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Funding For All Your Deals

Hosted by: Joe McCall

Guest: Matt Bell

- Joe: Hey everybody, how you doing? Joe McCall here. Welcome. This is the Real Estate Investing Mastery podcast. Really glad you're here. We've got a special guest today. His name is Matt Bell and we're going to be talking all about lending, lending for all of your deals, your commercial deals, your residential deals, multi-families, rehabs, buy and hold, everything. Matt has got something really cool I'm excited to share with you all about.
- Joe: But first things first guys, you have my book yet, Wholesaling Lease Options? You can get this book for free. It's a real book... Look, look, see, you can get it for free at WLObook.com. Wlobook.com. It's the fastest and easiest way to make money in real estate today. I love lease options and you can get it for free. So, go check it out right now. Wlobook.Com.
- Joe: Now, a lot of you guys too are regular subscribers and listeners to the show. I really appreciate it. If you haven't left me a review, I just want to ask you to do that. I would really appreciate it. Go subscribe to the podcast either on Apple podcasts or any of the other podcast players that you might be listening to. Subscribe to the channel and leave us a review. Give us a four or five, 10, 20-star review if you want, or one, but leave us a review. Let us know that you like the show. I'd really appreciate it. Cool?
- Joe: Alright. I got some cool things to share with you. I'm going to bring on my guest. His name is Matt Bell. Matt, how are you my man?
- Matt: Hey, good, Joe. Thanks for having me and good to see you.
- Joe: Glad you're here. Thanks for being here. We're in a, we've been in a couple of masterminds together over the years and we're in one right now together called Leadership Boardroom and you're a good addition to the group. I'm glad you're in it and we talk about a lot of things, you know, a lot of deals that you've done over the years and I wanted to get you on because you've got something really, really cool going on with putting together investors with the money. Right?



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Joe: A lot of good deals out there that we pass on because we don't have access to the money, we don't have access to the lending or we don't have access to the bank or we think we have to have a private lender or we think we can only have to get a bank and we don't realize there may be other options for. So, we're going to be talking about that here, the power of, the importance of lending for real estate deals and how actually, you know what, it's maybe a little easier to get than you might think. But first, Matt, would you tell us a little bit about your history? How did you get into real estate? What were you doing before then?

Matt: So, kind of a mixed bag. Did a little bit of commercial sales between Pella windows and some commercial roofing, I don't know, migrated I guess into pharmaceutical sales and then medical sales and it just kind of reached that point, you know, living in the, what have you done for me world where I was just over it and a good friend of mine owned a turnkey brokerage in Augusta, Georgia.

Joe: What year was this?

Matt: This when I moved to Augusta; it was the back end of 2013 and it's been a pretty wild seven years to say the least. You know, moved to Augusta to learn the game. I was going to go back to Louisville, Kentucky, which is where I was living at the time and kind of put my own spin on what he was doing. Turnkey brokers buy, renovate, stabilize for a, for investors regionally and in walked a hedge fund about six months in and thankfully I had done enough reading and joined enough groups and studied enough to be fluent and we landed the account.

Matt: And that was my second year in real estate. They bought 130 properties from us. I was functioning. What's that?

Joe: What year was this?

Matt: 2014, yeah. So, you know, they said, Hey, we're coming to Augusta, we're going to buy a hundred homes from you. Of course, Tyson, my partner, was kind of, gave the eye-roll like I've heard this before and I'm functioning as a buyer's agent and I'm psyched cause I'm like, yeah, let's do it. A hundred plus homes.

Joe: You were a licensed realtor?



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- Matt: I was a licensed realtor. Yes, sir. And anyway, we kind of proved ourselves to the fund. Tyson was functioning as a property manager. I was functioning as an agent and we ended up going on the road and opening up new markets for them. We kind of had the light bulb moment that, you know, their highest and best use of time was spent raising capital and building infrastructure, et cetera. And we were fluent.
- Matt: So, we ended up opening up I think seven cities for them before moving to Charleston and becoming the co-directors of renovation. So, over a period of about five years, we left almost two years ago. So, this would be from 2014 to 2019, we renovated just over 6,000 homes in 17 cities in 11 States and it was fun. It was really, really a neat experience. You know, \$100 million investors are hard to find. They don't exist. There's so many gatekeepers. So, that's it.
- Matt: And through the last couple of years of being part of masterminds, which you alluded to, that that we're a part of a couple of together, have kind of gone away from the fund, work more on my operating business. And then we've just spent the last year building out a platform that we're really excited about as far as real estate investor lending goes. So...
- Joe: I love it. And the domain wouldn't be Funding For Deals, would it?
- Matt: FundingForDeals.com. You can absolutely, absolutely get to us from FundingForDeals.com. I think a fantastic opportunity to get paired up with lenders that are specializing in your type of loan in your state. And hopefully you can choose between a handful of options.
- Joe: That's not the right website, is it?
- Matt: I think it's LendingForDeals. Right?
- Joe: I was like, I could tell by the look in your face that looks, yeah, it kinda... Let me, let me... that doesn't look right. That doesn't look right. Okay. Lending. How's this...?
- Matt: LendingForDeals.com. That's the one.
- Joe: That's my fault. Okay. So, Matt has a company called Easy Button Lending and I decided to partner with Matt because I know him, I trust him. He's a good guy. And I said, Hey listen, I'd love to point my people, my podcast audience, my email list, you know, YouTube



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subscribers, I'd like to point them to you guys. And so that's why I got this domain, LendingForDeals, so you can get pointed in the right direction. And Matt's got a phenomenal company and I want to talk about this, Matt, a little bit. Easy Button Lending or LendingForDeals.com. What do you guys do? And maybe go back a little earlier, why did you decide to do this?

Matt: Well, I mean for a few different reasons; some challenges that we've faced over the years as an investor, certainly. And you know, kind of coming from a little bit of the Kiyosaki tutelage quadrant four is when your money is making money. And I felt like it was kind of the natural progression, the next iteration if you will, for you know, my interests in real estate and investing in general. So, we've spent a good amount of time, energy and effort and certainly capital trying to put together something that should help a lot of people get paired with, you know, what will be a, or the right fit for their type of deal versus you know, getting the square peg in a round hole treatment, which seems to happen far too often.

Joe: Yeah. Yeah. By the way, guys, and before I forget, we are broadcasting this live to the YouTubes and the Facebooks out there. So, if you're watching this, please tell us hello, comment in the Facebook below and also tell us where you're from. Say hi, tell us where you're from and if you've got any questions for Matt, type them in the comments either on YouTube or in Facebook. And I can see them here and I'll pop them up and I'll show them to Matt. Like Malcolm; what's up, Malcolm? Watching us on YouTube right now. What's going on? Thanks for being here.

Joe: Alright, so tell us where you guys are from. Tell us where you're listening from and if you got any questions like what kind of deals do you lend on? You lend for this kind of deal or this kind of deal, or in this part of the country or this part of the country? Let's talk about that. Maybe some of you guys right now have some deals you're looking to borrow some money on. I'm telling you, Matt, just in the last week, I've referred at least four or five different of my students to you guys because there's a huge, huge need for. There is a really, really big need for this.

Joe: And we've got Adrian from Salt Lake City, Utah. What's going on? We've got Celeste from Port Charlotte, Florida. Do you know where that is?

Matt: I don't. I'm guessing coastal, given the port part of it.



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Joe: I'm guessing it's in Florida. And I'm guessing Eddie White is from Tennessee because he's in Nashville.

Matt: Nash Vegas.

Joe: And Carl Rana from Huntsville, Alabama. What's going on guys? Justin from Cleveland, Ohio. Man, this is, I love doing this because we can get people in here saying hi and stuff like that. Okay. So, what is it that you guys do need? There's a big need. It's the fourth quadrant. If people want to invest... talk about that a little bit more. Quadrant stuff and why you created and what this company does.

Matt: Sure. Yeah. So, I guess the genesis was kind of a win-win from a leadership and a student. So, a mentor and a student perspective, guys like yourself, Joe, that, that have big followings, that have a lot of people that they're wanting to help on a day to day basis are constantly asking you, where do I find funding? Right. And so, I felt like there wasn't a one stop shop, there wasn't a kind of global, if you will, solution across the U. S., you know, a lot of times. So, we'll just take fix and flip for instance... The answer of who the best fix and flip in Charlotte, North Carolina is going to be different than in Louisville, Kentucky, which is going to be different than in St Augustine, Florida, so on and so forth. Right? It's a really, really fragmented space.

Matt: And so, one of the first things we wanted to accomplish was to have the ability for, for someone like you, Joe, to be able to just say, look, just go to one spot. It's the answer. We can, we can get you connected with the right lenders via the conduit LendingForDeals.com and you'll get paired up with the top four or five potential options for your type of deal in your state. So, that was the first thing. And we felt like it was a far better solution than just saying, Hey, go Google hard money North Carolina flip, you know, or whatever. Cause who you get paired up with in situations like that or the companies that have the best SEO, most money, they're not necessarily, in fact, very rarely are they the best lender for what you're looking for.

Matt: So, we have put together a platform in a nutshell where there's 132, I believe, lenders on the platform, currently. We do all 50 states, all deal types and all credit profiles. So,

Joe: Oh, that's, can you say that again? That's music to my ears.



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Matt: Yeah. All 50 States, all deal types and all credit profiles.

Joe: I've never seen anybody else doing that.

Matt: Yeah. Well now you know, that's not to say that we do every deal in every state, right. But we do most deals in every state and there are some exceptions, but you know, the idea is that you would input your deal, 123 Main Street, whatever it is, and one of our loan intake specialists would walk you through, Hey, these are the top five lenders that would be interested in lending on your deal in your state. And you might be able to choose from or you would be able to choose from a range of options. Right?

Matt: So, I'll just use fix and flip terminology for just because I think it's what most people are comfortable with. So, you might get an offer for a 70% loan to cost offering at say 7% interest and one point which is really cheap money, but you have to put 30% down, right? So, a little more skin in the game. You might get 80% LTC eight and two; you might get 90% at nine and three. You might get 100% even at 10 and four.

Matt: These are all hypotheticals obviously but sometimes as an operator it makes sense to go with the more expensive money because you have far less skin in the game. Other times it makes sense to go with the cheaper money because you have a little bit more money in the bank. You might've just gotten a closing or two to go through. And so, you're incredibly cashflow sensitive generally speaking as an operator. And so, to have the ability to choose, I felt like was a really big value add for, for...

Joe: Oh, we lost you, Matt.

Matt: Yeah. I don't know what just happened there.

Joe: Sorry about that. I don't know either.

Matt: Where did you lose me, Joe?

Joe: I don't remember... Like 30 seconds ago. We were talking about all lending and you hook them up with other lenders that are in their area that are lending in their area, but what's important to understand, unlike some other services that claim to offer this, all right, you're not just sending their email out to a huge list and then they're going to get



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bombarded with a ton of calls and spam and text messages. Will you talk a little bit about that?

Matt: Sure. Yeah, absolutely. There's, there's actually a handful of different services out there that do just that. They kind of paint the picture that they're going to be a conduit, but really, you're inputting your information and then they're selling the lead to a bunch of different lenders. You get bombarded by 20 different lenders for however many months.

Joe: Which happened to me... it's very frustrating.

Matt: It is. It's from a user's experience it's awful. I mean, I hate that from a, from a borrower perspective or a consumer perspective. So, so that's one big difference is, it's all done on our platform. We're actually excited to have an AI based platform launching hopefully sometime in Q2 that we've been working very hard on as well. It should make it even faster and more efficient, will allow us to onboard more and more lenders. That's one of the big goals is to continuously onboard lenders to drive the cost of capital down for the borrowers.

Matt: I'm trying to think of what a good analogy would be, Joe. So, a lot of people are familiar with Lending Tree in the primary mortgage world. So, you know, you enter in your information to Lending Tree and they say, Hey, Wells Fargo or Bank of America or whoever is the best match for you. Kind of what we do, except we're in the hard money space, the private lending space, we do have family office money, we've got some wholesaling or wholesale lenders that the street or the public doesn't have access to, some institutional lenders and some private lenders as well.

Matt: So, we've kind of got a mixed bag of a bunch of different options and it's all on the platform. We don't sell your information; you're not going to get peppered. It's, you have one place that you go and our loan intake specialists will walk you through the process and try to get you paired with the right solution for you given your cashflow position, the type of deal, the state you're in, et cetera.

Joe: Nice, good, good. I'm just looking here at the website. You provide transactional funding, private lending stated, what does that mean? Stated income, stated assets? Fix and flip lending. Rental lending for people that are doing the BRRRR strategy, right? Buy, Renovate,



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Rent, Refinance, Repeat. Is that it? Bridge financing. Hard money. Rehab and construction, is that right?

Matt: We do construction, land development. Yeah, so we have 10,000 different loan types and so you can buy a hotel, you can buy 50 rentals, one rental, fix and flip, transactional. You can buy a gas station, a bowling alley, a marina. I mean it's, it's really, as long as it's a business purpose loan, we likely will be able to come up with a solution for you.

Joe: As long as the numbers are good.

Matt: Well, it's got to be a good deal. Yes, fair. Absolutely.

Joe: You lend on, I'm looking at your list here, one to four unit investment properties, apartment buildings, multi-families, assisted living, auto dealerships, auto repair, bed and breakfast, retail, gas stations, motels, hotels, condos, offices, rental home portfolios, restaurants, self-storage, special use, single purpose, triple net and more. This thing I know a lot of people are wondering though is like, okay, I just need some transactional money, right? I just need, I'm wholesaling a deal and I want to be able to get the cash to buy it and then quickly flip it and turn it, sell it, you know, and you need, you might need a hard, you might need a proof of funds or something like that for some short term transactional funding like that. Do you do that as well?

Matt: We do, yeah. So transactional, same day, double close kind of thing. We definitely do that. We provide proof of funds very much in an automated fashion. So, as a buyer, you know, for, from a credibility standpoint, a lot of times when you are sending out offers to potential sellers, gives you certainly a legitimacy that you wouldn't have otherwise without going through all the hoops and submitting your last two years of tax returns. So, on and so forth. Obviously, there's due diligence and there's a clause in there that we're going to do some additional due diligence, but, but yeah, we do provide that free of charge

Joe: LendingForDeals.com and we are getting a lot of... I haven't had a podcast this long where we're getting this many comments. This is good. Ken is asking, what's the website? And I just posted it and he said, thanks. That's cool. Celeste, this is awesome. Jamil is from New Jersey. Mark says he can hear me when I was lost. Mark also said this platform is a no brainer for my students. I love this. Adrian is asking, what does that mean all credit types? Can you explain that?



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Matt: Sure. Yes. So, everybody has a credit rating. Most types of loans, well, I don't want to even say that... Depending on the type of loan, they're going to do some level of credit check, right? A transactional lending situation, there's zero credit check, same day and its asset based 100%, ranging all the way up to, you can imagine a \$10 million multifamily deal. There's going to be a lot more due diligence involved and definitely a hard credit check. But this stuff in the middle. that would be a soft credit check. So, something that they're checking your credit but it's not going to ding your credit for that check. And so there's a range of credit checks and there's also a range of credit profiles that are acceptable depending on the type of deal, the state and the lender, et cetera.

Matt: So, we definitely have, I mean in a perfect world, every lender would love to lend to somebody who has an 800 or higher profile. But the reality is a lot of us in the real estate investing space, our credit profiles ebb and flow. I mean mine personally goes up to 800 and down to 650. I mean it just depends on, you know, how many deals I've got, how much credits extended, so on and so forth. So, to say all credit profiles, that just means we'll service, or the lenders will service, I think 580 give or take is kind of towards the bottom end. I'm not sure what the exact number is, but something like that, all the way up. And so you know, terms are gonna vary depending on your credit and the exposure that a lender may have with a given borrower. But yeah, we should have a solution for almost every credit profile above a certain point.

Joe: It really depends on the deal too, doesn't it? If you've got a good deal, the money's easy. Celeste is also asking here, what's your criteria for lending? We kinda just talked about that, but maybe talk about like what's the deal criteria for lending on, on let's just say a single-family home.

Matt: Yeah. I mean most, most of the lenders on the platform, and again, this is going to be a range. So, so people ask me what are the rates? So this is kind of the, this is the idea behind the platform is that people are bidding for your deal essentially, right? And so a lender on any given day is going to have more or less capital to deploy, right? So let's just say they've got a \$90 million book and 89 and a half million's on the street already. Well, you know, they're pretty well fully deployed. They're not going to be that aggressive for your deal, no matter what deal it is.

Matt: Other days somebody may have to deploy 30 so they've got a \$90 million book and they've only got \$60M on the street. They're going to be pretty aggressive to deploy that capital.



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And so the idea is that Monday will be different than Tuesday. It'd be different than Wednesday. And on any given day, based on your deal specifics, you should be looking at the top four or five potential options for that deal at that point in time. And so there's not really a "what is the criteria" simple answer, right, because again, the diligence is totally different for a big multifamily commercial building than it is for a transactional funding deal and everything in between.

Joe: Adrian is asking, do you offer proof of funds? We already answered that. If you're go to LendingForDeals.com There's a button right there at the top. How long does it take to get it and sometimes, you know, you need money fast in the competitive market, how quickly can you close?

Matt: Transactional funding? I believe we can go all the way down to two days; same day may be a possibility. However, I would imagine there'd be some kind of expediting fees that would be associated with that. Generally speaking, because we are a conduit to the, to the lenders, it's not as quick as you would go straight to it, but it's pretty darn close. You know, two days is what you can expect. I would say two to three on a transactional deal, hopefully a couple of weeks on a fix and flip. Especially if you already have a file created, meaning you have a profile and some of your docs have already been submitted previously so I mean we move pretty quick and we understand that that's critical for the real estate investors out there. I am an investor.

Matt: I mean the point is, you know this is a website and a system and infrastructure built by investors for investors. This isn't like a bunch of finance dudes that have no idea what a fix and flip is. I mean as I mentioned earlier, I've done thousands of renovations over the years. I understand the investor side probably at this point even better than I understand the lending side frankly.

Joe: That's good. Yeah, definitely. What's involved with getting a proof of funds? What do they have to do? How quickly can they get it?

Matt: I think there's maybe six data points that you gotta... I mean, just go up, click on need proof of funds. There's there, there's a button top right? Like you mentioned earlier, name, email, I think phone, address. It's about it. There's, there's not a lot to it. They may ask you for ARV, depending on the type of deal. If it's a transactional, it's not necessarily relevant what ARV is cause you're not going to repair it, you know? So, it's a bit of an "it depends",



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but I mean, you should be able to fill it out in a one minute and have it within, I don't know, an hour at least.

Joe: I did it the other day. And it worked great. Yeah. They emailed me the letter. That's right. You gotta make sure you put in your correct email address or else you won't get it. Adrian is asking, can you lend in Utah? We do. We've got brokers in Utah. Utah is one of those states where you have to have brick and mortar. You know, that's a statutory law as it relates to lending. So, as we are a conduit, we don't have to worry about us necessarily having the brick and mortar, we just have to find lenders in Utah that we can work through and obviously foster some competition to where you win as a borrower.

Matt: So, you know, all of those questions—points, interest rates, fees—it is lender dependent, but again, you choose eyes wide open. This isn't a "Hey, they pulled back the curtains and you know, surprise!" Like, you know exactly what you're dealing with and you get to choose what direction you want to go.

Joe: Good, good. Do you lend only on flips or can you lend on long-term deals?

Matt: We do commercial. Absolutely. Again, we, we've got... So, the dispersion, if you will, of the types of loans would be a... I've got it written down somewhere. So, bridge and rehab, which is kind of your traditional fix and flip type stuff, is about 40% of what we do. And then there's 40% that would be what would be termed a perm loan. So, longer period of time, better suited for, you know, development stuff. It could be a rental buy-and-hold, any kind of long-term, longer than 12 months.

Matt: So, so the bridge and rehab side is basically anything that involves rehab or anything, it's basically 12 months or less. Perm is 12 months or more. Well, 12 months and a day or more and, and then we do some, some new construction that's probably, I don't know, a little bit less than 20 and we do a little bit of transactional, it's not a ton, but I mean again, we have lenders that can service any of these loans in almost any state. So, it's just kind of depends on the state, depends on the type of deal. And our loan specialist will walk you through and get you paired up with the potential suitors, if you will. And you can choose as the borrower what the best fit is for you.

Joe: Excellent. Jamil from New Jersey, what's going on? I told everybody to tell us where they're from and they are. Eugene from West Palm Beach, Mark from Lafayette, Indiana. And that



one town we were asking about, that we were guessing... Port Charlotte is actually Southwest Florida.

Matt: South West Florida. Okay.

Joe: That's the Gulf side, isn't it?

Matt: Opposite side of Miami, I guess.

Joe: Yes. Alright. Ishu I believe has a good question here. Do you refinance loans? What kind of terms? Asset-Based refinance loans. Will you talk about that a little bit?

Matt: Yeah, so asset based is, that's kind of a broad term, right? Everything is asset based to a certain degree. It's just more or less depending on the type of loan. Yeah, we absolutely have refinance, cash out, refi, traditional refi. You know, Joe has a product catalog. I have a product catalog. I mean we'd be happy to send it to whoever would want to see it. It's got about, you know, as it relates to the 80/20 rule, it's probably got the loans that we do 80% of, you know of the total within those types of loans in the catalog. But it'll tell you all about all the refi stuff. That's, that's absolutely, that's a big part of it. Like I said, the perm loan side, which would include the refi side... It's a big chunk of what we do.

Joe: Good. Jason is asking here if you live in one state but do deals in another state, are there any complications there?

Matt: Nope. Not provided that the lenders don't have any stipulations against that. That's one of those things that you would talk through the loan intake specialist and say, Hey look, you know, I want you to know this going in. And they might say, Oh well instead of having five options, really it's four cause this person or this lender does have an issue with that. But there's always a workaround and we'll guide you based on your specifics.

Joe: Good. Ken from LA, how was the traffic this morning, Ken? Well hopefully you're probably not fighting traffic because you're watching this podcast right now. Here's a good question. What is your maximum loan amount? I know it depends on the type of deal, but...

Matt: Yeah, I think we turned down and I don't even know if it was the deal type, but it was a \$27 million deal we turned down for some reason or another. We don't really have, I mean we



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do jumbo loans so there isn't really a max per se. It's deal specific like we keep going back to. But yeah, I mean, especially on the California side of the country, I mean up into the millions on a single asset is not out of the ordinary. So, a little bit deal specific but, but yeah, I would say there's almost not a cap.

Joe: There's a question from Adrian. Do you lend to entities or LLCs?

Matt: Yeah. In fact, most people I think would be wise to borrow as one of those and most lenders actually would prefer to lend to one of those. It's one of those things that further identifies it as business purpose and when people borrow business purpose loans in their personal name, it definitely starts to toe the line. And so yeah, we would prefer it frankly.

Joe: Good. We're getting a lot of questions here. What's the website? What's the website? LendingForDeals.com. LendingForDeals.com. Celeste is asking, do you do private home loans?

Matt: So, if that's, if you're talking about primary mortgage, the answer is no. That is, that is a totally different animal that's federally regulated in a totally different way. Again, I keep using the term business purpose. It cannot be for the home that you would live in. That would be a primary mortgage and that's not something that we can get into.

Joe: Good. Ken, by the way, who is from LA says he works from home. He says, thanks, this is great stuff. I'm really glad you work from home. LA is crazy. Russ, my man, he says, what's up, Joe? Do you loan on storage facilities?

Matt: Yep, it's on the list. Again, I know people are joining us kind of like you know, at different points, but yeah, 10,000 different loan types, 10,000 plus different loan types. So, odds are really good that we can do again, as long as its business purpose. We can do almost anything for you depending on the state and the type of deal.

Joe: I've, I've gotten through all of the questions. This is really good. I love the interaction and the feedback you guys are giving us, YouTube and Facebook. Keep on, keep the questions coming. Good questions. But let's talk about what you're predicting Matt, for the future. What's going on in the economy and how can we be best prepared for it?



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- Matt: Yeah, so I mean, I think it's pretty clear that we're towards the top of the market cycle. I don't know if we're before or after the apex, if you will. I do know that money is cheap right now and that's a huge deal. Interest rates are low. Everything I see, there is no real upward trend. I mean it's; I think just this last week they again had no change. So, for the foreseeable future, I see it, you know, the challenge right now is, is lead generating, right? I mean it's, it's tight cause the inventory's down. Demand is up, but there's still tons of opportunity. And again, money's cheap right now. So, we've got a lot going for us as investors.
- Matt: And I would say for the foreseeable future, it's always, it's always unknown, right? Like something crazy could happen that's unforeseen. But I mean, everybody's been calling for recession, all the doomdayers, right, for the last two, three years at this point. And it's like, it just keeps going. And I, you know, I don't see any huge change as long as the current president remains. I mean, he's a capitalist and that bodes well for, for business people and investor focused people.
- Joe: So, I don't want to get political here, but let's just say our good friend Bernie Sanders gets elected...
- Matt: Is that, that's who you're charting into.
- Joe: Alright. So, I'm not taking sides. Alright? But let's, every everybody can agree he's a socialist, right?
- Matt: I think that's right.
- Joe: He admits to it and he's kind of driving and leading the democratic party right now whether they like it or not. And there's this huge populous sentiment going on right now, this big undercurrent. At least they're the vocal minority, right? They're the one that everybody's hearing talk about... It makes me a little nervous to be honest. You know, like free government healthcare. Like have you ever been to the DOT lately? You're going to want the government bureaucrats to run your healthcare? Are you serious? Alright.
- Joe: But free government, healthcare, free college education for everybody. Not only that, we're going to forgive all of your past student loans and we're going to penalize the rich and we're going to make it a fair level playing field for everybody. That sounds nice, but it



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doesn't work, right? So nobody thought Trump could have been elected. What if Bernie Sanders gets elected? Or let's just say maybe it doesn't matter. And maybe that's not fair. By the way, somebody bought me for my birthday present some whitey tighty underwear that said on the back, it's a picture on the butt. It's a picture of Bernie Sanders and it says, feel the burn.

Matt: That is right on the line, Joe, of too much information.

Joe: Oh my gosh. I posted it on my Facebook page. If anybody wants to see it. Go to my Facebook profile, my personal profile, and I put a picture up of this. Oh my goodness. Okay. TMI, right? So, nobody thought Trump would have been elected, but he was; nobody thinks that Bernie Sanders will be elected, but he just might. Who knows? Right? But let's say, you know, the market and the economy starts changing in a couple, three years from now, things start coming down. How can we best protect ourselves as investors from, you know, being in bad deals or being over leveraged, you know, how do we avoid those mistakes when it comes specifically to leverage and debt? How can we avoid the mistakes that a lot of us were making way back in 2008 and nine? Does that make sense?

Matt: Yeah, I mean I think, I think the challenge and or the way that almost anybody gets in trouble and no matter where they are in a market cycle, whether it's leverage or otherwise, is just being too overly optimistic or too aggressive. I mean, so if you're underwriting deals, I would be conservative. I mean, you know, to the point of maybe you've got to walk away from more deals than you're used to. Maybe there's just not the inventory there and that's, that's a reality.

Matt: I'm not necessarily personally worried one way or the other of who gets elected or where we are in the market cycle, you know, contrarian to say the least as it relates to investing. And look, I mean depending on where you are on the market cycle, there's always a possible investment, right? There's always a button you can press to take advantage of whatever that circumstance is. So just, you know, I'm one of those people just tell me the rules to play by and I'll figure out how to win. I really, I mean that. You know, when you're playing at the bottom of the market, the middle of the market, at the top of the market, there are ways to win in all of them, I think you just to be a smart business person.

Joe: That's a really good point. Cause I predict, and we already see this Matt, like there's a ton of money sitting on the sidelines waiting to jump back into the market and you know,



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maybe when the market shifts its good thing. It's not like the stock market where it shifts on a dime. Like literally overnight, you're down 20%. Real estate moves much slower than that. Right? Well, that's really good for us investors, right? Because now as investors we can move, you know, and adjust.

Joe: Maybe when the market starts shifting down, we're not doing as much rehabbing of higher end homes, right? Maybe we're just rehabbing the lower end homes, but I'm predicting the money's going to get easier to get and find as the market starts shifting down because there'll be more money coming into the market to pick up these deals. There may be a transition period of six to 12 months when people are trying to figure out what's going on, but I'm excited about the future. That's what I'm trying to say. I'm optimistic, aren't you?

Matt: Me too. 100%. Look, here's fundamentally as an investor, it is our goal to, and frankly, our responsibility to place our capital and our time, energy, effort, whatever it may be, any of our resources... To place those resources in the best available opportunities. Right? So yeah. Okay. Five, six, seven years ago. Yeah. I mean those 25% net yield returns, they, they're not around anymore. But here's the deal, and this is, I think you were alluding to this earlier, maybe it is 7%-8% right now. Maybe that is the best you can do, but guess what? It's a whole heck of a lot better than 1% in the money market account or you know, and I'll go toe to toe stocks versus real estate with anybody. But I mean like, you know, you're backed by a hard asset. You have, you know, kind of the three different types of appreciation. Right?

Matt: And I think we just have to continuously, even if the returns are a little bit less attractive than they were five years ago, it's still better than the alternatives. And so I think you just have to play smarter, be a little bit more conservative. But I'm not running away from real estate no matter what happened with the economy, period. I mean there's, there's millionaire, you know, millionaires are made every day no matter where it is in the market cycle.

Joe: Yeah. Oh, we lost Matt again. We will wait for Matt to come back here. My apologies. But again, guys, if you want to get more information on what we're talking about, go to LendingForDeals.com. Yes, you're back. Alright.

Matt: I don't know what's going on, man. Sorry.



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- Joe: It's all right. A question here from David, Hey from Orlando. How much or how much of a percentage do you lend on a property? Is it based on the deal so we can know how much skin in the game we need to put in advance? So, let's talk about an average rehab deal, Matt. You know, how much typically on average does somebody need to have skin in the game? Does that make sense?
- Matt: I mean a bank is going to ask for the most, right? I mean, you're not, the bank is not going to let, a traditional bank, is not going to lend you money unless you've got at least 30% skin in the game. Traditionally, they may have the best rates, but you have a lot more skin in the game, right? And so there's kind of a, there's an inverse relationship between the skin in the game and the rate: the less skin in the game, probably the more expensive the money, meaning the higher interest that you're going to pay, the higher points.
- Matt: The cool thing about what we're doing, what we've put together is you should have the four or five options that span a spectrum of that, right? That that you're looking at 70% loan to cost at seven and one like we talked about earlier, all the way up to maybe 90% or 100% loan to cost at quite a bit more expensive rates. I mean it's just, it's a tradeoff. And I think the value add for us is you can choose as an operator depending on where you are from a cashflow perspective.
- Joe: Yeah, that's really good. Nona. What's up, Nona? How are ya? Great resources for investors to tap into. You're absolutely right. LendingForDeals.com. Alright. Hey Matt, we've got a few more minutes here. Real quick, what are some of your favorite books that you're reading right now?
- Matt: Oh man, I am a huge, huge Gary Keller person. I love The ONE Thing, Millionaire Real Estate Investor, Millionaire Real Estate Agent, Shift, Hold. I mean, all of his stuff, all of them are great, fantastic books.
- Joe: By the way, Gary Keller just did an interview with Tim Ferris on his podcast. You should listen to it. It's really good. Everybody here watching this, listening to this right now. Go look at Tim Ferris' podcast just about a month or two ago from when I'm recording this. He did a great interview with Gary Keller who hardly ever does interviews. It's like really hard to get him and you should listen to that. It's really good.



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Matt: Yeah, he's, he's brilliant. I'm been to Family Reunion, which is a big KW thing, probably five times over the years and he's, he's fantastic on stage. Gosh, I don't know. I could, I could name so many. Good to Great, Jim Collins is fantastic. And you know what, just as a fundamental thing, I would always recommend the book Grit by Angela Duckworth. I mean, it's so fundamental to success in business as a whole to be able to take it on the chin and live to fight another day and continue to overcome and fail forward. It's a great, great book. Definitely. You know, I believe that stuff for sure. So.

Joe: Good. Do you listen to podcasts?

Matt: You know, I'm not, I haven't historically been a huge podcast person. I am just now starting to figure out the, the breadth of, of really, you know, the podcasting world and, and wow, there's a ton of resources out there. I feel like I need to get on board because it's, you know, I mean, it's like a, another chapter of a book. Every time you plug in, assuming it's a good, you know, a good podcast.

Joe: I heard there was 7,000 business podcasts the other day. I don't know if that's true or not, but I'm just looking now. I wish I drove more. I wish I, sometimes I was stuck in LA traffic so I could have an excuse to listen to more podcasts and audio books. And I know I would regret saying that once I actually moved there. But there's a lot of good real estate investing podcasts out there and I'm looking at it right now. I've been on a lot of them. And a lot of those guys have been on my podcast too, but cool. Alright, any final words of advice, Matt?

Matt: I would say continue to network, continue to learn and continue to get better every day because some days are harder than others, but the more arrows you have in your quiver and the more relationships you have, the better.

Joe: Good. Somebody is asking right now for the link to that podcast. It's the Tim Ferris podcast. It's called the Tim Ferris Show, episode 401. It's actually like a two-hour long interview. They talk about a lot of really cool things. You'll like it because he talks about the history of how he got started before he did started Keller Williams and the things that I've never heard of before and even said these are things I've never shared before. It's pretty fascinating. Episode 401 on the Tim Ferris show. He recorded it December 12th, 2019... Or was when he released it. Nice. Cool. Alright, Matt, thanks for being on the show. Appreciate it.



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Matt: Thank you. Joe.

Joe: I'll see you next month; I think you're going to be here in St Louis for a couple of Leadership Boardroom stuff, aren't you?

Matt: Yep. I think the 12th through the 14th for Sean's event and looking forward to seeing you. I think you're speaking right, so looking forward to that.

Joe: Yeah, he's doing a speaker training and Vision Business, Business Vision, meeting for two or three days in March.

Matt: I'll be at the Business Vision. I think I've got CG the front end of the week.

Joe: Oh good, good. Alright. In the meantime, guys, go to LendingForDeals.com. LendingForDeals.com, alright. Thanks again Matt. We'll see you soon.

Matt: Thanks, Joe. Appreciate it.

Joe: Take care. If you want the show notes, by the way, if you want the transcripts and if you're listening to this on audio podcasts and if for some reason you want to see our ugly faces on video, go to... I'm just talking about me, Matt. Sorry. Go to RealEstateInvestingMastery.com, RealEstateInvestingMastery.com and find this episode there. If you just go to the search bar at the top and do search for Matt or lending, you will find this podcast. I don't know what the number's going to be, so we'll see you guys later. Take care. LendingForDeals.com. Bye bye.