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How To Make Big Profits In Small Towns

Hosted by: Joe McCall

Guest: Larry Goins

Joe: All right. Hey everybody, welcome. This is The Real Estate Investing Mastery Podcast and I have Larry Goins in the house. Larry, how are you?

Larry: What's happening? How you doing, man?

Joe: Oh, not much. I'm excited right now even though it's early here in St Louis. Mr. Larry is an early bird and he's on the east coast, which means I have to get up super early, but I'm still super excited because we're doing something together. Here's, let me tell you something. Larry, I've known Larry for a long, long time. I used to buy his books and go to his workshops and buy his courses and stuff like that and the guy is amazing. He does a ton of deals. I've interviewed him several times on the podcast. He still does a ton of deals, but he's one of the best teachers and educators in the industry today.

Joe: He breaks things down into such simple, easy to understand terms. So I've become friends with Larry and I've been in masterminds with Larry. Well he's been doing something really unique that I know is going to be super helpful for every single person listening to this podcast. And I'm not trying to hype this up because it's the legit truth. Larry is intentionally ignoring the main cities that he's doing marketing in right now, mainly in north and South Carolina. He's ignoring the big MSA's where all the other investors are just fighting like sharks in a bloody water tank, right? Like everyone's fighting over these few little leads, but he's completely outside of that. You heard of the whole blue ocean red ocean thing, right? Well, Larry is ignoring the red oceans and he's fishing in the blue oceans catching lots of big fish. And this is so cool.

Joe: This is so important because nobody's really doing this or talking about it right now. But I've been to Larry's office near Charlotte, North Carolina, I've seen his operation. I've seen the people he's doing deals. He's on the phone every single day with sellers himself like on the phone with sellers every single day, closing deals still. And one of the things that I was talking to Larry about when I was at his office was like, do you really like still teaching or do you like doing deals? And He loves



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doing deals. Like that's his primary number one passion is doing deals, but he also loves to teach.

- Joe: But if you were to prioritize them, I hope I'm not speaking out of place Larry, but I think you would say doing deals as number one and teaching is a close second. But, so I said to Larry, I got to get you on my podcast and we need to talk about this because everybody's going after like these big shark infested waters. These big red oceans. Larry is ignoring the big cities, the NSA's and he's going after the smaller markets around the bigger cities. And he's going into maybe how many different counties, Larry, six or seven different counties right now.
- Larry: Yes, it was seven. We backed off of one just because it got too much competition and I don't like competition. I hate the competition, right. I want to go where they've never got a postcard before, right.
- Joe: Yes, for sure. So anyway, we're going to be talking about that because he's doing direct mail and how much competition is he getting? Hardly any. Like nobody else is sending postcards to the sellers. So his response rates are much higher. His cost per lead is way lower. And his average profits are the same in the small towns as they are in the big towns.
- Larry: No, that's not true Joe. That's not true. They're actually more. You know it blew me away. It really blew me away in the big MSA's everybody thinks, you know, a \$3,000 to \$5,000 wholesale fee is a great profit on the deal. You know, we're, we're getting \$10,000 \$15,000, \$20,000, \$30,000, \$35,000 wholesale fees on these studios and small town USA.
- Joe: Oh, you see why I wanted him here on this podcast? So we're going to be talking about this. I want to ask Larry some questions. Let me also give you a little heads up too because I begged Larry, I twisted his arm, him and his business associate partner Candace, I twisted their arms and I said, hey, listen, we've got to teach people this stuff.
- Joe: And we need to start like, because I have a lot of students Larry that are struggling. They're trying, they don't have a huge marketing budget. They're trying to do deals in Denver and Nashville and San Diego and Miami, all these big cities that are super competitive. You've got investors spending tens of thousands of dollars in



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marketing just to find a deal. They're competing against properties on the MLS with 20 other people bidding them. They're going to foreclosures, you know, and there's a hundred people they're like, and they're struggling. And like, I don't know what to do. I don't have, I can't compete against these guys.

Joe: So what, Larry and I were going to talk about this, we're going to teach you what Larry's doing on this podcast, but we've also preparing, we're doing a class, I'm calling it a case study. We're doing a case study that starts in a couple of weeks from, as we're recording this right now, we're going to be teaching people how to do this in depth in detail. And Larry's going to pull back the curtain and show you all what's going on in his operation right now and how he's doing it. The letters he's sending the scripts that he's using, the contracts that he's using it, and how he's finding his buyers.

Joe: It's blowing me away as we're going through this course and we're preparing for it. But just want to give you a heads up. If you want more information about this course. We're calling it Small Town Riches. And if you go to Small Town.

Larry: Small Town Profits.

Joe: Small Town Profits sorry, that's a small town. Like I always get that mixed up. Small Town Profits. We're calling it Small Town Profits. If you go to SmallTownProfits.com there'll be some information there on how to register for this class. All right. SmallTownProfits.com. Go check that out. So, Larry, sorry for the long winded introduction there.

Larry: No, man. That's okay. And, you know, Joe, I just want to first off, start out and say thank you, thank you, thank you. Because you really brought to light and brought to my attention that what I'm doing is so unique. I knew it was different than what other people are doing. I knew that, but I didn't know it was that unique until you and I started talking about it and I started telling you all the problems with traditional markets and all the small town advantages. And it's just a whole other culture that you're working with almost literally, right. And there's just so many advantages to work in small town USA and I don't care where you live or where you want to buy in. You know what we're going to share will work.



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Joe: Oh yeah, totally. So, Larry how did you figure out, how'd you figure this out? I mean, you've been doing business a long time and a lot of people already know your story because I've interviewed you a couple of times before, but how did you figure out, like, I shouldn't be doing deals in this big city here? What made you start looking outside?

Larry: Well, you know Joe, I mean you and I are in a couple of masterminds together and I hear all these big guys that are mailing out 20,000, 30,000, 40,000, 50,000 or more postcards a month talking about all the competition and they go into a house and sit down and talk with the homeowner and they've got a stack of postcards from other investors and it's all about how much money can you give me? Can you give me more than the last guy, right. I hate that. I hate that, right. Number one, I don't go to the house, okay. I buy all my houses over the phone, right.

Joe: I forgot to mention that. That's like the coolest thing ever. I've been doing that for a long time. I think sometimes Larry, we take that for granted how easy that is to do. But a lot of people listening to this, like what you really, you like even your, okay, I understand maybe why you're doing these deals in small towns, but how do you go see the houses and you're saying you don't.

Larry: I don't, we do go see them. Somebody goes to see them. I don't have to go see them, but we send somebody to go see them and there's services out there and we'll get into that more when we start doing the training. But there's services out there you can get to go look at the house that could take pictures for you. They could get the contract signed, they could do the paperwork because I got to tell you, Joe, in Small Town USA, you, you wouldn't it. But a lot of people don't even have an email address, right. So you've got to send somebody to their house or something. I mean, it's not unusual for some, for a seller to say, well, my daughter has an email address I guess you could sit in the contract to her and she couldn't help me sign it. No, we just have somebody go to their house, but we've got a service. Check this out Joe. We've got a service that literally, I don't care if I'm buying a house in Shelby, North Carolina and the seller lives in Dubuque, Iowa. I can have, I can have somebody at their house in Dubuque, Iowa within two hours of me getting off the phone with them. Is that great or what?

Joe: Oh that got me super excited because you because before and Larry used to send, like when you'd send a contract you'd send it FedEx, right. And talk about that like.



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- Larry: Yeah, it's funny. We used to talk about, we do all our, our business by phone, fax, FedEx, email and internet. Now it's phone, email and internet and mostly just phone, right.
- Joe: Yeah. So you used to send, you used to send FedEx, right. And you would like prepare the contract. You'd even give them a self addressed, stamped envelope to send it back to you. But what happened? Yes, which costs money, right. That's not cheap. So what happened? Why did you stop doing that?
- Larry: It's just much faster. I can tell somebody, I don't care where they live. I don't care if they live in Anchorage, Alaska. I will tell them, I've got somebody in your area I'm going to have them drop by this afternoon. I've got a simple check out the verbiage, I've got a simple standard real estate offer to purchase it's only one page. And it basically says, I'm buying your house for all cash and I'm paying all closing costs.
- Joe: So you were telling me you went from maybe getting 50% of those contracts back. Like even after they said yes on the phone, you'd send them a contract but still only get maybe half of them back to getting almost a 100% of them back because you sent somebody to their house, right?
- Larry: Exactly. And I have to tell you it's very important because if you wait until the next day, I don't care who that seller is. They've talked to a sister or a brother or an uncle, a parent, a child, a grandchild. Somebody else either wants that house, oh don't sell that house I'd really like to have that house, give that house to me or sell that house to me or let me live there, right. Something like that's going to happen. Or they're going to talk to a sister's brother's friends attorney that's going to tell them what are you selling your house for how much, right? Or a sister, brother, friend, realtor, you know. Oh, let me list that house for you. So that's why it's very, very, very important you get them to sign on the dotted line within two hours of getting off the phone with them.
- Joe: That's cool. And your contract is cool too. You don't even have an inspection contingency in the contract do you?
- Larry: Not at all. Not at all. And I've never seen the house.



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- Joe: And you've never seen the house. You guys, I can't wait to show you Larry's contract because it is so simple and super powerful. It doesn't have any fancy get out of contingencies and complicated language and verbiage is just simple, straight forward. And but it does, how many days do you give yourself to close Larry?
- Larry: You're going to love this Joe. I don't have a closing date on my contract. I've got 60 days with an automatic 30 day extension if I need it. Nobody ever complained. Nobody ever complains.
- Joe: So when this notary comes to the house, they're just like, here's the paperwork sign it, right? They can't negotiate anything. The seller can't ask this guy questions. It's like, here's the paperwork sign it. Larry's going to close on whatever day, right. So it just kind of remove some of the resistance. It just helps it get done faster, doesn't it?
- Larry: Absolutely. But Joe, I got to tell you it now, sometimes you do run into problems. Sometimes the seller has a question, well what is this about? Or, I don't want to sign this. Or what about this, it says the wrong county or this says this. We've got a strict system in place that we're going to share in the training, we got a strict specific system in place where when something like that happens, then I get notified immediately. And I know no matter who that notary is, whether they're in Anchorage, Alaska, Dubuque, Iowa, or Jackson, Mississippi, I know that it is my signing service that's calling me and I know I better answer the phone.
- Joe: Yeah, yeah, that's super important because those kinds of objections will happen. All right, so Larry, I want to talk more about the benefits of small town. I mean, I don't know if anybody, if everybody understands like why. What are some of the other reasons why you like going after small town America and not big town America?
- Larry: Well, number one in the big MSA. You mentioned MSA earlier. That stems from metropolitan statistical area. That's like, I live in the Charlotte, North Carolina MSA. You live in the St Louis MSA, right. But you don't live right in St Louis. You live right outside of St Louis, but it's a part of the MSA, right. Like me, I live in Lake Wylie, South Carolina. It's right across the state line from Charlotte, North Carolina, okay. But it's a part of the MSA, right? So the, the challenge is, and some of the problems in the MSA, is a newbie and I don't mean this in a bad way, but a person who's



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brand new, they can't compete with the I buyers, right? What are some of the I buyers out there?

Joe: Offerpad. Open door. Yeah.

Larry: Yeah. We've got Offerpad here in Charlotte. We've got Offerpad here in Charlotte, you know, and some of the other ones, but a local small person doing one or two or three deals a month, they can't compete with those guys. Number one on price and number two, on negotiating skills. You've got to have good negotiating skills, good sales skills, good marketing skills, and you got to watch your budget, right? I mean, you've mentioned about we're getting more leads, better leads. We're making more money with a smaller amount of marketing, right? And that's true. that's true. So in the big MSA, the big MSA, you've got to know marketing. You've got to know sales skills. You got to know the market, you've got to know the competition. You've got to watch your budget. You've got to have a pretty decent sized budget.

Larry: And the most important thing, Joe, when you're in a big city, you've got to have a great follow up system, right? Because you don't get a lot of your deals on the first call. You don't, I do, I do get deals on the first call, right? I mean I've been on the phone with people for nine minutes and bought their house, never spoke to him before in my life, and after nine minutes they agreed to take my offer, right. But here's the thing, a lot of them are, you know, well, let me think it over. I got to pray about it. I got to talk it over with somebody or whatever. Let me check my finances. Let me check my loan balance, whatever it is, right.

Larry: So you don't get all of them on the first call. And in the big city of follow-up system is so important. It's imperative that you have that. But in small town USA, if you don't have a fancy follow up system with auto responders and text blasting and voicemail blasting, now we're going to teach you how to do that in the training. But if you don't have that, it's a small town as much more forgiving, if that makes sense.

Joe: Oh, that's super important. I mean, obviously you've got to be good at sales and marketing, negotiating and the follow up systems, but you don't have to be as good as what Larry is saying. You don't have to be as good at that stuff. You don't have to have the \$10,000 budget every single month on postcards to do deals in small towns. You don't have to have the real fancy, big complicated technical systems



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and CRMs. You know, a lot of these people in small town America and I've done deals in small town. You know, it's funny, I'll tell you a story. And then Larry, I'd like to ask you some more questions about like a typical deal that you're doing in, in small town. But like, my first deal, Larry was in small town at least an hour and a half away from downtown St Louis. So, you know, it's kind of like a suburb of the suburbs, but it's out there in the sticks.

Joe: And the seller responded to my postcard because I was sending her a postcard on another property in the city. But she was calling me saying, I don't want to sell that property, I want to sell this other property. So I kind of ignored her calls. She called me back four times and I kept on ignoring her, but she kept on calling me back. This was like one of my first wholesale deals, I think it was my first. And I finally got ahold of her and I said, man, I don't, it was a three family in a city where there are no multi-families and I had no buyers over there. I had no title companies over there that could help me close. I had like I had no idea what I was doing. It expired the year before for like \$140,000. It was way overpriced and it had expired on the MLS for \$140,000.

Joe: But she was so motivated. I said, I can't help you. She said, please, please make an offer. Not every deal is like this, right. She was elderly. No, she was begging but she was elderly and I was concerned about that. So I said, well ma'am, I can maybe offer you \$50,000. And she said, okay, didn't even object, didn't counter. Said okay \$50,000 and now I'm like freaking out. So I asked her if I could meet her with her son. I made sure her son was with me there. But now I'm freaking out, Larry, because I got this house under contract for \$50,000. I have zero buyers. I don't know if anybody would even want to buy a house in this small town. Like why? So I stuck a sign in the yard I marked it up \$15,000 grand.

Joe: I sold it for, I advertised it for \$65,000 and I stuck a sign in the yard. I got flooded with calls the next day. I couldn't believe it. Why would people want this house in this small town? But there were tons of, they call the, I sold it. I had a cash buyer the next day, wanted to pay \$65,000 for it. Now I'm freaking out thinking, well I don't have a title company that can help me double close this. Like so and the realtors, they don't know what, who holds what wholesalers are, because the buyer had a realtor. So I told the realtor, I said, you know what? I'm sorry. I like, I got to tell you something. I don't actually own the house I hope that's okay. I said,



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I'm just trying to wholesale this thing. The realtor said, don't worry about it. It's fine.

Joe: I said, well I don't have a title company. He said, don't worry about it. We'll just use my buyers, you know, title company. I called the title company and this is again the title company in small town. I said, I hope this is okay, but like I don't own the property and I'm selling it, I'm making a \$15,000 profit. I hope that's okay. I was freaking out and the title company said, relax, chill it's okay. And I, two weeks later I made about \$13,500 something after my costs and closing in small town and that's when I realized holy smokes, this stuff actually really works.

Joe: And I've done a lot of deals in small towns since then. We're even flipping vacant land like in towns that are smaller than small towns in the middle of nowhere, we're flipping vacant land. There are people that want these properties, Larry, right. Like this blows me away. Like serious, but yeah, there's people that live out there, they don't want to move to the small towns. They want deals there. And there's a shortage of inventory in those small towns, right.

Larry: You know, Joe, I'm really glad you told that story because two things I want to address, okay. Number one, you talked about you just put a sign in the yard, okay. Now when we'd go through the training. Okay, we're going to have a training on this. I'm going to show you how to not 10 X that, the 20 X that, right. Because you said your phone was ringing off the hook and you sold it the next day I'm going to show you how to 20 X that okay. Because there's a few things that we do to market these properties and see a lot of people think, no, I'm not going to buy a house out there there's no buyers out there. Well guess what? How many buyers do you need for a house? You need one. You just need one buyer for every house that's it.

Larry: That's all you need is one buyer for every house. And I'm going to show you how your phone is going to literally ringing off the hook with qualified cash buyers. They qualify themselves in advance and they're cash buyers. I don't worry about hard money. I don't worry about people getting private money I don't worry about bank financing. I don't worry about VA loans, FHA loans, any of that stuff. The people who buy houses for me in small town USA are cash buyers. In fact, it's not unusual for somebody to say, I got \$40,000 cash in the safe at home can I bring that to closing? No, no, no you can't bring that to closing, right, but, but people in small town USA have what's called mattress money, right. They have mattress money.



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Now the second thing I want to mention, you mentioned about your buying lots now, right? Joe, I've got four, I believe, maybe five, I believe it's four different lots that I'm buying right now or actually I'm right in the process in the middle of selling them, okay. I paid \$500 a piece for them \$500 a piece. Now you're going to love this story, okay. One of these lots had an abandoned car on it. I call up a local scrap metal place they went and picked up the car and sent me \$200 for the car.

Joe: These are guys, yesterday, yesterday. Today's the second is as we're recording this. On the first we flipped a lot in Klamath county, Oregon, like that's like two hours, an hour and a half away from any major city, made \$10,300 profit, \$10,300 profit on a six acre vacant lot in the middle of nowhere to a cash buyer. And if we wanted to sell that land that lot on terms, we could have got a \$1,000 down, \$300 a month for six, seven years with no tenants, no trash, no toilets. And you talk about Larry, you do a lot of these land flips in your IRA, right? Why do you do that?

Larry: I do not only in an IRA, but also in my son's ESA education savings account, an HSA health savings account, right? A health savings account is another type of retirement plan. You can use the money for qualified medical expenses, but also after you turn 65, you can pull the money out with no penalty, right? So it's like a traditional IRA that you could also use for medical expenses, right? And you can use them in IRA. That's exactly right. And, and with these lots, like for example, these four lots that I have \$500 a piece, I'm selling each one of them for \$9,900, right? With \$2,000 down and \$300 a month.

Joe: This is really cool. But now we're not just doing land obviously, right? We're doing houses. Larry, what'd you talk about the typical house or give us a couple of different three examples of the typical house that maybe you're flipping in these areas.

Larry: Absolutely. Absolutely. Be glad to. Now I'll be the first one to tell you the vast majority of my houses, I'm buying them for \$5,000, \$10,000, \$15,000, \$20,000, \$25,000, \$30,000, okay. I try, in fact, in my market and I'm going to show you our marketing criteria, but what are the things that we do is we do not market to anybody that has a house that's worth over \$100,000, okay. Just don't do it. I just don't do it, I just don't do it. A typical deal like we've got a deal going right now that we're buying for \$35,000, okay? And we're selling it for \$49,900 \$35,000. We're selling it for \$50,000 okay? I try to keep myself price \$50,000 or less, all right?



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That's very, very important. Especially if you want to close fast and you want to sell to cash buyers, you don't want to have to worry about them getting a loan.

Larry: The house appraising home inspections, none of that stuff, right? I want to sell my houses for \$50,000 or less. So we're always at \$49,900 or less. So we've got another one going on right now that we bought for \$25,000 and we just sold for \$50,000 okay? So that was \$15,000 profit on the first one, \$25,000 profit on the next one. We've got another one right now we just got under contract last week for \$15,000. And guess what? A house right around the curb on the exact same street, just listed for \$99,900. It was a fix and flip. It was listed for \$99,900 and it sold and got under contract in five days, five days it got under contract. So and our house is a bigger house and a nicer house, okay. So we bought this one for \$15,000 and we're marketing it right now. We just started marketing for \$49,900 that's a \$35,000 wholesale profit.

Joe: So are these, are these big houses? Small houses, two bedrooms, three bedrooms, one bedroom, mobile homes. What kind of homes are these?

Larry: Yes.

Joe: Good, good. So does it, you're saying you'll buy anything cheap enough, right? Because you can think you can sell it.

Larry: Let me tell you something Joe. It blows me away the deals that you can get in small town USA, right. It blows me away. You run into people who grew up in Podunk, North Dakota, right? And they moved away to Chicago or Miami or New York or San Diego and they're never coming back. They're never coming back. The only time they ever think about this property is one time a year. You know what that time is?

Joe: Christmas.

Larry: It's when the tax bill comes.

Joe: Yes, they still have to pay taxes in small town America.



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- Larry: That's the only time they ever think about it is when the tax bill comes that's it. that's it. You know, and you get some people that say, well, I'm just going to rent it out, you know, okay, you got a house in Podunk, North Dakota and you live in Chicago and you're going to rent it out. Have you ever been a landlord, number one. Number two, have you ever been an absentee landlord, right? So what are you going to do about the repairs, the maintenance, the taxes, the insurance? Now some of them will say, well, I'm just going to rent it to my nephew, right. He needs a place to stay and I'm just going to rent it to him. But check this out. Here's what I advise people never, ever, ever, ever rent a property to anybody you would hesitate to evict, right?
- Larry: Friends and relatives don't rent a property to friends and relatives because it's not a matter of if, but when they stopped paying you, okay. They're going to take advantage of the friendship or the, you know, the relationship because you're related, right. They're going to take advantage of that and then it's going to create animosity and then you're, you know, if it's your nephew, then you're going to get mad at your brother, you know, can you get your son to pay my rent? Then there's going to be a lot of contention there, right. So it doesn't work out it doesn't work out which, which is another good reason, right. You can set up a reminder in three months because within three months they're done. They're tired of it, right.
- Joe: Let's talk about the average number of deals you're doing, Larry in small town per month, and what's your average profit right now?
- Larry: Okay. Our average profit right now is \$15,000 to \$18,000 and that's on a wholesale deal, okay. That's on a wholesale deal. If we are seller financing or doing lease options, we're selling them for typically three to six times what we paid for it with owner financing or lease option and we don't do any work to it, okay. We don't do any work to it right now. Don't get me wrong Joe sometimes we'll do a deal and we only make \$5,000 okay. Now I hope that doesn't sound wrong. We only made \$5,000 some people. Some people are probably watching this thing, man, I'd like to make \$5,000 right? But, our average is probably \$15,000 to \$18,000, it seems like the higher the price house, the more competition there is.
- Larry: And like we wholesaled a house the other day. I picked it up for \$100,000. It was just that a particular seller had this house, but they also had another house that was a much smaller house, right. That we marketed to. But he said, Hey, I've got



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this other house over here, right? And we got it for \$100,000 but we can only sell it for \$105,000 we tried to sell it for \$124,900 you know \$129,900, \$124,900, \$119,900, \$114,900, \$109,900 we finally sold it for \$105,000 right. So remember the key is smaller priced houses, lower priced houses, right? Sell much much, much faster. The higher price housing, I mean, think about it. How many people do you think are walking around with \$105,000 versus \$45,000 right?

Joe: Not as many. Not as many. So how many deals do you d a month on average, Larry, in these small towns?

Larry: Let me just kind of break it down into a funnel. All right, we mail out a ton of postcards, okay. We do postcards is probably our main thing. And I know it's our main thing and our phone rings about 200 to 300 times a week, a week. Now some of those people want to be taken off the list, okay. Out of those, we're probably talking to and qualifying, qualifying about 25 to 40 people a week and we're probably getting under contract, right about three to five deals a week and we're probably closing two to three or four of those a week. So we're doing anywhere from, sometimes we'll have a slow week, sometimes we have, you know, a busy week. So we're doing anywhere from five to 15 a month closings.

Joe: That's awesome. And you're sending about 30,000 postcards a month, is that right?

Larry: 37,500 actually.

Joe: 37,000 postcards a month. Now I know we were just talking about you don't need to spend a ton of money on marketing, but when you're doing two to three deals a week, right. That's pretty good money. Larry, I'm just going to guess you're spending about \$15,000 a month on postcard?

Larry: \$12,000 to \$15,000. \$12,000 to \$15,000 yeah.

Joe: And if your average profit on a deal is \$1,0000 to \$15,000 you just need to do one deal to pay for that full month of postcards. Is that right?

Larry: Right, right.



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Joe: Oh, that's beautiful. And again, when you're sending these postcards, are you, are you getting these sellers saying, Hey, I've got a whole stack of postcards saying the same thing that your guys are just doing here. You don't get that?

Larry: No, I started getting that in one county. There's one county that's kind of like the bedroom community for Charlotte. It's Gaston County and the Charlotte is in Mecklenburg County and Gaston County is right close to it, right down to 85, interstate 85. And I was mailing to Gaston county but I wasn't getting very many deals and the ones I was getting more thinner profits.

Larry: But everybody's like, you know, well I've got two other people coming out next week or I got another postcard in the mail today or hold off I'm waiting to hear back from somebody else that may that's supposed to make me an offer, right. So I'll stop mailing that county. I just stopped. I don't need that I don't want that, right. You know what's funny is I knew I was onto something when I started moving out a few counties and we got a call right after we started doing this.

Larry: We got a call from a lady who said, and we mailed out a postcard that says final notice right. Now I don't recommend you use that postcard, okay. But that was one of the first postcards we mailed because it gets anybody and everybody to call, right? So it will show you that postcard. But it says final notice, right. About your property and I'm been trying to get in touch with you about your property at 125 Oak Street. It's very important you reach me. We have a cash offer. You know, we do say we have a cash offer ready for you, but I got a call one day from a lady, she said, I paid my taxes on my house you can't send me a final notice. I paid my taxes, right. I knew I was on to something then, right? Because they'd never gotten a postcard from a house buyer.

Joe: So Larry is a hard to find lists to mail to in these markets?

Larry: No, not at all. I mean there's a lot of places out there to get list and in the training that we're going to go through, we're going to go through and show you exactly where to get the list and the list criteria and all that good stuff.

Joe: Okay, good. I know a lot of people are wondering, Larry well like, okay, I get it. You're not seeing the house, but you got to send somebody to see the house, take pictures. How are you actually inspecting these properties? And the second



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question to that is, you know, let's say you get it under contract for \$25,000 and realize it needs way more work. Can you go back and negotiate a lower price? Can you cancel the contract if you're stuck, if you get in a bad deal?

Larry: Absolutely. Let's go with the first question first about how do I inspect the properties? There's several different ways, okay. Now we have a physical office where we have a team, right. I've got a couple acquisition people. I've got a salesperson, I've got somebody doing closings and then Candace and I are also on the phone, right buying houses. Well, when we get a house under contract, the very next thing is we got to go inspect the house, right. We've got to go look at it. So either somebody has to meet us there or give us the key or whatever, right. So we've got to go inspect the house. Either somebody on our team, typically the acquisition person that that took that call when it came in qualified, the lead turned it over to me. I got them to accept the offer, right. I've turned it back to them.

Larry: They arrange to get the contract signed. They arrange to go out and look at the house and take pictures. When they come back with all the pictures, they usually take about 50 pictures right now. If it's too far away, like let's say you live in San Diego and you want to do this model and you want to do it in small town Alabama, okay. Then we've got services that will go out to a house and they can be out there within two hours and they charge about \$45 to take pictures. They'll take pictures of every room any repair areas, all mechanical items, all four sides of the house. Any outbuildings and a street view both ways.

Joe: \$45 bucks.

Larry: Come on.

Joe: Come on. Yeah. Speaking of small town, Alabama Larry, I had a student, um, doing lease option deal in small town Alabama. Small town, 10,000 people, right. This was a property that needed too much work and the seller was an out of state investor or not even an investor. They were just an out of state owner. It was a house from their family and they wanted way too much. I think they wanted like \$65,000 for the house. The cash offer would have been around \$25,000, but it was worth about \$90,000 fixed up. So there wasn't enough equity there for her to make a cash offer. So she actually then negotiated a lease option, deal with the seller and get this



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Larry. It needed about \$30,000 grand in work, right? She negotiated a lease option with the seller, the property would rent for \$900 a month.

Joe: She said, I'm going to get a tenant buyer in the house to fix it up, but I will buy it from you for \$65,000 if you let me keep 100% of the rent for the first three years and for the next two years I'll split the rent with you 50/50. guess what the seller said? Fine, I don't care, yeah. So she put a sign in the yard the next day, an electrician, an electrical contractor whose self employed and you know when you're self employed, it's hard to get a loan, right. But he's very handy. He saw that side called up and said, I can do this work. Now if she would have fixed it up herself, what it cost her \$30,000 grand to fix it up. But this guy, if he's doing it self-performing himself, it's only going to cost him maybe \$10,000 grand in materials. That's it.

Joe: And he gets to pick the color of the carpet, the flooring, the cabinets, you know, he gets to pick, pick everything, fix it up himself. So she's getting \$900 a month in cash flow. She's getting a tenant buyer to fix it up themselves. So she's not paying any of the rehab and she's, I forget the exact numbers, but like she's selling it to him for I think a \$15,000 back end profit, but she's getting \$900 a month free and clear cash flow for the first three years. And then she's getting \$450 a month for the next two years.

Joe: So you see how everybody wins? The seller gets the price they want. They wanted \$65,000 and the sellers getting somebody in the house to fix it up and maintain it and take care of it and get the city off of his back. You know, the investors winning, she's getting \$900 that's almost, what is that \$10,000 a month a year in cash flow, three years. That's like \$32,000 \$33,000 grand in cash flow on this house and the tenant buyers winning because they're in this property and they're getting a lot of equity in it. They get to fix it up the way they want, and so I love creative deals, and so when you're even in these small towns, you can do creative deals and many ways, many times are easier to sell because there's such, there's such small, there's not enough inventory in these small towns, right?

Larry: Joe, I'm so glad you brought that up and told that story because small town USA has more free and clear paid for no mortgage houses than anywhere else. You won't find, you won't find very many free and clear houses in the big MSA, right? When you go out in the small town USA, they're free and clear. Now here's the



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other thing. When you've got a free and clear house, you may have a seller that you need to pay them \$30,000 for that house, but they're stuck on \$50,000 right? They're stuck on \$50,000 and they're tired of being the landlord, right? They're tired of being the landlord. They've rented it out, they tried that tenants tries to the house, they're not happy. That's an ideal candidate for hey, how would you like to get the cash flow without having to deal with tenants and get your price? Guess what, I've negotiated many 100% no money down seller finance deals and I could pay them what they want for that house because there's no financing involved, right. I can pay them what they want.

Joe: Do you do principal only payments? Is that, do you start with that? Give them the price they want with like...

Larry: We do fully amortize. I don't like interest only payments and I'll tell you why because there's no light at the end of the tunnel, right.

Joe: What about principal? Do you ever negotiate principal only payments?

Larry: You mean like no interest, like no interest? We have in the past, but typically I do offer them %4 or 5% interest. I mean I can make the numbers work at that. Even if we stretch it out for 20 or 30 years, at least there's a light at the end of the tunnel. I mean and check out the benefits for the seller. They get cash flow they don't have to worry about tenants, trash, termites and toilets, right? They get an income if they were just going to, I mean, one of the questions we ask is, so what are you planning to do with the money? Well, I'm just going to put it in the bank. Well, how much are the banks paying you? About 1% how would you like to get four or 5% return on your money, right? How would you like to get 4% return on your money secured by your house and you've got a cash flow coming in and you don't have to worry about any tenants, right?

Larry: No money down deals. Now the other thing, Joe, real quick, the other thing that you can do with that house, you can keep it as a rental. You can do a lease option. You can wrap that loan and do seller financing. Or guess what? You know how you wholesale lease options? We wholesale seller finance deals, right? We did a deal not too long ago where the guy was stuck on \$82,000 right? \$82,000 he had to have \$82,000 I needed to be at \$66,000 for a cash price. So I told the guy said, I'll give you your \$82,000 but I need you to finance it. So he carried a 20 year 5%



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interest loan, right? The payments were like \$300 and some dollars a month. I sold that house for \$99,900 with \$18,000 down and take over the seller finance loan.

Joe: So you sold it to an end buyer who's going to live in the house, take over that mortgage, pay you \$18,000 grand and you walk away?

Larry: And I'm out of the deal. I got my \$18,000 my buyer got owner financing, my seller got monthly payments coming in and everybody's happy.

Joe: I love it.

Larry: Hey, guess what? Small Town USA, the guy didn't, wasn't concerned about it at all. He said, I told him exactly what I'm going to do. I told him, I said, I'm not going to be the one making the payments. I'm going to find somebody, a deserving family with a reasonable down payment that wants to live here and call it their home and they're going to be the ones to make your payment. And how I'm going to get paid I'm going to get them to put some money down, which actually gives you more security that I am because I'm not giving you anything down.

Joe: Yeah, that's good. That's awesome. All right. So do you see why guys like maybe why I'm so excited about this because these are some of the easiest deals to do. Very little competition. You're going to go from spending \$3,000 to \$5,000 grand in marketing per deal in some of these big cities to spending maybe \$500 to a \$1,000 dollars in marketing per deal. Like you got to spend money on marketing, right? But we're going to also going to teach you in this class how not to spend any money on marketing things you can do that don't require much money, but the competition is way down. There's still a demand for houses in small town America. You can still get somebody to inspect the house, take pictures and you can send somebody to get the contract signed. And because there's still low inventory in these small towns, when you can get a deal on the market in these small towns that are available for a creative financing or low cash price, you'll get tons and tons of demand for these properties.

Joe: So if you're struggling with marketing right now, and I think everybody is that's listening to this, is doing that, even somebody that's doing 5, 10 deals a month right now in the big cities, I know you're interested in, your ears are perking up listening because you're looking for where else can I grow? Like I can't do any more



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marketing, right. But if you, if I could show you exactly what Larry is doing right now in his business and how he's doing two, three, four deals a week in small town America, would you be interested in that? I think everybody would raise her hand. So that is why I wanted Larry on this podcast and that is why I begged him. I said, hey, listen, could you please teach us how to do what you're doing? And he said, okay, let's do it. So we are doing a class, it's going to be a six week class that starts as we're recording this in about two weeks.

Joe: So it might be when you're getting, this might be next week, but it's a live class. It starts, we're going to be releasing six modules, weekly modules on Tuesdays, and we're going to have a group coaching calls on Thursdays. There's going to be a private Facebook group, so we don't want to overwhelm you with a ton of information. I said, Larry, can we just teach this stuff? Let's break it down into bite size, manageable chunks. Let's start with the marketing. Like how do you do this? How do you find these deals? How do you negotiate them? How does it, let's break it down into weekly, six weekly chunks. Let's give people a few days to go through the materials implement it and then come to us with questions on a Thursday. And we'll answer all the questions live on a group coaching call on a Thursday. And in between then or on the weekends, if you've got questions, you can ask them in the private Facebook group.

Joe: And myself, Larry and his team will be in there answering questions in the Facebook group. But I love this because it's a combination of a course and a coaching at a fraction of the cost, right? So you're going to get the best material that Larry's got. We're not holding anything back in this. You're going to get the best materials and then we're going to be there answering your questions. So as you implement it, you should have a fully functioning small town wholesaling business within six weeks. You should be doing deals, you should be getting properties under contract. I'm excited about this, Larry. Larry has never done a class like this before. We're calling it a case study. I've done it before and I think it's a great format. It's a great way to teach this stuff and be available to answer people's questions, but it's live.

Joe: So like everybody is at the same place. And you can be in the Facebook group on the coaching calls, encouraging one another and getting questions answered and seeing everybody's progress and excitement. I'm excited about this and Larry, if people want this, they can go to SmallTownProfits.com. If you go there, you'll see a



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video of kind of what we're doing. There might be an invitation to a webinar or a sales page or something like that explaining what we're doing. But, so talk a little bit more about that, Larry, appreciate you being willing to do this. But talk a little bit about why you think this is important and the way we're doing this class is so good it's to be helpful.

Larry: Well, you know, Joe I've been teaching and training, I've been doing real estate for over 30 years, teaching and training about 15 years. And I've had so many people say, man, this is tough right now there's so much competition. I can't compete, you know, sellers are getting three or four offers on every property, you know, and it's just, they can't compete. And I knew that I didn't have competition. I knew that, you know, what we were doing was a little unique. And when you came to me and said, Larry, we got to share this with people. So I'm like, man, that sounds good you know. But now here's the thing, most people who buy a book or they buy a home study course, it sits on the shelf and they never get it off, okay. They never take it off the shelf.

Larry: So when you came to meet with this concept of a six week case study training, where every week they're going to have something to watch, they're going to have some training, some modules, right? And they're going to watch that and then two days later we're going to get on a call and we're going to answer their questions and help them work through it. You know, it's not education, it's application, right? So when you told me about how that works, I'm like, man, that's really good. That's really, really good. You know, this is awesome.

Larry: It keeps people from buying a book and sitting there on the shelf. And never looking at it, right? So they're going to get all the forms, the documents, the scripts, you know, everything that, we're not holding anything back. You're going to get it all. You're going to get everything you need to implement what I'm doing right here in my market, right in my market or any market at all that you want to. And once you learn this, and once you have the tools that you need, you can go anywhere in plug and play, right Joe?

Joe: It's super simple. So we were doing this as a case study because we're looking for people that we can actually help and hold your hand along the way. So the more you implement this, the more you're going to get out of it. And we're not overwhelming you with a bunch of stuff all at once that's going to take forever to



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go through and you're just going to be overwhelmed. It's like bite size chunks. Here's baby step number one. Just do that. Don't worry about anything else. Then after that, let's see. Do you have any questions? Can we help you with anything? Okay you got it. Now let's go to baby step number two. All right, let's get that implemented. Let's not overwhelm you. I mean, Larry, Larry's a very simple guy. He doesn't like all the fancy techie systems and stuff like that and he balances me out in a lot of ways because I want to do these big expensive, fancy technical systems.

Joe: And Larry he's like, no man, it doesn't have to be that hard Joe. It doesn't have to be hard. It's got simple. So we're going to be giving you Larry systems, just a phone. And then, okay, after baby step to do you got any questions? Let's see what's going on. How's it going? Are you doing this? Are you doing that? You got to make sure you do this little thing right? Don't forget that right now. Let's go to baby step three. I always tell people, Larry, you got, you know, there's eight steps to do a deal. Don't worry about step seven and eight yet until you get steps one and two going. And that's why we want to break this up into baby steps so that you can have a fully functioning Small Town Profit wholesaling business in six weeks or less. It's totally doable.

Larry: There's no question about it. And in fact there's probably some people watching this that maybe you are already doing deals. I don't care if you're already doing deals, if you're already making money, if you're doing 3 to 5 or 10 deals a month, I guarantee you're going to learn something on this training that you never knew existed.

Joe: Good. All right. So listen, if you are interested, and I don't know why you wouldn't be, you're crazy, go check out SmallTownProfits.com. This is a class that starts as we're recording this right now, in two weeks. So by the time you're listening to this, it'll be next week. The class starts after it starts, Larry, we're closing the doors. We're not letting people in, okay.

Larry: Because you can't, in week three and get caught up, right?

Joe: Yup. So we're closing the doors starting next week. And we only want a few people, like we don't want hundreds and hundreds of people in there because like we can't handle being on the phone for three hours answering questions, right? We can't handle tons of people in the Facebook group and answering. So we want to keep it



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small and intimate. It's a small little intimate group. We're going to be helping them grow through this.

Joe: So it starts next week, we're closing the doors after it starts. I don't know if we'll ever do this again. This is why it's so important that you, if you're interested in this, you get into this. So go to SmallTownProfits.com there'll be some information down below that on that page somewhere and we'll tell you all about how to sign up and what's involved. Cool. SmallTownProfits.com. Do you have anything else, Larry you want to say to wrap this up?

Larry: I just want to say, Joe, thank you for bringing it to my attention, that this is something that just about anybody can do, whether they want to do it full time, part time or spare time and no matter where they are, you know, as long as they've got a little small budget to work with and can make the phone ring, they can do this. So I just really appreciate you bringing it to my attention that this is something that we should share with people because it's a way people can literally get their first deal if they haven't done any deals in the past or even start making money when they're getting frustrated.

Larry: Maybe they've done a deal or two, but they're having trouble generating seller leads or getting the sellers to accept their offer or they're having trouble with competition. So I just thank you for bringing that to my attention so we can share this with people and help them go out there and make some money.

Joe: I'm excited about it. Thank you so much Larry, for being willing to share. Again, guys, one final thing. Go to SmallTownProfits.com before we close the doors. SmallTownProfits.com sign up and we look forward to working with you closely. Hand in hand through this process, getting a small town profits business rolling for you. There's nobody better in the country to learn it from than Larry. So this is exciting. This is a once in a lifetime opportunity. I'm not just saying that to sound hypey. This is legit. Once in a lifetime. I hope you take advantage of it and, uh, invest in this. Cool. All right, Larry, thanks again. We'll see how y'all, thanks.



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