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Talking Creative Lease Option Deals with Mr. Transaction Engineer

Hosted by: Joe McCall

Guest Speaker: Eddie Raymond

Joe: This the Real Estate Investing Mastery podcast. Glad to be here. I got a really, really cool interview today... I'm excited about bringing this guy on. He's doing a lot of creative financing deals, doing a lot of lease options and we're going to be talking about how he's finding his deals, how he's negotiating them with sellers, what's working today in this market, what's not working today in this market, how he is able to do so many deals. His nickname is Mr. Transaction Engineer.

So, we're going to be bringing him on. I'm excited about talking to Eddie. So, first off, guys, I want to let you know if you like this podcast, leave a review in iTunes. I really, really appreciate you guys and I want this podcast to grow. I was just interviewing a guy earlier today. He was telling me, Joe, I was listening to your podcast about four years ago and you said something on there that if you understand marketing and if you know how to get leads, you will never have to worry about money again.

Joe: And he's absolutely right. And what I said in that podcast, and it was actually an interview, somebody was interviewing me was groundbreaking, life changing for him. And the more reviews that we get in iTunes, the more we can share the love and, give me the video likes, I really, really appreciate it. And leave a review in iTunes as well. If you're listening to this podcast, leave a review on iTunes and subscribe there.

One more thing, this podcast is brought to you by my book Wholesaling Lease Options. Go get it. It's free. Just pay a little bit of shipping and handling. I'll send it out to you. It's all content, all killer, no filler. And it's got some really good stuff in there. I talk about how I flipped lease options and quit my job back in '09. If you want the book go right now to wlobook.com, wlobook.com.

Joe: And I'm coming out with a new book in about a week. Um, it's called REI Secrets and this book is about 95 pages long, but it's like really condensed. This next book is like 300 and something pages long and I'm freaking out a little bit because it costs almost twice as much



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to print and mail this book, but it's really good. It's taken... I've been doing a lot of emails and I've been teaching a lot of cool stuff in these emails and I'm combining them all into a book and each chapter is only about one or two pages long. You can read it kind of like a daily devotional, but not devotional, that sounds weird, but you can read it as a like, a daily dose of wisdom and guidance for your real estate business. And that's coming out real soon and you can check it out. It will be at reisecrets.com. So that's coming. Stay tuned.

Joe: All right, so enough of that, right. Let's get our friendly awesome guest on the show. His name is Eddie, Eddie Raymond, and he likes to, he's Mr. Transaction Engineer and you're going to find out why, cause he's doing a lot of really good creative deals. Mr. Eddie, Mr. Transaction Engineer. How are you?

Eddie: I'm doing great, Joe. It's a pleasure to here on your podcast today.

Joe: Thank you, man. Are you an Atlanta sports fan?

Eddie: Yeah, my heart still has been broken since the fact we lost to the Patriots, man. I haven't recovered yet that, man.

Joe: Well we can kind of relate here in St Louis when the Patriots killed us in that Superbowl. That was about 10, 15 years ago. But I've heard, you know, I was in Atlanta a few months ago and um, it's, it's a great sports town and I've heard like your, your soccer team is one of like the best attended craziest fans in the entire United States. That, what you've got going on there in Atlanta. What's that soccer team called?

Eddie: What's the name? I don't really follow soccer as much, but I know they, they just won, you know, last year.

Joe: Yeah, they won the MLS championship. I don't even know what they call it. Gavin, who works with me, was recently in Atlanta and they had it, they scheduled some kind of meeting right where near the football stadium and the Atlanta Braves right now are in first place in the National League East division, which is good. They're already clinched a playoff spot, which is amazing. Okay. So anyway, enough about that, enough about sports. Sorry. Um, at least... I was gonna say another Chicago Cubs joke, but I'm not going to say anything.



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Eddie: Who's your team?

Joe: Well, I'm Cardinals fan. St Louis Cardinals fan, baseball, and for football, you gotta love the Chiefs, man. How can you not love Mahomes? He's, he's a, he's phenomenal. He's fantastic. He was on my fantasy football team last year. I couldn't get him this year. I was really bummed. But I love Mahomes. And, um, so Eddie, you're in Atlanta. Thanks for being here. Tell us a little bit about you. How did you get started in real estate and when?

Eddie: Well, I got started, Joe, back in 2005. I learned under Ron Legrand, Mark Paul, I learned from him back in 2005 and hey, I've been rolling ever since. So, I was actually driving forklifts, Joe, and I had to make a decision because the seminar at the time was called Millionaire Maker Boot Camps. Ron had the seminar for five days, so I had to take off Wednesday, Thursday and Friday off from my job and I didn't have any more days left. So, they were like, well if you take off, you're going to get fired. So, I had to make a tough decision, Joe, either, you know, drive forklifts for the rest of my life for \$12 an hour or roll the dice and see what's going on with the real estate.

Eddie: But I was already studying real estate because my mom, she actually paid for the course, I think I was like 25 or something at the time, 26, so she paid for the bootcamp and we had all the materials sent to us. So, I was already studying the material. So, I felt confident and I was like, well, I guess I got to quit my job. And it was actually the best thing that I did, Joe. I thank God I took a leap of faith and did that, you know. Got to the bootcamp, they call deals live on the stage. So they called one of my deals, a subject to deal. I went back to the hotel, faxed in the contract. I had a signed contract before I left the seminar, so I really knew it worked. Then I would say about 30 days after that I did a wholesale deal for 15 grand. And man, I haven't looked back since, thank God.

Joe: You know... That was in Atlanta? Good for you, man. I was in Raleigh, Durham, North Carolina a few months ago and a similar story, a guy I was teaching about marketing. Right? And he actually got his phone out while I was talking and I was talking for an hour and a half or something. And he got on the phone and started, um, texting sellers right then and there, like started texting sellers and got two appointments while I was on the phone, while I was speaking. He got two appointments with sellers. I just love guys like that who take massive action. I, I like to call it massive imperfect action. You're like, you know, I don't know what I'm doing but screw it. I got no choice. My back's against the wall. Right?



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- Eddie: And I mean, people look mistakes as mistakes, but really, they're lessons, you know, you're just learning what doesn't work. Fix it and go back at it again.
- Joe: That's a good way to put it. So, you know, you've been investing a long time and you got started right before the market crashed. So, I can imagine you've got quite the story to tell as well with when that happened. Right?
- Eddie: Yeah. They caught me with my pants down, Joe. I only had about three subject tos because, you know, I was so fascinated by wholesaling. You know, I only invested \$300 and made 15 grand. So I'm like, oh my God. And nobody, you know, I'm new to the real estate business, so nobody's saying, hey, the market's going to crash. Um, get more rental properties. So, you know, I was just flipping and wholesaling and wholesaling when the market crashed. Joe, I only had three properties and that couldn't cover the bills.
- Joe: Yeah, well I was caught with my pants down as well. It was bad, you know, and I, I was trying to, I wasn't doing wholesaling, which I wish I would have been because I was trying to buy a lot of properties subject to, I was buying a lot of properties to fix and flip and, um, I was not prepared for, it was a cashflow. I think we both had a similar story. Like we had no cashflow coming in. And, uh, so how did that effect, the market crash, how did that affect, you know, you coming out of the recession, what did you do to pick yourself back up?
- Eddie: Well, what I did, Joe, I don't know how I came up with the idea, but what I, what I transitioned over to, you know, the news media scaring everybody off. Foreclosures, don't buy, when it's absolutely the best time to buy because everything is on sale. When it crashes again, make sure you have your bank account ready cause it's the best time to buy. But what I did, Joe, I transitioned over to find the tenants for homeowners. So we put, I put out signs: "Landlord, you need a tenant? Give me a call." And I put my number and we started doing at least between, I'll say six to 10 of those a month.
- Joe: So you're finding the, you're finding tenants for landlords? Wow.
- Eddie: And then we started doing a little property management. That's when I learned I don't want to be a property manager, so we got out of that part, but we continued to just to find a homeowner. So, we keep the security deposit they would get the first month, you know,



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we, we go to the next one. Then we transitioned over to short sales in I think '08. In '08, I would say, in '08 we transitioned over to short sales and then we were rolling.

Joe: Nice. And how long did you do short sales?

Eddie: We did short sales from '08 to, I will say, 2011. We're still doing a little bit of them, but the only problem, Joe, they put that stipulation in there where we can't resell the property for 30 days or we had, we could only resell it for a certain percentage. So, it took all the fun out of short sales. Cause we used to short sell them and immediately turn around and wholesale, short sale and immediately wholesale. And the bank. I guess everybody, all the investors, you know, got wind of that strategy. So, a lot of people was doing it. So, the banks came back said, hey, you got to hold that property 30 days now or you gotta hold it for 15 you can't resell it for 15% out of the bag. Yeah, crazy mess. I'm like, oh my God.

Joe: So, then what'd you do after that?

Eddie: Shew, I learned about wholesale lease options.

Joe: Oh, I love that.

Eddie: And man, that was, that brought me back.

Joe: So why did you, what did you like about wholesaling lease options?

Eddie: Because they remind me of wholesaling except, you're dealing with pretty houses, nice houses. And to me, like people, like some of my students are, you know, do people really have this amount of money? I'm like, yes, we're dealing with the 75... What is it? 75%-80% of the people that can't really buy, they can't get a traditional loan, so we've got a bigger pool of buyers.

Joe: I would argue we have a bigger pool of sellers as well. Yeah, right. When you compare it to like wholesalers that are trying to get properties with sellers that have a lot of equity and a lot of motivation, there's not too many of them, but when you're looking for sellers that have little bit of equity and a lot of motivation, there's a lot more of those and a lot fewer investors going after them as well. Is that what you found?



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Eddie: Right. I don't understand that, Joe. I'm loving it, but there's no competition really.

Joe: Yeah. Isn't that something? Will you, Eddie, please explain what that is for you.

Eddie: Well a wholesale lease option deal, it's like wholesaling but you're wholesale a pretty house. And so, we typically give the homeowners security deposit and first month, that's it. And so, we keep, you know, we tell them we charge, we charge our end buyer fee. And so, we get the differences between, you know, where we give the homeowners, just say for example, we have to give them \$3000 and we have somebody that comes with \$15,000 down payment. Well you know, we would go to closing, the homeowner would get the \$3000 and we would get the difference, which would be \$12,000 and it goes so easy man.

Joe: Some people are wondering like 15 grand, can you really get 15 grand down from a tenant buyer on a deal?

Eddie: Oh yeah, we just got \$20k last week, Joe, and I wanted more than that honestly. Cause the house was worth about \$350k so the guy came with \$20k down. We wanted really \$40k so the payments are, the monthly payments are \$1400 so he came in paying \$2000 but since he didn't have the remainder down payment, we just upped his monthly payment of \$2,500 so now we catch \$1100 off there.

Joe: Well I hope... Okay, so here's the cool thing, guys. I hope you're paying attention cause so many people out there, Eddie, think, wow, lease options... Like the most I can get is like three or five grand down. That's not, like why, I don't know why people think that either. But talk a little bit about, and I'll share with you some things that we're doing to that are pretty cool. Um, but talk about like how are you getting 15 grand down on a house like that?

Eddie: Well, it's all about the marketing. So, you know, we advertise no bank needed, easy qualifications, all the good stuff to attract the people you know, with the money. Cause people, it's, it's, it's, it's mind boggling, man. People have money, guys. I promise you they have money. We got a buyer list now man, with a couple of hundred grand worth of buyers and we all, you know, we always advertise online, Joe. But we'd like to also put signs out cause for some reason signs just drive a lot of calls and a lot of buyers.

Joe: What do some of your signs say?



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Eddie: No bank needed. Rent to own. It depends on the area. You know, if it's an upscale area we will, we will put lease purchase or at least option. Some middle-class areas we will put rent to own. Locations, the number of bedrooms and baths, and then we have them call in to qualify and qualify, you know, prescreen and call back the people with the money.

Joe: Let me give you a little tip. You might want to try this on your, one of your signs because this worked well for us: rent to own or a lease purchase, right? And then right below that 5% moves you in.

Eddie: How you like that, Joe?

Joe: It works really well cause then when people are calling, they know they're expecting 5%, which also means like that's all I need. That's all.... that's all you need, right? It's 5% and on a \$200,000 house that's 10 grand, right? One of the other things that, um, I was, I've never done this, but I was just interviewing a guy named Ryan the other day and, um, he's in Louisiana, north of New Orleans I think. And uh, one of the things that he's doing that I love this idea was he would advertise different rents. Okay. And a larger down payment for the lower rents.

Joe: So, let's say a house, you're trying to rent it for \$1500, he would say, all right, you can get this house for \$1400 with \$15,000 dollars down, you can get it for \$1,500... I'm getting my numbers mixed up. You understand? Like he'll have a \$100 swing either direction for the rent and the lower the rent, the higher down payment he asks for. And its amazing how many people actually get that. And um, so something to think about, and I've, I don't know why I've never thought of that, but he's getting, like you are, he's getting down payments of \$10k, \$15k, \$20,000 on these deals because they're just not, there's not enough inventory out there. There's a huge demand from these buyers who have challenged credit, who are looking for a house to buy but can't right now, just need a little bit of time. And the part of the problem that people have doing a lot of lease options is they're not asking for enough down payment. They're not expecting it. Right?

Eddie: Then Joe, on your lease options, do you tell them like a certain amount down that you're looking for?

Joe: Not in my ads, no, I usually don't. But, you know, I say down payment required or option deposit required, call for details and uh, so then when I'm on the phone that's kind of, it's a



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negotiating thing, you know, I say, well, how much do you have to put down in the house? Well, they'll say, I don't know, how much do I need? And I say, well, I don't know, how much do you have? Well, how much do you need? So, it's a little game going back and forth. It's like, you know, it depends on how quickly you can buy the house. And I say things like, you know, we're just looking for somebody that really wants to rent this house and then buy it. And um, so how bad do you want it? I try to ask him the situation and I then I sometimes I'll say typically we get like three to 5% down is how I've typically said it over the phone, but I've never done this before. And I love this idea of advertising different option deposits based on the rents and uh, people are just looking for that monthly amount, man, that's all they care about. Right?

Eddie: Right, and I've never had anybody even argue about the purchase price, Joe, do you guys get any problems like that?

Joe: The only time I have is when it's, if the house is worth \$200k today and I'm trying to advertise it for \$250k, and I've never even done that. But like once you start pushing that upper limit a little bit, you know, when I have done that, when I've pushed the upper little limit a little bit, I have to explain to them, listen, this isn't your typical two-year lease option. This is a five-year lease option or something like that. And um, you know, but yeah, people just care about the monthly amount really. And if it's a nice house, you're going to get your doors knocked down, begging you for these homes. There's just a ton of demand.

Eddie: Yeah, man, it is crazy.

Joe: So, um, you're getting average deposits, like what's, uh, what's a typical house, a lease option that you do, Eddie?

Eddie: I would say the typical down payment between about \$10k to \$15k. We like to stay in between, I would say \$200k, I would say about \$180k and about \$400k. It's kind of like the sweet spot, you know, the higher you get, the less buyers you have.

Joe: Yeah. Okay, good. Talk a little bit about how you're finding these deals and what are you doing to get sellers to call you and say, yeah, I want to sell my house or I want to do a lease option.



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Eddie: Well Joe, we're actually getting inspired listings on for sale by owners that you know, about 30 to 45 days out, and for rent. Cause you know, for rent, man who really wants to rent a property, Joe, and deal with that crap. I know I've had my share.

Joe: Especially in that range you're talking about, right? Like if you're targeting all the homes under a hundred thousand dollars and there's some, even in Atlanta, those are homes you don't want to do lease options on. That's my advice, right? But when you're talking about the median priced homes, maybe between \$150k, \$300,000, in that price range, you're going to get a lot more landlords there that they don't want to rent their house. You're absolutely right. They just want to, um, they want to sell it and but they can't for whatever reason. And you're offering them a solution that they didn't even know about before.

Eddie: Right. And, man, most of the homeowners are so glad that we've called them, because they really don't want to rent a property, man... Who really wants to deal with a tenant calling you in the middle of the night every week or every month? I love the lease options. You put them in there. Now we give them seven days. We give them seven days to check out the property. After that, you know you're responsible. So, after that seven days, hey, we on easy street.

Joe: Okay, so like you're give them seven days. The tenant buyer gets seven days in the house. Yes. Up to that point though, the who's responsible for the maintenance and repairs? Are you saying the home owner is?

Eddie: The homeowners stay in the deal and we do a wholesale lease option where you know, we're in and out the deal. Then we put in the contract for the home owner, the tenant is responsible for anything over 500 bucks.

Joe: Yeah. Yeah. Okay. That's what I do too.

Eddie: Now we state on the lease, you know, you're responsible for everything after seven days.

Joe: I want to ask you about that, because those are, those are really, really good deals. So, you're, you're finding these deals by expired, you mentioned, are you sending letters? Are you calling or what are you doing?

Eddie: We send text messages and voice blasts.



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- Joe: Oh, so you're, you're skip tracing the expireds, right? That was my mind blowing. That's awesome. And who's doing that? Nobody. Maybe some realtors are, but um, okay, cool. Uh, then, uh, you're, you're, you're going after fsbos and rentals?
- Eddie: Yes. Fsbos, about 30 days out or more, for sale by owners, for rent by owners.
- Joe: Now do you go negotiate these deals over the phone, Eddie? Do you go to their house and talk to them in person? What do you do?
- Eddie: Well, we negotiate everything over the phone, Joe. We don't want to go out there unless we know it's a deal. Okay. So, I don't like going out there wasting time. Everybody swears their house is the best. You know, my house, I got granite flew in from Spain. Man, after a while, they all look the same.
- Joe: Yeah. Alright, so, um, sandwich lease options. What is the sandwich lease option to you?
- Eddie: Sandwich lease option to me is when you stay in the middle, guys... my favorite deal. Now we like to stay in the... It has to be at least \$200 or better for us to stay in.
- Joe: A month?
- Eddie: Yeah, a month. So, you know, that's the, because you really don't have to do anything. Once you locate the buyer, you're on easy street, you just collect the money.
- Joe: What a, what criteria do you have then on the buy price that you stay in the deal? Like do you have a minimum equity criteria or something like that?
- Eddie: Yeah, we got to have at least about \$10k or \$15 grand.
- Joe: Okay, cool. So, you're going to have \$10k to \$15 grand up front, like on the A to B side, right? Um, and you gotta have a couple hundred dollars in cashflow and then when you sell it, you know, if it's worth \$200k today and you're buying it for \$185k, you know, from the seller, what are you selling it to the tenant buyer for?
- Eddie: Well, we always mark it up, Joe. I would say about five to 10% once we advertise it.



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- Joe: Good. So, there's three profit centers with a sandwich lease option deal, right? You get cash now up front, \$10,000, you're getting a couple hundred dollars spread every month. And by the way, during that time, the tenant buyer's responsible for all maintenance and repairs, right, under \$500. Now above \$500, are you still, are you passing that responsibility onto the seller then?
- Eddie: As far as the maintenance?
- Joe: Yeah. If it's above, like if the heating and air conditioning blows out or something...
- Eddie: Definitely, yeah.
- Joe: Yeah. Good. Then you and then you're selling it to the tenant buyer in a couple of years for, you know, you're going to be like, if it's worth \$200k today, you're, you're buying it for about \$185k and you're selling it for maybe \$215k, \$210k, right? Which is a good \$30,000 spread. Beautiful.
- Joe: So, you're getting to make your money now cashflow and cash later. I love that. How many deals like that can you do in a month? I mean, are you limited to, you have to use any of your own... These are redundant questions. I know. Are you using any of your own money to buy these deals or get financing or private money for these things?
- Eddie: No. The good thing about, you know, lease purchase and sandwich lease options, you really don't even need any money, guys. You just put it under contract and put it for sale. I love it. You don't even need earnest money.
- Joe: Cool. Have you ever had a deal, Eddie, where the sellers pulled your credit, did a background check on you and you know, and, and then interviewed previous clients that you've done deals with or anything like that?
- Eddie: Well, I have had client, you know, interview a couple of people, but nothing about any background checking and none of that stuff. Plus, we're members of the Better Business Bureau. So, once they see that, we got an A plus rating. And so, once they see that, it's pretty much a slam dunk.



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- Joe: I love the BBB. It's a racket, you know, because they, uh, you have to pay to play pretty much to get the A plus rating. But it works. It's a great, anybody listening to this, you need to become a member of the BBB. And I'd recommend also become a member of the Chamber of Commerce. Just, it doesn't, doesn't, uh, there's no even really criteria. I think you just have to have an LLC or a business, but when you can put that kind of stuff on your proposals or your offers, it really helps build a lot of credibility, doesn't it?
- Eddie: Slam dunk, Joe, I just, yesterday was a seller, right... We've been trying to contact her for a while because she had a property for short sale, but she ended up getting, she ended up turning into, they ended up modifying the loan. So, we were trying to contact her for about six months. So, something told me to just send the Better Business Bureau on the little link. So, I sent the link and next thing I know, she called me 10 minutes like, Hey, can we meet um, tomorrow I can't get there sooner, but I can meet with you Friday. So that's a deal. That's a slam dunk.
- Joe: That's beautiful. Lots of respect to you man. That's awesome. Um, okay, I wanted to ask you about, are you working with like a mortgage broker, like who is prescreening your tenants and doing the background check and all of that stuff?
- Eddie: Well we use, I think it's called Tenant Background Check. We use that app. Um, they run everything, Joe, credit, the background...
- Joe: That's the same company I use. Yeah, there's a website that we use called PrequalTeam.com, I believe... They have two different websites.
- Eddie: Okay, that's pretty good.
- Joe: Do you work, do you have anybody that you recommend your tenant buyers for credit repair or getting a mortgage? Things like that?
- Eddie: Yes, we do. Now, you know, Joe, these are grown people so everybody don't do what they supposed to do. But we got a couple of people that actually follow through with the credit, credit repair and all this stuff. So, we got a good set up if they want to buy the property. We have good credit repair team and loan officer. So, once we run their stuff through the tenant background check and pull the credit report, we'll send it over to our loan officer.



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And that way we try to give the homeowner, you know, a time frame how long it may take them to get qualified.

Joe: Nice, good. But and you know, lease options, in my opinion, they work in any market and that's not my opinion, it's the facts... They work in any market. But as we're starting to see the market slow down... And are you seeing that right now, Eddie, in Atlanta?

Eddie: Yes. I'm actually happy because the market is now really leveling out pretty much and now the homeowners are back to their senses. At first, everybody, you know, they want \$20k, \$30k, \$40,000 over. Now they're, you know, to their senses, the houses are sitting a little longer. So, it's a better, it's actually better for us right now.

Joe: Yeah, it is. I'm starting to see this in California. I'm starting to see it in New York, in the Midwest, um, days on market are getting bigger days on, uh, the, the inventory is going up, uh, prices are going down. So, you know, a seller, there's a lot of motivated sellers out there that are just, they thought they could sell their house. They've already bought another house and they haven't been able to sell it yet. And um, it's, it's a good time to be. And would you agree to this Eddie, like at the time of being a one trick pony is over? I love your title, Transaction Engineer. Don't you think it's important? Talk about this, you know, like to have multiple tools in your tool belt.

Eddie: Yeah. If you're going to be in this business, guys please, don't get caught up in one method of real estate, just wholesaling. There's so many different avenues and strategies and income streams. I mean that's like going to a mechanic shop and he can only change oil but you need your tires rotated. You need your starter put on. But he can only change oil. You're going to go somewhere else just like a seller would. So, when they come to us, you know, it's so many different ways that we can buy the property. We like to send over three, four, offers to them and let them make a decision. Everybody loves offers.

Joe: Nice. What kind of, can you talk about that? What kind of offers are you sending them?

Eddie: Well, we send a cash offer, we'll send a lease purchase offer and the owner financing offer.

Joe: Love it. Man, no wonder I like you so much, Eddie, because you're like, you get it, you get it. You're giving the sellers options. Right? And it doesn't matter to you which option they take, does it, and the seller feels like they're in control, right? You're not trying to take



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advantage of them. You're just like, Hey, here are your options. Pick one. It doesn't matter to me. A lot of times I tell sellers, listen, here are the three options, but you should probably just list it with a realtor. I'll even be honest with that because that kind of brutal honesty breaks down their defenses. They're like, man, I trust this guy. You know, and it's true. They, if they want full price for their house, they should list it with a realtor right then. Then it also forces them to answer the questions like, Oh man, I don't want to list it. I can't afford the commissions. I don't have to... I don't want to go through and clean it all up and get it ready and show it and all of that hassle. I'm good. How can you guarantee the tenant buyer will purchase at the end of the lease? Will you talk about that, Eddie?

Eddie: Well, you can't really guarantee it, guys. I mean everybody, you know that you're dealing with grown people, so they have to make their choice to buy the property if they want to. However, we tell the seller if they don't purchase, guess what? We'll get somebody right back in there really quick.

Joe: That's a good way to put it. I like that. If a seller tells me that, I say, listen, call me. That's the answer. Like call me back. We'll do it again. Yeah, and the cool thing, what do you do when you've got a property that needs some work? You go in there and fix it up yourself or do you get the tenant buyer to fix it up?

Eddie: Well, we try to sell them as is, Joe. I mean we don't own the property so we don't want to start investing money into properties we don't own. If there's something like couple of hundred bucks to \$300, change our ceiling fan or some minor stuff. If the homeowner can't do it, then you know we will step in. But a lot of time these people are so happy to get inside the house that you know, they take on like... One of them we just got rid of, Joe, I'm glad we didn't paint the entire place. The sooner we put the guy in, we did touch up paint, thank God the seller has some paint. So, we did touch up paint, but if I were to spend two or three grand and paint the place, I would've lost some money because as soon as the people bought the house, Joe, they painted the whole place.

Joe: So yeah, I don't recommend doing any repairs on your houses because you can get tenant buyers that will do it and they want to. Like, I offer a work for equity credits. You know, I offer five grand or something, but they want to pick their own colors and pick their own flooring and their own bathroom fixtures and stuff like that. So, let them do it. Um, you just gotta make sure, you know, if a property needs paint and carpet and you know, 10 grand in work, well you just negotiate that lower price from the seller and pass that savings on to



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the tenant buyer. Um, and the worst case, they don't buy the house, but you get a house back that's in better shape than it was before.

Eddie: And most of the time they come back in better shape because it's a different mentality. You know, they've got a mindset of I'm going to own this home one day versus a person I'm just going to rent it and the hell with it, Joe. You know how some people treat the property they're renting. It's a different mindset.

Joe: That's why I love lease options. You nailed it. Can you discuss briefly the initial down payment? Seller wants \$3k and the investor wants \$15k. Besides giving the seller \$3k, is the total \$15k taken off the sale price in the end and is the seller okay not getting that money? Do you understand that? You're offering the seller \$3,000. You're getting \$12,000 and he basically is asking, is the seller okay with you making more money than they are?

Eddie: Well, we tell them, we charge them our buyer fee, so we don't have any problems. We haven't had any problems. Now, one of my students had, one of the sellers came back... the guy was getting \$30,000. The seller came and said, Hey, I want \$10k of that \$30k.

Joe: So, all right, well you give them that \$10k. But you know, here's the thing too. I say to the sellers, listen, I get paid from the buyers and I remind them, I say, listen, if you were to sell this with a realtor, how much would you pay them in commissions? Hmm. You know, a \$300,000 house, that's 8-10 grand. They would be paying their commissions. Right? So, but I like what you do. You give them a security deposit and first month's rent, you know, depending on how you negotiate the deal. But a sandwich lease option, you're taking over that property. You're, you're managing it. They don't have to worry about the vacancies and maintenance and repairs anymore. What's the main difference between owner finance offers and lease option offers?

Eddie: Well, owner financing offer, you're taking over control of the property, so you actually own, you own the property basically. And the lease purchase offers, you're just leasing with the right to sublease. So, you don't have any, you have a little control, but not main control like subject to or owner finance. Those are the two most powerful control methods.

Joe: That's why I love Ron Legrand. He's been teaching that and harping on that for years.



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Eddie: That dude has been around forever.

Joe: He's still ticking. Yeah, he's a grumpy old man, but he's a smart old man. I hope he's not listening to this cause... Love Ron Legrand. He's amazing. Okay. What do you do next after finding a seller and a tenant, you send them off to an attorney to handle the paperwork? Uh, how do you handle the paperwork?

Eddie: Yes, we close everything with attorney. Our attorneys down here only charge like \$250 so it's no big deal. It probably takes the guys 10 minutes to go through the little lease agreement and the option agreement.

Joe: Nice. So, you have a... Is Georgia, do you use title companies or attorneys to close your deals?

Eddie: Attorneys.

Joe: Okay, let me, let me mention this to you guys. I live in a title company state, but I have an attorney who has told me before and I've never done this. I probably should, but like, hey Joe, listen, let me do your closings for you. You don't have to use a title company and sometimes a lot of you could, you could... an attorney gives you more credibility even than a title company would. If you can say, listen to my attorney will send you the paperwork, we can do the closing at his office. You get an attorney and investor-friendly creative attorney to help you with your deals. It may cost you a little bit more, but you're going to get more deals from it because of the credibility and the protection. That's really important.

Eddie: You hit it on the head too, Joe. Investor friendly attorney cause all attorneys are not the same, guys.

Joe: Well yeah, even the ones that say they're experts in real estate. Gotta be careful. All right, listen, Mr. Transaction Engineer Eddie, how can people get a hold of you? Um, you've got, you know, somebody who's probably in Atlanta listening to this right now has got a deal. It's a wholesaler that doesn't know how to do lease options. They got a motivated seller on the hook and they're like, man, I want to, I want to do a lease option. Can they bring you deals and partner with you on deals?



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- Eddie: Yes sir. Joe. You guys can email me at info@MrTransactionEngineer.com and it's Mr. Transaction on all the social media, which is YouTube, IG and Facebook. Also, guys, you want a free video or free videos, a subject to call, you can go to [teoffers...](http://teoffers.com) that's teoffers.com. Then I got a free video about subject to. I'm getting ready to come out with a subject to course, Joe. I'll let you know about that once that's done, it should be done in about two or three weeks.
- Joe: Eddie, please let us know when you get that subject to course. We'll definitely uh, maybe get you back on the show and talk about it. Um, I love interviewing guys that are actually in the field doing deals and mentoring people to do deals too, which is awesome. Get, get the double rewards.
- Eddie: Yeah, thank you also, Joe, for that one-page lease purchase agreement. We use that, we use that in our business every day almost.
- Joe: You know what guys, if you want to know what he's talking about, you can get it for free. I'm going to give you guys a link right now. Simpleleaseoptions.com/contract if you go to this website right there, simpleleaseoptions.com/contract, I give it away for free and you put your name and email there. The next page will take you to a video that teaches you actually how to use it. And so, go check it out. Simpleleaseoptions.com/contract.
- Joe: Hey, Eddie, thank you very much for taking the time. I appreciate you sharing your wisdom and knowledge and I highly encourage you all to go check out Eddie's social media stuff. He's doing a lot of these videos and go check out teoffers.com and I appreciate you guys very much. Thank you, Eddie. We'll see you later. Take care, man.
- Eddie: Thanks a lot, Joe.