Randy Hughes On The Importance Of Trusts

Hosted by: Joe McCall
Guest: Randy Hughes

Joe: Hey, everybody, welcome to the Real Estate Investing Mastery podcast. Today, it's going to be a good topic. We're gonna be talking about trusts, the importance of trusts, how and when and why do you use trusts in your real estate business? You can use trusts for all of your deals, wholesaling deals, lease option deals, buying whole deals, subject twos. And we have one of the nation's experts on trust, Randy Hughes, on the podcast. Going to talk about that. So I'm excited because this is something that I've dabbled with a little bit before when I used to do a lot of subject twos and kind of stopped doing them when I was doing lease option assignments and stuff. But Randy's going to shed a lot of light on this topic and explain why it is important and why we should not be ignoring it.

Joe: So this is going to be a good podcast. Want to let you all know. Also, this podcast is brought to you by my new book. I'm excited about it. I've been in a book writing spree is what you call it lately. This one is just called Simple Lease Options, the easiest and fastest way to do more deals in any market. And this is a book not just about wholesaling these options, like my previous one, about how to do a simple lease options. I call them, how to do many different kinds of lease option deals. And you can get this book for free just by watching my webinar. If you go to SLOClass.com, SLOClass.com. After the webinar is over. You'll get access to this book. We'll send it to you. And I think you'll enjoy it. It's going to get a lot of value out of it, especially as we're coming into this market where I believe we know with all this government stimulus going on. It'll be interesting to get Randy's perspective.

Joe: Feels like we're kind of kicking the can down the road and there's going to be a lot of foreclosures coming and there's a lot of cash sitting on the sides. A lot of people are wanting or looking for deals, are wanting to buy properties. So we have to be in a position where we're ready and not just be a one trick pony where we can give just one offer to sellers. Like, what if they say no or what if they need to sell it faster than that? Or what if a cash deal is just not going to work for them? They don't have enough equity. Well, those are great lease option candidates. And I am optimistic about the market where it's going. Whether it goes up or down doesn't matter. But if it goes down and I think it will. Creative deals like lease options are some of the easiest deals to do. And that's when I've done the most of them, is when the market was going down. So we just need to be prepared for it. Right. Go check out the webinar and get my book. SLOClass.com, SLO for simple lease options. Class dot com. All right, let's get Randy on. Randy, are you there?

Randy: Yes, sir, I'm here. Ready to go, Joe? How are you? Excellent. Today it's a beautiful day alive. Beautiful day to be in our business.

Joe: Excellent. And you're in Illinois. What part of Illinois?

Randy: Oh, central Illinois. Champaign in particular where the University of Illinois is located.

Joe: Oh, yeah. That's only about, what, an hour, an hour and a half from St. Louis.

Randy: Yeah, couple hours most. Yeah.

Joe: So most importantly, though, are you a Cubs fan? No. Oh, good. Are you just saying that? So are you a White Sox fan or what?

Randy: Actually, I'm a real estate fan. I've spent all my life totally immersed in real estate and really haven't gotten involved in sports to any large interests. All right. I guess I'm just a one trick pony. I love real estate and I've got any extra time it's going to be reading or writing or researching about real estate activities.

Joe: OK, well, good for you. I mean, I don't know anybody really who makes money watching baseball games all day. Complaining about the Cubs or complaining about the Cardinals. All right. But I always just give my hosts, our guests a hard time about it. All right. So, Randy, you've been in the business a while, right?

Randy: Yeah, I bought my first single only house in 1969 while I was in college. This is my fiftieth year.

Joe: Sixty-nine. Yeah. Good for you. What was it was like? What were the interest rates back in 69?

Randy: Well, they weren't really too bad. But what was what was really cool about my first purchase. Joe was back in that day you could assume a V.A. or FHA loan even if you were not a veteran. Yeah, I was in college and avoided going to Vietnam by going to college and therefore was not a veteran. But my first house I bought from a veteran and assumed his V.A. loan for thirty-five dollars. And there was a little one-page application and I gave him all the money I had from saving my paper out of pop bottom money deposits on our bottles. You know, everything I had accumulated to that point of age 19, which was about eight hundred and thirty-five dollars, and I gave him that and took over his underlying VA loan.

Joe: Oh wow. Excellent. So then what do you do after that? Sixty-nine. How did you find the deal?

Randy: Well interestingly enough I was living at home, I looked at home the first two years of college and his backyard catty corner touched the backyard of my parents' house. And that's how I got to know I was just kind of, you know, through the backyard chatter. And then I ended up buying two more houses while I was in college. And then when I graduated from college, I went to work for an insurance company that was coming into town and they needed an office building. They were willing to sign a lease. So I used the equity in the three houses to buy a small office building. And I rented it to the insurance company. And that's kind of what got me started.

Joe: OK. And after that, then what did you do?

Randy: Well, that was at Eastern Illinois University, which is about an hour south of Champaign. And so when I moved to Champaign, still working for the insurance company, it was working out well. I didn't like long distance managing property, so I sold everything in Charleston, Illinois, and began investing in Champaign in 19. I think about seventy-three or seventy-four somewhere along in there. And then then continued to invest in the Champaign area ever since.

Joe: And then what. I mean I'm always curious. Back in the day, the 70s and the 80s, maybe even in the 90s, like, how did people find their deals? How did you find deals? There was a lot harder to get lists back at that day, wasn't it? And it was lot harder. Yeah.

Randy: Everything was manual. It's funny. I really kind of had two approaches. One was to let every real estate agent in town know that I was a buyer. And once that happened, I had a lot of deals brought to me. So it was easier to pick and choose. So they were kind of my bird dogs. And the other thing I'd like to do is something that most people will not do, and that is knock on doors. Most people are so afraid to knock on the door that they would never think of knocking on a stranger's door, which means you have no competition. So I like to walk through neighborhoods where I where I've targeted to buy and knock on doors. And just when they answer the door, just say hi, I'm looking for a house to buy in your neighborhood. Do you know anybody who wants to sell? And that was very unassuming and it wasn't confrontational. And most of time people said no. But every once while somebody would either say, yes, I'm interested or usually no, I'm not, that I know Joe down the street. I was just talking to him the other day and he's interested in selling. Let's go talk to Joe. And that technique still works today, I think.

Joe: And then how would you find your buyers? How would you advertise your properties?

Randy: To sell? I don't do a lot of selling, Joe. I personally think that the only way you're going to build wealth and not just have another job is to hold onto these things. Yeah, certainly. I've sold over the years. I mean, I bought roughly 200 houses in my career. If so many of them, because, you know, I've got to pay the grocery bill. I have two daughters who got married. They thought they needed a nice wedding. And my wife thought she needed a nice house to live in. And so, you know, you got expenses. But in general, I just buy and hold. And I've found that that sure pays off when you get older to have these properties cranking out money. And many of them not having mortgages and that sort of thing. And from a tax standpoint, it's a really smart thing to do is to not sell. Yeah. And to die. That's my ultimate tax strategy, is to die because there's just wonderful tax code that says that my heirs will get a step-up basis when I die. So in other words, a house that I've had for 30 years depreciated down to zero. When I die, the kids are going to get it at current market value and they depreciate it down to zero. Life doesn't get any better than that.

Joe: And just curious, too, what's your philosophy on leverage and debt when you buy a property? Do you try to pay it off as quick as possible and you try to reduce your debt to buy more and more?

Randy: Well, the last few years I've been doing a lot of buying for people who can't qualify for a loan. And what I found is there is a tremendous amount of people out there in America that are good people that have money, but they cannot qualify for a conventional loan. You know, their credit scores are too low. They're self-employed less than two years. They're in the cash business. So they don't report all their income, but they got money. And I think it's a great niche because I typically will close on buying in the morning and sell in the afternoon. And what I do is I sell on an installment contract. I sell the beneficial interest in the trust. I don't sell the real estate. Now, that's gonna be a little hard to get too deep into the weeds here on this podcast. But I don't buy anything in my name. I would never buy real estate. You can't give me a piece of real estate if I got to put my name on it. It's just not worth the risk.

Joe: About that, though. What do you say to the bank who says that you're getting a loan, it's got to be in your name. You can put it into a trust later if you want. But what do you do when you're getting a loan from a bank?

Randy: Yeah. That only applies if you're getting a conventional loan. Right. And you can only get four of those. Maybe some banks will do a little more. But if you're very active in this business, you're gonna have a heck of a lot more than four loans. So I say get those four conventional loans, they're fixed rate, low interest rate loans, they're great loans. But you do have to close them in your name and then change title afterwards to your trust. But after you've got those four loans, then you should never buy in your name. You should buy directly into your trust. Taking title from the seller to your trust. And you're going to be dealing at that point with a convention with a non-conventional lender, like a portfolio lender, a regional bank, if you will. That's going to hold their loan in-house and not sell it to the feds. Therefore, they do not require you to. Take title. So I have trustees that take title for me and I sign the note and or personal guarantee with the bank, but I don't go on the title.

Joe: OK. So most of the homes you buy, either you're buying it with through portfolio lender or you're buying just by taking over the existing mortgage right?

Randy: Or I'll just pay cash for it. And then down the road, if I need some cash, I'll throw a loan on it to buy another one. You can just flip flop back and forth with that plan.

Joe: I see. OK. So talk about why trusts are important. What's wrong with putting it in your name?

Randy: Well, there are a whole bunch of reasons. And in fact, if you will allow me at the end of this, I'll give out my Web site address where listeners can go and get a free booklet that I've written that has over 50 reasons to use a trust.

Joe: Go ahead and give us the link now, in case somebody doesn't listen to the end of the this.

Randy: Good point. It's land trusts made simple dot com cool land trusts with an S. It's a plural word. Land trusts made simple dot com. All right. And right at the top of the home page, there's a phone number that they can text to in and get it, get that free booklet. But let's discover a few of those 50 reasons right now. From estate planning, you avoid probate when you use a trust. And this is extremely important if you care about your loved ones. I give you a quick example. I was married for 41 years and my wife died six years ago. And she had all her trust. She had her own LLC. We never mixed anything. She had her stuff and I had my stuff. But the moment she died, everything collapsed right down through the land trusts, through the LLC and into her living trust. And that living trust became immediately irrevocable upon her death. And I'm the trustee of that living trust. My daughters are the beneficiaries.

Randy: So we had immediate control of all of her assets without having to go through probate. So and probate is not only time-Consuming and somewhat expensive, but it tells the whole world everything that you owned and who owns it now. And certainly I didn't want that kind of public information. So nothing happened. Nobody saw anything when my wife died. It all just worked like a dream. Yeah, just like it's supposed to. So avoiding probate is really, really important. Privacy of ownership is extremely important. It's always been important. And it's it's getting more important as the world gets crazier and crazier. And

I've got story after story. I can tell you my students and experiences. I've had crazy tenants. Well, let me just put it all in one package. I've been a landlord for 50 years. Of those years, I was raising two little girls in my house. And the last thing I wanted, Joe, was some guy I was evicting to look me up online, coming over my house, knocking on the door, and my seven-year-old daughter answered. So there's a really life threatening issues when you're a landlord and dealing with tenants.

Randy: I had a lady call me a couple years ago from Florida. She said, How do I get your home study course fast? And I said, well, what's the hurry, ma'am? She said, Well, I'm down here in Florida. I've got eight rental properties, my own personal residence. And I just got a call from one of my tenants, a man knocked on the door looking for me. And I think I know who he is and I'm not interested. And, you know, the light bulb went off in her head that day that you don't own the stuff in your name because what he had done, he'd just gone online, printed outline addresses and were going was going door to door looking for where she lived. This is modern day stalking. So you do not own this stuff in your name. It's stupid to do so. It's just not worth it. You get all the same benefits holding it in trust as if you don't hold it. Trust the tax benefits and all the things that we want. Real estate you still get. So why would you ever put your name on it? You know, the stories go on and on.

Randy: I get invited down to Cancun once a year to speak to a group called Real Estate Masterminds put on by a guy out of Dallas, Texas. And I was down there a couple years ago and we sit around the pool and basically talk real estate. This guy and his wife was across the pool. The tables pool with me. And he said, hey, Randy, we bought your home study course, learn how to create trust. And we thank you for that. And I said, why did you buy it? What did you do with it? What motivates you? And he said, well, we were home. We're sitting home on a Friday night at nine thirty. And the doorbell rang and went to the door. Was one of my tenants. And the tennis said, hey, my toilet's plugged up. I need you to come over and unplug it. And my friend said, Hey, man, it's nine thirty on Friday night. I'm not coming over tonight. I'll come over first thing in the morning and unplug your toilet. And the tennis said, no, you don't understand. You're coming tonight. They had to call the police. It was a big, big blow up.

Randy: And they realized that night, you don't own this stuff in your name. Because all he had done is looked up his property to see who owned it, looked up the owners where they lived and marched over and demanded action. So as the world gets crazier, you just gotta you gotta drop off the radar when it comes to tenants. And that's just from a management standpoint, from an asset protection standpoint, because you did not have your name on this. Attorneys are not stupid. They don't sue poor people. They sue people who have money and they love real estate people, because they're hard assets, you can't unload quickly if somebody is coming after you. Like cash in, the bank suddenly disappears. But you can't make your a building disappear quickly if you get sued. So attorneys will do what's called an asset search prior to suing. They want to know you're worth suing or they're not going to sue you. And the first thing they do is they look at what real estate you own. So it's just it's just the first line of defense is to not own anything in your name.

Joe: OK, yeah. So then if they look on the title, who owns it? They're going to see a trust. Right? They're going to see the address of the trust. What is the address of the trust?

Randy: Well, you're right on the deed. You do have to put an address for the county to mail you the tax bill or the city to send a notice saying that your grass needs mowed. So there has to be an address. But it doesn't have to be your address. I tell my students to use a post office box and have that mail somehow get to you. But certainly don't put your home address on there. That would be really stupid.

Joe: So whose address would you put again?

Randy: A post office box. You could use a mailing service or you do like a registered agent. You can do that easily. So they're called the registered agent. They could forward the mail to you. Just depends on how deep you want to bury yourself.

Joe: But your trustee then is your is your trustee. You gonna be in the documents? Can they see that?

Randy: Yes. The trustee is going to be on title and the whole world can see that online. But that doesn't tell them anything. See, you don't know where my trustee lives. And if you structure your trust properly based on my teachings, they won't even know if your trustee is a man or a woman. They won't know what state they live in, what town they live in. So there's a lot of psychology behind this I've developed over the years. I have a whole chapter, for example, in my home study course on who can be your trustee and who should be your trustee. And I have a whole chapter in there on how to name and number of your trust. Just the psychology behind naming and number. Now, most attorneys will tell you, well, name the trust after the property you're holding in the trust. One, two, three, Main Street Trust. I don't think that's very creative or very defensive from the asset protection standpoint. I like to name my trusts things that might sound intimidating or might sound like maybe they got whoever owns this place has a legal department with 20 lawyers just waiting to sue you back if you challenge.

Joe: All right. So somebody maybe listen to this. They're still thinking, what on earth is a trust? Can you maybe start from the basics of what a trust is?

Randy: Sure. Good idea, Joe. A trust is nothing more than a few pieces of paper. It's a contract between your trustee who holds full legal and equitable title of the property. It's a contract between your trustee and the beneficiary. Now, in most states, the beneficiary of a trust holds a personal property interest. So they own the trust. And that's personal property trustee owns the property, which is real estate. So it's it's basically a title holding mechanism where you don't hold the title in your name. Somebody holds it on your behalf. And these trusts have been used for thousands of years. They've been used for over a hundred years in the United States and thousands back in England where our laws came from. Barack Obama owns his personal residence in a trust in the suburbs of Chicago.

Randy: Most wealthy people use trusts and there are many, many kinds of trusts. What we're talking about here today, Joe, is just a little basic grantor revocable trust. The IRS doesn't even require tax returns. A tax I.D. number. There's no registered agent required. There are very easy, simple trusts. And, you know, if your audience wants to learn about them and get more involved and there are lots of other kinds of trusts, irrevocable trusts, personal property trusts that they can get into. It's a wonderful world to live the trust life as opposed to a human life. Sure, it's best to live with the trust level, not at the personal level.

Joe: OK. So the main reason for trust is anonymity. Privacy, right? Primarily, yes. What if someone said, well, just put the LLC and put the property in an LLC and then put the LLC address at a P.O. box? What's the difference then? Is that a good or bad idea?

Randy: Well, it's a bad idea. And let me just say this. I love LLC. I use them in my business every day, so I'm not disparaging LLC. It's just that if you think this through logically, it makes no sense. And I know a lot of attorneys tell their clients. Oh, yeah. Form an LLC and put these 10 single family rental houses in that LLC. Now that's because most of them are not aware of trusts or most of them actually only five percent of the lawyers in the United States are considered asset protection lawyers. So that tells you 95 percent are giving bad information. But my point is this. If you have 10 rental properties in one LLC and something happens on one property, you get sued, you lose, they get a judgment against the owner. Who is the owner? The LLC. Now they've got a judgment against all 10 of your properties. That's not very smart.

Randy: Furthermore, I can look up, who owns an LLC. Unless you form it in Delaware, Wyoming, New Mexico or Kansas, those states do not publish the owners of LLC. But if you have it formed in any other state, I can look up who owns it. So there goes your anonymity. I teach my students, Joe, to put each property into a separate trust, then make the beneficiary of those trusts one or more. L l c's. Because interest just because you put your property in a trust doesn't mean there's no more liability on that property. The liability flows through to the beneficiary. And that's why most real estate investors will have an LLC or a corporation be the beneficiary of their trusts.

Joe: Now, let's be clear, too, if you do something that negligent and stupid. No. No amount of trust or entity structuring is gonna protect you from a lawsuit, right?

Randy: That's true. That's very true. What we're what we're trying to do here, Joe, is we're not trying to avoid our responsibilities in life. I have never, never been foreclosed on. I've never paid a note late. I've never stiffed anybody out of anything. But if you come after me because of some frivolous lawsuit, some B.S. that you've dreamed up, which is what's happening with our legal system, then you're gonna have a fight on your hands. I'm not giving up my family's assets because you don't want to work hard like I did for the last 50 years. You want to sue somebody to get rich. That ain't going to work with me. And starting with the trust again, the trust isn't going to protect you. But it does in a way, big. Just from the privacy of ownership standpoint. Can I give you an example? Yeah. So in the year 2000, I sold a house that my wife and I and my two daughters lived in. And six months after closing, I got a letter from the buyer's attorney that said, Dear Mr. Hughes, my buyer had to replace an air conditioner, some wood flooring and all the toilets in the house. And if you'll just send us a check for eight thousand dollars, we won't sue you. I sold. Seller disclosure, all the forms, everything was done right away.

Randy: That's just nothing more than the blackmail. I'm not responsible for maintenance after I sell a property. Yeah, but these guys, these attorneys, contingency fee attorneys just send out these letters all day and wait for the money to roll in because most people will roll over because they don't want to be sued. So I sent him a letter back. I said, Dear lawyer, I would suggest you check your records before you threaten to sue somebody. I wasn't the owner. So he sends me a letter back and says in so many words, well tell us who the owner is or was and we won't sue you. So I sent him a letter back and I said the owner was some kind of a trust. I don't understand them. They seem kind of complicated to me. My last sentence said good luck. And you know what happened, Joe? Nothing.

Joe: How did he find, how did he get your information?

Randy: Well, that's a good question. Probably because the buyers, you know, walk through the house and saw me there, or somehow they connect me to the house. But I wasn't the owner of the house. Just because you live in the house doesn't mean you own it. And they had jump to that assumption. But I thought it was interesting that he didn't even have the courtesy to send me a letter back and nothing happened because these guys don't like hard. It's like throwing out hurdles to runners in a track race. You know, the more hurdles you throw out, the slower it is, the more expensive it becomes. And they don't like slow. They don't like expensive. They like easy, quick money. And just by having that property in a trust stopped that lawsuit dead. Even though trusts, you know, if he could if he wanted to challenge it and really had a justifiable reason to sue me, eventually he could just bust through that trust and get to me. But we're just trying to deflect these frivolous lawsuits that are unjustified in the United States today.

Joe: Yeah, well, that makes sense for sure. Can you talk a little bit, you said the beneficiary of the trust is an LLC. Is that what you said?

Randy: Yeah. Typically, if it's real estate, investment real estate, the investor will make the beneficiary an LLC or a corporation for additional asset protection.

Joe: So that LLC needs to be registered with the state with whatever it's in, right. Correct. So then that LLC has to have a registered agent. Who do you have as your registered agent of the LLC?

Randy: Well, depends on what state I form it in. And your listeners may or may not be aware of this, but you don't have to form your LLC in the same state where you live or where your property is located. And in fact, you don't have to form a trust in the same state where you live or where the property is located. OK. Now, this is kind of interesting. There's no federal land trust law, Joe. There's only state law. And all the states along time ago, under the Fair Credit Acts, agreed to honor each other's laws. So, for example, I live in Illinois on my investment properties in Illinois. I don't use Illinois land trusts. I like to use other states that have what I consider as better trust law than Illinois does. OK. So there are lots of techniques that I've developed over the years using these trust to, again, not avoid our responsibilities, but just to protect our assets. Our family's future is all at stake here.

Joe: There's somebody we. Both know maybe I should be really careful about those who over the years been in real estate for a long, long time and got into because when the market crashed, he had some developments and big projects that went under. Wasn't his fault. Market crashed, you know, but he's on the hook for millions and millions and millions of dollars. I think he said 20 or 30 million dollars in personal liability or debt that was tagged to him somehow. But he said something really interesting and he just kind of said it in passing. This wasn't his main point. But he said because he had spent so much time and investment into getting these properties and all of his other assets into trusts and protected the proper right way, they'll never get. He doesn't have the money to give them. Right. He doesn't have 20 or 30 million dollars. They're never going to collect this from him, but they can't come after him and take his house or, you know, take his current income that he's making now. So what do you think he did? I mean, that may be a hard answer, an unfair question to ask. But like, did he just he just put everything in trusts and LLCs.

Randy: Well, it depends on what kind of trust. I mean, these basic trusts we've been talking about here today, your property and trust is protected against liens and judgments against the beneficiary, at least for a while. And let me explain that. If you get a judgment against me and you take me into court. Well, the first thing you would do is look for what's called a memorandum of judgment, which is filed in the county in which you think the debtor has assets. That's like throwing a blanket over everything that's owned by me in my name. So if I don't own anything, then you're your judgment is not going to yield anything at that level. Now, the next step, if you won't take it this far as you're going to have to take me to court in what's called a citation to discover assets. And in that hearing, I'm up on the stand are sworn in. And if you ask me, are you the beneficiary of a trust? I'm going to honestly say yes.

Randy: And then your creditor could go after that beneficial interest, depending on what kind of a trust it is. Now, there are some really cool trusts out there that are state specific out of Nevada, Ohio, Alaska, that if you put your property into these trusts after two years and in the case of Ohio, after a year and a half, you cannot even sue the trust no matter what they're totally protected from in the filing of a lawsuit. So if you get you can get deep in these trusts. And of course, if you're talking millions of dollars in assets, you probably should get deep into these trusts. I think the problem a lot of investors go through is that they spend so much time acquiring assets and little, if any, time learning how to protect those assets that when things crash and they crashed consistently every few years you can count on it, you lose everything. I tell you one other story that kind of drives this point home in nineteen eighty-five. I bought a shopping center with a friend of mine and I insisted on putting the title to the property in a trust. So in the year 2000, my friend moved out of Illinois to Fort Lauderdale, Florida and became a very successful real estate developer. Made millions of dollars until when, Joe? You got any ideas?

Joe: The market crashed in 07, 08.

Randy: 07 and 08. He was losing millions of dollars. And the last time I talked to him, they told me at one point he had twenty-three million dollars of liens and judgments against him personally. But I was only concerned about one. And that one was a bank in Florida who came all the way up to Illinois and filed a lien in our county for three point two million dollars against my friend. Now, Joe, if I had gone on the deed to the shopping center with him, that judgment would have attached to the shopping center, even though I was totally innocent of anything. That's the risk that you go on when your deed going on a deed with somebody, you are taking on all their liabilities. Now and forever. Well, I would have lost everything, Joe.

Thirty-five years of work, of management, of cash flow appreciation of everything would have been lost in a heartbeat. And I was totally innocent.

Randy: So I attempted to put the lien on the property or they did know that it wouldn't go because the property wasn't in his name and it was held in a trust. So I don't know if they got any property that any property that leave would have affected would have been property that his name was on the title. And because his name was not on the title, the shopping center there, their judgment didn't attach. And I sat back when I learned that and I grabbed my heart. And so, Brandi, you just avoided a bullet.

Joe: OK, so trusts are important. Where can people go to get more information about trusts, you, Randy, this is you teach people how to do it. Do you have any services that they can you can do this for people?

Randy: Well, I don't do it for them. I don't think it's a good idea for you to make, create trusts for other people unless you're a lawyer with the proper insurance. But. You can do it for yourself all day long. There's no licensing requirements, no continuing education. It's not that hard to do. It's just a lot smarter because I have people all the time to say I don't want to learn how to do this myself. Would you send me to an attorney? And I say, sure, here's her name. She charges sixteen hundred fifty dollars for every single trust. So do it until you go broke. But for five hundred ninety-seven bucks, you can buy my home study course and do it for the rest of your life at no cost. Doesn't cost anything to set up a trust like it does an LLC. You just need the training and the forms and you're off and running. Yeah. They, they get more information. Again at my Web site, Land Trusts, that's with an S. Land trusts made simple dot com or just some general questions. Shoot me an email. My email address is Randy are A and D y at m r land trust dot net. So that's randy@mrlandtrust.net. All right.

Joe: Very nice. And show notes. Guys we'll have the Web site and the email in the show notes. If you go to RealEstateInvestingMastery.com, RealEstateInvestingMastery.com and do a search for Randy. Randy, I think you're the first Randy I've had on my show and I have nine hundred and fifty almost, but. So you should find Randy and you can see the Web sites we just gave in his e-mail. There's a lot to learn here. And it makes me feel good to know that trusts don't have to be that complicated. You have to be educated, but you can do this yourself. You don't have to pay one or two thousand dollars to have an attorney do it for you every time. Oh, I got one more question. Randy, are you still there? Yes. OK. Do you ever get any kickback? If you're buying and deal, you're closing on a deal in a trust. And the title company says something stupid like trusts are illegal or you can't do trusts here. Do people come across that? And what do they do when they come across that? Because I've heard that before that a lot.

Randy: I spoke thirty-three times last year to 33 different REIA groups and probably every one of those audiences. Somebody said, you can't do that here. Trusts are legal. These grantors revocable trusts are legal in all states. They're not illegal in any state. Some states are a little more difficult to deal with, like Louisiana, Arizona, Hawaii. But it's not a big deal. I mean, my philosophy is, if you cannot outthink the bureaucrats, you might as well go home, go to bed. So even with a couple of hurdles that they put in those state laws, we can deal with them. Most of the people that say you can't do that here or they're illegal are attorneys that don't understand trust law. And it's not a ding against attorneys. They're not taught this stuff in law school. So if they don't take it upon themselves to learn it after law school. They don't have a clue. So it's a good news, bad news thing, Joe. The bad news is it's somewhat difficult to find somebody like myself to teach you how to do this. But once you learn how to do it, you're operating at a level that ninety five percent of the lawyers in the United States don't understand. And I think that's a good thing.

Joe: And you can file with the county records your own trusts, right?

Randy: No, you don't. I mean, you could file it, but it's not a good idea. You don't file the trust at all. The only thing you file is the deed in the county in which the property is located. The trust remains private between you and the trustee. And that's what issue your anonymity.

Joe: Right. So you could file the deed yourself. Well, yeah. You want to be OK.

Randy: You mail it in or take it over to the to the recorder's office and just all you want to use the title company when you can't.

Joe: And guys, listen, I've heard this I've been this business for a long time and I've heard people say wholesaling is illegal, lease options are illegal. Owner financing is illegal. It's illegal to buy properties at 60 cents on the dollar. And like, it's just so stupid. If you just ask around, you will find title companies and attorneys that will help you do these. You just got to ask around, talk to other investors that are actively doing deals. Not somebody that thinks they know how to do deals because they've done one in the last 20 years. We'll find those people that are. And you can find the title companies and the attorneys that will help you do this and get Randy's course. So just go to land trusts made simple dot com land trusts with an S at the end. Made simple dot com. And you can get some good free resources from Randy. I'm looking at it here. Appreciate it.

Randy: Yeah. Joe, let me clarify something. Yeah. If you're buying property. I always use the title company and I always use a term. Yeah. But what I'm talking about here, as far as recording your own deed is let's say the property's in your name now and you want to transfer to a trust. You can do your own deed and go file it and take it out of your name and put it in the trust. Obviously you don't need any title work for that. So it just depends on what you're doing.

Joe: Sure. All right. Very cool. Thank you, Randy. And we will see you later. Take care, everybody.

Randy: Thank you, Joe. Appreciate it. Bye-Bye.