Creative Financing Lab – Free Coaching Call with Joe McCall & Matt Theriault Part 1

Hosted by*:* Joe McCall
Guest: Matt Theriault

Joe: Hey, everybody, welcome. This is the Real Estate Investing Mastery podcast. Hope you're doing well. Hey, guys, I just wanted to record a quick little introduction to these next two podcasts. I'm going to be releasing for you all the coaching call that we recently did. I did with Matt Theriault. And we did this call for a little promotion we were running. By the time you're listening to this, I think it would be last week we were doing this little promotion. Matt and I created a course together called Creative Financing Lab. It was a case study, a program is really good, great results, lots of testimonials and people making money, doing deals. And even it was fun during the case study itself. We gave people their money back. If they just went through the program and made five offers, I think is what we did. And it was just a lot of fun. Why do we do that?

Joe: Well, just we know that when you take action and you start implementing what you're learning instead of being a professional student. Right. Let's start implementing what we're learning. You're going to start doing deals and some of you guys will bring us deals to partner with you on. So that's kind of why we did it. So anyway, I'm just going to release to you a coaching call that we did. It was about two hours long. We answered a lot of really good questions. And you're going to hear us talking about things like giving you websites for things to buy the program. By the time you're listening to this, though, it'll probably be expired. So I apologize. Just skip that part if you want.

Joe: But I also wanted to encourage you to subscribe to my YouTube channel. And Matt, you can find me on YouTube at Joe McCall and you can find Matt at EPIK Real Estate. I think so. Just go to YouTube, do a search for Joe McCall and then do a search for Matt Theriault or Epic Real Estate and you'll find his channel to subscribe to our YouTube channels. We have a lot of good stuff on there. I release videos about two or three times a week. I appreciate your subscribing and giving me a thumbs up and getting notified when new videos are released. That would be super, super helpful. But I'm glad you are listening here to this podcast. I really do appreciate you guys. I'm excited about twenty twenty one. Are you. It's going to be a great year.

Joe: And regardless of what's going on in politics, and regardless of if your side won or lost, we still have hope. I believe in God and I believe that things are going to be OK, things are going to work out. And for business, you know, I'm always optimistic about business. I think this is a great time. This is a great the greatest country in the world for entrepreneurs and small business owners, for people who are doing real estate as an investment business. This is a great time and it will be a great time. 2021 is going to be an awesome year. Just focus on the basic fundamental things, focus on marketing, focus on making offers, focus on talking to sellers, focus on follow up those simple, basic things. If you're good at that, you'll crush twenty, twenty one. All right. So enjoy these two coaching calls and we'll see you later.

Joe: Welcome. This is the Real Estate Investing Mastery podcast. Good to see you, man.

Matt: Good to see you, Joe.

Joe: I'm excited about this New Year. Are you?

Matt: I am. And I'm certainly excited to have last year behind us, that's for sure.

Joe: I am super pumped and excited. I'm anticipating this year coming ahead to be an exciting year. A lot of cool things, I think are going to be happening. And we're going to talk about on this coaching call here kind of what Matt and I feel like is ahead for twenty, twenty one. What's going to be working, what worked well and what's going to be working well in twenty, twenty one. We're going to talk about that. And then we're also going to be answering your questions as many as we can.

Joe: We've got a lot of people on. We had well over a thousand people register on the Zoom and we're pushing this out to Facebook and YouTube live right now. Even Periscope and LinkedIn, hopefully that's working. We'll see. So how are you guys doing if you're watching this right now on YouTube or Facebook? If you want to ask us questions, you need to join us in Zoom. Only the good friends who are in Zoom can type in their questions here in the Zoom chat. We'll do our best to answer all of them. Hope we can get to all of them. We'll see. So I just got to give you guys a few different things here. Number one, we just finished the free screening, a ten day free screening of the creative financing lab that Matt and I did a little while ago, gave away everything for free. Matt, I can't believe we did that.

Matt: Well, we were delusional during Christmas, so. Yeah.

Joe: And a little eggnog to drink. Exactly. So anyway, it was really cool. I mean, this was a case study that we did. Tons of success stories, came out of it and was really cool. And we just said, hey, you know what, in the spirit of the season, let's give away everything that we sold. And we released it in one day chunks. So every day a new module was released and then it was taken down. In the next day, the new module is released and was taken down. So we are like you guys now can get it. You can get access to the lifetime recordings, but we're taking them down Sunday night at midnight. OK, you can buy it after that for twenty one dollars. But we have all of the recordings, all of the resources, plus some really cool bonuses available up until Sunday night. Tonight's Thursday night. We're taking it down Sunday night. OK, so you can get that if you're all interested in getting it. I'm going to give you a link right now and then put it in a zoom chat. You can get the recordings and I believe it. Is it just something ridiculous? Three ninety-seven. Is that right, Matt?

Joe: I mean, if you go to CreativeFinancingLab/2021. Creative financing lab. Yes. Creative financing lab twenty twenty one. I'm going to put this in the zoom chat for you all you can get. Let me just show my screen because I want to show this. We'll walk through everything that we've said. This is the creative financing lab. I'm just going to show this to you. This we're getting eighty nine percent off lifetime access to this. And you're going to get the entire course that we did all of the modules, introduction mindset, owner financing, offered lease option offers, seller marketing one and two, buyer marketing one into automation, delegation raising private money, which was awesome. Matt just spilled the beans and shared everything. You need to know how to raise all the private money you could ever need. My module ten, OK, and you're going to get you can get the physical copy. By the way, if you don't sign up by Sunday night, we're taking down. You can't get any more physical copies of. We're not going to keep on offering that.

Joe: Even if you paid the twenty-one hundred dollars, you can't get the physical copies of anything, but you're going to get the ten training modules, the transcripts of everything, the guidebook, which includes all of our checklists and contracts and calculators and postcards and a Rolodex and everything, all the MP3s. Plus we're going to be doing six more live Q&A calls for only people in the program. We have an online student group where you can share your successes and wins and challenges. We have two extra bonus marketing classes that we're including. We have another we have one of mine, some live marketing, went into a market, did some live marketing. And Matt has a course called Lead Machine Master Class. You get access to you get access to our previous recorded calls. You get all of our books crazy, crazy, awesome value.

Joe: You can get it all digital only for two ninety seven or physical and digital for three ninety seven. If you like to read or if you like DVDs and USB memory thumb drives, you can get it right now. OK, so if you're interested in that, go to creative financing lab dot com slash twenty twenty one. I mean we have so many testimonials. It's crazy. Last time we did this we give a ton of people their money back when they completed the challenge, which was amazing. So again, creative financing lab dotcom slash twenty twenty one. OK, cool. And we'll talk more about that in a minute. But that is going to be your opportunity. We're taking that down Sunday night. You can pay the twenty one hundred dollars after Sunday night. OK, one more announcement one. I'm nuts. I've seen some of the chat here.

Matt: People are saying, hey, I've missed some of the ten days or if you put that link in there, did you have it set to panelist? I did. Attendees and panelists. You got you guys see it immediately, got some comments. So I wasn't sure, but I skipped out for a sec, so my bad. Well, I'll just put it in there one more time.

Joe: People are joining in late. Boom. There it is. All right, good. We're getting the questions already, so we'll get to that. Some of you have missed some of the ten days. That's why we're making this available. Creative financing Web.com slash twenty twenty one. OK, one more announcement. We'll talk about that later. We'll talk about that later. OK, so I thought it'd be good idea before we start answering questions, if we talk a little bit about what we are projecting to happen in. Twenty one, what do you see as working in twenty twenty one and I'll share a few things here first and then you can share if you want or you want to go first.

Matt: It doesn't matter. I'm ready. You're talking about we got to invest it.

Joe: Because I've been talking too much already and people would rather hear from you. I'm sure.

Matt: That's probably true. So you're talking about what going to do investing strategy. Are we talking about?

Joe: You know, marketing that's going to be working in 2021, the strategies that are going to be working. What are you seeing?

Matt: Yeah, I see a lot of the same. I think 2020 really surprised us. Back in March and April, we were all predicting this big crash and it never came. And I've been speaking a lot about this, sharing all of this one on my YouTube channel with graphs and pictures and diagrams. So if you like, go to our TV guide has put one up today talking about it again on what I think about the future. And I'm trying to take as much of my opinion out of it and just use really just data and statistics. And I don't see the market crashing at all, not in twenty, twenty one. I looked at the if you look at the forbearance chart of all the delinquent mortgages, there's a lot of them. Right. There's a lot of people not paying it. But if you kind of follow, it's on a general downward trend. And as you're watching it, you can see that those trends and little bumps and spikes and everything are almost in perfect unison with that, with lockdown's and unemployment.

Matt: So once we get through this virus and we will, we're not going to see the forbearances that we see right now, it's going to drop drastically and there'll still be some people left over. But most of those delinquencies are going to go away. And if you look at the unemployment rate you have, what about the people on other jobs where we're at six-point seven percent unemployment? Haven't seen the ones for December yet, but for November, a six-point seven percent. And if you go back in history, the last time we were at six-point seven percent was during the Obama administration March of 2014. And if you look at the GDP was on its way up and if you look at the Case Shiller housing index that was on its way up. So at an unemployment rate of six point seven percent, we have a history of the economy actually booming during those times. So I don't see the unemployment hitting there. I don't see the forbearance impacting it. The other thing, I was thinking about something else.

Matt: But what I do see, and this is what the Brownlie plan, so everything I'm talking about is kind of impacts the retail market. It addresses on market deals. But as a real estate investor, we work off market. So we have to always keep in mind you can be a little bit get sidetracked if you're watching too much like mainstream media or reading mainstream resources that are talking about the real estate market and how the houses are booming. And there's one hundred people lined up to bid an offer on a house and all that kind of stuff. But that's all retail that's on market. That's not where we play. We play off market and we're looking for the all the deals. Right.

Matt: We're looking for the disease and the death and the divorce and the delinquency and the distress and all the I got seven other deals. I can't think of them right now, but we're looking for all that kind of stuff that causes people, property owners specifically to turn to their houses, their properties for financial relief. They've got something bigger going on in their life than trying to get full price for their dollar and have to wait out the market for it. So that's where we play. That's what we market do. And we know during this pandemic, during this last year, there's a lot of those deals are impacting people in a big way right now. So I see a lot of lot more distressed situations coming available to us. But we just might not see them unless we're marketing and putting our messages in the right places.

Joe: Yeah, I would say the same thing, similar maybe a different angle. I see the housing market continuing its tear in a good the hot streak in twenty twenty one. The big problem is inventory. There's just not enough inventory. So if you have a house that you want to sell, this is the best time to do it. Yes, I would still encourage people to be very, very careful with a high-end luxury rehabs. You still got to be very careful because that could this could change, you know, what's going to happen as the all of this money the government is putting into the economy. Somebody has to pay for that and it's going to come down the road or maybe we're just kicking the can. But I think it is coming down the road. High inflation. We're going to see the housing market take a hit, I believe, in the next couple, three, four years cycles.

Joe: They go up and down. We can't just continue going high like it is forever. Having said that, at least for the next year, I see inventories still staying really, really tight. It's going to be very easy to sell your deals. Having said that, sometimes it freaks people out like, oh my gosh, like the market's white-hot people. All they need to do is stick a sign in the yard and they can sell their house like that with multiple offers. Well, yeah, that's true. But I'm telling you guys, that's been true for the last five to seven years. And we're still finding deals. We're still finding deals. We're still buying deals in the last month, last six months and last year at huge discounts. So the deals are still out there. They just may be a little harder to find than they were back at the height of the recession in 08 and 09 when there were deals everywhere.

Joe: But that doesn't mean they're not there. And in fact, it kind of adjusts to, you know, like maybe it's harder to find deals a little bit, but it's also a lot easier to sell deals. So you can actually still make a lot of money on your deals, whether you're doing cash deals or creative financing deals. The final thing I'll say, I think this is so important. Understand the market in twenty twenty one in any. If you want to succeed, you need to know how to make creative financing offers to your sellers. All right, because sellers, you know, they may have some motivation, but they don't have enough equity. And motivation comes in any market, hot or cold or flat. People sometimes, you know, life happens, they lose their jobs, they get divorced. They have a death in the family. They just have to move a job. Relocation, a better job opens up and they move somewhere. They can't sell their house for what they thought they could sell it for.

Joe: And I've seen this over and over again in the last few years. Any time somebody has come to me and said, all my market is too hot, you can't do deals, all you need to do is stick a sign. I say, really? Then I go into the market, I go into Redfin, and I look for all of the properties that have been on the market over 90 days. There is a wealth of opportunity right now if you know how to do creative financing deals on the houses that have been on the market over 90 days. You do it yourself. Go to Redfin right now and look in your city and look, there's an option in the filters for time on Redfin and go time on Redfin. More than 60 days, more than 90 days, and you'll be blown away. And we've done this before. And I tested this and I've shown the results. You send letters to the owners of those properties that have been on the market over 60, 90 days. And you send them an offer and say something like, hey, I can get you your price if you'd be willing to, Lisa, for a year first and then sell it, or if you'd be willing to take owner financing or something like that. And yes, it's called Time on Redfin and you'll be shocked at the responses you get from that. There's a lot of them out there.

Joe: So don't let the fact that the market is hot scare you because there is still a lot of opportunity. And if you understand creative financing like we're going to be talking about when you make an offer, instead of getting one out of 30 accepted, you could get three out of 30 accepted. Right. And we're seeing this also. I'm telling you, I just did a new market challenge. We went into Nebraska and I went into El Paso, Texas. And we're real close to some deals right now. And one of my favorite one of my best channels of marketing, I did like six or seven different things, was sending blind offers to the older listings and also sending emails to the realtors of these older listings and saying, hey, if I could, I can see that this property's been in the market for 90 days with your client. And this is what I'm sending to realtors. Would your client accept something? And if I could give them that price, would they consider seller financing or at least purchase or something like that?

Joe: I'm just giving you one little strategy. There is still some marketing that can work for you to do more deals in twenty, twenty one. But you got to understand, you've got to learn how to do marketing. You need to learn how to talk to sellers. You need to learn how to make simple offers. This isn't complicated. Just make real simple offers and then give the sellers options. That's the one big thing. I hope you all get that take away from this. Make multiple options, give the seller options and it doesn't matter to you which one they choose right here. Cash offer, seller financing, lease option, give them offers, give them different options and then follow up every 30 days. That is the quote unquote secret. That's it.

Matt: What do you think? I like it. You're right. It just my thing is just always to be careful and separate on market data with off market decisions. That's kind of what I'm really going to focus with. I want people to pay attention to because you can get led astray if the market is going up or if the market is crashing, if you're just watching the TV. But as you had said, life tends to happen to everybody every single day, regardless of location, regardless of demographic. Life comes along and delivers us some tough lessons. And we need to fix that type of stuff. And sometimes it's only the finances from our property that that will do it. Very good. So let's go through the questions. There's a ton coming through. Some people, my opinion, might have to start typing their stuff in again.

Joe: Well, I'm going to find one here. And while I'm looking, you can find one answer and I'm going down from the top to the bottom.

Matt: OK, I'll go from the bottom to the top and let me in the middle.

Joe: All right. So if you guys have questions, here we are right now. We're going to answer your questions. If you are a student of creative financing lab, you'll get access to these recordings. And also, if you're a student, don't forget, we have six more of these coaching goals we're going to be doing for students only. Again, go to a creative financing lab, dot com, slash twenty twenty one creative financing lab, dot com slash twenty twenty one to get access to this. All right. It's going to be on YouTube, by the way. This is on YouTube right now. And I put in the link for all you guys and zoom a link to match channel and a link to my channel. So make sure you subscribe to our channels. I do videos two or three times a week and no does a bunch of really good ones. So subscribe to our YouTube and get the content as we go. All right, we're ready. I got a question here. But Matt, given the current real estate environment, expecting a downturn in pricing in a few months, somebody is, I guess, predicting this. They're expecting a downturn in pricing in a few months. Are you still bullish on seller financing and low equity subject to deals?

Matt: OK, so first of all, I don't see any, I'm not saying the market's not going to turn downward. I just don't see anything that's caused it to turn downward in the past. None of that stuff exists at this moment. So that's my one thing. So someone of low interest rates, low inventory. Exactly. And a ton of pent-up demand, a ton of pent-up money. That's not going to change in the next 12 months. No, I don't think so either. Plus, even if you look at the foreclosure and the. Employment, regardless, whether you don't have a job or you're not making your payments, properties are appreciating, you've got equity, and when you have equity, you have options. Foreclosure isn't the only option when you have equity in your house. So that's why there's so many things that are supporting it. And then you got government intervention.

Matt: And now that Trump's going to be out of office, there's not a chance in hell that the new administration is going to let the market crash in the first year. I would just be if they've talked four years of crap about the president, they've got to look better than him. So I think there's so many different forces that are going to keep the market propped up at least for two thousand twenty one. And we're not going to knock the market. We're not going to talk about politics. I know, but but that's really important because it's benig supported by stimulus and government programs. So that has nothing to do with politics. It's just whatso and it doesn't matter who's in the office, that's happening. Yes. So what was the other question?

Joe: Are you still bullish on seller financing and low equity subject to deals?

Matt: Yes, I'm more bullish on borrowing money, other people's money, whether it's existing financing or the seller's financing or Aunt Sally's financing. I borrow as much as you can because the other aspect that's going on right now, which is someone who talked about a black swan event here, this could be it. I don't know what's happening to the dollar. I don't know what's happening to inflation. But when that inflation kind of it decreases, the value of your dollar, decreases the purchasing power of your dollar. Right. But also decreases the value of the debt. So the best place you can be is owning a tangible asset like a real estate that produces an income with debt attached to it. I'm not saying over leverage. I'm not saying doing it irresponsibly, because that's going to come up here in a second. Don't do that. But take on debt, borrow, borrow, borrow if you've got equity in your properties. I'm running a bunch of reifies on my properties right now to go out and buy some more. I think that's the smart move right now. But don't over leverage yourself. Don't get in deeper than you can, but borrow as much as you can responsibly.

Joe: Let me add to that. I did a really good interview on my podcast, Real Estate Investing Mastery. You got to subscribe to both of our podcast. By the way, mine is called Real Estate Investing Mastery, and that's called Epic Real Estate. I think two of the best podcasts in podcasting world.

Matt: I think I think certainly two of the longest running.

Joe: And we'll not talk about who's longer because that's a couple. A couple just a couple of months. All right. But anyway, I just interviewed a good friend of mine, Michael Jake. Michael Jake is an investor in Colorado Springs, a screaming hot market. That market has been hot forever. And he's been on this. He's been doing really, really well, buying low equity subject to deals. And this was a really good interview I did with him just in the last couple of weeks. You can find it on my podcast. But anyway, one of the things he talked about that was so good is the reason why it works. And when you do it, though, let me just tell you, you've got to be you've got to understand. You've got to have the what would you say the ability and the knowledge to manage these properties. And you've got to have the reserves. OK, so they've got to cash with the whole goal of that and the low equity deals to keep them for the long term. One of the good things that Michael Jake talked about is how he puts long term tenants in his properties. He wants to keep it to build long term wealth, not to just flip it in a year or two years to a tenant buyer. Well, that's a good strategy.

Joe: But for him and I thought this was really good when you buy a property subject to your goal is to keep it for 20, 30 years, pay it down, take the tax benefits from it, you know, that is cheap debt and then get a long-term tenant with really stellar credit in there. All right. And he's done a lot of studies with this and in his own business and from people that he knows, your costs for maintenance and vacancies will be less by putting in really good highquality tenants in them instead of versus tenant buyers with bad credit hoping that they buy it. So for a long term wealth strategy, I love that. So just make sure No one your cash flowing, OK? You've got a cash flow and you've got to have reserves. So in case you have a vacancy or in case you have a minor repair that you have, you have the money to do it. All right.

Matt: I've seen several questions come up, Joe, about the balloon payment that kind of freaks people out. Sometimes they think they're going up to talk about payment somewhere. So if you're looking at your balloon payment in a bubble as the single only property you're ever going to buy, then you probably need to have some sort of plan when that balloon payment hits. Right. There's two ways that you go about it is you could end up just selling the property for whatever equity that you built up to the time you're on it. You could listen on the MLS, you listen on MLS or you give the property back to the seller. It's a nonrecourse loan. Now, we don't want to do that. But understand, that's kind of the worst thing that could happen. Like there's no real estate jail. Right? It's not going to impact your credit score. And technically, even if the seller doesn't see it, you're actually doing the seller a favor. They're going to make more money because they're going to be able to resell that property again, collect another down payment and do whatever they have to do.

Matt: So just understand that that's the worst-case scenario and no one wants to do that. We want to feel like a jerk and we weren't able to follow through and feel like a failure. We messed up on this property. You don't want to feel like that, but it's not going to kill you and it's not going to hurt your credit. And there's no real estate jail that you're going to for it. That's the first thing. Second thing is, are in real estate investing. To continue going and then continue to building a portfolio, the more properties you have, even if every single one of them has a balloon payment, the more options you have. Right. So don't be so concerned with that. I would rather see you focus more on controlling assets. Joe mentions it all the time, was at a Rockefeller thing. The secret to being wealthy is to control everything. Right? So you want to be able to control and if you can get into a deal with a balloon payment, that's going to allow you to get control. I recommend you do it now, albeit I'm not saying get into any deal with a balloon payment. You still have to analyze it. It still has the cash flow. You should still want some equity in it if you can get it right.

Matt: And when you have the equity, you have the cash flow that produces a return. And if you have that property holding for a year or two or three and it's performing the way that you wanted it to, when you when you initially got into it. Right, there's a return there. And if that return is there, that means there's room for other people's money to come in and put longer term financing in place or pay the balloon payment for you to share the profits. There's a lot of different options. I just gave you two or three, but I can go on and on and on. And all I'm saying is the bigger your portfolio, the more options you're going to have.

Joe: Well, don't forget to buy the time that balloon comes due. You should have enough equity in there. Totally should be given to you should you should be easy to get bank financing or get a private lender to lend you the money and bring the deal to them. So just make sure when your balloon is due, like you have the options that we teach that a lot. You got to have multiple exit strategies. So when that balloon comes due, you can refinance it with the bank. All right. You can get a private lender, you can listed on the MLS and sell it, make some money from that. Even that, even after realtor commissions get money from the sale of that. And also, don't forget to and I know you mentioned this many times, the seller will call you early before the balloon and says, when can we get out of this? And then you can negotiate a discount. If you owe them one hundred, you can say, all right, well, I can close you out now if we change this to 80.

Matt: And that's a beautiful part. And thanks for bringing that up, Joe. I can't believe I forgot that. But every time I take a property owner with seller financing, it's on my calendar for every six months to check in with them, say, hey, I've been sending these three hundred dollars a month. I don't know if you need or not. I came into some cash. I'm thinking about buying another property or I was just thinking of paying one off. I don't have enough to pay off, but since I thought I'd just offer it to you first, would you accept such and such amount and have that conversation every six months and we get about 70 percent of those accepted before that balloon payment ever comes due?

Joe: That's just another one you could call them. But chances are pretty good that they're going to call you and ask you what can we do and can we do this earlier? Good question from Judy here. We are always positive on these webinars. Thank you. I would like you both to address hiring virtual assistants or assistants and how all that works with telephone solicitation acts, do not call rules, telemarketing acts and statutes and stuff like that. I'll just throw my two cents in here. We're not lawyers. I don't know. So you have to if you're really concerned about do not call lists and anti-marketing spam stuff, you should be. It is a big deal. I don't recommend you call or text people on the do not call list. That's number one.

But when number two, if they're not or if you've already had a relationship with them or I've heard some people argue that it doesn't matter because you're not selling anything and you're not using automated voice blasting software and you're calling them. So it kind of depends. That's my answer. What would you say that?

Matt: Yeah, I mean, you're right. You hit it on the head when you said the gray area there is, you're not selling anything. Right? So that's one part. The second part is I'm just out of the mindset that I'll ask for forgiveness later. And I've been doing this for eleven years and it hasn't I guess I'm close to the same time as movies. Probably thirteen years I guess. Really never once has it ever come up. Ever, ever. And I've done a lot of calling, a lot of texting. It's never come up. I get more people like from the postcard saying I'm on the do not mail list, which I didn't even know existed.

Joe: But even if there is that rule, I don't think that will ever happen.

Matt: But I'm just saying it's never come up. So this and you understand your own risk tolerance. You understand how you want to proceed and do what you want to do. But don't let small little doomsday scenarios stop you from moving forward with your financial freedom.

Joe: Yeah. Good. All right, so again, some people I'm seeing here are asking questions about where's the link for how do I get the stuff? It's again, creative financing. Labbe Dotcom. Twenty, twenty one. I just put it in the link in the chat, but the link in the chat. Creative financing lab slash dotcom slash. 2021 people are asking how do I get the mind maps. The video was good. How do I get the videos and recordings. So that is in there. All right. So going back through the questions, Lipsey says the free screening was amazing. So much content like drinking from a firehose. Shaniqua, how do I get the mind maps? Awesome stuff in there. Again, go to that link I just told you. All right. Here's a question from Theresa. With option three in lease options, I think, Theresa, what you're talking about is my lease option assignment, a wholesaling lease option or lease option assignment.

Joe: We don't take into consideration repair costs into the price. Right. We just give her we just give the seller the price they want. Yes. So I typically will do the as is price. So if a house is worth fixed up one hundred and fifty but as is it's worth about one twenty five. Well I'm not going to do that deal if the seller wants one fifty because it needs twenty five grand and work. So I'll just give the seller lease option agreement for one twenty five with the right to assign it to another somebody else for a fee. So it's very rare for a seller to say they want one fifty when it's needs twenty five grand and work and it's only worth one fifty fixed up.

Joe: If it is you got to just let them send them an offer anyway. Follow up in thirty days every thirty days and give them some time to cook, kind of come back down to reality and then you can turn that into a deal. Charles is asking how do I get the bonus books. They're PDFs. They will be there in the membership site.

Matt: Nice and a lot of questions. Good thing that if you go ahead and you buy the videos that is coming with do we set six additional coaching golf. Yes, six additional. OK, so Joe's going to do three. I'm going to do three. Spread out over how long of a period, Joe?

Joe: I forget over three to six months. Maybe we're doing two a month or one. I think we're doing one a month, OK, for six months.

Matt: Because there's a lot of questions we obviously are not going to get to them all.

Joe: We also have a private Facebook group as well. All right. I got one here from James Jackson. And I'll take this because it's what happens if a lease option, contract transaction subsequently has legitimate property owner leasing attachments unknown to the property owner, although the option owner would normally not would have recorded priority, this seemingly would adversely impact quiet title. The new owner equity. When the option is, you know, this is a question. This is a good question, but it's a what if question. And I always say, guys, you've got to be careful with what I call anticipatory thinking this has really happened to you. I'd be curious, James, to ask you, like, has this really happened to you or is this just a what if because you could be stuck here all day asking what if questions and never get anywhere. So be careful with anticipatory thinking. Right. But here's the thing. When it comes to the lease option or any kind of deal, you're always record your interest with the county, right. You're going to record your interest. And there's different ways to do that.

Joe: One memorandum of option or memorandum of some kind of interest in the property. OK, number two, I like I recommend a power of attorney, a limited power of attorney, if you can get that signed. Number three, you can put properties in trusts. Sometimes that helps.

But I'm not the trust expert. Final thing I'll say is I learned this from Venus Jones Cox up in Ohio. She uses an instrument called an option to mortgage or something like that. I forget it's in my course, but it's a mortgage. There's a name for it. I'll have come to me later when it's my turn to answer a question. But some kind of mortgage. Talk to an attorney or title company, OK? And your option will be recorded more as a mortgage. That just kind of makes everything a little more solid and in a line. Having said that, what if the seller goes into bankruptcy? You know, that's going to happen sometimes. And in fact, it may just be something where you have to give the you have to give the tenant buyer their money back or if it's a regular tenant in the property at the end of their lease, they have to leave and you just give the house back to the seller. That just happens. So I don't know what else to say to that.

Matt: I've gotta head out in twenty-three minutes. OK, the problem with if someone if any of you are getting a little bit discouraged or frustrated that we're not getting to the questions fast enough. It's in the world of real estate. There is. So like you ask a question and it depends on so much. So I wish we could just give you a nice, solid, universal answers that one size fits all. But that's probably why some of the answers are a little long winded, because there's a lot of variables in play.

Joe: Somebody was complimenting here the nine-point cellar interview map that you have, OK, it's really, really good. Sweet, OK, everything is online in the course unless you buy the physical stuff and that's going to be in books and DVDs and stuff. OK, here we go. My initial market, my backyard is in the D.C. metro area. That was a great place to be the last couple of days. Right in Washington, D.C.. What was your experience been with doing deals in this part of the country? Here's my thing. I would probably not want to do any deals in Washington, D.C. area because Number one, it's so expensive. It's very competitive, very expensive. So you have the entire United States opened up to you in your backyard. That's your real backyard. Now, we often say start in your backyard and then go out from there. But I would recommend I'm a big fan of the. All town, so I would look at all the small towns in Maryland and Virginia and maybe go after those markets first D.C. metro areas, beautiful area, but super expensive and very competitive. Anything you want to add to that?

Matt: I mean, it depends on what you're buying for. You go into the higher price points because you're right. D.C. is really expensive. If you're looking to cash flow or do creative financing, it's going to be tough. The higher the price point, the more tough it's going to be. So I would say you want to kind of stay in it where the median price point is probably five hundred K and less. And again, that that depends, too. But for rule of thumb. Good, good, good. See, here's Gregory just came in. Where do I find leads for free leads for real estate to do your program. Plus to lend money to house flippers. And then the program we did all the free lead stuff. Right. Does this course go deep like you stand alone courses or is it more broad in general with a pretty detailed, very detailed. We did a lot of demonstration right over the monitor. As a fellow real estate agent, do you disclose to any of your nonmarket, a.k.a. Redfin deals, so that again, as a fellow real estate agent, do you have a license, Joe?

Joe: Yes, I do.

Matt: Do you disclose to your market Redfin deals?

Joe: All right. So that's a good question, because if you're a realtor, how and what you can market to, it gets a little fuzzy kind of what Matt says. And don't quote me on this. Sometimes you'd rather it's better to ask for forgiveness than permission. So what I do is I because I send out thousands of letters and postcards a month. Right. I'm not going to go through that list every time I do it and see make sure whether a property's listed or not. So what I do is I'll put a sentence at the bottom of the postcard or the letter that says if your house is listed with a realtor, please disregard this or give this to them. That's all I do right. Now some MLS is required that you put you have to put your broker office information on the card and letter. I don't like doing that. I'd rather get my wrist slapped. If I get in trouble for it, then do it. So but I do put on there. If your house is listed with an agent, feel free to give this letter to them because I don't care. I like working with realtors, so I want the realtors to call me on their list. So I send marketing to everybody, whether it's listed or not. I send them marketing. That's all I'll say to that. OK, here's a good one that for you. I'll let you answer this. Can you give a good rule of thumb when each creative strategy should be used, when you're introducing them to the sellers, that makes it OK?

Matt: It's a good question. So it is a good question. And I'm going to put do a shameless promotion here. That's fine. But I just covered this exact topic on my YouTube channel that you can make on my YouTube channel. It's it runs down through all of the different creative financing strategies and when to use when they're appropriate and when to avoid them. So put that right there. What's the video called on our YouTube channel? It's called a creative financing, thanks to their creative financing, real estate investing, when to and when that profit and cash flow say that five times. There we go. I copy and paste it so no one has to say it. You can see when you're on YouTube, you have to put the keywords in there. Otherwise no one's ever going to find it. So that's why sometimes those answers don't make sense or those titles don't make any sense. You're welcome.

Joe: Yeah, so I see it right here. Creative financing, real estate investing, when to and when, when. And you put that link in the zoom chat, it's right above the the title. OK, cool. All right. So can you just summarize that real quick, what you said in there?

Matt: I mean, I went through every single strategy of when to use this one and went, all right, I mean, I can do it, but no, no, no, just watch the video.

Joe: It's free.

Matt: I don't need your email or anything inside that video. And it'll give you like a little checklist of each strategy went to want to avoid opting for anything.

Joe: All right. Good. Here's the thing, though. When it comes to making offers, give the seller options. We talked about this, give them a cash offer and a seller financing offer and a lease option offer. Or sometimes I prefer to give just two options. I give them a cash offer and a seller financing offer. And I do that to position my seller financing offer as a much better deal because my cash offer is way down here, ridiculously low. But my seller financing is what I really want. But a position at cash offer to make this one look better. Dana has got a really good point here. This market looks a lot like 2002 and two thousand four. She's right. Hi, Dana. But not for the same reasons.

Matt: Yeah, it looks like it, but it's not the same thing underneath that's causing it. Steve is asking Matt, what is the minimum equity the seller needs when making seller finance offer? You can do with nothing, right. So you can do a subject to and take over the payments and then you can seller finance the difference if there is a difference and then you can wrap them together making one all-inclusive mortgage or trustee. So you actually don't need any equity there at all. Just make sure cash flows, that's the most important cash flow is a big deal.

Joe: What's the difference between seller financing and owner financing? The question from Jeremy Nothing in my mind.

Matt: One is from the seller. One is from the owner. I'm sorry, that's the kind of answer I give Mercedes and she slaps me all the time. I couldn't resist. Yeah, they're the same thing.

Joe: You don't want to mess with Mercedes, and she's really cool, that's Matt's wife. OK, here we go. Here's a good question from Tony. My mother wants to do this option because the tenant is behind on payments. The tenant will not allow visits. He's always too busy and now he says he wants to buy it. How do I work this out somehow? Good question. Depending on the deal, if there's a lot of equity, then I will go ahead and just tell the seller, listen, let me take care of the tenant. Don't worry about it. But if there's not much equity, I'll tell the seller. Listen, as soon as you take care of the tenant and it's vacant, let me know and we can do something. So unless you're a realtor, Tony, I don't know if there's much you can do on this because the seller wants to sell it. The tenant buyer may or the tenant who's in the house may want to buy it. So I don't know if there's much you can do with that. Unless you're licensed and you can broker the deal. You don't want to broker deals unless you have your license. You want to add anything to that man?

Matt: No, that's good. Next question. Just because I wasn't listening, I was reading all the other questions. That's fine. Sam is asking, are there any situations where you would want to buy using contract for deed instead of subject to? Yes, I would prefer to sell contract for deed and buy with seller financing. So that's my distinction. But it's not a hard line. I will buy a contract for deed if it's a really good deal. And I really like the property. Like I don't have a problem giving up that level of ownership. And then if I'm going to do a contract for deed instead of on top of a subject too, we can do that as long as I give. As long as the note is managed by a third party note servicing company, because I don't want to be paying the seller and the seller, not paying the mortgage. So I want to make sure that a third party handles those payments.

Joe: But those that's a good question here from Peter. When should I use the three-option format letter of intent? I get confused from real estate agents and sellers or the real estate agents and sellers get confused with the letter of intent. Three options. Perhaps I should be only giving them one offer and then three offers. Do you have suggestions on when and how to present the three-option format?

Matt: Yes. First of all, do not. I wouldn't lead with it unless it's a marketing piece. You're just sending in the mail. I've used it that way. Second, I would be very careful on Gaja expectations with regard to involving real estate agents with that three or four letter of intent, because they just don't understand it. They're confused and they'll say no. Third thing is and that was that think what you're leading to right at the end was always go for the equity first, always speak the seller's language. That's a much easier path to it, to a negotiation. The seller only understands price, so just always go for the price first. And so you're negotiating the price with the seller. If you're unable to reach an agreement at a price, then it's like, OK, well, Mr. Sellers, I might be able to get your price. The market might be able to allow this to happen, but I might not be able to get you that all at once. How much do you need right now? Right.

Matt: So that's how I always make that transition. I don't like to use the word seller financing, owner financing with sellers because they just don't get it. They don't understand it. It's a scary word. But if I say, how much do you need right now, that means we're going to delay how we give you the rest. The best way, I think, to use it. Three, a letter of intent is when you come just to an absolute impasse and they say no. You say, well, you know what, I'm sorry, we're unable to reach an agreement. Doesn't look like the market's going to allow us to both get what we want. What I can do is leave you with this letter of intent. You'll see it has three options on it. My number is down there at the bottom, so I'm prepared to purchase a property in one of these three ways. But my number's at the bottom of anything. Give me a call. So that's that just kind of sets the foundation for me to do a really easy follow up. But that's how I use it.

Matt: And now my last one would be Josh Miller, one of my Rockstar clients. He's one of my great stories. I talk about them all the time because he's one of those guys that he was my student. And all of a sudden he started to teach me stuff with the stuff that I taught him. And the one thing that he did was with his reaction, a letter of intent as he went through every single one of his old leads, everyone that ever said no to him. And he sent them all the three optional letter of intent in the mail. And that resulted in and this sounds like a crazy number and I wouldn't throw this number out here if I was making this up. But it is a crazy number. He did fifty-five extra deals. This was in twenty eighteen. He did fifty-five extra deals just from that practice alone that we generated a lot of leads. Right. He went on a lot of appointments that turned into fifty-five forty percent of his whole production that year from doing that. One thing.

Joe: That's awesome. You know, one of the things that I did on this last new market challenge that I did, I said offers cash offers on the actual postcards. And I'll tell you what, we got eight leads out of the, not a huge response rate. Out of the eleven hundred that we sent eight calls. We sent them a cash offer at like 70 cents on the dollar of the eleven hundred that we sent and we had eight that they called us back. Now some of them are dead. But do you think we might get a deal out of that? Yeah. And so here's my I want to add to that. I like sending blind offers or three options that are of intense after I've already talked to them. So if they've said no, this is a great way to follow up. What have you sent every thirty days, a three option letter of intent to that seller that's going to get the attention of that seller. All right. One more question here from Abbey. Kind of related. When you're offering creative financing to listed properties, what's in it for the agent? What can you offer as an incentive to the agents?

Joe: For me personally, I always talk to the agent says, I will get you your full commission, some of it now and some of it later, maybe we can work something out, which is better because this happens a lot when the seller tells the agent, listen, if you don't sell my house in the next 30 days, I'm going to have to listen as a rental. And then that agent will only get one month's rent as a commission. But if they bring me the deal, I'll give them one month's rent now and the rest of the rent later on down the road earth with payments over time or something like this, you can get creative with agents or if it's a good enough deal and I can get a private investor, I'll give the agent all of their commissions upfront right through my private money lender. All right. Somebody is asking about a simple do I get your workflows and automation's? Yes. And my people I get this a lot. My workflow, automations and REI Simple are very, very similar to Rob's. Rob Swanson's workflow, automation and freedoms, very similar. And the cool thing is you can copy them and edit them and make them your own. You can see every different campaigns. Sometimes they'll have different automations. It's really easy. Once you learn to set it up. You have one, I, I have one if you don't.

Matt: And here's one from Rick just came through with those fifty-five extra deals that my student closed. Did the student market research all three of those options, at least one do all the market research later. I'm not sure how he did. That's a really good question, Rick. I know he had three or four Vas working for him, so it might have been that. But I wouldn't let that stop you because when I sent out the I have a formula that I'll send out via direct mail or I'll have a form that I use when I'm sending it from real church, a realtor, and it's all based off of the fair market value. So if you just fill in one number, you can auto populate the rest of your offers that way so you can do it either way. I prefer to go that way because when I if you're going to send a three-option letter of intent in the mail, like it's not going to come back in the mail signed with an agreement. Right. You're just going to get a phone call. And that's all you really want is to get a phone call. And because you sent out a three letter of intent last week or last month, they call and say, hey, that it said, you know, let me see how the market is.

Matt: And as long as the market hasn't changed at all, then I should be able to honor it. But let me see. And if you could answer a few questions about your property and I could get you an offer, do you have time to answer some questions? And now, boom, now you're in the first you're in the first block of the nine point seller interview. And I'll take them through the whole thing, right. There's a lot of content through the mail is just to get your phone. It's just another really a marketing piece.

Joe: A real good question from Steve here. But we don't have time to answer to this because this is what we covered this in an entire session in the creative financing lab, which is I just wanna bring this question up, because this is why you need this. Is there a minimum equity that you target for seller financing offers and do your research research how much equity they have? Don't sellers need to own the property outright for them to be able to do this? So, OK, the first question is, what's the minimum equity target? Matt spends a lot of time talking about this on some areas. If it's cash flows, it doesn't matter how much equity it has. If they if you can cash flow and your goal is to hold the property long term, what does it matter? Because you're taking over a mortgage subject to that as an interest rate of three or four percent. And it's renting for it's a nice house. You can get two, three, four hundred dollars in cash flow. Yeah, not a big deal. The other question, though, is, does the seller need to own the house free and clear for them to do so? They're financing. Yes and no. Not really.

Joe: OK, because you can do what's called a subject to now when we say seller financing is kind of a broad term. So sometimes what we do is we'll set it up where we take over the existing mortgage subject to and then we give the seller a little financing, carryback seller, carryback financing. So sometimes what I like to do is I'm talking to the seller and I used to do a lot of these back in 08 and 09. In twenty ten, I would say, hey, listen, what if I could get you the same equity you would get if you sold with the realtor. So that be fair. Yeah, be great. OK, so then I broke down the cost. If you were to sell it listed for this you'd have to put this amount of work into it to fix it up. If this amount of commissions that you have to pay the realtor, you have this closing costs and miscellaneous costs and all that. So at the end of the day, if you listed for one hundred just using simple round numbers, you're probably only going to walk away with eighty five thousand. OK, and then let's say they owe eighty. So they really they think they have twenty thousand dollars in equity. They don't.

Joe: They really have five thousand dollars in true net equity. And I tell the seller, listen, I can get you all five thousand dollars of your true equity if you're willing to wait for it, if you want some of it now. OK, so I'll give them different options. My options would be number one, I'll give you all of your equity. And I had two different ways to spell this out, but I'll give you twenty five hundred now for all your equity or I'll give you five thousand dollars for your equity in five years. So if you want it now, I'll give you less. If you want it later, I'll give you more so you kind of negotiate. So it's a mixture of subject to a little bit of seller financing, carry back on some of their equity. That's one way you could do it. So just kind of depends on the deal. But you can do seller financing even if there is a mortgage on it. Don't think that you have to pay off the mortgage.

Joe: Sometimes if you can bring in a private investor, you can pay off the small little mortgage with a private investor. Right. And depending on how you structure it, you can put the private investor in first position or in second position. Right. It just depends on the deal. And we spent a lot of time talking about that in the creative financing. Lab, which, by the way, the guys, we put the link in here again, create a financing lab, dotcom slash twenty twenty one. Oops, creative financing lab slashed twenty twenty one. And if somebody is watching this on YouTube and Facebook, would you put that link in there? We'd appreciate it. Creative financing lab dot com slash twenty twenty one. We got a lot more questions to answer here. Matt's going to have to leave if you want to stick around and answer some more questions as well.

Matt: And then just FYI, I just the week after the holidays, so I am back-to-back on my calls to this whole week. But if you participate with the creative financing lab and you take advantage of the offer that Joe and I have presented to you today on my coaching calls, on the last time we did it, I would spend two, three, four hours with people. And I even put it some additional days on Saturdays just to make sure I got everyone's questions answered. So don't let me bowing out right now. Have you under the impression that this is how it's going to go. I'm very I was very free with my time, is what I'm trying to say.

Joe: Yeah, you definitely are. And I'm going to stick around for at least another hour, so we're good.

Matt: Thanks, Joe. I appreciate you and that of you. Hopefully I'll see you guys here shortly on the next coach calls.

Joe: You're coming to St. Louis soon, right?

Matt: Oh, yes. Third week of this month.

Joe: It'll be nice and cold. We'll do some golfing.

Matt: I like it. All right. Bye bye, everybody. Good.