repeated more than a few times was music to my ears. It said to me that what I set out to do was working.

The word *networking* is not to be taken lightly. The problem is that with technology, we have so many ways to network in today's world that it's overwhelming; Email, Facebook, LinkedIn, Google Plus, business networking groups, the Rotary Club, on and on. Where do we start - or stop?

Start with emailing Realtors. Then move your short list to texting. Next, pick FaceBook.com or LinkedIn.com and get a handle on that strategy by hiring an expert. Stack one building block upon another. Like I said, "It takes time." Always be expanding your reach. At some point, you're going to have to get a personal assistant or a VA to make sure the tasks get done consistently. You can't get bogged down in handling all of this *stuff*. You're ultimate goal is to meet sellers and sign contracts. That is what YOU want to be doing! Mastermind your overall strategy and then turn it over to someone else. The trick is to make it so YOU are not responsible for the day-to-day or month-to-month mundane tasks. To get to the big league, you're going to have to have a system that you are not doing 100% yourself.

When you're just starting out you can't afford a lot, but you don't have a lot going on. If you want to buy 5 houses a year, get 10 of the free things going. When you strike a moneymaking deal, plow a little bit of that money back

into the business and open up a new strategy. Mastermind the new strategy and then turn it over to your assistant or VA.

### **What's Important to Communicate**

You want to get the word out when you've bought houses; you also want to get the word out when you've sold a house. If you land some private money, without going into great detail, let your short list know you've made yet more progress. Look for one or two things a month to brag about (modestly!). This is particularly important when you are first starting out. You need to demonstrate a track record and that you do pull the trigger and buy investment houses. People want to do business with doers!

### **Organizing Email Campaigns**

Your original emails should have asked permission of each recipient to send future emails to them. Keep these organized so that the addresses in your autoresponder only include people that approve you sending future emails. You don't want to become known in your local market as someone that sends out spam.

Based on what we have covered so far, you should be developing networks from these sources:

- Craigslist ads
- Your buying website
- Local Realtors
- People that followed up on your business cards
- Mailman / UPS driver / ice cream man / etc.
- Estate attorneys
- Real estate attorneys

- People that followed up on other advertising like mini billboards, bandit signs, etc.

Autoresponders allow you to create an endless set of emails or text messages to go out automatically on a constant basis. You pick how often your messages go out. You pick the list it goes to. You spend a week or a month getting at least six months worth of messages in the can (pre-set). I started out with 6,000 Realtors on my email list. I dripped to them a little at a time to create my short list (those 20 that get my strategy). Use autoresponders to automate your consistency. Keep adding individual outgoing responses based on your real life experiences. Never stop growing the list of messages. As your life experiences happen, your list of outgoing messages should grow.

The picture that follows represents one of the most dilapidated houses I had bought in a long time. I used the picture and my life experience to create yet another autoresponder to add to my automated “Touch System.” Here’s how I used that life experience to create yet another outgoing message.

*Wow! I went out on a limb and bought a super ugly house... not even livable. I’m putting it up for sale “as is” with owner financing. Stay tuned to see what happens.*

*I’ll let you know when I know.*

*Wish me luck!*

*Mitch Stephen  
210-669-xxxx  
MitchBuysHouses.com*

This message has a picture and is too long for a text message. I sent this message out as an email to my big list, in hopes of generating interest from some Realtors I could add to my short list.

I sent out a much shorter TEXT message to my short list. My short list knows me better and I need to give them less information. I simply want to touch them. I want to remind them I'm out practicing my art. I want their TOMA (Top Of Mind Awareness).

*I bought a really ugly house today on Belmont Street.  
Check it out.*

*[Link to picture]*

*--Mitch Stephen--  
210-669xxxx  
MitchBuysHouses.com*

**Yep, I Buy Houses in Any Condition!**



I eventually sold that property and sent out this message to both my big list and my short list depicting my life experience.

*Remember that super ugly house I bought on Belmont street" I sold It! [Link to same picture]*

*--Mitch Stephen--  
210-669-xxxx  
MitchBuysHouses.com*

For those of you that need to land some private money, here's a message that doubles as a touch and an advertisement that I'm offering great rates of return on idle money sitting in their bank account...

*I recently acquired a private investor who is looking to get a better rate of return on his 401K funds. So, I need to find some houses to buy quickly. Let me know if you see a deal I may be interested in.*

*Best Wishes,*

*--Mitch Stephen—  
210-669-xxxx  
MitchBuysHouses.com*

This particular example not only touches your prospect once again, it plants several seeds:

1. You have the means to buy more houses.
2. You are trusted by private investors who have money to lend.
3. You might be a person they want to lend their money too.

4. You are very serious about buying houses.

This book is about buying houses but you can *touch people* with many different messages. You can plant many seeds while on your quest to find bargain properties. Why not incorporate some seeds that may lead to private money sources?

**NOTE:** For the record, I've helped my fair share of people conquer the fear of raising private money. Private money is, without a doubt, the key to my financial success. When you sign up with me you don't get one of my student's that did 10 houses last year, you get ME! 54 years (and counting) of life experience, at least 34 years of that 54 years I've been involved in some type of entrepreneurial endeavor... and the last 2 decades I've been self-employed in the business of creative real estate investing; at least 1,300 deals under my belt. I only mentor about 20 active students at one time. I am always personally involved. That's why I have to limit my work load. See **[1000Houses.com/pricing](http://1000Houses.com/pricing)**.

## Chapter 28:

### Successful Direct Mail Campaign

Direct mail is an effective lead generating strategy. The objective is pinpointing potential motivated sellers. But you don't want to shotgun out a message to an entire zip code or neighborhood with this strategy. Mailing post cards or letters costs money. Narrow your list of prospects by using plenty of limiting criteria.

Different markets offer different and unique list purchasing opportunities. The internet offers some opportunities for every market. For a list of *list brokers* go to [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) and search for that heading...**“LIST BROKERS.”**

As of this printing, you can mail commercial postcards for as little as 35¢.

#### **Targeting High Value Prospects**

**You'll want to get sophisticated here if you value your money. It's not enough to just send out a bunch of mailings. You need to find the most likely prospects. What if you could build a list of people that matched all of the following criteria?**

- **The prospect was at least 5 years behind in taxes**  
(Indicating financial problems).
- **The mortgage is at least 20 years old** (indicating a sizeable equity in the property).
- **Absentee ownership**  
(Indicating that the tax payer of record does not live in the property you're trying to buy).
- **Out of county or out of state owner**  
(Indicating the owner may have the problem of *distance from the property*).
- **Judgments or liens on the property**  
(Indicating yet more financial problems and mounting expenses).
- **The property is vacant**  
(Indicating a non-income producing property).

What if you could get a list that met these limiting factors? You'd have a much better prospect on your hands wouldn't you? Yes, you would!

You don't want to mail out to just any homeowner. You want to mail to homeowners with equity and problems... problems that you can solve when YOU buy their property.

If your list is not big enough, lighten up on the criteria. Adjust your search to properties that are only 3 years behind in taxes (instead of 5 years behind in taxes). Adjust your search to houses that have a mortgage that's only 15 years old (Instead of 20 years old). Adjust your criteria until you get a sizable list.

## Managing Your Direct Mail Campaign

The first step is building a list of suspects. The next step is hiring a VA to gather the vital information and put that information into a spreadsheet. The spreadsheet should have the following column headings:

- Subject Property Address.
- First Name of the Owner of Record.
- Last Name of the Owner of Record.
- Street Address of the Owner of Record.
- City of the Owner of Record.
- State of the Owner of Record.
- Zip Code of the Owner of Record.

Once you have a list and a spreadsheet with the appropriate information, give that list to a mail house and set a budget as to how many people you want to mail per week or per month.

There are mail houses out there that will take your spreadsheet and send out to as many or as few mailings as you want, in a pre-determined, consistent flow. You're mailing will go out automatically. It's a task that runs in the background. If you're going on vacation, have them stop the mailings. If you're getting too many calls, reduce the pace. If you want more calls, increase the pace. For some *mail house* recommendations go to [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) and search under the heading "MAIL HOUSES."

## Answering Services

So, who's going to answer the phone? If you have a full-time job or you're simply too busy building your house

buying business doing other stuff, you can hire an answering service. If you're going to have an answering service, you're going to have to supply them with a script. The script should be broken into two parts. The first part is the micro-script. The micro script is simply the basics. If your answering service collects any information at all, these are the basic questions we need answered so we can at least say we have a viable prospect. The first 6 questions are:

- **What is your first and last name?**
- **Are you the owner of the property you're thinking of selling?**
- **What's the address of the property you'd like to sell?**
- **What is your home address**
- **What is your cell phone number?**
- **What is your home number?**

If the answering service gets this far, you want them to send a text and an email with this information immediately!

### **Property Information Sheet**

The second step is what I call the "*Property Information Sheet*." This is an attempt to collect as much information as we can possibly get about the property and the circumstances. It's a lot of questions and we keep asking them one at a time in hopes we can get what we want out of our would-be-seller. If you actually get all of this sheet completed you'd be armed to the gills to negotiate a deal! There are so many questions on this sheet that I'm going to refer you to the Bonus Page...you're going to want a copy anyway so I don't see reason to list all the questions here and now for time and space sake. Go to

**1000Houses.com/BonusPage** and search under the heading “**MICRO-SCRIPT & PROPERTY INFORMATION SHEET.**”

### **What Does Your Mail Piece Look Like?**

First and foremost, you need to know about the two-second rule of postcard marketing. The typical reader spends two seconds deciding if he or she has an interest in your offer. One second on the headline and one second on the graphics. Those are the two places you need to put in the most effort.

You absolutely have to grab the reader's attention. I like to keep it so simple you get everything in that 2 seconds! The headline must be the most important benefit to the reader. If they need to sell, I've conveyed I buy – Period! If you've got the right name/URL, that should do the trick for the heading.

# **MitchBuysHouses.com**

## **Any Condition**

Once you get the reader past the two-second rule, you deliver your contact information. In today's fast-paced multi-media world, people scan everything. You must deliver quickly! **Personal Contact 210-669-xxxx**  
**Recorded Message 210-710-yyyy**

Headline
Special Offer

Company Name
Phone / Other

## Chapter 29: Socializing for Leads and Knowledge

...

The next five short chapters are about socializing both to grow your networks and to bring in solid leads.

There are very good reasons for joining a real estate investment club. These clubs can be found in every major city and are dotted all across the country. If you have more than one club in your area, I'd suggest you become a member of all of them.

Finding an investment club in your area shouldn't be too difficult. You can Google "real estate investment clubs" using your own City/State in the search bar. You may also go to [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) and look under the heading "**REAL ESTATE INVESTMENT CLUBS**" for websites documenting real estate clubs in the nation.

Investment clubs connect you to like-minded people willing to share information about your local real estate market. Ask around and find out who you can trust for advice and reliable answers to your questions. You may just find the perfect mentor; one who can bring you up to speed quickly. Yes, these are your potential competitors but

many are willing to share information. Be sure to share what you know as well.

You may also find a partner for a particular deal or even a full time business partner. If you're tight in the money department, try to find a partner that will put up the money and split with you. Never forget, the person who has the contract is in control. When you find a great deal, you're doing the interviewing as to who the partner will be. You negotiate what the split will be. It's your decision as to how the deal is structured.

Club members gain a lot of great benefits:

- Investment best practices.
- Hot tips about available properties.
- Uncovering new trends faster.
- Become familiar with local laws and regulations and stay current.
- Obtain free or low cost legal and financial advice from professionals.
- Learn from prominent guest speakers.
- Tap the network of others, find lawyers, appraisers, surveyors, rehab contractors, plumbers, electricians, etc.
- A free place to advertise your wholesale deals or even your retail deals.
- The perfect place to start building your "Wholesale Buyers List"

Some clubs will be very affordable. Other clubs may require you to pay a couple of thousand dollars to join plus monthly dues. Make sure the club you join is a good fit

before plunking down your money. A few good questions you want answers to are:

- How many members does the club have?
- How long has the club existed?
- What are the full costs for being a member?
- What are the full benefits of being a member?
- How frequently are presentations made and on what subjects?
- How many people generally attend the regular meetings?
- Where and when do they meet?
- Do members get discounts at stores like Home Depot or Lowe's? Depending on how much materials you buy, these discounts can all but pay for the membership.

FYI – You may be able to get discounts from places like Home Depot and Lowe's just by asking (Club member or not). Talk with the store manager. Tell them you are a professional real estate investor and then ask if there are any discount programs you can register for. I deal a lot with Home Depot and they have a paint discount almost automatically and give rebates in the form of gift cards when you buy a certain dollar amount of goods from them. I even get a quarterly rebate check – every quarter! When I order over \$1,000 at Home Depot they send my proposed receipt to the main office in Atlanta, GA to the “bid room” to see if they can cut me any slack on the types of goods I'm buying that day. The process is tremendously fast (5 minutes or less) and I almost always get a discount...and it's always worth the wait!

That one tip above will pay for this book in the drop of a hat.

### **Make Good Things Happen**

Create a positive impression with your fellow investment club members by being active in the organization. You may even get a free membership if you volunteer for a position the club needs filled.

What you get out of memberships may depend on what you put into them. Maybe it's just helping set up for a meeting or cleaning up after a meeting. You can make it more personal by helping other members in the area of your expertise. Perhaps you have computer skills, or accounting skills, or you know about graphic design. Give and you shall receive.

### **Give a Presentation or Workshop**

Many clubs have an internal email system or mass texting program. Do an informal survey to find a popular subject that's being overlooked. Research the topic and give your presentation. Don't be surprised if you become the *go to person* for that topic. Members want to network with someone that shows initiative.

### **Marketing to Other Members**

There are several ways you can market your properties to other members.

Some clubs have sales tables set up around the meeting room or just outside the entrance of the meeting room.

Take out a banner ad on the clubs website. Also, take out an advertisement in the clubs newsletter. Remember it's all

about branding so make sure your message and graphics are consistent.

Be sure to ask about the clubs website; do they have a classified section where you can advertise your deals or ask for a money partner? Do they charge for ads? These can be great sections to find what you are looking for.

## **Chapter 30:**

### **Join Your Local Board of Realtors**

...

Most members of the local Board of Realtors are licensed brokers or licensed agents under a broker. But there are exceptions if you're not licensed. A common exception is for property managers and there are other memberships known as affiliate members. You'll need to check with your local board to learn the details.

#### **Staying Current**

While you join at the local level, you also gain access to the state and national levels. All three levels conduct ongoing research into the real estate markets and developing new technology. While networking with your local investment club is important, being connected to the Board of Realtors will keep you much better informed about market trends, advances in technology, and changing regulations.

#### **Purchasing Power**

At the national level, the National Association of Realtors (NAR) has 760,000 members. It is ranked as the 9th most influential and powerful political lobby in the country. The size of this organization also enables it to obtain many discounts for members. In fact, the NAR publishes an

entire catalogue of discounts and benefits. Among those discounts are:

- Discounts on overnight shipments.
- Office supplies.
- Business insurance.
- Real estate errors and omissions insurance.
- Health insurance.
- Computer and electronics discounts.
- Cell phone discounts.
- And more...

### **Educational Opportunities**

Discounted courses are offered on subjects such as Brokers Price Opinion to enhance your ability to accurately value properties. They are also constantly updating courses about how to best use social media and other online tools to market your business and find leads.

Other courses are developed based on changing dynamics in the market place. For instance, short sales, foreclosures, and senior housing transition (baby boomers), etc. At the time of writing this book, these were important trends of the day. Things constantly change. We always have to be connected and learning. The only thing that stays the same is change. There is no neutral. You're either moving forward or falling behind.

### **Reduced Business Risk**

Studies show that about 70% of all claims against real estate professionals are due to misunderstandings. The Board of Realtors works to reduce this risk by providing professional training and publications covering these issues. But beware, brokers are so afraid of lawsuits that

they go overboard sometimes. Examples after examples of how agents messed up and got sued can damage your enthusiasm or downright scare the living daylights out a person. Learn the lessons by learning from the mistakes of others. Do NOT let it deter you from a great career!

Contact your local Realtor board about a membership.

## **Chapter 31:**

### **The Chamber of Commerce Offers an Excellent Networking Opportunity!**

...

As a real estate investor, you are a local business. Nothing says you're a community involved local business more than joining your local Chamber of Commerce.

When it comes to business networking, you won't find a more diverse opportunity than with the local Chamber of Commerce. Business owners of all kinds come together to improve local business opportunities. Need a quality contractor? He or she is probably a member of the Chamber.

#### **Establish Your Business Presence**

When you become a new member, the Local Chamber of Commerce is likely to highlight your business in press releases, its newsletter, and in other media. Your business will also become listed in the Chamber's directory as a preferred local business.

Being associated with the local Chamber of Commerce establishes trust with everyone you interact with. Be it house sellers, house buyers, or other businesses. However,

you can't just be a dues paying member. You need to be an active member of the Chamber to realize the maximum benefits. Besides being listed as a member, the networking opportunities are tremendous.

### **Networking Means Participating**

It could be as simple as two business owners having a business lunch when one comments how much trouble his daughter's family is having trying to sell their house. The other business owner just may refer that lead to you. You can't buy a more powerful endorsement than word of mouth referrals. We may think we are in the *house buying business* but we're really in the people business! Your goal is to become the "go to person" for almost everything regarding investment real estate. Once you've done that you'll have little or no competition with other members of the Chamber.

Venture Capitalist and Angle Investors (higher risk takers than Venture Capitalists) are members of the Chamber in order to stay in tune with businesses. These could easily become funding sources for your acquisitions. Business owners are always looking for secure investments for their retirement funds and/or their idle money.

You don't have to be a member to check out your Chamber of Commerce events. You'll pay more than members to attend but it gives you a chance to learn if the chamber is a good fit for you. Every Chamber operates a little differently but typical events you can attend include:

- Luncheon speakers
- Golf tournaments
- Networking mixers
- Professional development sessions

- Technology sessions

This is definitely the short list. For instance, most Chambers hold multiple networking mixers every month: some over a breakfast, others over cocktails, and others over a dinner.

The Chamber also hosts some very interesting speakers. Most chambers hold multiple speaker series. Political representatives are the most common as well as local business leaders that often include executives of large corporations. Each gives you the chance to get to know local and even national business leaders.

You don't have to go to every event. Pick the ones that interest you and attend those. Let the events that don't apply to you pass on by.

**“A leader is best when  
people barely know he  
exists, when his work is  
done, his aim fulfilled, they  
will say: we did it  
ourselves.”**

- Lao Tzu

## **Chapter 32:**

### **Help Others as a Rotarian**

...

Most communities have a local Rotary club. In total, there are 1.2 million members worldwide with the majority in North America. These are business owners, professionals, and community leaders who volunteer their time and talents to serve communities locally and around the world.

By joining your local Rotary, you'll be networking with a social purpose.

#### **Becoming a Rotarian**

Not everyone can become a Rotarian because the clubs don't accept just anyone. Besides needing to be a business professional, you have to be invited to join by a sponsor.

The object of Rotary is to “encourage and foster the ideal of service as a basis of worthy enterprise.”

#### **Being a Rotarian Says Something**

Rotary clubs consist of a cross section of every business in the community. Its members come from all walks of life. Rotarians help each other and collectively help others.

Because of the strong emphasis the club places on integrity, you assume you are always being treated fairly when working with other members. That being said, always vet anyone you're thinking about doing business with. Ask around. Google your prospects and do some research. Never go into a partnership or business agreement blind as to whom you're dealing with. Their reputation will rub off on your reputation; good or bad.

### **Impressive Speakers**

Rotary clubs attract a wide variety of top quality speakers. The clubs do not take a political stand. However, they will invite multiple speakers to present multiple viewpoints on controversial and current issues, including pending legislation.

You're likely to find yourself listening to the fascinating career of a retired military general or CIA officer. They also bring in award winning authors, judges, professors, fire and police chiefs, sports stars, actors, non-profit directors, and the list goes on. They look for speakers that educate, inform, inspire, and entertain. If you're looking for an alternative to the business related speakers found at the Chamber of Commerce, the Rotary Club speakers may fit the bill.

### **Become One of the Speakers!**

You may even want to throw your hat in the ring as a speaker. After all, real estate investing is very interesting topic. Be sure to talk about how you use private money to fund your deals and how you protect your private lenders and limit their risk by using valuable real estate as collateral. You may just find some new investors and/or some new partners. It could also lead to some acquisitions.

## Chapter 33: MeetUp With Like Minded People

...

Are you familiar with a website called **MeetUp.com**? MeetUp is an online website bringing people with common interests together. These are very independent groups. MeetUp.com has over 11 million members and 340,000 monthly MeetUps covering 117,000 topics in 45,000 cities. As you can imagine, real estate investing is a popular subject with over 1,100 different groups and 227,000 members.

Something important to note is that these groups meet in-person at locations around the country. They may organize online but they meet in person.

### **A Sample of Topics From MeetUp Groups**

You need to attend these groups on a regular basis so that you absorb all of the information provided. Here are the types of subjects covered at the meetings:

- Prospecting
- Nothing Down Deals
- Getting Started Investing in Real Estate - Keys To Success

- Funding Your Real Estate Investments
- Rent-To-Own versus Lease Option
- Determining Value and Preparing To Make Profitable Offers
- How to Build Wealth Investing in Real Estate
- Getting Rich in a Buyers' Market
- Buying Property "Subject To"
- Short Sales
- Making Money Purchasing Houses at Auctions
- 5 Things Needed to Put Together a Good Bid
- Probate Property
- Making Big Money Wholesaling Property
- Buying Houses Scheduled for Foreclosure
- Buying Property on the Courthouse Steps
- 1031 Exchanges
- How to Sell in Any Market by Understanding Comps
- How to Organize Your Real Estate Portfolio
- Private Money
- Collecting Fast Cash Buying Free & Clear Houses

If you aren't intimately familiar with all of these subjects, you will benefit by finding and attending local MeetUps for real estate investors. Almost everyone in creative real estate comes upon deals they're willing to wholesale. Just because you're attending a meeting on "How to Owner Finance Your Deals" doesn't mean you can't find someone in the crowd willing to sell you a deal.

## **Networking Opportunities**

These meetings are intended to be interactive and participation by attendees is highly encouraged. Some of the best information comes out during the Q&A, after the formal presentation is complete. Listening to the Q&A is a good way of identifying other investors that have similar interests and finding people that have a unique prospective that you want to learn more about.

Attending real estate investor MeetUps is a great way to network with veteran investors. You'll be introduced to investment strategies that are working well in the current marketplace. The market changes constantly and you need to stay on top of the strategies that are currently producing the best leads to buy houses.

## **Finding the Right Group**

Different investment groups have different focuses. Some are mostly about finding deals. One or more investors might be trying to wholesale properties to other investors. Other groups are more about networking. There will be long periods at the beginning and end of the meeting for socializing. Others are mostly about education; sharing techniques and knowledge about real estate investing.

A few are thinly veiled plugs for the organizer's services, seminars, or other ways of profiting from the meeting. I am not ashamed to tell you, that's what I did when I formed a MeetUp on "*How to Make a great ROI by Loaning Your Money to an RE Investor*" ... and it worked! Eventually, MeetUp.com caught on to the fact that I was using the MeetUp for my own personal agenda. By the time they figured it out, I had already accomplished my goal. They shut me down... saved me the trouble!

There are people in my town that still remember meeting me for the first time at that MeetUp group.

They are reminded of it every time I send their monthly interest check! And don't think for a minute I didn't eventually find some houses to buy from those folks... even though that's not even remotely close to what I set out to do.

## **Chapter 34:**

### **Get to Know Appraisers**

...

Don't confuse an appraiser with a house inspector. While an appraiser will note any obvious problems with the house, they don't conduct a thorough inspection such as verifying that heating and cooling systems work, etc.

#### **Leads From an Inside Source**

The leads you receive from appraisers will mostly be properties they know are going to be very difficult to sell on the retail market. Houses built in the 1970s that have never been updated. Or houses owned by hoarders that no one is going to be interested in. Appraisers know sellers who desperately need to sell but just found out the house didn't qualify for the loan and the buyer is going to back out... and now the seller is even more desperate.

The right appraiser will know what kind of leads to send you. You certainly don't want a list of every house they appraise. Almost every house being appraised has a signed purchase agreement. An appraisal is done by an independent, third party, to insure the value of the property meets the loan programs minimum requirements

However, there are other times when an appraisal is performed but there is no buyer in place. A seller might have an appraisal done to set the selling price (rare), but you want to be first in line when that circumstance comes up. They also do appraisals for settling estates, divorces, and for tax matters. These appraisals are also done without an immediate buyer in the picture. All of these can be good leads for you.

In the interest of ethics, you don't want to encourage an appraiser to low ball the value of houses so that they can make a few more bucks on a fee that you pay for deals that you close. Most states license appraisers. Appraisers won't risk their license for the fee that you pay them. Keep everything on the up and up.

However, some appraisers have a tendency to come in very close to the sales price on the sales contract, if not exactly the sales price on the contract. If you find this to be the case in your area, make a contract between you and a *friend* and get the appraised value where you need it (high). Then, amazingly enough, your *friend* will back out of the contract when a real buyer shows up. Hey, if appraisers are just going to appraise properties for the price on the contract (instead of the actual value), we can play that game!

### **Emailing Appraisers**

You'll want to use more than one source to find all of the appraisers in your area; Google, Bing, Yahoo, Yellow Pages, etc.

Most appraiser listings note whether the appraiser specializes in residential or commercial properties. They also provide contact information including email addresses. You can load the email addresses into your autoresponder to occasionally remind appraisers that you pay a fee for

deals they refer and that you close on. Here is a template for your initial email:

*Hello [appraisers name from autoresponder],*

*Please allow me to introduce myself. I am [your name]. I am a serious real estate investor looking for leads to new investments.*

*I'm certain you occasionally come across properties that have little or no appeal to retail buyers. Including houses you appraise for the seller, settling estates, divorces, and for tax matters. These are properties that I am interested in. I offer a finder's fee of [\$\$\$] for houses you refer me to and that I close on.*

*I understand that you may not be interested in my offer. If you don't want me to contact you in the future, please let me know and I will remove your email address.*

*Sincerely,*

*Your Name*

*Telephone Number*

*Email*

*Website*

Here is a follow up template:

*Hello [appraisers name from autoresponder],*

*It has been awhile since we touched base. This is a short email reminding you that I am still active in the real estate market as an investor. Since my last email I've purchased a few houses but I still looking for more.*

*Properties that I am interested in include those that have little or no appeal to retail buyers. Including houses you*

*appraise for the sellers, settling estates, divorces, and for tax matters. I offer a finder's fee of [\$\$\$] for houses you refer me to and that I close on.*

*Sincerely,*

*Your Name*

*Telephone Number*

*Email*

*Website*

## **Chapter 35: Working with House Inspectors**

• • •

If you are new to real estate investing, you will probably use house inspectors to avoid investing in properties that can cause you financial ruin. As you gain confidence and experience, you'll come to rely on inspectors less and less. But that doesn't mean they no longer have a role in your business.

Inspectors can be a great source for leads. They come across houses that have all kinds of problems. Serious roof leaks, damaged foundations, pest infestations, electrical and plumbing problems, mold, termites, and more. The seller often doesn't even know about these problems when he or she lists the house for sale. Then a buyer makes an offer on the house contingent on an inspection or the lender requires an inspection report. The inspector uncovers a serious problem with the house and the deal falls apart.

Once the seller is made aware of a problem(s), they are required to disclose the problem(s) to all future prospective buyers. It gets very difficult to find a retail buyer for a house with a serious problem. That's where you come in. And it's the inspector that provides you with leads to these houses.

## **No Pass or Fail for House Inspections**

Most purchase offers are made with an inspection contingency. However, houses do not pass or fail an inspection. The inspector is simply required to point out the problems with the property. The buyer then studies the report to make a decision whether to close the deal, or ask for repairs to be made, or back out of a deal.

A finicky buyer may back out of a deal for a very small reason while a star-struck buyer may go forward even when there is a very serious problem with the house.

A third possibility is a lender may balk at the inspection. An inspection may reveal that the foundation needs structural repairs estimated to cost \$15,000. The seller and buyer may or may not strike a deal. Even if the buyer and seller strike a deal, the lender may refuse to loan on the property, effectively killing the deal. Now the seller is faced with coming up with the money to repair the problem (\$15,000) ooooooor... sell the property to someone like you at a large discount. Get the picture? Inspectors can be great lead generators!

If the seller can't or won't make the repairs, that house is going to be near impossible to sell on the retail market. These are the types of deals that you want home inspectors to bring to your attention. The home inspector won't know if the issue will be resolved, however, they will have a good sense of when a deal is in trouble. If they can give you the address or the seller's name, you can follow up on the property. The seller may have become very motivated to get rid of the problem house before things get worse. Home inspectors are a great source of leads!

On the next page is a property that I recently purchased.

## I Purchased This Property for \$12,000



I borrowed \$14,000 @ 8% interest only for 5 yrs = \$94/mo.  
I sold this property with Owner Financing...As-Is, Where-  
Is (I did NO WORK)

\$31,000 w/ \$1,000 Down Payment  
\$30,000 Balance @ 12% for 12 yrs = \$394 Principle +  
Interest

Do you see where I paid myself \$2,000 to create a \$300  
positive Cash Flow without the hassle of being a landlord?

The new owner put over \$20,000 into the repairs of my  
collateral, making the value of the property approximately  
\$69,000+. When the buyer had completed his renovations I  
had no problem selling my note to a note buyer friend for

the balance owed...roughly \$29,000. I paid my borrower the \$14000 I owed and pocket another \$15,000.

Where on earth do you make over \$17,000 on a house you bought for \$12,000?

In the lesser parts of town is where!

## **Chapter 36:**

### **Surveyors Can Generate Leads**

...

You'll come across this one less often but it may prove valuable to you when it happens. Land surveys are more common when buying a house on acreage or raw land than they are for residential houses on a typical lot.

However, some buyers do have a survey performed because otherwise the title insurance will exclude coverage to anything that a survey would have revealed. Also, some lenders are no longer allowing that exclusion and effectively forcing buyers to have a survey conducted.

#### **Problems a Survey Reveals**

Some problems uncovered by surveys are small and relatively easy to correct, others are costly. A fence over a property line can be moved. However, a driveway on a neighbor's property might mean the owner has no way to drive up to the house; at least not without building a new driveway. A swimming pool built over a setback line or across a property line can be a serious and costly problem to correct. If part of the actual house is built over a setback line or across the property line, the current owner better hope the other property owner is willing to sell that part of his or her property for a reasonable price.

When a surveyor comes across a property line problem, it may or may not kill a real estate transaction. However, it will certainly put it into question. These are the types of issues you want the surveyor to forward to you.

## **Chapter 37:**

### **Foundation Repair Man**

• • •

Repairing a house foundation is typically expensive. Obviously, this can be a deal killer. You may get this lead from the home inspector but it doesn't hurt to know all the foundation repair people in your community as a back-up plan. Foundation problems are a huge source of discomfort for house sellers.

#### **Indications of Foundation Problems**

It's often not difficult to find signs of foundation problems, both inside and outside of the house. Inside you look for:

- Doors and windows that are difficult to open and close or refuse to do so.
- Cracks in sheetrock appear near doors and windows when there is a foundation problem.
- A sloping or unlevel floor or counter tops.
- Cracks in floor tiles.
- Basement walls leaning in or out.
- Water seeping through walls or floor.

Outside, look for:

- Cracks in brickwork.
- Gaps around doors and windows.
- Fascia board pulling away from walls.

### **Dealing With a Sinking Foundation**

Let's say the seller markets a house for \$250,000. The first buyer orders an inspection that reveals severe foundation damage that would cost \$15,000 to repairs, so the first buyer pulls out of the deal. A second buyer offers \$225,000 but pulls out of the deal for the same reasons when he's given the foundation disclosure. The same thing happens when a third buyer offers \$195,000.

By now, the seller is facing foreclosure when you offer \$130,000, knowing that the foundation can be repaired for about \$15,000. However, the seller still has a \$160,000 mortgage on the property.

You put together a well-documented short sale package showing the lender that in the house's present condition they'll be lucky to find another buyer at \$130,000. The lender accepts the short sale after seeing the damaged foundation documentation and that three other buyers have backed out of deals.

You purchase the house for \$130,000, invest \$15,000 to repair the foundation and now have a property worth over \$225,000. Your purchase cost was about 64% of the after repair market value.

That's why you want to have foundation repairmen looking for leads for you.

## **Permanently Solving the Problem**

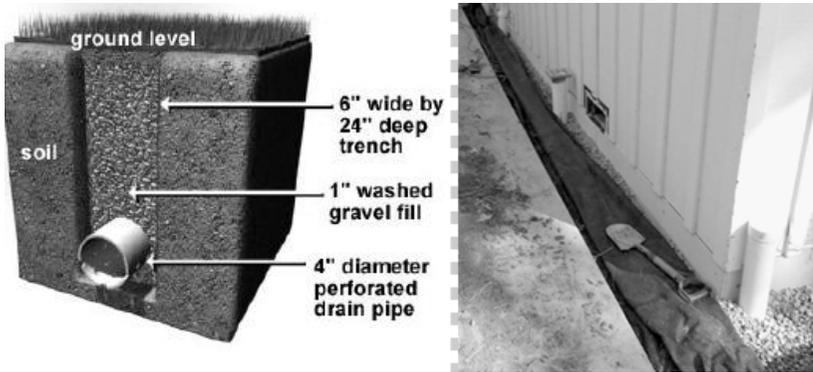
Settling foundations are almost always the result of water accumulating under the house. For the most part, water is not complicated; it runs down hill! Understanding this simple fact can go a long way towards determining why the foundation settled in the first place.

Re-leveling the house is the first problem but if you don't correct the water problem the foundation will no doubt settle again and you'll have wasted your money. If you can't figure out how to find the water problem that caused the settling, you best not buy the house. So where do you start to solve the problem at its core?

First, go inside the house and find where the settling has occurred. Then go outside the house to the area the settling has occurred and look to see if you can find where the water that caused the settling is coming from.

Look for landscapes that force water towards the house. We've all seen backyards that slope towards the house causing the water to run towards the foundation and eventually go under the house.

Look for areas where the water from the roof comes off the roof and gets trapped, eventually soaking under the foundation. Hopefully, you can solve the problem with some strategic guttering. In a more expensive solution you'll have to install a *French Drain* to direct the water around the house instead of under the house. Here's a diagram of a typical French Drain.



Now here's where water gets a bit more complicated. There are at least two types of foundations; Pier & Beam (where the house is held up on multiple posts) and the traditional concrete slab (Where the foundation is poured of concrete on the ground and the house is built upon the concrete). If the water is originating under either type of home, it can be much harder to find the problem.

If the home is built on pier & beam, hopefully the floor is up off the ground high enough so that you (or a plumber) can crawl under the house and find out where the water is leaking... you're looking for a plumbing problem. Go to the area where the house is settling and look for leaks or wet ground. If the house is vacant, you're going to have to get the water turned on first. You're most likely going to find the settling to be under the bathrooms/showers, kitchen or washer & dryer areas, but leaks can happen anywhere. Again, go to the area where the settling is happening... and look for water.

There are two types of plumbing leaks.

One leak occurs from the water, under pressure, that supplies the house - **Running Water**. Running water feeds

all the water outlets like tubs, sinks, shower, watering bibs, hot water heaters, and washing machines etc.

The second type of plumbing leak is due to the exiting water - **Flowing Water**. Flowing waters are generally gravity driven water ways like sewage from the toilets and drains from sinks, tubs, showers and again washing machines.

To verify a leak from the running water you have to...

- 1 . Turn on the main water supply to the house.
- 2 . Turn off every water outlet in and around the house.

Then go to every outlet and make sure there's no dripping or water seeping out at the sinks and various faucets etc. Don't forget to check the outside hose bibs, hot water heater, and washing machine (utility) areas. Last, but not least, put your ear to each toilet tank and listen for running water. Faulty toilet floats are a huge source of water leaks.

Once you're convinced everything is shut off completely, go to the water meter which is generally where the water main cut-off is located. Look at the water meter to see if the meter indicates there is running water passing through the meter. If the meter is still running, you at least have a *running water* leak. Go look for standing water in the yard or under the house. If it's a house on pier & beam you can look under house.

If you have a *running water* leak under a concrete slab foundation, things can get much more complicated. You're going to have to call a professional plumber with some state of the art equipment. A professional plumber can pinpoint exactly where the water leak is. I hope that it's a

matter of just jack-hammering the area directly above the leak, fixing the leak, and re-filling the hole with concrete.

In the worst case scenarios, the plumber has to tunnel under the slab to fix the leak. This is generally the case when the leak is under the bathroom areas. Hopefully, the bathroom in question is located on an exterior wall as opposed to being in the middle of the house.

If you don't have a *running water* leak, you may have a sewage leak causing the settling of the foundation. In this case you're going to have to call a plumber to do a pressure test on the sewage pipes.

FYI – If I'm buying a house on a concrete slab and I see any signs of settling, I always order a pressure test on the sewage system. No ifs, ands, or buts! Look for hairline cracks in the tiles on the floors and cracks in the sheetrock, typically in the corners of door openings and window, or where walls and/or ceilings come together.

Many a sewage pipe leak has been caused by large trees near the house. The roots search for water and once they find a way into a sewage pipe, the problems are predictable and inevitable. Well equipped plumbers have special cameras that they can run down sewage pipes. Not only do you find where the roots are getting in, you can see the problem on a video screen as well! Try to be present when this type of test is being run. You'll want to see this with your own eyes.

**IMPORTANT:** You want to get bids from big *Yellow Page* type foundation companies to negotiate the purchase of the property with. You'll want to get your own foundation company/team to do the job at a much reduced price (because you're a repeat customer) after the purchase.

Always use a company that has been around for a long time and has a great reputation. Cheaper is not better in the foundation repair department. Make sure you get an Engineer's Report before you get your bids (so the foundation companies are all bidding on the same amount of work and know exactly what is expected). Make sure the company you use always pulls permits. Make sure you get a copy of every permit and subsequent inspection along the way. Always work with a company that guarantees their work and is known for honoring their work and their warranty.

Now I know I've just gone on a long dissertation about how to find out why a foundation is settling, but I've done it for a good reason. The fact is, if you become an expert at finding and fixing properties with foundation issues, you just may find yourself in a very profitable niche.

Advertise to your distribution lists that you buy houses with foundation problems. Become known for that problem solving ability. Which message do you think is most likely to get you a phone call if you send it out to 2,000 Realtors?

- 1 . I'm looking for a great deal on an investment property.
- 2 . I buy houses with moderate to severe foundation problems.

The answer is 2! Everyone is looking for a great deal on an investment property. The real estate sales community may have never ever seen a person begging to buy a house with foundation problem. If an agent or broker knows of a house they can't sell because of the foundation, you're going to get a call.

We are in the people and the problem solving business. Find a problem and learn how to solve it. Become an expert at solving that problem. Settling foundations can cause a lot of chaos. It's been said that wealth comes from chaos. There is no shortage of bad foundations and, therefore, no shortage of foundation companies. This one niche alone could sustain the average house buyer operation - forever!

**Become An Expert at Fixing Foundation Problems and You Can Tie Into An Endless Stream of Buy and Fix Inventory**



***"Wealth Comes From  
Chaos"***

- Unknown

## Chapter 38:

### Burned Houses

...

Another specialty niche is restoring fired damaged houses. There's more to it than just repairing the damage done by the fire. There is often extensive water damage as well. If not taken care of promptly, that water damage can cause mold problems and/or buckle wooden floors.

#### **Finding Burned Houses**

Some cities (but not all) put a daily fire report on the internet. Do a search for "Fire Report (your city)". These rarely contain any more detail than the date and time of the response, the type of response, and the address of the response. Most fire department responses are for some type of aid or a medical emergency. You can eliminate these from your list.

The ones that you want are the fire suppression responses and the address the fire department responded to. Then you need to go to the address (or have someone else do this) to learn how extensive the damage is.

If it's a house that you're interested in you need to find the owner. You'll probably have to do a county property search to find the *taxpayer of record*.

Another way to find burned houses is by signing up for your fire departments Twitter account. More and more fire departments are sending out real time twitters about active responses.

A third way of finding local fires that don't make big news is to look in your local newspaper for a section that reports emergencies. These have many different names, some are called "Blotters", "Fire Calls", "Lights and Sirens", etc. Some cities/counties have a "Court Recorder" type publication that lists all official filings done at the courthouse on a daily basis. You may find a list of burned houses there.

### **What are You Looking For?**

There are several reasons that people want to sell cheap after a fire. If they didn't have any fire insurance and either don't have the money to do the repairs or don't want to do the repairs, they become motivated sellers because very few people want to buy a burned home - including very few investors.

They may have been underinsured. Homeowner's insurance comes in many different forms. The most expensive pays to have the home rebuilt at today's cost. Other types of insurance are for the purchase cost or for the outstanding mortgage balance. People take out these types of insurance because they cost less. But when a fire happens, they aren't insured to the extent that they can make all of the repairs. These are motivated sellers as well.

A third category includes people that are fully insured. They've been fully reimbursed but don't want the hassle of overseeing the repairs. Since they have been fully

reimbursed (or at least sufficiently reimbursed) they can afford to sell for a very small amount.

### **Assessing Burned Houses**

Unless you are thoroughly knowledgeable about estimating repairs to a damaged house, you need a professional that specializes in fire restoration. I wouldn't even go with just an experienced contractor. You really need someone that specializes in fire restoration.

You might be able to start with the seller or the seller's insurance company. When an insurance company settles a claim, it's based on a professional assessment of the cost to repair. This is a good place to start but I strongly suggest that you have your own assessment done. Insurance companies are notorious for coming in with low estimates to minimize what they have to pay out.

### **Rehabbing Burned Houses**

Burn jobs are very different than typical rehabs. They require a different set of skills. These houses are already on record with the authorities and require building permits from the municipalities. These rehab jobs require management and scheduling skills from the investor that are unlike any other project. The city's inspector will have to sign off on the permits and will have a large say in the scope of work to be done. The inspectors will tell you what your rehab will be. They will tell you how much you will replace whether you think it all needs replacement or not. It is their rules and there is no court of appeal. If they don't sign off on your work permit you're not going to be able to sell the house. Dealing with these authorities is yet another specialized skill. Don't underestimate this skill.

You may be required to bring the house up to code. Example: If the house had glass fuses (or otherwise an out dated electrical system) you may now be required to completely re-wire the house and put in a new fuse box... even if only a few rooms were damaged by the fire.

Rehabbing burned houses isn't for the faint of heart. You can do very well in this niche if you know what you're doing because you'll find very little competition. But you have to do the job right to get the inspector to sign off on the repairs.

Sometimes it makes more sense to tear down the old structure and rebuild. Typically, you'll at least have a foundation and utilities already on the property. If it's in a desirable neighborhood this could be a profitable project.

## Burned Houses Require Special Skills



Photo Courtesy of  
[www.Flickr.com/photos/anemoneprojectors/5532406452](http://www.Flickr.com/photos/anemoneprojectors/5532406452)

## Chapter 39:

### The Mold Man and Distressed Properties

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Mold can be a serious and costly problem to correct. Some states require sellers to disclose any known mold problems. But keep in mind that they only have to disclose what they know about and not all states have this requirement. Mold can be growing in almost any part of a house. Places with a constant supply of water are the most common. Around windows, roofs, and water pipes just to name a few.

#### **Mold Causes Health Problems**

Besides looking bad and putting out an unpleasant odor, mold causes health problems. In the worst cases, these are mycotoxins. Mycotoxins can lead to rashes, seizures, unusual bleeding, respiratory breathing, and severe fatigue. The good news is that most molds are not toxic.

If you live in a dry climate, your chance of encountering molds is reduced but in no way is it eliminated.

#### **When a Home Inspection Reveals Mold**

Mold in a house is a strong indication of a water leak of some type. It could be from the plumbing, a leaking roof, or leaking doors. Houses built so air-tight that the house

can't breathe are prone to mold as well. Any of which may need repairs.

A house with mold problems can be a good opportunity to invest at a substantial discount. However, be sure to consider your repair costs beyond just cleaning up the mold. Obviously, the mold will quickly return if the source of moisture isn't eliminated.

Once mold has a foothold in a house, consider that it is also living in heating, ventilation, and air conditioning systems. These may need to be professionally cleaned, or better yet, replaced.

My intention isn't to scare you away from taking advantage of deeply discounted houses with mold problems, but instead, to make sure you take into account all of the possible repair costs.

### **Mold Houses Need to be Inspected by a Specialist**

A house inspector might let you know about a mold problem. However, until you have ample experience with moldy houses, I advise you to have the house inspected by a mold specialist to determine the full extent of damage needing to be repaired before making an offer on the house.

Personally, I don't live in an area that has a ton of mold issues. As I've said, if you find a problem to solve you can become the go to person for solving that problem.

Just like foundation repairs and burned houses need specialized expertise, so do mold houses. Do not underestimate how much a professional mold remediation can cost. When you start dealing with the environmental issues that come with mold or asbestos, the costs can be

extensive. Wealth comes from chaos. Become an expert and you'll have carved out a niche for yourself.

## House with Severe Mold Problem



## **Chapter 40:**

# **Property Preservation Companies**

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Property preservation companies are generally hired in the pre-foreclosure or the foreclosed stage. They perform a variety of services for owners that are out of state or otherwise unable to handle such situations themselves.

An experienced property preservation company does everything from change the locks on a house after a tenant has been evicted, to making sure a foreclosed house meets municipal codes so that it can be put back on the market for sale or auction. Other services include:

- Securing the property
- Inspections
- Debris removal
- Winterization
- Lawn maintenance
- Snow removal
- Managing rehabs
- And more

## **Property Preservation Companies Know Owners**

Although these companies deal heavily with the lien holders who have foreclosed on properties (and are now the owners), they also provide services for out of town landlords, banks, and/or anyone else that has an interest in maintaining or stopping deterioration. Essentially, it's default management of the property. These companies are the feet and ears on the ground for owners that don't have the resources to take care of a vacant property.

Clearly these companies are constantly coming across houses that will frequently be sold at deep discounts. There are both national and local companies that you'll want to stay in contact with. Finding the right person in such companies can lead to great deals. You'll find my recommendations at [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage). Search under the heading "PROPERTY PRESERVATION COMPANIES."

## Property Preservation Companies Know About Vacant Houses



## Chapter 41:

### Pre-foreclosures are a Mystery to Many

...

Many people confuse a foreclosure with a pre-foreclosure. A property is in *pre-foreclosure* during the foreclosure process. Once the property is *foreclosed*, it becomes the possession of the former lien holder. Houses owned by banks or mortgage companies are known as *real estate owned* (REOs).

Buying houses in the pre-foreclosure stage is a completely different process than buying houses that have been foreclosed on.

A homeowner enters the pre-foreclosure process after they miss one or more mortgage payments and the lender sends a **Notice of Default** (NOD). In states requiring a judicial foreclosure, the formal paperwork is known as a **Lis Pendens**.

NOD and Lis Pendens are considered public records. Investors hunt down these notices when they are interested in buying pre-foreclosure houses. They can be found at the county recorder's office. However, digging through county records can take hours and hours of your time.

Fortunately, there is an easier way. The NOD and Lis Pendens must also be published in the legal notices section of a local newspaper or in a publication put out by the city or county itself.

You can also find lists of pre-foreclosures for sale on the internet. You can search the internet for Pre-Foreclosure or Foreclosure sites. To go to some of these sites right now you can visit [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) and search under the heading

**“PRE-FORECLOSURES & FORECLOSURE SITES.”**

You use the addresses of those *in foreclosure* properties, found in these publications, to hunt down the owners before the house goes to auction. Some of them will already be listed with real estate agents. Others will not. Either way, you want to negotiate a fast purchase so the seller avoids having a foreclosure listed on their credit report.

Typically, you’re looking for pre-foreclosure properties that are worth substantially more than the outstanding loan. You’ll want to pay particular attention to how old the mortgage is. You’ll have a much better chance at garnering a successful deal with a mortgage that is 20 years old rather than 2 years old. In the 20 year old mortgage scenario, the original loan balance should be paid down significantly. Furthermore, the value of the property, over that 20 year period, should have appreciated; the value of the property could be substantially higher than it was when the loan was originated.

## **Short Sale**

If the house is worth less than the outstanding loan, the seller has options but a straightforward pre-foreclosure sale is not one of these options. These are properties you’ll need

to buy using a technique referred to as a *Short Sale*. When you negotiate a *short sale* you work with the mortgage holder in an attempt to purchase the property for less than the balance owed (Short of the balance).

A short sale is not the only way for an owner to avoid a foreclosure. They can sell the house on the open market in a hurry if they want to and they have equity in the house. The owner stays in the driver seat as long as the house can be sold for more than the outstanding loan. Technically, it doesn't have to sell for more than the outstanding loan if the owner can make up the difference.

The basic process is that you and the seller agree on a preliminary purchase price. However, the seller really doesn't care about the price because they aren't going to see a single penny when the deal closes. Next, you need the seller to collect a lot of documentation to show the lender that a short sale is justified and that it's in the best interest of the lender.

It's essentially a reverse mortgage application. The lender needs to see all of the seller's financial information. And they need comps showing what similar houses in the neighborhood are selling for. There is also a Brokers Price Opinion (BPO) involved. The seller will need a hardship letter and copies of any medical bills, pay stubs, and all kinds of other documentation showing why they fell behind on the mortgage and that they are not likely to be able to recover.

If there is a second mortgage on the house, this gets even more complicated. Often the senior lender dictates what the second lender is getting and it isn't much because the second lender is in no position to collect.

Then you send all of the documentation to the lender and wait. Occasionally, they accept the first purchase offer made but usually they try to negotiate the best possible price for themselves. About the only time they accept the first offer is if there have been offers from other potential buyers but the other buyers walked away from the deal.

You can't expect the seller to have a clue about how to go about a short sale and there isn't much motivation for them since they aren't getting a nickel from the deal anyway.

It's worth noting that a short sale is almost always complicated. The owner is no longer in charge of accepting the purchase price. Because the lender is going to lose money, they have the final say.

Be sure to advise your seller that they may be taxed on the "Gift" which will be the difference between the balance owed and the final short sale price. This can happen if the property isn't their primary residence but seldom happens if it is their primary residence.

The National Association of Realtors offers a short sale course that counts as ongoing credit for those that have a Realtor's license - <http://Rebac.net/content/short-sales-and-foreclosures-what-real-estate-professionals-need-know>.

Another option is working with a Realtor that specializes in short sales. Because of the foreclosure tsunamis we've been going through, many Realtors took courses in short sales and have had time to perfect their process. They have short sales listings and are looking for buyers. One thing I will caution against is trying to negotiate these specialists down on their commissions. They earn every bit of the full commission when they successfully close a short sale.

## **Subject To**

If the property is worth close to the balance owed and you can't do a *short sale*, there is yet another technique called *Subject To*. When you take control of a property with the original loan and current encumbrances in place, you take the property *Subject To* all liens and current encumbrances; hence the name *Subject To*. If you are thinking about using this technique, be sure to have an attorney steeped in this fine art.

I see people taking properties using this technique who are in grave danger of having those original notes (Liens) *called due* by the original lien holder. Beyond that, they're putting themselves in predicaments they are not aware of and certainly not prepared for. If you're going to build a career using *Subject To* I strongly suggest you get next to a pro (Probably a paid mentor) and become a pro! If the person you chose to learn from is a pro, they'll have a very competent attorney behind them as well. This is not a game for amateurs!

To find a list of recommended courses on the subjects and techniques available for real estate entrepreneurs, go to [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) and search under the heading "RECOMMENDED COURSES."

## House Being Sold Pre-foreclosure



## **Chapter 42:**

### **Foreclosure Auctions**

...

In most parts of the country, foreclosure auctions are held on the courthouse steps. Some states hold sales every workday and other states have designated days. In Texas, where I'm from, we have an auction on the first Tuesday of every month. These sales are listed in the same legal notice section of newspapers and publications as the Notice of Default (NOD).

Be aware that you must be prepared to pay cash or a substantial down payment if you are the high bidder on one of these properties. This has to be paid in cash or the equivalent (Cashier's checks). Personal checks, credit cards, and IOUs are almost universally prohibited.

#### **No Preview of the Interior**

Your investigation of the property is very limited. I don't know of anywhere that you are allowed to inspect the interior of the house prior to the auction. Your research is limited to public documents and viewing the exterior of the house and looking through windows. You don't know if an angry previous owner has trashed the inside or not. It's not

uncommon for the previous owner to strip the house right down to lighting and plumbing.

There are also document risks. You have about a week from the time the property is listed for auction in the newspaper until it is sold. During this time, you can research the public documents regarding the house. You want to look for problems with the title and to learn if any liens or judgments exist against the property. Be particularly aware of *child support* and *IRS* liens and how they affect your position.

Public records aren't always up to date or accurate. Without title insurance, this can be very risky. After you make the purchase, a lien or title dispute can arise challenging your legal ownership. As far as clean title, you're better off only bidding on houses being repossessed by major lenders that are first in line on the title. When they made the original loan, they required title insurance. That title insurance doesn't protect you but it is a strong indication there was clean title at the time of the previous sale.

Even if the title is clean, liens against the house can come up after the sale. Remember, the previous owner was almost certainly having dire financial problems. In general, consider owners as liars; verify, verify, verify! Consider institutions and law firms as inaccurate; verify, verify, verify! Don't get caught flat footed and find yourself dealing with child support liens, IRS liens, mechanics liens, back property taxes, or other liens.

***"If you think education is  
expensive.  
Try being ignorant!"***

- Jimmy Napier

## **Private Lenders**

Be aware that if the property has a sizable equity and the lien holder is a private individual or small local company, finding the trustee at the time for the scheduled sale may be very difficult. It's not right, but some lien holders would rather have the house back for what's owed than auction it off for a fair price.

Let's say the property in question is currently worth \$200,000. The lien holder is owed \$25,000 + Late Fees + Legal Fees etc. = \$35,000. If the property legitimately goes to auction, the most the lien holder is allowed to collect is \$35,000. Everything over the \$35,000 will go to the borrower who is being foreclosed on.

How do some unscrupulous trustees try to get around this? They simply show up quietly, hide behind a tree, whisper they have a house for auction, read the appropriate verbiage in a whisper and close out the auction...no bidders. Lender owns the property!

## **11th Hour Settlements and Redemption Periods**

After putting in hours of work, the house may not even come up for sale. Often, the owners find a last minute way of making a deal with the lender or repaying all of the back mortgage payments and fees.

Know the regulations in your state. Some auctions have a redemption period giving the previous owner months and even years to come up with the money needed to redeem their property and get back into good standing. There is no way that I can know the laws in every state. I don't know what you can and can't do with a house during these redemption periods, but you should make it point to find out.

Okay, enough said about the risks associated with foreclosure auctions. Yes, you can make great purchases at these auctions. I'm a firm believer in investing in houses in the foreclosure process. Just not in the auction step of the process. I prefer to buy these houses in the *pre-foreclosure* process; before everyone with a briefcase full of money shows up to bid against you.

Nonetheless, there are people finding success at the actual auction; especially with properties that hold more than meets the eye. For Example, a house is listed as having 1,500 sq. ft. but upon inspection, you realize the addition has been overlooked and the house really has 3,000 sq. ft. Now you've increased your odds of winning an auction on the courthouse steps! People that have done less research still think the property is 1,500 sq. ft., but you know better!

### **Strike-Off List**

Distressed owners find an attorney to file a Temporary Restraining Order (TRO), postponing the auction for some legal or hardship reason; a relatively simple legal maneuver. In which case, the auction gets rescheduled for another date. Do you think the *Strike-Off List* is a good source of leads? I'd say, "Yes it is!" Do you want to find some distressed sellers off the radar? Some of the property owners will have come up with the money to get caught up, but others will just be buying more time. Pursue the properties that got struck off the list at the auction. Enough said?

## Foreclosure Auction on the Courthouse Steps



## **Chapter 43:**

### **Are REOs Worth It?**

...

Because the vast majority of U.S. mortgages are owned or guaranteed by either Fannie Mae or Freddie Mac, you'll want to become familiar with their requirements.

Both institutions favor selling to owner-occupied buyers. However, how far they take this is limited. When a new REO comes on the market, investors cannot submit bids for 15 days (30 days in Nevada). After the 15-day waiting period favoring owner-occupied buyers, investors can compete on an even footing with everyone else.

#### **The Process for Buying Freddie or Fannie REOs**

The process for buying an REO is basically the same as it is for any other houses on the market. Both Freddie and Fannie use listing agents to market the houses.

There are deals out there but both institutions strive to obtain sales prices as close to full market value as possible. Most discounts range from 5% to 40% below market. With that said, it's also true that these houses are not an asset to the lenders. They are liabilities. The properties are bringing

in no income but are costing money. Insurance is still being paid, repairs are being made, taxes are being paid, etc. That does motivate Fannie and Freddie to sell the house even when they have to take a serious loss.

These institutions are not emotionally attached to the houses. However, they almost always have an artificial price floor. You won't know what that price floor is but offers below it will automatically be rejected.

Unlike foreclosure auctions, you can view and inspect REOs. The selling agents list these houses in the MLS just like all other traditional houses for sale. You can either contact the selling agent directly or use your own buying agent to gain access to these houses.

One thing that makes these houses different from traditional houses on the market is that the seller has never lived in the house or even been in the house. That excludes them from having to complete *disclosures statements* about the condition of the house. You need to either do your own thorough inspection or hire a professional inspector.

You can register and view Fannie and Freddie REO at:

Fannie - **[www.homepath.com](http://www.homepath.com)**

Freddie - **[www.homesteps.com](http://www.homesteps.com)**

### **Other Lenders with REOs**

There are lenders out there that don't have a relationship with either Freddie or Fannie. They hold their mortgages in-house. These tend to be smaller local banks and credit unions. While most use a listing agent, some have in-house agents. You'll need to contact these local lenders to understand their REO policies.

## Price Reduced REO



## **Chapter 44:**

### **Investing in Tax Sales and Tax Liens**

...

You can acquire houses via tax sales and property tax liens at enormous savings but like any investment the better the deal, the higher the risk.

#### **How Most Tax Liens Work**

These laws vary greatly by counties, states, and other tax authorities across the county. Many but not all tax authorities sell tax liens to investors. Failure to pay property taxes is the number one reason owners lose distressed properties. Between \$7 and \$10 billion in property taxes go unpaid every year according to the National Tax Lien Association.

Tax authorities are very dependent on collecting these taxes to run schools, repair roads, and do all of the things tax authorities do with our taxes. When these taxes go unpaid it hinders the local governments' ability to function. What many local governments do is auction off these tax liens. In return for an investor paying the back taxes, the investor gains the rights to the taxes when and if the property owner pays them...plus a hefty interest payment to boot! If the taxes remain unpaid the investor can eventually take

possession of the property. In other scenarios, when the taxes remain unpaid, the property is auctioned off to pay the taxes and the investor holding the lien. These are Tax Sales.

### **How a Tax Lien Auction Works**

What varies the most from location to location are the timeframes involved in the entire process. At some point, the local authorities place a legal lien against the property for unpaid taxes. Then at another point in time, the local government auctions off the liens to investors to collect the taxes.

Interest on these liens varies greatly across the country; generally, from 12% to 18%. However, some locations assess the interest more as a penalty. There are a few places where an 18% penalty is assessed every six months. That can add up to 36% annual interest. Keep in mind that the property owners usually aren't actually paying this interest in any timely manner, if at all.

There are a couple of common auction methods. Many are conducted online these days. One of the most common is bidding the interest rates down. If the established lien interest rate is 18%, bidding might begin at 17.9% and continue down until no more bids are received. The reason for this is the taxing authority gets to keep all of the interest between the rate bid and the established interest rate.

Another common method is bidding up the value of the lien itself. If the tax lien has a \$1,000 value to the tax authorities, investors bid up from there what they are willing to pay for the lien. This can be very risky. If you bid what you are paying for the lien up to \$1,200 and the taxpayer pays off the lien two months later, the interest you collect on the lien won't repay what you paid for the lien.

At many locations, the taxpayer is only obligated to pay the original lien and interest, not what you bid for lien.

## **Other Things to Know About Tax Lien Investing**

There can be many catches to tax lien investing. For one thing, the amount of time between when taxes become delinquent and when the property can be foreclosed or sold varies greatly. Generally, from six months to three years. If you buy a tax lien in a location that allows taxes to remain delinquent for several years, you need to pay the taxes on the property for the next several years until you can foreclose. In some states, instead of paying the taxes, you have first right of refusal to buy the next year's tax lien. Otherwise, someone else is likely to buy a different year's tax lien and when foreclosure comes around; you have someone else's lien on the property. You have to pay the back taxes plus interest to take possession of the property.

At other locations, foreclosure on a tax lien only creates a fractional share of ownership. When you foreclose, your ownership fraction equals the tax lien value divided by the property value. The original owner retains ownership of the remaining value.

Often investors have never seen the property they hold a tax lien on. The property could be worth much less than you think. It could be the owner has tried to sell the property several times without success. Unable to sell it, they just stopped paying the taxes on it.

Investors can have other problems with tax liens:

- The owner could destroy a valuable building the investor was dependent on to recover his or her investment.

- The IRS could have a lien on the property and foreclose. IRS liens are senior to all other liens. The investor would receive their lien investment back plus 6%.
- An investor could take possession of the property only to learn he or she has inherited other problems like environmental issues.

Tax lien investing is not for the faint of heart. While the payoffs can be tremendous, the risks are just as tremendous if you don't get educated regarding the laws and requirements in your state. So get educated! Because of the great variation in laws, if you do invest in tax liens, it's wise to pick a single location, become intimately knowledgeable about the laws, and stick with that one location. As you master that location's laws, rules, and regulations, then and only then, pick up another area. Preferably one that is very similar in the way things work. Or you can make it easy on yourself by checking out the [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) and look under the heading **TAX LIENS**.

## Property Tax Lien Investing Can Be Lucrative



## **Chapter 45:**

### **Other Auctions**

...

Sheriff's auctions on the courthouse steps are not the only real estate auctions that happen. Other real estate auctions include privately owned auction companies and government agencies such as the U.S. Treasury Department. In addition to federal government auctions of seized properties, there are also state and county auctions (beyond property tax related auctions).

**NOTE:** I once had a title company refuse to give me a title policy for a sale because the Sheriff's department didn't notify ALL THE HEIRS prior to doing their foreclosure auction. These are the types of problems a real coach or mentor professional can save you from.

#### **Private Auction Companies**

As you can imagine, private company auctions have independent rules and policies. Often, the rules vary for each property being auctioned to accommodate the owners' needs and desires.

Private auctions of real estate happen for many reasons but much of the property auctioned is REO (after the property

fails to sell on the courthouse steps). However, real estate owners also auction property for other reasons such as getting out from under holding costs when a property has been on the market for a length of time without any serious buyers.

Auctions allow for a quick purchase and closing with no drawn out negotiations. Depending on the desirability of the property, it may or may not sell substantially below market value due to the limited number of people bidding.

As with any real estate purchase, it's important to perform your due diligence before bidding on auctioned real estate. Typically, an open house is held a week or more before the sale. Most properties are sold with a guaranteed clear title. However, title insurance is not provided. Instead, the property is conveyed via a "Special Warranty Deed." This states that the seller will defend the title for any liens or defects during the time the title was possessed by the seller.

Real estate auctions require more information when you register to bid than most auctions. Typically, you'll need:

- Valid, government issued photo identification.
- A certified check to cover the deposit listed in the terms of the auction.
- Proof of funds to close the deal. This can be your bank statement if paying cash. Or a loan commitment document if you are using financing.
- Proof of signing authority if you are purchasing in the name of a business entity, trust, or any entity other than your own name.
- Other requirements specified for a particular auction.

Not all the listed properties will be sold. Seller's have the right to place a "reserve price" on the property. A reserve price establishes the lowest bid the seller will accept. A reserve price enables sellers to accept, reject, or counter the final bid. However, some properties are sold "absolute." When a property is listed as *absolute*, the final bid is accepted, regardless of the amount.

Often, your high bid amount is not the final price of the property. A "buyer's premium" is added to compensate the auction house. The buyer's premium is typically 10% percent of the highest bid.

### **U.S. Treasury Department Auctions**

In addition to U.S. Treasury Department Auctions there are other federal auctions such as General Services Administration. If you want to specialize in government real estate auctions, you'll need to do some in-depth research. This is only a general overview.

Properties sold by the U.S. Treasury include single and multi-family residences, residential land, commercial land, commercial buildings, warehouses, and operating businesses. These properties have been seized or forfeited due to violations of federal laws enforced by the U.S. Department of the Treasury. Participating enforcement agencies include IRS-Criminal Investigations Division, Immigration and Customs Enforcement, and the U.S. Secret Service.

When you are the high bidder, you'll be required to immediately provide a deposit or earnest money in the form of a cashier's check.

Generally, the government does not place a reserve on any property sold at auction. However, the government does

reserve the right to accept or reject any or all bids. In the event that a reserve price is established and is not met, the government will typically enter into negotiations with the highest bidder.

Closing the deal is usually required within 30 days. If you are unable to close the deal, you will forfeit your deposit and the property will be offered to the second highest bidder.

The government transfers title via a Special Warranty Deed requiring the government to defend the title against defects or clouds arising from the forfeiture process and to indemnify the buyer. This deed may be issued with or without title insurance depending on the specific nature of the forfeiture action. Back taxes, liens and other encumbrances will be paid by the government.

An important difference between a U.S. Treasury auction and most private auctions is that the buyer does not pay a buyer's premium at a U.S. Treasury auction.

There are many real estate auctions beyond courthouse step foreclosure auctions. Unlike sheriff's auctions or courthouse step auctions, most other auctions enable you to inspect properties prior to submitting bids. You should seriously consider these auctions instead of blindly bidding on the unknown.

**Private Auction Can Be the Way to Go**

## **REAL ESTATE AUCTION Cape Cod Style Home**

**On a 2.22± Acre Private, Wooded & Well Landscaped Lot**

**On-Site, Sat., Sept. 13 @ 11am  
265 Old Mine Rd, Mount Gretna, PA**



**Open House: Sunday, Aug. 24 @ 1pm Sharp!**

- Lebanon County, West Cornwell Township
- Brick 2,186± sf, 3 BR, 2 BA with Sunroom, Mud room & Full basement • 1-Car Attached Garage
- Back Patio with Pergola • Shed

## **Chapter 46:**

### **Advertise All Around Town on Other Peoples' Vehicles**

• • •

This is a new effective marketing strategy that is catching on. You should consider placing your advertising on other people's vehicles by selectively choosing people that frequently travel routes in areas that you are interested in investing.

Throw up an advertisement on Craigslist offering to advertise on other people's cars and you will get responses. You have several options and pricing strategies.

#### **Pricing Strategies**

You can have a full car vinyl wrap put on someone else's car but that is going to be your most costly alternative. Somewhat of a cost standard has been established for car wraps at between \$300 and \$400 per month. That's in addition to the \$1,200 you'll pay for the wrap.

Fortunately, you have other alternatives. A simple magnetic sign on the back and sides of other people's cars is likely to cost you less than \$100 per month. You can get

some exposure for even less by paying someone \$50 per month for a custom license plate frame or bumper sticker.

If you do want to go with a car wrap, I suggest starting with one of the lower cost alternatives for a few months until you establish a working relationship with the person you are considering for the higher cost mobile advertising.

### **Selecting the Right Cars**

Since you're paying for this advertising, you don't want to go with just any car. If you have an effective bandit sign campaign going on in a neighborhood, you probably don't want the added expense of paying to be on the car of someone living in that neighborhood. On the other hand, if you're having difficulty sustaining a bandit sign campaign in a particular neighborhood, this can be your cost effective way of getting signs out there.

Beside where they drive the car, here are other considerations you need to make:

- Require that they be at least 18 years old.
- Make it clear they are an independent contractor and not your employee.
- Must have a valid driver's license and a clean driving record for the past 24 months.
- This can vary but consider requiring they drive at least 800 or 1,000 miles each month.
- Require that most miles be driven during daylight hours. No point in paying someone that works a graveyard shift and his or her car is parked during the daylight hours.

## **Let Me Help With Your Car Payment - Craigslist Ads**

Use the same criteria from above to structure your Craigslist ad so that you don't have to weed out a bunch of people looking for easy money.

Grab their attention with a subject line something like:

Let Me Help With Your Car Payment

or

Let Me Help with Your Car Insurance Payments

The body of your ad should read something like:

*I pay people monthly to place my simple and tasteful advertisement on their car. I'm looking for people in the Wilmount area that drive at least 800 miles a month. I prefer cars that are no later than 2005 but will make exceptions for older or classic cars in very good condition.*

*You must be at least 18 years old and have a valid driver's license and good driving record.*

*If you meet these requirements and are interested in making extra money each month, give me a call at 210-477-XXXX to discuss the details.*

## Ugly Houses are All Around Town



Photo courtesy of  
[www.Flickr.com/photos/126569804@N05/14616407137](http://www.Flickr.com/photos/126569804@N05/14616407137)

## **Chapter 47:**

### **Free Yellow Page Ad**

...

Most paper print advertising is dead as an effective advertising media. That is certainly true about the printed version of the Yellow Pages. In years gone by, the Yellow Pages were essential to small businesses but today, hardly anyone, if anyone, bothers with the Yellow Pages. It's much easier to find small businesses online.

Yet, you don't want to pass up on FREE advertising. Don't pay for a Yellow Page ad but also don't miss having your business listed in the free section of the printed version of the Yellow Pages.

Your business name, address, and telephone number will appear under the classification of your choice. This is another place where it really pays to have your business name be the same as your web address.

You can request your free listing from this website:  
[www.yellowbook360.com/print](http://www.yellowbook360.com/print).

While you are at it, take advantage of a free Yellow Page online listing at:

**[www.ypdx.com/free-advertising](http://www.ypdx.com/free-advertising).**

***“If you can dream it, then  
you can achieve it. You will  
get all you want in life if you  
help enough other people get  
what they want.”***

– Zig Ziglar

## **Chapter 48:**

### **Finding Email Addresses and Phone Numbers in Classified Ads**

...

Printed newspaper classifieds and online classifieds are a rich source of potential leads when you know all the places to look.

Depending on the cost, you may want to consider an advertisement that reads "I BUY HOUSES." However, you need to be scanning the ads regularly for other investors and potential sellers of houses.

#### **Working with Other Investors and Wholesalers**

It's not necessarily intuitive that other investors will sell you houses cheap or tell you about great deals, but they will. Investors tend to specialize. Some only invest in 3 bedroom, 2 bath houses. Others only invest in small apartment buildings while other invest exclusively in duplexes and triplexes. Still, they are constantly scouring the entire real estate market for properties.

There is more wholesaling going on in the market than the average person or even investors realize. Wholesaling is mostly about investors who can find deals but don't have

the money to close on the deals themselves. These investors are not competitors, they're allies! Especially those that don't deal in the same market segment as you do. Many investors have pre-conceived ideas about what types of properties they want to buy or what types of properties are profitable. I hear people say things like, *"I don't buy houses on the East side."* ...Or... *"I don't buy 2 bedroom houses."* To which I say, *"Well great! When you find one like that, give me a call!"*

A real investor will buy anything, anywhere. It's not about location or size or configuration, it's about price! Would you buy a 2 bedroom on the Eastside (the worst of both worlds?) Well, if I could buy it for \$10 I would! I'll buy just about anything for the right price.

**When people ask me...**  
***“What part of town do you  
buy houses in?”***

**I reply...**  
***“I buy houses in the half  
price side of town!”***

**- Mitch Stephen**

For instance, a part time investor typically only has the financial capability to buy one or two properties at a time. When they come across a deeply discounted property they can't fund, they still have at least two ways of picking up some extra cash on a quick deal.

First, they can put the property under contract in some manner. If they have a little cash available, they can write a purchase offer that is only secured by a small earnest money deposit. A slightly more complicated way of doing this is using a lease option that can cost even less than an earnest money deposit. Once they have the property under contract, they can assign it to another investor for a fee or negotiate the sale of the contract to pocket a few bucks. This is a typical wholesale transaction.

When you've worked with other investors long enough, a sense of trust develops. Some investors are fully trustworthy. With some investors, you don't even need to put a good deal under contract. For example, I have a reputation for paying my birddogs promptly. I treat these deal finders just like I treat the mailman, meter reader, or ice cream man. If they send me a lead that I close on, I happily pay them a decent fee. News travels fast! Especially if you DON'T PAY! So don't ever make that mistake.

Here's the point - when you're scouring the classifieds, look for other investors as a source of leads.

One word of caution, although you will make decent wholesale deals, keep in mind that wholesalers are trying to make a few bucks for themselves. It's natural for them to inflate their asking price while down playing any problems with the property. Just because you're dealing with reputable wholesalers is no reason for you not to do your

due diligence on the property. And it's always better to put your deal in writing upfront rather than a handshake. It'll keep both of you out of trouble with each other.

### **A Good Trick to Remembering Who is Who**

After dealing with more than 1,000 houses, and being in this business for more than 2 decades, I have an incredible number of contacts. So many, that it's very difficult for me to remember if I've done a deal with a someone and what type of deal I might have done. So, I devised a method for keeping track of each one.

As I cultivated my long list of contacts, I document them on my smart phone (your contacts in your computer will work just fine too) in this manner:

Orlando Rodriguez - Investor / Apartments

Eddie Speed - Note Buyer

Raymond Braun - Private Lender

Carlos Balido – Mobile Home Buyer

Arturo Sanchez – Foundation Repair

Mike Powell – Wholesale Buyer / Storage Buyer?

That gives me the basic information about how we can work together. When I leave their names and information exactly as above, it tells me that I've done a deal with them at some time in the past. If I have never done a deal with them but think they will do a deal with me, I add a question mark after their name, like this:

Tom Turner - Investor / Apartments?

Jack Rogers - Note Buyer?

Isabel Leon - Private Lender?

Apartment investing doesn't fit my business model but that doesn't mean I don't occasionally come across some incredible deals on apartments. When I do, I can easily pull up my entire list of apartment investors by searching my contacts list for the word "Apartments." I get the ones I've done business with and the ones I haven't done business with but would like to. When I search my contacts for the word *Apartments*, I find all of the apartment investors I've made note of. Many of them I would have never remembered.

I use *Private Lenders* a lot! I'm always making note of new people I talk to that may be willing to lend me money on houses. I find houses and start drawing a blank on all those private lender prospects I wanted to engage the next time I found a good deal. I get on my smart phone, go to my contacts and type in a search for *Private Lender* and viola! ...There they all are!

## **Chapter 49:**

### **Mentoring for Leads**

...

With a little creativity, you can turn almost any opportunity into a house lead generating method. You'll want to get some investing experience under your belt before you try this one. But when you're ready, being a mentor to someone new in the business can pay big dividends for both of you.

I'm not talking about coming off as some great guru. I'm not suggesting that you charge money to mentor someone. Just take a new investor under your wing and show them the ropes.

#### **How Mentoring Works**

You're being shown many different ways to find deeply discounted houses. It's unreasonable that you use all of them at the same time. You want to find about 10 that work well for you and then you can occasionally try another one to see what kind of results you get.

As I've mentioned several times, keep track of the results different methods produce. You should always know what

your top five, six, or ten methods are. You'll know which one to replace when you find a bigger lead producer.

So what does this have to do with mentoring? Bringing on a student gives you the opportunity to expand your lead generation side of the business. Put them to work. They can try a few new lead generating methods you're not currently using. In exchange for your tutelage, you expect to partner on the deals they find. This becomes a win - win opportunity for both of you if you teach them to fish in a pond you're not fishing in.

A smart thing to do would be to bring on three students over a few months time; One to help you with a lead generating idea you're not taking advantage of:

- Work pre-foreclosure and the Strike-Off List (Tom)
- Work Preservation Companies and Foundation Repair Companies (Frank)
- Work Tax Liens (Teresa)

Tell each student what you know about the method you have assigned to them. Then, send them out into the world to find houses for you using that method.

I once bought a student a course on short sales and gave him a week to study the course and report back to me with a plan. He became an expert at short sales and we bought a lot of houses using that method. Eventually he became more or less a partner on those houses. Today he's his own man. He's been in the house buying business for over 15 years now... and he's very successful in Dallas, Tx.

## **What Makes a Good Mentor?**

Not everyone can be a good mentor. You have to be a people person and a bit of a multi-tasker. The traits you need are:

- Able to actively listen to students.
- Guide students through the processes.
- Be practical - give insights for staying on task and setting priorities.
- Educate them about how you became successful in your career.
- Be accessible, both as a sounding board and to help avoid mistakes.
- Provide constructive criticism by pointing out areas for improvement without attacking a person's character.
- Be specific about what is well done and what needs more work.
- Foster success in your students.
- Let them share in the financial rewards when they become proficient.

Becoming a mentor may be exactly what you need to reach the next level yourself. Wouldn't it be nice to have 10 people working to find YOU bargain properties? This is a big part of how I got my numbers up. You can't do everything. I can't do everything. In case you haven't figured it out yet, let me tell you; I didn't find 1,000 houses on my own. I simply got a whole bunch of people very interested in bringing me houses.

***“Outstanding leaders go out of their way to boost the self esteem of their personnel. If people believe in themselves it's amazing what they can accomplish.”***

— Sam Walton

## Chapter 50: Technology to Reach More People

...

Once you have a list of people that can provide you with houses to buy, there are many types of technology you can use to stay in touch with them. You also want to use this technology to continue growing your list of people that send you leads.

### **Birthdays**

When you learn someone's birthday, add it to his or her contact information. Also, go to the software where you keep your schedule in and add a reminder about their birthday. To be effective and consistent on a larger scale, sign up for a service that will make sure your birthday cards go out every time on time. Go to [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) and look under the heading **BIRTHDAYS & eCARD SERVICES**.

Facebook.com is a great place to collect the birth dates of all your friends and acquaintances. It's a no brainer! I have 5,000 friends on my facebook.com. Periodically Facebook notifies me that 150 – 273 –or maybe even 300+ of my friends have a birthday this month (it's always a different number).

You might not want to do this for everyone on your list but do it for people you work with on a regular basis. Certainly, the Realtors and wholesalers you are in touch with regularly.

When their birthday comes around, take a minute to send them a personal email or ecard. For those that you work with the most, you might want to send a small gift. A gift card to a coffeehouse or pizza parlor will make them feel special.

### **YouTube.com**

This is another way of building your list of lead providers. Many people prefer to watch videos instead of reading a dry script. Videos also make the contact more personal because they see the real person behind the request.

Keep the videos short and throw in a little entertainment or humor if you can. It doesn't have to be any more complicated than using your smart phone and uploading the video to YouTube. Set up a channel on YouTube to make all of your videos available in one place.

Be sure during your video that you give them clear directions about how to contact you if they have a house to sell. Send them to a website where they can sign up for future emails from you or for your newsletter or whatever other online methods you have of staying in contact with them.

### **When You Close a Deal**

Sure, the person that sent you the lead made some money on the deal. But it's always good for business relationships when you send them a thank you note to let them know you appreciate their help. There are many free ecard sites that

you can use. You'll find references to these at [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage).

## **Write an eBook**

On the other hand, some people do prefer the written word. Giving away a short ebook is great for adding people to your list. Link the ebook to a squeeze page.

You might not recognize the phrase "squeeze page" but I'm sure you've run across them many times. A squeeze page is a page where a visitor has to sign up for your email list to receive your free ebook. This was mentioned earlier in the book regarding linking a special report or newsletter to your autoresponder from your website. This is the same concept.

Create a catchy title. Something like "10 Things to Know When You Want to Sell Your House Fast." The key is using words that people selling houses are likely entering into a search engine. Doing this improves the chances of them finding your ebook.

The great thing about writing an eBook is that your publishing costs, duplication costs, warehousing costs, delivery costs...are almost \$0.

## **Start Your Own Blog**

A blog is just a series of short articles that you publish on a regular basis. Blogs are one of the most effective ways of increasing the chance of people finding you on the internet.

Without going into a lot of detail about search engine optimization, a well-maintained blog moves you higher up in search engine results. Search engines like two things in particular - well-established websites that they conclude are trustworthy because they've been around for a while and

new content so that they deliver the most relevant information to visitors. The URL of your blog becomes seasoned as time passes. When you update your blog once or twice each week, it tells the search engines that you regularly put new information up.

By far, WordPress is the most favored blogging site. Even better is that your account is free. Go open your account at: <http://wordpress.com>.

## **Newsletters**

Newsletters are a great way to stay in touch with people already on your email list. It's a chance to get your name in front of them in a good way at least once a month. You can update readers on what's going on in the market, what's new in your business, and notify them if something has changed about the houses you are looking for. The most important thing is that you deliver value added information so that they have a reason to read your newsletter.

I like to use Facebook business pages for all the different aspects of my business; a separate business page for buying, a separate business page for selling, etc.

The topic of using technology to hunt down house deals could probably be a mile high. And I'm just as sure that new technology will come out shortly. Try to stay current with technology so that you are always in front of your lead providers.

## **Chapter 51:**

### **Abundant Seminars**

...

Attending real estate seminars is another good way of networking to find other investors and other real estate professionals. I find that if I don't attend at least one seminar a year that I begin feeling stale and out of touch with new developments in the industry.

If you've been investing in real estate for any time at all, you know that there are rock solid seminars out there and then there are the ones designed to do nothing for you except separate you from your money. You need to do a little research.

#### **Do Your Research**

When you find a seminar that intrigues you, do some research before signing up. Don't waste your time and money on someone that is brand new to the speaking circuit. There should be ample information about the organization or speaker that you are interested in.

Take 10 minutes to Google the organization or speaker. There will likely be both positive and negative reviews of past seminars. This is a good starting point for you to make

an informed decision. You can find past participants on forums that you can ask specific questions that you want answered. A key question you want answered is: "Does the speaker provide real and actionable investing advice or is it mostly a sales pitch for advanced courses?"

Also, look at the seminar outline. Is it mostly hype about how you will become financially independent or does it give serious details about what will be covered in the seminar?

### **Let Someone Else Do the Research**

Colleges and universities regularly present real estate seminars. Here's the agenda from a typical college six-hour seminar:

#### **1. Sources of Funds**

Equity sources, partnerships, syndications, mezzanine financing.

Debt Sources, Banks, Institutional Investors, Security Instruments.

#### **2. Types of Loans**

Recourse / Non-recourse, 3/5/7 year, Interest only vs. Amortized

#### **3. Loan Programs**

#### **4. Qualification Standards**

LTV, DCR, General Credit Issues

#### **5. The Closing Process and understanding Loan Docs**

Title Reports, Assignment of Rents, Agreement to provide Insurance, Guarantees, Mortgage Document and Recording

6. **Nature and Cycles of Real Estate Finance**
7. **General Investment Strategies and Evaluation of Financial Decisions**  
OPM, Leverage, Cash Flow, IRR, COC ret. Cross collateralization
8. **Impact of the Federal Reserve Policy on Lending**
9. **Current Issues in Real Estate Finance**  
Subprime Credit Impact on lending standards, Foreclosures, Stock market returns vs. Real Estate investment

As you see, college presented seminars are packed with facts rather than get rich fluff. They will provide you with reliable information about how economic conditions are affecting the real estate market and other current and valuable information about the local market. However, they don't typically provide innovative investment strategies. The good news is these are usually inexpensive, costing \$30 to \$50.

### **Mastermind Groups**

Mastermind groups are different from seminars. Mastermind groups are about successful investors gathering a couple of times each year to openly share anything and everything they know with each other. These are about peer sharing with no recognized leader of the group. One or two people may organize the meetings but no one dominates the presentations or discussions. Benefits of mastermind groups include:

- Through sharing, the productivity and incomes of the entire group are expected to rise.
- Learn to work smarter instead of harder.

- A source of constant ideas for improving everyone's business.
- A networking source of reliable contacts, referrals, and connections.
- Learn practical solutions from others that have already worked out the bugs.
- A second, third, or fourth set of eyes reviewing your strategies.
- A sounding board for new ideas and strategies before you implement them.

The type of mastermind group you want to look for is a small group. Ten people or less that allows for plenty of interaction. Also, you don't want one where everyone specializes in the same basic strategy. Find one with a cross section of investing strategies; rehabbers, owner financiers, hard money lenders, landlords, flippers, commercial real estate, subject to experts, direct mail marketers, etc.

## Chapter 52:

### Moving Vans and Box Trucks

...

You may be tempted to provide moving vans or moving services for your sellers. Don't go there! I once got the great idea to provide a moving van for my mini storage business. I bought a truck. I wrapped it with a \$2,200 dollar wrap job – beautiful! And then, the insurance and qualifications necessary to put my vehicle in the hands of my customers became a deal killer. The people I was trying to accommodate didn't have the necessary insurance or driving records required to operate my vehicle (according to my insurance company).

Here's a tip for you that goes further than providing transportation or moving personnel. In short, you're dealing with problem people. You don't want to be responsible for their transportation or their personal belongings. You'd be getting in line to get sued! When you start working for them, you're putting yourself in a position to get manipulated.

#### **Offer Money Instead**

Instead, offer to pay them the money for their move. They need to hire and pay the moving personnel. They need to

hire and pay for their own transportation. You simply provide the money. Write a check to them to cover their expenses and their decisions. This can be a tricky situation. What if you give them the money and they don't move?

Offer the money when, and only when, you see their possessions in boxes in the garage or in the front yard, or anywhere but inside the house...and after they've given you possession (meaning you've changed the locks while they're on the outside of the house – completely – and you have a document giving you possession. It could be as simple as a lease done prior to closing). Make the owner/occupants take responsibility for their move. Again, you just provide for the expense.

This is a book about buying houses but this theory works when selling houses as well. Don't get yourself in a position of working for your buyers. If your buyers want the house painted a different color before they buy, simply negotiate to give them the money at closing to hire their own painter. Never become a contractor working for your buyer or your seller; cut checks instead, and stay out of the middle ground where you can be held accountable to meet their standards.

## **Moving Billboards**

However, there is a place for vans and box trucks. Buy a junker that runs (if only barely), and wrap it with your message. Move that vehicle to highly visible locations and use it as a *mobile billboard*. If you think about it, this is a much better choice than renting a billboard you don't control. If you buy a panel truck and wrap it, beautifully with your message, you now own a billboard of sorts. Simply move it to wherever you want when you want. You won't have to pay for the next location... you simply have to find and move your billboard to the next location.

When I bought my truck and offered to give services to my customers, I got myself in a predicament. But, I did pick up business from the advertising that happened when my truck was sitting in various locations waiting for trouble to happen.

**SIDE NOTE:** Have I mentioned that an experienced mentor can help you avoid a lot of troubles? Believe me, **we all pay for our education one way or another.** One way is a path of comfort and hand holding – with expertise and a confidant. The other way is random luck and chance with pure treachery, on your own, and afloat on a turbulent sea without a captain. Either way can work, but the path without a mentor can cost you a lucrative career if you're not strong enough to persevere under the stress of adversity. I took the route of learning by mistakes and I'm very thankful the good Lord gave me whatever it takes to struggle on past my mistakes.

I came close to quitting many times. If I'd had quit, the life I live today would still be just a dream (I live far beyond my wildest dreams). Knowing what I know now, I'd never do it that way again. I'd do a lot of research. I'd find the right mentor and I'd hire him or her. The problem (for me then, and you now), is that the mentors we need can be expensive. But the truth is that, the right mentor is so much cheaper than the mistakes you're going to make if you go it alone. The trick is finding the right mentor in the exact and precise area of your endeavor. If I had it all to do over again, that's what I would have done and I'd have been much better served.

Now, at this point in the conversation, many of the cynics will conclude, "*Mitch Stephen offers mentoring so he's trying to get me to hire him and all this is self serving.*" To

which I'll say, "*Strike me off your list of potential mentors.*"

...but DO NOT underestimate what I've just told you.

## Box Truck for My Storage Business Makes a Great Mobile Billboard



## Chapter 53:

### Marketing Your Caller Identification

...

You can control the name that displays on Caller ID. With most carriers, you can change your caller ID online in a minute or two. Log into your account and look for a link that says something like "Caller ID Name." This may give you a list of options. You'll be looking for another link that says something like "Change Caller ID Name." If you don't see either of these links, try checking your preferences to see if it is turned off or contact customer service.

#### **Think Long and Hard About Your Caller ID**

How much can you say in 15 alpha-numeric characters including spaces? First, consider all of the people you use that number to contact. At a minimum, it will be potential sellers hearing from you for the first time as well as wholesalers and other lead generators. Just like your websites, keep this phone number separate from your other business operations such as selling houses or finding investors.

To stay consistent with branding, I would go with "I Buy Houses." I'd like to go with "IBuyHouses.com" because it

stays within the 15 alpha-numeric characters. But I think it's too hard to read on a phone screen.

Be sure to check how your caller ID is being received. Your telephone number is automatically sent with your call but your Caller Name is retrieved from a third party system with each call and sent by the third party. The third party database is built by retrieving information from several other databases. It should be picking up your information from your provider but things do go wrong.

### **Don't Change Your Phone Number**

Seldom is it a good idea to change a business phone number; especially if you have plastered it on bandit signs and other marketing materials all across town. Also, all of your important business contacts have your phone number programmed into their cell phones. You don't want them to start working with someone else just because you changed your number. You'd hate to miss a big deal because they couldn't get in contact with you in a timely manner.

You shouldn't have to change your number when using the current caller ID technology. The displayed message is not the same as your phone number. It's a separate message that you create to be displayed when you call.

Considering the many phone numbers and cell phones I've gone through over the years, you would think I'm some sort of cell phone guru but I'm not. To the best of my knowledge, all of the major carriers have this type of caller technology. If for some reason, your carrier doesn't, you can change to a carrier that does and take your current business phone number with you.

## Chapter 54:

### **Publish Your Real Estate Writings to Establish Your Expertise**

...

You've been scouring around town for real estate deals passing out your business cards, sending direct mail, building a website, and engaging in many other marketing efforts. You've been encountering situations that take some creativity on your part: putting deals together, holding deals together, and putting deals back together that fell apart. You have stories and experiences. You are as close to an expert as anyone else in the business is.

#### **Build Your Credibility by Writing About Your Real Estate Experiences**

Maybe you've been keeping an up to date blog on your website. Or maybe you've created a special report from time to time as a marketing material. Or maybe you've been interviewed a time or two about your unique real estate investing niche. If you already have some written materials, you're well on your way to being able to publish either an ebook or print book that will build your credibility and establish you as an expert in your endeavor (or whatever your specialty is).

Now is your opportunity to share with those that are interested in how you succeeded in the business. It should be clear that I believe there are plenty of opportunities to go around for anyone that wants to be in this business. I'm one of millions, openly sharing all of my experiences.

Sharing your methods, successes, and failures is a very good way of giving back to the community. In return for giving back, you'll improve your creditability and establish your expertise.

### **Author Your Own Book**

There are several ways you can write about your experiences. One is to gather up all of your loose materials and put them together yourself. Although writing a book yourself is a lot of work, it offers a great personal reward.

For some of us writing is very therapeutic. Writing can consolidate your thoughts and ambitions and put things in order. For others, writing a book may be sheer work. My first book came from an unknown need to deal with my own grief. So I know firsthand, writing a book can help a person that's grieving as well.

Because I wrote for the reasons I did, I never planned on much of anything coming from writing the book. I didn't write for gain. However, I raised over \$3M in private money as a direct result of that book being published. Who'd have guessed? ...not me.

A real book can give you real credibility.

### **Ghost Writers**

However, if you don't want to write, don't have time to write, or don't think you're a good writer, there is a way to aide or short cut the pain of writing. A ghostwriter can

definitely help. Create an outline (a table of contents), and let the ghost writer run with it.

Don't like to write? You can record each of your thoughts, chapter by chapter, in an audio file. Then send the audio files to your ghostwriter, not to transcribe them, but to weave them into a meaningful book. If you want a true book, from your heart, you'll need to tweak every chapter, every paragraph, and make it your own.

In the making of this book, unlike my first book, I used a ghost writer. He proved to be an outstanding writer. I was amazed at how knowledgeable he was concerning the topic of real estate investing. In hindsight, I inadvertently chose a person that had written extensively for many of the real estate gurus... no doubt, that's why my network led me to him. I changed a thousand sentences he proposed, but the point is, he spurred me onto topics and theories I was perfectly equipped to deal with... and make my own. In an effort of complete honesty I must say, my name is on this book, but I had a lot of help from a guy named **Brian Kline**. He's a real pro; easy to get along with and very responsible.

If you don't know where to find a good ghostwriter, I have some ideas where to find some.

[1000Houses.com/BonusPage](http://1000Houses.com/BonusPage). Search under the heading "**GHOST WRITERS.**"

What's important is that you get started sooner rather than later. The sooner you start the sooner you'll finish. I can tell you without a doubt, writing the book [My Life & 1,000 Houses: Failing Forward to Financial Freedom](#) was one of the most difficult endeavors I've ever attempted. I knew nothing about writing a book. I'm glad I did it because it absolutely changed my life's path. The act of writing a

book has introduced me to people I would have never have met, and it has taken me places I would have never gone. After all, it's probably why I've met you.

Who knows where this book will take me.

Don't underestimate the power of writing an honest book.

***"The act of writing a book  
has introduced me to people  
I would have never met, and  
it has taken me places I  
would have never gone."***

***- Mitch Stephen***

## **Chapter 55:**

### **Telemarketing Made Easy**

...

You might think this is older technology but it is still a good way of getting your message out and screening calls coming back into you. The good thing about the technology you are being introduced to is that you only need to deal with callers that have already shown a high level of interest in selling a deeply discounted house to you.

#### **Send Out a Phone Message and Forget It**

You can spend most of your time on the telephone making calls to the many house lead sources you have created or you can automate phone calls so that the calls you take are from people with a genuine interest in selling you a house.

You have long lists of telephone numbers for real estate agents, along with lists for brokers, home inspectors, foundation guys, names you pulled off of CraigsList, and more. Some you'll want to send out as an email message using an autoresponder but for others, you need to make telephone contact. You can use the inexpensive services of something like PhoneBurner.com or Kall8.com. For an up to date list of companies that offer this type of services go

to **[1000Houses.com/Bonus Page](http://1000Houses.com/Bonus Page)** and search under the heading “**TELE-MARKEETING.**”

Here is the basic process for PhoneBurner.com:

1. You develop and upload a list of people you want to let know that you are looking for house leads.
2. You record a brief voicemail one time.
3. You select the prospects you want called this session.
4. You start the session.

As soon as you start the session, PhoneBurner.com takes over and delivers your message to between 1 and 500 people. It opens multiple lines to expedite sending the message. It delivers about one call per minute.

Part of your message is giving them a phone number to call back if they directly want to talk to you about selling a house. It needs to be a different number than the one making the outgoing calls because that line is going to be tied-up for awhile.

It's that simple, the calls you have coming back in are people with a real interest selling a house. You'll probably want to record slightly different messages for a few categories you divide these people into. Here are the types of people this works well with:

- Bank REO departments
- Landlords
- Numbers from classifieds
- Known investors
- Real estate agents

- Real estate brokers
- Business brokers
- Expired listings
- Out of town owners
- Any captured phone numbers
- Run an advert that will make investors call

## Chapter 56:

# LiveComm.com! Mass Texting Done Right!

...

Technology is getting more and more affordable. Today we can use very affordable phone numbers to track the success (or failure) of an advertising campaign. Using [LiveComm.com](http://LiveComm.com) you can buy very, very, affordable phone numbers. Every phone number comes with its own “Text Distribution List.” You can name that list anything you want. Every incoming phone caller’s cell phone number is automatically added to your LiveComm phone number/Text Distribution List. Now here’s what’s new... You can text all the numbers captured by [LiveComm.com](http://LiveComm.com) for free! Texting in mass has traditionally been very expensive. [LiveComm.com](http://LiveComm.com) solves that issue once and for all!

So how would you use [LiveComm.com](http://LiveComm.com) to buy houses? Here’s one simple example:

1. Sign up at [LiveComm.com](http://LiveComm.com) and get some phone numbers you can use for advertising.
2. Each phone number comes with a blank list attached to it. Assign one phone number for

**HOUSE BUYING** and name the list for that phone number **HOUSE BUYING / PLASTIC SIGNS. Let's say the number is 210-710-0456**

3. Put out 100 signs that read...

**"I Buy Houses"  
210-710-0456  
Free Recorded Message**

4. Create a Recorded Message and forward 210-710-0456 to that recording (This can all be done inside your LiveComm account very simply).

Every time a prospect calls 210-710-0456, that prospects phone number gets put into your **HOUSE BUYING / PLASTIC SIGNS** text distribution list.

5. Call or text all your prospects at will! If you're on the go and don't have time to call each number individually, send out a mass text like, *"My Name is Mitch. Can we schedule a time to talk about the houses you want to sell?" Please call me at 210-669=xxxx*

Take another LiveComm phone number and link it to a different house buying sign. Now that you can track all the incoming calls, you can compare and see what sign pulls in the most calls. Try something like this...

**10 Things You Need to Know  
If You're Selling a House  
210-710-9456**

To learn more, go to [LiveComm.com](http://LiveComm.com) and watch the video on the home page. This strategy is definitely helping us

find and keep in touch with Sellers, but you've got to see how we're using LiveComm to sell houses and raise private money! It's incredible!

## **Chapter 57:**

### **Investing in Disaster Areas**

...

Whether it was an investment property or someone's personal residence, a natural, or manmade disaster can take the wind out of a property owner's desire to remain in the area.

Many will collect insurance money and rebuild for a variety of reasons. They grew up there, family lives there, or their work is there are the most common reasons. Others are heart broken when they lose everything and want to start life over in a more secure location. This is particularly true in regions that can expect natural disasters to happen with some regularity.

After the terrorist attacks of 9/11, a substantial enough number of NYC residences decided they wanted out of the city that there was a decline in city property values and an increase in upstate values. Similar occurrences happened in New Orleans after Hurricane Katrina.

#### **What's an Investor to Do?**

Not all damage caused by a natural disaster is covered by insurance. As mentioned previously, many homeowners are

not aware that flood insurance requires a separate policy from a traditional homeowner's policy. Also, many are not aware that hurricane insurance covers wind damage but not water damage. It's similar with earthquake insurance, coverage is only provided through a policy separate from the homeowner's primary policy.

Even if they are covered, property owners face stiff deductibles following a disaster. Many can't afford the out of pocket costs before the insurance kicks in.

The result is these people are in no position to rebuild, which is where you come in as an investor. You can help these people by buying the properties so that the previous owners can put money in their pocket to start over.

If you are interested in buying properties in disaster areas, you need to be aware of a major pitfall. It can take years for the infrastructure to be rebuilt. Everything from schools to roads to electrical systems can be out for some time but in most cases, basic services such as roads and electricity are returned in a few weeks or less.

Investing in disaster areas is not something you want to do sight unseen. Spend some time living in the area to learn what is going on. Learn which parts of town were hit the hardest and which ones will see infrastructure repairs sooner rather than later. You will find people that appreciate investors that come in, buy houses, and make repairs. And then sell by offering seller financing to those that otherwise can't afford to repair and start over.

## **Chapter 58:**

### **For Sale by Owner**

...

There are two ways to buy a house that is for sale by the owner. One is finding a seller using one of the many methods you've learned in this book. The other is finding a seller that is actively marketing their house with yard signs, on Craigslist, or in one of the online FSBO listings.

In most cases, you are better off using another method in this book to find a house that is not being actively marketed. This enables you to hold down the transaction costs by making the deal directly between you and the seller and keep third parties out of the deal.

#### **Perils to Avoid Buying FSBO**

Most people going the *for sale by owner (FSBO)* route want to avoid paying a Realtor's commission. In many cases, this means they are tight-fisted when it comes to maximizing how much they will make from the sale. Be prepared to walk away if they won't budge on the asking price. Also, be aware that they might inflate the asking price in anticipation of having to negotiate it lower.

Something else to be aware of is they might not be as ethical as most Realtors and might try concealing problems with the house. Bottom line is be sure you know the value of the house and have uncovered all potential problems.

Finally, I've come across a fair share who perpetually keep their property on the market hoping someone will come along making an outrageously high offer. These people aren't particularly interested in selling the house unless they can find that one person willing to pay whatever the seller is asking.

### **Reasons People Sell FSBO**

It's certainly not true that all for sale by owner sellers are only in it for themselves. Another reason is a slow market. By not paying a Realtor's commission, the owner can undersell other houses on the market.

Another possibility is there are problems with the house that Realtors want to see fixed before listing the house but the owner wants to sell "as is" at a discount.

Some FSBO sellers don't like the restrictions that come from listing with an agent. They can't change agents if they aren't satisfied. Agents don't want them renting out the house. If the seller finds a buyer on their own (someone walking up to the house), the listing agent is going to insist on pocketing the buyer's agent portion of the commission.

There is nothing wrong working with a seller marketing their own house as long as you have the knowledge and resources to know that you are getting a decent deal.

***“... all too often, a successful new business model becomes the business model for companies not creative enough to invent their own.*”**

– Gary Hamel, *Leading the Revolution: How to Thrive in Turbulent Times by Making Innovation a Way of Life*

## **Chapter 59:**

### **Lottery Ticket Marketing**

• • •

There are two ways of increasing house leads using a lottery method. Both are fairly simple and easy to orchestrate.

The first method is the least expensive and the fastest. Your goal is reminding your best lead generators that you are still in the market for houses. Maybe you've been sending out emails but they have been ignoring them. Maybe it's been a while since you bought a house they sent you a lead for. Whatever the reason, they've moved on to other things although they used to regularly send you decent leads.

#### **The Simple Lottery Ticket Method**

You can grab their attention again by sending them a lottery ticket. The best time to do this is when the cash prize is at an unusually high level. Simply purchase a dozen or so lottery tickets and include a short hand written note, send it along with your business card. Place all three in an envelope and mail it off to create a memorable impression that you'd appreciate hearing about any houses they come across meeting your criteria.

Here's an example of a short post-it note:

*Hi Jim,  
Just wanted to remind you that it can be financially  
beneficial to you when you send house leads to me  
and I'll be glad to pay a fee for those I buy.*

*Keep in touch,*

*Mitch*

*PS – Let me know if you win!*

### **A More Motivational Lottery Ticket Method**

This method is going to cost you some money but it can be more motivational to your birddogs than many other methods.

This one is more of a raffle than a lottery ticket. Send out a note to your best producers offering to raffle off a luxury weekend at a destination near you. Actually any luxury item suitable for men or women will work. Every time someone sends you a lead in the next month, you'll send him or her a raffle ticket. At the end of the month, you'll hold a public drawing for the winner.

Either way you go, it's a good idea to include a photo of a house that you bought recently.

You should probably check the raffle laws in your state. Most states allow raffles but better safe than sorry.



**Example of a House I Bought and Sold AS-IS in  
Just a Few Days**

## Chapter 60: Handwritten Fonts

...

Handwritten envelopes get opened – Period! I don't know a person on the planet that wouldn't open a letter that was handwritten, especially if the *return address* and the *deliver to address* are both handwritten. So, if you're really interested in a certain property, I highly suggest you send a handwritten note and mail it out to the tax payer of record in a handwritten envelope. This is the optimal way to reach out and touch someone. Personal visits aside, all other forms of communication fall below the handwritten remittance.

We start short-cutting optimal when we start trying to reach the masses. A serious yellow letter campaign might involve mailing 1,000 to 3,000 pieces a week. There's really no affordable way to handwrite that many letter and envelopes consistently. Therefore, we turn to the next best options.

### Handwritten Computer Fonts

Handwritten computer fonts can look very close to the real thing. Suffice to say, you'd be better off using a font that looks like personal handwriting than not. It's been popular to use blue ink on yellow legal paper. Use the same blue

font to address the envelope. I prefer using the blue handwritten font in both the *deliver to address* and the *return address* because of speed and consistency.

As previously discussed, the name of the game is to figure out where and how you're going to get an effective list to mail to and then make sure the mailings go out on schedule consistently rain or shine.

## Chapter 61:

### Target Placement of Business Cards

...

Do some gorilla marketing with your business cards. The objective is to get your card to as many people as possible right? It's great to leave cards under the napkin holder at the restaurant and under the drink coasters at the bar, but you really don't know anything about the person who's going to end up looking at the card. Wouldn't it be better if you could target the type of person that's going to get your card? Sure it would!

#### **Stash Your Cards in the Right Places**

If you were in the automotive field, you could head to the bookstore and stuff cards in the automotive magazines. Wouldn't it be safe to figure the people who find your cards in those magazines are interested in cars? Well, why not head to the real estate section of your local bookstore? Drop a card in every book that has a title that might lead you to deduce, *"The person buying this book is probably interested in what I have to offer."*

Plenty of restaurants have those magazine racks in the front lobby, full of Realtors advertising the houses they've listed.

Stuff a card in each magazine. It takes just seconds. You'll have a much better chance of landing a prospect this way instead of randomly leaving cards lying around.

Sitting in the waiting room of your doctor or dentist? Use it as an opportunity to slip a few business cards in the magazines... all of them. It's not targeted, but what else do you have to do?

***"You can't get hit by the  
money truck if you're not  
standing in the road.***

***Use every opportunity to put  
yourself in the middle of the  
road."***

*- Mitch Stephen*

## **Strange Places for Business Cards**

Business cards are very inexpensive. Be creative about distributing them.

- Everything that you mail. Do you pay all your bills locally? Why not have a card in every envelope that's traveling to someone in your city.
- Write on the back when giving information.
- Leave them on tables at the mall food court.
- On counters of houses you have for sale.

## **Example of a House I Bought From the Back of a Business Card**



## Chapter 62:

# Contact Management Software

...

A good contact management system can make your emailing endeavors easier. If you already have an autoresponder that you're pleased with, this may not be an option you need. On the other hand, you may find this low cost service with plenty of bells and whistles to your liking. There are companies out there that can help you manage, automate, and measure your email campaigns. I'm tempted to list the popular ones here and now but things will change and so I'm going to send you to [1000Houses.com/BonusPage](http://1000Houses.com/BonusPage) and check out the category "CONTACT MANAGEMENT."

### **Organize Your Email Contacts**

If you're like many business people, you probably have your contacts strewn around several different places. Places like FaceBook, LinkedIn, Excel spreadsheets, Gmail, and Outlook. By using a contact management system, you can easily import all of your contacts into a single source to manage them better.

You can organize them into a variety of easy to access lists such as:

- Frequent contacts
- Best contacts
- Fee based contacts
- Commission based contacts
- Casual contacts
- Etc.

### **Customizable Email Templates**

Choose from hundreds of customizable email templates that give your emails the look of a polished brochure or professional newsletter. Drag and drop technology makes it simple. No special skills needed.

## **Chapter 63: Sponsor Charitable Events**

• • •

Sponsoring a local charitable event has plenty of upside and no downside. It will enhance your reputation in the community. It can lead to positive news articles. Your company name and message will be prominently displayed at the event and the event emcee will say glowing things about your company. But that's just the beginning of the benefits you'll receive.

### **More Than Writing a Check**

Sponsoring a charitable event requires flexibility between the charity and business. The business may provide prizes for contests or raffles or merchandise for an auction. The business may provide a facility to hold the event or provide a dinner. Your business might even provide access to your email list to invite attendees to the event. It's all open to negotiation.

### **More Benefits for Your Business**

If you're the primary event sponsor or the only sponsor, you can expect your business logo to be used as the backdrop for a staged event or to be displayed prominently in the manner you choose. You can expect your business name to be mentioned in free TV and radio ads that media

companies donate to the charity. Don't be surprised if the charity offers to name the event after your business, especially if you agree to sponsor it annually.

These are great venues to hand out some free baseball caps and other promotional items with your logo. One personal benefit you might be given is the opportunity to meet and network with celebrities endorsing the event or other notable business leaders sponsoring it.

### **Choosing a Charity to Sponsor**

Try to find an event that compliments your business. Since you're in the business of buying houses and selling houses, sponsor events in the heart of where you do business... or where you wish you were doing business.

Consider the size of the charity you are sponsoring. Larger, well-known charities have a large support base.

Be sure to understand the demographics; How many people will be attending the event? What is the average income of the attendees? Be sure to understand your primary audience and know exactly what message you want to send out to them.

### **Tax Deductable**

Some but probably not all of your expenses for sponsoring a charitable event will be tax deductible at the federal level. The reason not all of it is deductible is because you receive marketing value for the sponsorship. The value of the marketing is not deductible. Determining the value of the marketing can be tricky. You'll probably want the services of an accountant to make sure you get this correct.

## **Chapter 64:**

### **In Conclusion**

• • •

I hope this book has made you think. I hope it's opened up your mind. The possibilities are endless and this book could be a thousand pages long and still not get it all covered. I know you laughed at some ideas. I also know that somewhere, someone is using that idea to buy a house right now. Every idea works if you work it. None of these ideas work if you don't work.

As you well know, there are extensive courses, coaching, and mentorships on how to make it big in real estate. There are so many different angles to make money in real estate it can get confusing. All of these methods require hours of study and contemplation. If anyone tells you different – run away! The trick is to learn as much about the techniques as you can for free (The internet is a great source of knowledge). When you find the technique you want to take as your own, then and only then, go find your mentor and pay for his or her knowledge. Research your prospective mentors and courses heavily. Precise, exquisite knowledge is not often cheap, but relatively speaking, it will be cheaper than going it alone. A great mentor will save you

mistakes and make you money in places you'd never have figured to look until it was too late.

It may help you to know, I interviewed over 20 experts about the various techniques and methods of operation they've used to become financially free. I recorded those interviews for your listening pleasure. It's a great place to start... and it's FREE! GO TO **REInvestorSummit.com**.



***“The hardest thing an entrepreneur will ever do, is have one good idea...and finish!”***

-Mitch Stephen

I'm hoping you had a few revelations and that you're going to jump on a few of the ideas and make them your own, make them start paying you! This is a great business and we do a lot for our communities. You deserve to prosper financially. I wish you the best of luck. Let me know how you're doing.

--Mitch Stephen—

[Mitch@MitchStephen.com](mailto:Mitch@MitchStephen.com)

## **Appendix – 200+ Ways to Find Bargain Properties**

• • •

1. It starts by creating your brand every step of the way.
2. Choosing an easy to remember business name.
3. YourNameBuysHouses.com
4. Easy to remember email address using your business/website -  
YourName@YourNameBuysHouses.com
5. Find a seller in financial distress.
6. Pending foreclosure when seller has equity but can't make payments.
7. Learn the wholesale real estate market.
8. Following a strong business model, such as seller financing, enables you to hone in on the right deals.
9. Branding with your letterhead.
10. Branding with your signature block.
11. Branding with your email signature (more than the email address).
12. Employee signature blocks.
13. Employee email signatures.
14. Easy to remember telephone number using words (1-800-NO AGENT).
15. Option using branding icons or graphics in signature block.
16. Option using branding icons or graphics in email signature.
17. Magnetic signs on the back of cars.

18. Magnetic signs on the sides of cars.
19. Taxi style sign on car roof.
20. Car vinyl wraps.
21. Give away T-shirts as walking billboards - the back.
22. Hand out free T-shirts in neighborhoods you are interested in buying houses.
23. On the back of long sleeves for people with long hair.
24. Baseball caps as walking billboards - on the back.
25. Jackets in the cooler months - on the back.
26. Sweatshirts in the cooler months - on the back.
27. Dress shirts for meetings and presentations you attend.
28. Polo shirts for people that don't like T-shirts.
29. Offer people a small fee when the shirt, cap, or other clothing with your business name brings in a house you buy.
30. Sponsor a little league team - they wear your logo.
31. Little league outfield fence.
32. Little league scoreboard.
33. Little league game programs.
34. Bowling teams.
35. Soccer teams.
36. Adult softball teams.
37. Stockcar racing.
38. Rodeo cowboys.
39. 4' X 8' or 4' X 4' plywood billboards.
40. Scanning local news for house fires.
41. Scanning local news for flooded houses.
42. Scanning local news for tornado damaged houses.
43. Scanning local news for mold infested houses.
44. Scanning local news for violent activities such as murders or suicides where owners no longer want to live.

45. Scanning local news for houses where an owner died of natural causes or an illness - relatives want to sell fast.
46. Scanning local news for houses infested by abandoned pets.
47. Relocation of a major business brings many houses to market simultaneously.
48. Major business going out of business - newly unemployed cannot make mortgage payments.
49. Military installation closures or major downsizing.
50. Craigslist - Services / Real Estate section.
51. Craigslist - For Sale / Wanted section.
52. Craigslist - Housing / Real Estate for Sale section.
53. Craigslist - Housing / Apt. & Homes section.
54. Craigslist - Community / General section.
55. Expanded Craigslist postings to suburbs and nearby cities.
56. Internet searches for homes for sale by owner.
57. Internet searches for homes for rent.
58. Internet searches for foreclosure auctions.
59. Internet search of [www.Forsalebyowner.com](http://www.Forsalebyowner.com).
60. Internet search of [www.Zillow.com](http://www.Zillow.com).
61. Internet search of [www.isoldmyhouse.com](http://www.isoldmyhouse.com).
62. Internet search of [www.Fizber.com](http://www.Fizber.com).
63. Internet search pre-foreclosures coming up for auction.
64. Internet search of newspaper classified ads.
65. Goal to distribute 25 to 50 business cards every day.
66. The \$20 business card.
67. Your website that brings in killer deals.
68. Choosing a website URL using your business name that tells people that you buy houses.
69. Web based form to collect information about houses people want to sell.
70. Online direct contact information for people that don't want to submit information via a form.

71. Build an email address list of people visiting your website.
72. Provide a free online newsletter that reminds them that you buy houses.
73. Online explanation why a wholesale house buyer can be a better solution than listing with a Realtor.
74. Online, explain optional ways they can sell to you that they probably don't know - selling subject to existing financing, etc.
75. Working with experienced Realtors in the residential field.
76. Finding the right Realtors.
77. Finding investor specialized Realtors in the classified ads.
78. Detailed instructions of what investors need Realtors to do.
79. How to build a working relationship with the right Realtors.
80. How to gently train a Realtor sending the wrong types of leads to send the right types.
81. Why full MLS access is critical to investors.
82. How to gain full MLS access without a Realtor's license.
83. How to search the MLS.
84. Automate your MLS searches to deliver properties you're looking for direct to your email.
85. Discriminate your MLS searches based on what you are looking for in different neighborhoods.
86. Segregate MLS searches for comparables and houses you want to buy.
87. Learn to use the MLS to find trends such as which neighborhoods in town are selling faster than most.
88. A separate search for expired listings.
89. The MLS provides you with rental cost data that you use to determine how much you can sell for and therefore how much you can pay for a property.

90. The right way to use MLS comparable date to determine your maximum allowable offer.
91. Keeping your name in front of 8,000 Realtors every couple of days.
92. Bandit signs everywhere.
93. Specifications of the best performing Bandit signs.
94. Where you place Bandit signs is critical.
95. Make your business a small business -vs- big business on all of your marketing materials.
96. Place Bandit signs up high and out of reach.
97. Several ways to make sure your Bandit signs stay up.
98. Mailmen cruising the neighborhood.
99. UPS delivery people.
100. FedEx delivery people.
101. Newspaper delivery kids.
102. Ice cream man.
103. Milkman.
104. You driving for dollars.
105. Family driving for dollars.
106. Friends driving for dollars.
107. Outsource vacant house owner research to Fiver.com.
108. Outsource vacant house owner research on craigslist.
109. Outsource vacant house owner research to other sources.
110. Returned letters tell you no one else has found the owner. Keep digging.
111. Attend seminars to learn new ways of finding houses and innovative ways of buying them.
112. Can't find the owner? Put a "For Sale?" sign in front of the house with your telephone number.
113. Try adverse possession when you can't find the owner.
114. Tagged and disconnected electric meters.

115. Tagged and disconnected water meters.
116. Garbage day but garbage not at curb.
117. Telephone books on porch a few days after delivery.
118. Over grown yards in the spring.
119. Walkways not shoveled in the winter.
120. Broken out windows.
121. Free giveaways pile up on steps or porches.
122. Ask neighbors if any houses in the neighborhood are vacant.
123. Look for grass growing in the cracks of driveways that should be flattened by car tires.
124. Leave a note and your business card on doors of vacant houses.
125. "For Rent" signs in yards and windows.
126. Advertise that you buy houses at houses you have for rent. A great place to put up a small billboard.
127. Bumper stickers.
128. Car decals.
129. Doorknob hangers.
130. Properties that local authorities have declared as a nuisance property.
131. Houses that authorities have condemned as a crack house.
132. Houses that authorities have condemned as a brothel.
133. Houses that authorities have condemned as a gang headquarters.
134. Houses that authorities have condemned for other criminal activities.
135. Estate attorneys.
136. City, town, county website banner advertising.
137. Advertising on buses.
138. Advertising at bus stops.
139. Advertising in city mailings (maybe you can advertise on property tax mailings?).

140. Advertising on park benches.
141. Advertising on pool houses.
142. Advertising at recreation centers.
143. Advertising on bike racks.
144. Advertising on parking meters.
145. Advertising on recycling and garbage cans.
146. Privately published local guide websites.
147. Privately published local guide (printed).
148. Guides to local restaurants, businesses, and entertainment.
149. Notify birddogs when you buy a house to motivate them to send you leads.
150. Send pictures of ugly houses that you have bought to your network so they really understand you buy any house.
151. Postcard mailing campaign to an entire neighborhood you are interested in.
152. Real estate investment club networking.
153. Make an "I Buy Houses" presentation to your RE investment club.
154. Use the RE investment club internal email system to ask for leads.
155. Volunteer to give workshops to RE club members.
156. Ask for a sales table at RE club meetings.
157. Take out a banner ad on the RE investment club website.
158. Join the local Board of Realtors.
159. Become active with the National Association of Realtors.
160. Take advantage of training available from the National Association of Realtors such as learning how to do a professional Brokers Price Opinion.
161. Join your local Chamber of Commerce.
162. Encourage the Chamber of Commerce to highlight you as a new member in their newsletter.

163. Encourage the Chamber of Commerce to highlight you on their website.
164. Network with other Chamber of Commerce members.
165. Encourage Chamber of Commerce members to refer you to others.
166. Ask the Chamber of Commerce to hold a grand opening or milestone event at your business.
167. Host workshops for Chamber of Commerce members.
168. Join the local Rotary Club.
169. Go to real estate "MeetUp" meetings.
170. Network and market your need for houses to real estate appraisers.
171. Network and market your need for houses to house inspectors.
172. Network and market your need for houses to land surveyors.
173. Network and market your need for houses to foundation repair businesses.
174. Burned houses.
175. Network and market your need for houses to mold removal businesses.
176. Property preservation companies.
177. Keep an eye on pre-foreclosures.
178. Search out short sales.
179. Subject to existing financing
180. Foreclosure auctions - but be cautious.
181. Strike-off List
182. Fannie and Freddie REOs.
183. Other lenders with REOs.
184. Buying up tax liens directly.
185. Buying at tax lien auctions.
186. U.S. Treasury auctions that collect IRS taxes.
187. U.S. Treasury auctions of confiscated houses due to illegal activities.

188. Other private real estate auctions.
189. Signs on other peoples vehicles.
190. Wraps on other peoples vehicles.
191. Custom license plates on other peoples' cars.
192. Decals on other people's car bumpers.
193. Free one line ad in the printed Yellow Pages.
194. Free online Yellow Pages ad.
195. Collect email addresses from other investors advertising on craigslist.
196. Collect telephone numbers from other investors advertising on craigslist.
197. Scan sections of craigslist that you normally wouldn't to see if anything jumps out.
198. Mentoring new investors by having them work on some of these lead generating methods.
199. Send out birthday cards as a reminder to your best lead generators that you're still in the business.
200. Post your message as a video on YouTube.
201. Right after closing a deal, send a thank you note to the person that sent you the lead - ask for another.
202. Write and promote an ebook that people selling houses will be interested in - "10 Things You Must Know Before Selling Your House."
203. Write a blog that people selling houses will be interested in.
204. Publish a periodic newsletter to send out to your email lists.
205. Join a mastermind group.
206. Help with a moving van
207. Help with other moving services to motivate people to move.
208. Find the seller's "need" and a solution. It might be the first month deposit for an apartment or the need for a used car.
209. Your caller ID is seen by a lot of people, be sure it's delivering your message.

210. Write a full-length book about your real estate experiences to increase your credibility and encourage people to want to work with you.
211. Newspaper legal notices for death notices.
212. Newspaper legal notices for fire station reports.
213. Newspaper legal notices for bankruptcies.
214. Newspaper legal notices for foreclosures.
215. Newspaper legal notices for tax lien suits.
216. Newspaper legal notices for legal judgments.
217. Newspaper legal notices for mechanic liens.
218. Newspaper legal notices for divorces.
219. Find a landlord that is highly motivated to sell.
220. Run a telemarketing campaign to bank REO departments.
221. Run a telemarketing campaign to landlords.
222. Run a telemarketing campaign to phone numbers harvested from the classifieds.
223. Run a telemarketing campaign to known investors.
224. Run a telemarketing campaign to real estate agents.
225. Run a telemarketing campaign to real estate brokers.
226. Run a telemarketing campaign to business brokers.
227. Run a telemarketing campaign to expired listings.
228. Run a telemarketing campaign to out-of-town owners.
229. Hunt out investment houses in disaster areas.
230. Ask people doing "for sale by owner" if they will wholesale the house.
231. Send good lead generators a lottery ticket as a reminder that you buy houses.
232. Run a raffle for everyone that sends you a lead within one month.
233. Send a hand written note to the owners of vacant houses.
234. Stash your business cards in books at libraries.
235. Stash your business cards in books at bookstores.

236. Write on the back of your business card when you leave written notes for people.
237. Leave your business cards on the tables at the mall food court.
238. Leave your business cards on the counters of houses you have for sale.
239. Have your business sponsor a charitable event.
240. Mail to every landlord that files an eviction
241. Mail to every property owner who got "pulled from the auction"
242. Mail to mortgage holders that are over 20 years old and behind in Taxes
243. Mail to owners that have had their water meter removed
244. Mail to owners that have had their electric shut off
245. Mail to owners that have had their gas shut off
246. Put a FOR SALE sign in the front yard of a vacant house...with your phone number...the owner will call you!
247. Mail to out of town owners
248. Mail to divorce attorneys
249. Mail to estate attorneys
250. Mail to "Trustees" of trusts