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Wholesaling Is Illegal, Immoral, and Fattening!!! What Jerry Norton Is Doing About It

Hosted by: Joe McCall

Guest: Jerry Norton

Joe: Welcome. This is the Real Estate Investing Mastery podcast. What is going on, everybody? Welcome to the Real Estate Investing Mastery podcast, and on this episode, you're in for a treat because I've got the one and only Jerry. Jerry Norton is a beast in the business. He does tons of deals and he does these amazing YouTube videos. He's got one of the biggest, if not the biggest real estate investing channel on YouTube. And the stuff that he does on YouTube is amazing. It's all inspiring. And I'm like, oh, my gosh, why didn't I think of that or why can't I do that? Why does he do that so well? And so Jerry inspires me every day. I see him everywhere. And he's just a great dude. I've known him for a long, long time. And I was thinking the other day, why haven't had him on my show? He's doing some big things and he's done a ton of deals and deals and he has great experience. If you've not seen his YouTube channel, go check it out, go to YouTube, do a search for Jerry Norton or Flipping Mastery might be. We'll talk about that in a second with Jerry, but he's here and he's here from Puerto Rico. And the Internet connection is not that great. But one of the things that we're going to be talking about here with Jerry is what's going on in the industry. Right. Wholesaling, for whatever reason, is getting a bad rap. It's becoming more and more difficult to do in some states. It's becoming illegal to do if the National Association of Realtors, God bless them, if they had their way, they would make wholesaling illegal across the board. You couldn't do any kind of investing, I mean, assignments or wholesaling. They want everybody to get license. They want everybody to only get no more than three to six percent for commissions. Right. They want to control the whole industry. It's a monopoly. The second or third largest lobbyist in Congress is the National Association of Realtors. They're bigger by far than the NRA, the National Rifle, the NRA, the National Rifle Association. And I think next to them is maybe the education teachers, whatever union. Anyway, we're not going to get political here. OK, I promised Jerry and I'm sure we would love to talk about that for a couple hours, but we would offend half of you. We're going to be talking about in this podcast. What are you going to do about it? OK, sometimes the biggest thing is not looking for ways to get around the



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obstacle to to get under it or to get over it. But it's the blast right through it, OK? And we're going to be talking about how to do still do wholesaling the right way, the ethical way, the way that's not going to get you in trouble. And we're going to be talking about with that today with Jerry, Jerry Norton. And he's in the house. I'm going to bring him on over. Jerry, how are you, man?

Jerry: Doing awesome. Thank you, Joe. How are you doing?

Joe: Doing really, really good. You are in Puerto Rico and you just moved there recently. How's it going over there?

Jerry: Yeah, we're adjusting, but I'm loving it. I'm going I'm looking out this window right here. I can see the ocean. And so it's a little more humid than I'm used to. We're hitting the real humid season here. But other than moving to an island and trying to adjust your whole family and all of that, we're excited. I'm excited to be here. And it's I think it's going to be an amazing experience. So we're going to make it work.

Joe: I got to tell you, I like the hair, man. I'm glad the hair came back.

Jerry: Yeah. Yeah. Grew some hair. I've got four for only nine ninety-seven. I'll show I'll tell you the secret ingredient to the pill that'll make it grow.

Joe: You've always had hair. People thought you were bald because you always had it shaved, but you just let it grow.

Jerry: Well I actually was bald. I had, I had not totally. I had the front really good. And then the sides kind of receded. But yeah, what happened was I've actually never told this. I've had people ask me like, do where'd you get your hair? So what happened was, is it happens, right? And I just stop going anywhere. You're anywhere where I wouldn't wear a hat and I'm a hat guy like you wear a hat. I've got probably one hundred different hats, so I wear hats. And so I just wore a hat twenty four, seven. And then because I was wearing a hat, I never cut my hair. And so then all of a sudden I started growing all this hair and I realized wow, I kind of miss my hair. So then I actually went and had an operation and did a hair transplant. So they took the hair off the back of my head and put it on the front of



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my head. And it kind of really went well. And I don't know. I've got kind of thick hair, I think, naturally. So, yeah. Now it's Jerry with hair

Joe: I like it. Looks good, man. I like to joke. I used to have a forehead. Now I have a nine head or twelve head. Well, that anyway, stupid dad joke. I want to ask you real quick and I apologize for the poor connection here, but we're doing the best we can. You're in Puerto Rico. What on earth brought you down to Puerto Rico? You just got a huge house and now you're down there. What's going on with.

Jerry: Well, Puerto Rico offers some amazing tax incentives. It's a territory of the United States. And if you qualify, then you basically you essentially almost don't pay any tax. And so it's an IRS code that they instituted a long time ago. They made some adjustments to it, but it's designed for people to bring their business to Puerto Rico. You have to live in Puerto Rico. You can bring your family and a handful of other rules, but your income tax is capped at four percent. And your capital gains tax is zero. So that was the whole drive to get here was for the tax benefits. And, you know, I ran my business virtually from Phoenix. So the only thing that's changed for me as far as business is rather than looking out the window in, I'm looking out the window in Puerto Rico and my whole office so that in that regard, it's I'm very grateful and thankful because I run my business virtually anyway. And now I'm able to do it in Puerto Rico and go from fifty percent or whatever in tax to essentially zero.

Joe: It's insane. I heard a rumor what your tax bill from a mutual friend last year and I would have moved to Puerto Rico as well if I were you. It's funny, I used to brag, Jerry. I used to say my goal is to pay a million dollars a year in taxes. And that's not my goal anymore. And it's not what. But you make it's how much you keep. Right.

Jerry: And Joe, I'm not much of a hold on. My real estate is flipping, so it's a very high cash producing, which means high tax, high taxable income as well. And so I had to make strategic on the road and I said, well, do I want to start acquiring a lot of depreciating assets to try to offset some of this tax or move to Puerto Rico? And so we opted to move to Puerto Rico.

Joe: Nice. And you used to you traveled for a long time with your I don't know, I think you have twenty kids now or something, right?



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Jerry: Ten, not twenty, ten.

Joe: OK, but you traveled for a long time with your entire family in an RV doing deals virtually. You've been doing this for years. Talk about your trip on the RV. I was really inspired by that.

Jerry: Yeah. So that's been a few years now. So we did we did a yearlong RV trip at the time and we had six kids. And at the time this whole idea of like virtual real estate, virtual wholesale and flipping, it wasn't even a thing like no one really called it that. It wasn't really a thing. I did it because I was so entrenched in my business in metro Detroit that it was just burning me out like I was at every deal. I was the bottleneck, right. I was the problem. I had to make all the decisions and I was running ragged, making money. But I got into real estate. It was not creating any kind of lifestyle. So it was really scary because we said, let's go do this trip, we'll figure it out. And so if it forced me to figure out how to do things without being there and then we just continued to work on that idea of a virtual team and not having to physically be where your deals are. And I think that's kind of taken root. It's pretty mainstream now the idea and a lot of technologies help that to covid has certainly helped that idea too. People it's normal now to zoom. Right. And conference calls and stuff that used to not be that way, used to be real estate, used to be very face to face. And the landscape of that is changing quite a bit, even more so now.

Joe: Talk about your real estate business today. What does it look like? You're still doing deals from Puerto Rico. Is there any kind of drawbacks for living in a tropical island doing real estate deals in the US?

Jerry: Um, well, I'm on Eastern Time Zone now, instead Pacific Time Zones. But no, nothing's really changed different for me because it's all now. It's all over the Internet. It's all over zoom. It's all over the phone. And I mean, there are some challenges with power going out now and then. I mean, we're in a really amazing community, but it's still Puerto Rico. Right. And so there's some of those adjustments that we're working through for internet, I think we're working on how we can help, how can we fix that and things like that. But otherwise, it's business as usual. For me, it's no different. And I love that I can now live in a tropical climate. I mean, Joe I can hike in ten minutes and be at this hidden cove on the ocean in the



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Caribbean. And like ten minutes to my morning routine is the height of the water. And I can see it right out my window because we're really high on a hill overlooking the ocean. So that that part is the part I've got to work on here is getting my wife acclimated. This has been a real transition for her. So what we don't want it to be as a sacrifice. So I've got to kind of work through getting her something comfortable. So we'll get through, though, so.

Joe: Yeah, nice. We got some people here, Mr. Kabah, Jerry Norton, one of the best. I love it. Agree on a good friend, real estate investor in Michigan. What's up, Jerry, my Michigan brother. I love that Gissler or Gisele. My parents live in Dorado.

Jerry: I believe that's. Yeah, awesome.

Joe: Not too far from you know, Giselle is telling me I can still move to Puerto Rico. I would. I love the idea. I have so many friends that move down there now. I would love the tax savings. We just bought this house with love, so that's OK. Maybe sometime soon. Aaron Brown says to the best guys in real estate game that I consider my mentors, this should be great. Oh, we got a lot more to talk about, too. Adam is saying, I love these guys mastermind's right here and Judah such great tips on videos. Yeah. Here's the thing, guys. You've got to like right now, pause this video, go to Jerry Norton's channel, subscribe, click the bell notification, get on his emails. I mean, get on his videos and. He's got one, but like every almost every day, Jerry, you're coming out with these amazing videos, I'm like scratching my head thinking you. How does he do it? You sound so professional.

Jerry: Thank you. Yeah. We put a lot of work into the channel, so I appreciate that, Joe. That means a lot.

Joe: All right. So let's talk about wholesaling. Jerry, you've been a wholesaler for a long, long time. And you talk about some of the changes you've seen in the industry over the last 10 or so years. And what you see coming is like, is it getting why is it getting harder for wholesalers to wholesale deals? Yeah.

Jerry: So this whole idea that there's an issue with wholesaling from certain people, namely the National Association of Realtors, real estate agents, I'm generalizing right now. But in general, this this argument's been around since when I started 17



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years ago. So there's nothing new here with this issue of wholesale earning, unlicensed commission. They're operating outside of the jurisdiction of the real estate licensing board. This idea that wholesalers are running around with no regulation. This idea that it's harmful to sellers, that that idea has been around forever. But it's really taking root now. It's really taking root now. And we're seeing legislation coming out even in the past year or so, we're seeing some pretty serious regulation coming out regarding these ideas. So the part that's concerning that I'm very concerned about is the future of wholesaling. And it's kind of the elephant in the room. It's not something that wholesalers talk about or want to talk about, especially in the industry. Industry people that teach how to wholesale aren't really talking much about this. And I think it's I think this is something that has to be addressed. And it's not any kind of platform in the industry. It needs to be a conversation that's happening because it's a real thing and it's coming. Regulation is coming and it's coming faster than everybody wants to think it is or or that that they think it will actually have an impact. It is it's having an impact. And I just think the dominoes have started. And so my hope is to bring this awareness out. I've got some really big visions on how we need to come together as a wholesale community. We need to start having a voice. We need to start. I think we need to actually start creating some best practices. We need to start creating some licensing type of things and some code of ethics, because if we don't, then the NAR is going to just steamroll right over us. And if they have their way, they'll pound us into nonexistence. So that's the concern.

Joe: You did a really good video just a week ago, less than a week ago. Called Wholesaling is getting banned. Why Real Estate Agents Hate Wholesalers. And you talk to you get some really good things in their points of what this is all about. But wholesalers are getting attacked also from the investor side of things. You actually linked to a bigger pocket's blog post. And it's crazy. You're scratching your head thinking the investor community even hates wholesalers. Why is that? What's going on?

Jerry: Yeah, well, so there's an element of truth to to some of this. And so I'm not completely unbiased about this, Joe. There are a lot of people who watch Jerry's YouTube video yesterday. Today, they're a wholesaler. They're out in the marketplace talking to sellers. There are some things going on that that cause concern. And so what happens, though, is like anything, the one the one bad



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experience tends to ruin it for everybody. And then when you have something as big as the National Association of Realtors with their own agenda about at all, what they're going to do is they're going to grab on to the to the instances that they can find to justify their costs. And that's how a lot of policy is created. Right. So, I mean, if you're if you think about it, Joe, a lot of unethical realtors that are part of the National Association of Realtors that have had that pledge, the code of conduct and the code of ethics that are the most unethical people I've ever met. And they're licensed real estate agents. So this idea that wholesalers are somehow bad. So the industry is just asinine to think that there isn't a place for it and there isn't a place for it. So it's just the arguments getting this this platform now, because there's powers at play that are much, much bigger than the wholesale community. And that's why it needs there needs to be a discussion about there's there needs to be awareness and wholesalers that are in the industry, industry wholesalers, they need to be aware of this as well. And they need to know how they should be conducting themselves in a way that's not going to be harmful or unethical or any of those things, the moral side of it all. And so it's just it's an important conversation to start having about this. But I also think the sentiment now and this is just really sad to see, but making money is bad business owners, bad wealthy people are bad. There's this this this kind of movement that. Going on here that somehow if you make money in a transaction and somehow if we can say that it was easy money, that it's morally wrong and it would be like Nike disclosing to us all what they really paid to have those shoes made in China and that we have and that and then a buyer has a right to know what their markup is. Right. It's just it's just economics. Wholesaling and real estate is no different. And so but yet there's this mindset that's starting to go on that if you as a wholesaler, make a fee somehow that fee wrong, that the seller that the seller now was hurt and harmed by that. And they're just it's not taking into consideration any other factors that go on.

Joe: Yeah. So this is important to understand because and let's talk about the moral.

Jerry: It's really alarming to me to see that taking.

Joe: Right. Right. Let's talk about this, because the morals of wholesaling, the ethics of it. Right. Explain how it how wholesalers are needed and what is the value that we do bring to the industry. I've always explained it is like in exchange for the price



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we're giving them the speed and convenience of getting rid of an unwanted property. Right. So talk about what is it the value that wholesalers bring to the table?

Jerry:

Well, if you think about it, and this is where I think a lot of people kind of misunderstand, wholesaling wholesalers are simply a marketing division for investors. Right. So, Joe, I believe I will wholesale and I'm an active flipper. I fix and flip. I do new construction flipping. And if I want to go out and I want to secure a deal that I can fix up and flip or fix up in rent, then I'm going to have to employ a marketing initiative to then find deals. Right. So I'm going to do it through marketing. Marketing is the function of generating customers and investors. That's the house, right. It's a deal that you can then acquire and do something with add value in some way. Wholesalers are just the marketing division for cash buyer investors. So they spend the time, they spend the money, they get it for they talk to people. They make one hundred offers. They're spending all this effort, time, energy and effort to acquire a deal that they can then bring to that end buyer. And so that's all it is. It's a it's a you're a marketing agency for a cash buyer to that wants to buy deals and invest their money. That's it. So when you really simplify it in that in that regard, what is the problem here? What are what are we worried about? What are we concerned about here? But what's happening is this disclosure thing is what's kind of leading the charge. So the NAR is saying you cannot tell a seller that your intent is to do something when your intent is not to do something. So, for example, when you say, hey, I'm a cash buyer, I'm going to buy your house, but that is not your intent. Your intent is to assign your contract to somebody else for a fee, then that's not full disclosure. And this is all about full disclosure, supposedly. So then they're using that as their as their platform to say. And a lot of ways are saying this is not full disclosure. So that's one argument. The second argument is you're earning money. I don't care about how you structured it with your contract and all of that. You're earning an income to facilitate the the purchase or sale of real estate. That is that falls under the real estate licensing division at the state level. You should be licensed, and you should be regulated. And you should be following up, hearing all these things because you're earning money. Now, contract law argues and said, wait a minute, I have an equitable interest in the property with my contract and I have a right to that by doing and assignments. The argument between contract law and unlicensed commission going on here. But if you think about it, Joe, the wholesaling industry has morphed.



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It is now a mainstream industry. Right. So people have no intention of buying the property. They're intent all along is to sign the contract to somebody else. And so it does create a little bit of a gray area here where it's kind of like, OK, well, you're intentionally specifically practicing a business technique of never buying a property, no intention of buying the property, no money to buy the property, but yet you're contracting as if you are on that contract with the seller. So we're giving we're giving NAR and everybody a really easy target. We're putting a bull's eye on our head because we created an industry around the technique of doing an assignment of contracts. Right. And so you can see where it's where it can gain steam really easily. Like, it's a really easy argument that they can make about what we're doing as wholesalers. And the thing I keep telling people is every industry gets regulated like you can't do hair and nails without a license. So when something becomes big enough, government's going to step in. They're going to say, we're here to protect the consumer. We're here to protect the little guy, the homeowner, the unsuspecting homeowner. We're here for them. No, it's not about the money or any of that. It's about protecting the consumer. So. We're going to create regulation. We're going to align our pockets in by doing this, but we're going to create regulation designed to protect the homeowner. And how can a wholesaler not get regulated? It's too big of an industry now. How could it not? That's my question. How could it not get regulated?

Joe: And this is so good that we're talking about this. This is really important. People understand and I want to I want people to not get alarmed and freak out. I already see some of the comments here. People are kind of freaking out. Just relax. It's all going to be OK. And this is nothing new. This is nothing that this has been going on since Jerry and I started wholesaling. Like Jerry probably before me. I started wholesaling at twenty-eight. It's been a discussion for a long time. Talk real quick about what happened in Illinois, Oklahoma, some parts of Philadelphia. What happened there?

Jerry: Yeah, so I've been following this very closely because I'm intrigued by this and concerned by this. And like you just said, the one thing guys that I probably should have prefaced this is everything is about adaptation. Don't ever get into this industry or any business for that matter, if you're not willing to adapt with the changes. So all I'm looking at I'm actually looking at this as an opportunity and an opportunity to help my game, to adjust, to adapt and be even better than what I



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was before. But you've got to you've got to have your eyes wide open and you've got to get ahead of the curve, that's all. So if you look at what's happened recently, the biggest one, the most alarming one was the entire state of Illinois. They came down really hard on wholesalers. Right. So they basically said, you can do it once, after that you need to be licensed. And there's math. It's a twenty-five thousand dollar fine for your first offense. And it's not just doing an assignment, it's marketing an assignment. So you can technically, according the way the law reads, you could get a twenty five thousand dollar fine if you send out an email or put something on Facebook that says you have an assignment, a contract, you have you have a house that you want to sign. And so that's pretty freaky to say that it's a business practice if you do it more than once. And now we want you to fall under the jurisdiction of real estate licensing law. And so that's a game changer. And not only that, but the part that's concerning to me, Joe and I I've been talking about this is it's not so much that the the regulatory agencies are saying, hey, wholesaling industry, we want you to we want you to be regulated. We want to have a best practices, a code of ethics. We want all that. It's not that that that I, I can see I get that. It's the way they're the way they're approaching the industry is it's predatory. So the language is wholesalers are predatory, they're harmful. They're the deceitful, they're liars. It's really negative the language that they use as their platform to create this regulation. So Philadelphia did the same thing with Philadelphia. That one that one is so obvious to me because it was led by Alan Dom. He's a big-time real estate broker in the city of Philadelphia. He's called the condo king. He's and he's in local government. Right. This is a guy that clearly has an agenda, an agenda to eliminate competition as much as you possibly can from wholesalers. How could you not see that? How could that not be clear as day to everybody? But he's got he's in power. He's in power. So he passed this law and Philadelphia and some of this stuff in Philadelphia is is just asinine. Like if you don't for example, one of the things with the Philadelphia law now is that if you don't tell the homeowner, here's the different ways that you can find out the value of your home. If I don't give you these method about the value of your home, you can rescind your contract with me at any time. Like you could just say, you know what, I don't have to perform on this contract I have with you. I'm out. And they're not. And they don't have to adhere to their contract, you know, things like that. And then there's a licensing fee. Now you've got to register. So now you're registered. You're paying fees to who right now there fees involved. What people don't understand is like all taxation, because that's all it is, is this is all this all ends up



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getting passed down to the consumer, because now us wholesalers, just like a business owner, when they raise minimum wage, we're going to raise fees. We have to. Right. We're not going to make less. We're taking risk. We're not going to lose money. We're going to raise the fees to things which passes on to the consumer or in our industry. It's going to pass on to the homeowner. So all we're doing is hurting the homeowner by doing some of these things. We're not helping anybody,

Joe: in my opinion. You're absolutely right. And how many sellers have you talked to, Jerry, where you have given them their options? You've told them, listen, you should list it with a realtor, you should clean it up, you should take out all the junk, you should change your carpet, paint the walls, listen with an agent, because that's where you're going to get the most money. So why haven't you done it? Why don't you listen with the realtor and what do they say? I don't want to do that. Yeah, they're.

Jerry: Yeah, I was I was just totally agreeing with you, I mean, I made my sales pitch with sellers is I'm probably not your buyer, I'm probably not your buyer if you're looking for speed, convenience, at least if you're looking for these sorts of things and you don't have time and you don't have the means, you don't want people coming through your house. If there's these other things going on, then maybe I'm your buyer. But if you're after the most money you can get for your property, I'm not your I'm not your person. Let's go public with it. Let's get you listed on the MLS. Let's get you maximum exposure and let's get you the highest price. And I can help you with that, too. I can put you in touch with some with a real estate agent. But here's the thing. I need to go on. You're going to have a buyer that's probably going to want to do inspections. So you're going to probably need to be fixing some things right. You're going to need to do all these things. If you want to get the higher price and you decide, seller, you tell me what you want to do. I'm just here to help. Like, that's my pitch. That's the angle I take. And there's certain situations where we bring that value. We say to them, we can do that fast closing. We can do as is. We can do this all off market, under the radar. We can do it quickly. Right. We can do all of these things. And Joe, I've never had a seller sell me a house at a discount that was not that was not grateful, thankful, appreciative and glad to pay the price they pay because what do they do? They're trading equity for peace of mind. Peace of mind. To get out of that unwanted property is more important than



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price. And this is what the National Association of Realtors is totally overlooking or not even addressing their idea is all property should go on market. We can't do and do Netlist. We can't do any of these things. Everything needs to go on market. And that's just not the right solution for everybody. It's plain and simple.

Joe: Yeah. I mean, how many houses have we seen that are hoarders houses that are completely trashed, foundation problems, termites, mold, roof, everything is wrong. Realtors don't want to list that house. They don't want to list it. What do they do? They call up you and me and say, hey, do you want to buy this house?

Jerry: Yeah, that's right. That's exactly what happened. So there it's just understanding. I think the big thing, Joe, here is like probably the people watching this and listening to this, I would say 90 percent of the audience that that's how we're going to see this probably agrees with us completely. They understand the role of a wholesaler, maybe not everybody. I mean, there's a lot of investors that, for whatever reason, had a bad experience with a wholesaler and now they just hate wholesalers. But almost all the time where I see this happening on wholesalers, it's from a real estate agent and what's going on here? They and their mind, that listing where I could earn my three percent and made three thousand. Instead, Joe Macall came in here. He will sell that thing and made 15, 20 grand. I'm first of all, I'm disgruntled about that. That's not fair. I've had to go through all of this stuff to get my real estate license. He didn't have to do any of it. He's paid five times as much as I make on a transaction because he's a wholesaler. I'm just an agent getting a commission. There's all this resentment. And so everything gets masked with this idea of not disclosure on commission sales and all these other things when what's really going on here, what's really the problem here? And I think it's just I don't like the competition is what they're thinking. I don't think it's fair that I'm licensed and regulated in they're not. So you got all these other underlying hidden agendas that I see and I think you see in a lot of people can see. But guys, at the end of the day, what are we going to do about it? I mean, that's the thing. What are we going to do about it? And we don't have the lobbying power that NAR does. Right. So we're going up against a giant. If we're even going to have a seat at the table at all, which how can we even have a seat at the table? We're not organized. Yeah, we're not even organized. So how do we get organized? How do we have a seat at the table.



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Joe: And full disclosure too I'm licensed. I think, Jerry, you're still licensed, right? Yeah. A lot of people here are licensed. And you guess what? Guess what's happening in Illinois right now. Wholesalers that are licensed and are doing it the right way. We're going to talk about the right way to do it here. Just a second. They're crushing it right now. They're doing so well right now. So there is still a lot of opportunity I think we should talk about next. Jerry, is what is the right way to do wholesaling what you talked about intent and the means. Talk about that a little bit. That's really important.

Jerry: Yeah. So, I mean, in all honesty, if I just stick to the contract law side, my personal opinion is if I execute a contract with or as I have an equitable right now in that property, my contract, I should be able to do whatever I want with that. I should be able to buy it if I want. I should be able to sign it. If I want, I should have that right. But again, going back to the attack on the industry and the. Industry attack is that wholesalers are using contract law as a way to escape, as a way to escape full disclosure, as a way to escape commission sales. And so it's going to get it's not going to fly for much longer, guys. They're going to take it away. They're going to pass legislation that says you cannot do that. And you guys can argue in the comments that you're blue in the face and say, no, they can't do that. I have a right to my contract. And all you're doing is you're just sticking your head in the sand about what's really going on out there. Just look at what's been happening in recent regulations and these different places. So so first, is that right? We've talked about that. So what I think my opinion on this, Joe, is don't do an assignment. You can still do it. But it's going to get now into the double close world. And that's a whole other strategy, I guess, of how to wholesale. But what I'm doing with my transactions now is I'm not I still am, but I'm moving more and more away from assignments and we're double closing. We're buying the property because now I can say with my head held high, I can say I'm your buyer and I'm going to buy your property and I'm going to follow the contract, full disclosure. And I'm going to close and take title. Once I close and take title, I fulfilled my contract with the seller. I've been full disclosure. No one can argue anything about what I did. No one can say intent and all of these things right now. Once I close and take title now, I can do what I want with it. Right, because I, I performed. And so it just means now if I want to wholesale, it means I'm going a double close, I'm going to turn around and close with my cash buyer five minutes later or whatever. And so that's where I'm moving away from. And I don't just take it to that to that place. Joe, I'll I'll buy it, take it



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down and then relist it and get that thing back out on the market, get the maximum eyeballs on my deal because we're in a low inventory situation. And I'll I'll, I'll make more. I'm making three times as much doing that strategy than I would that I make do it because again, it's more exposure.

Joe: Yeah. I think there's four key component components to this. Right. Number one, you need to have the intent to actually close on the deal and you need to have the means to actually close on the deal. You need the money. You need access to the money, which isn't as big of a deal as you guys might think. Also, we'll talk about that in a minute. I think, number three, you need to give the sellers options. You need to tell them, listen, you should list this with the realtor. You're going to get more money if you fix this up and sell it with the realtor. And number four, you need to disclose you need to disclose that whether you're an agent or not. Obviously, if you are a real estate agent, you need to disclose that you're an agent, but you need to disclose that you're going to make a profit on this deal. Right. And there's nothing wrong with putting into your contract with the seller. Yes, I'm going to make a lot of money on this deal. OK, and if you have a problem with that, Mr. Seller, let's talk about it right now, because maybe this isn't going to work for you and that's fine. It's better to walk away then. Right. So let's talk about the money side of things, Jerry, how a new wholesaler listen to this is kind of stress. They're worried like, oh, my gosh, what am I going to do now? Is this is this the end of wholesaling? How do I get the money to actually close on these deals and say with integrity, yeah, I'm going to buy your house?

Jerry: Does it make sense? Yeah. So that's going to be the magic ingredient to all of this. Let's see that tomorrow, wholesaling and via an assignment of contract. Let's say that that that goes away right now. This stuff's not going to happen overnight but start getting ready for it. But let's say that that day comes where they say you cannot do an assignment of contract. Now, what does that mean? That means, Wolf, I've got to double close. Then I'm going to pick up some fees now because I've got to close. That's fine. You have to fund the first closing on the purchase. And so for most industry wholesalers, they have no means of they have no ability to do that because now you're talking I got to come up with one hundred and fifty thousand dollars. Even if for five minutes to my second closing, I've got to have the cash to now perform and close on that contract. But so then that creates now an opportunity or another element of the entire business model. And so, Joe, what I'm



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seeing, what I think is going to be a huge demand in our industry is going to be funding for wholesale transactions or funding for double closing back-to-back closings. Right. And that one hundred percent capital needed for that first closing. That's going to become where if we've got that and we've got that lined up and I've got a lender who will we'll support those double closings now, I can now it's business as normal again. Maybe I've got to factor in some things a little differently to handle the fees, but we're busy, so that's all we just need to adjust. Everybody needs to start thinking about adjusting to where if assignments go away, I'm going to have to fund inflows on the first transaction, then turn around and resell it. So that funding's the magic, the magic ingredient.

Joe: Are you still recommending to people to get their license or what? Your opinion on that?

Jerry: Yes, so I've always been a proponent of getting licensed, and so I've had my license from early on, I actually went in 2010, got my broker's license. I actually own a brokerage with agents. So I'm a big proponent. And I don't I don't operate myself in the agency. I don't act as an agent. I use it just for investing. But I think the pros way outweigh the cons of having your real estate license. I mean, just my referral, my referral income on sellers who I can't close on. And I refer them to an agent because they want more money than I can pay as an investor. I mean, I think I do probably 20 to 30 thousand a year in referrals. Which you cannot get unless you have a real estate license, so I'll refer people to another agents, that agent does the listing for them and I get a percentage of that list fee. And so it's just huge. Like, why would you not get your real estate license? My education on real estate has improved from having my license. I the only thing you have to do is disclose that your license and that's really all that you have to do differently. But then you have all of these additional benefits. So, in fact, Graylin, that's so funny. So I took my real estate license with Graylin. That's how I know Graylin other years ago in metro Detroit. So it's funny, but I'm all for getting your license. And what's going to happen when you get your license? It puts you on a whole nother playing field because now you're saying to the community, you're saying to investors or industry, you're saying, I'm willing to do the extra work. I'm willing to follow. I'm willing to play at a different level by getting my real estate license. I'm willing to do that. And and I want to do that. And so I think it's I think what it's going to do is it's going to weed out the industry. I think the fly by nights in our industry are going to



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go away because and you've seen this in Illinois, Illinois now is amazing opportunity because the fly by nights all went away because they're like, oh, I don't want to get my license. That's work. That's hard. That takes time. That takes money. I don't want to do that. And so then what happens to all the wholesalers that are legit now that are willing to do that now, all of a sudden they've increased their opportunity?

Joe: Oh, yeah. And this is because we're not talking about like if you have your license, you're still then in the business of buying the house and then selling it. You're not doing listing agreements. You just want to be clear on that. But here's the point. I want to just reiterate what you said earlier, Jerry, is so important. There's this whole there's a strategy called whole taling or whatever it means. You buy the house, just maybe clean it up. If anything, you may not have to do anything to it as you after you own it, be listed on the MLS. You're going to make more money doing it that way. Number one, you're also going to be reaching the largest pool of buyers by putting it back on the MLS. And since you are licensed, you're going to save in commissions. And so that extra money that you're going to be paying with borrowing the money or using transactional funds is going to be more than paid for when you sell it for a higher price. Faster on the MLS, right?

Jerry: Yes, I think so. I mean, that's what we're finding. We're finding because it's always about exposure, right? You want to sell your house for work, get in front of more people, get more exposure because the highest buyer rises to the top. And so this is this goes back to just wholesaling one oh one. The bigger your cash buyer list and the more robust in the more new buyers you add on a continual basis, the higher price. Because what's going to happen is the outlier is going to come out that one person who wants it was going to pay way more than everybody else get buys your property. And so it could be a live in flipper. It could be a landlord who already has a couple of properties that want another one that wants to buy the house. So you get these weird situations where this buyer comes out of the woodwork that's completely out of formula that wants that property. How do you get that buyer? You get as many eyeballs as you possibly can on your deal and nothing gets more exposure than going on market. So if you can take down a deal and get it back on market. Relist it, take it down off market or whatever, and then list it, you're going to get more exposure, higher price. Right. Or if you've got your cash buyers and you wind up that cash buyer and you and you do your your first closing fund, you close on it. Now you've eliminated everybody who says you're not doing it. You don't



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have the money, all those things, non-disclosure, that all goes away now and then you resell it to your cash buyer.

Joe: Yeah. OK, let's talk about this transaction fund. We're getting so many good comments here. What's up? Clayton Claytons in the House. Mr. Carver says transaction funding is your best friend wholesaler's. You've got to figure this out. Gisele funding is going to be huge. And also, we're giving sellers a piece of mind by doing a double closing. There's no funny business going on. Not that not that assignment's is funny business. I don't mean that, but like, it's just much cleaner and easier. So talk about transactional funding. What's what is that what is the difference between transactional funding and hard money and private money? And when you use that each.

Jerry: Yeah. So transactional funding is really just day funding. So it's it's when you've got your your A to B transaction and your B to C transaction and both of those are planned and organized and lined up. And so the funding comes in for a minute and then it goes back out right. Now when I say in and out could be twenty-four hours. Right. So, so today we close on closing one tomorrow with closing closer two. But it's basically just day funding to get those transactions done. Now what's cool is there's money that does this that will lend one hundred percent of your of your closing, right? So then it means you're able to now do these double closing transactions without having the capital cost of that. Right. So that that would need to be built into the transaction. You are going to pick up closing fees typically because you are closing out one transaction as the buyer and you're turning around and closing the second time as the seller. So all of this sucks, guys. Like, I wish we could just stick with assignments from now on, but it's just what we're going to have to do to adapt. And I think it needs to just be policy already as far as you and I are concerned. In fact, we're even having title agencies now that won't do assignments. They say, you know what, our underwriters don't want this. We don't want to do them. They're high risk. We're worried about something coming back on us. I've had I've had a couple of deals where I was the cash buyer, Joe, from a wholesaler and the wholesaler opened escrow with a non non wholesaler friendly title company. And title said, We want nothing to do with this. We're not doing this. And the seller would not change title companies because the title, the first title company freaked out about it. And they're like, wait, what's going on? Wait, you're not the buyer, right? So all of these things just start creating a lot of issues. And if



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title companies now aren't going to be doing assignments, which they are, there's less and less title companies want to do them. And the more scrutiny they get and the more publicity is going on out here about wholesalers are bad guys, the less they're going to want to do this. So, again, we're going full circle here. But I think the way we've got to all be looking at this is if you plan on being relevant, if you're going to be relevant in the wholesaling industry, you better start planning on doing back-to-back closings, double closings, and you better get your money figured out. So do your transactions figure those things out and then that's how you're going to need to adapt and be relevant going forward.

Joe: All right. So let's talk about the money part of this, Jerry. Where can people get the money to actually close on these deals?

Jerry: Yeah, so there are companies out there that offer this. I actually, like I've been saying is I see this as a huge thing. So my long term vision that will do these specific actions, that it will cater specifically to our industry for doing these transactions, because I think it's going to be mandatory like we've been talking about. So what I'm doing right now is we've opened a pilot program. It's I'm just using my money to fund these transactions. So we're offering that out. And what I'm trying to do here is create a track record. So I want to be able to say to a fund, hey, I've been doing this, I've got successful transactions behind me, here's my track record and be able to then go out and raise millions of dollars to create a fund that will offer this on a big scale. So that's kind of my big project that I'm working on here over the next few years here in Puerto Rico. But we've got limited access to this right now. We're actually offering this out to people to get in. We're offering some really amazing things. I've got a whole a whole webinar training on how to participate, but it is really limited because I only have so much fun. So we're raising more money. We're training more money spots up a little bit here and there. But what I'm offering is if you come in right now, you can get locked in and my funding program and then you can get unlimited access to the funds going forward. We're doing this in our introductory rate, which will, once we secure the real fund. Right. Wants to go out and raise massive money, then we'll be able to quadruple the fees for it, and especially once it becomes mandatory because everybody's going to need it. So I'm thinking I'm just being full transparency. I'm thinking down the road when this is going to be extremely high demand type of financing for these transactions. Yeah.



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Joe: So this is really important. I understand, guys, because I've seen some of the comments here and you're like, all right, here, Joe and Jerry are going to sell another program. Well, I'll be honest with you. Yeah, we are. But here's the thing. You're going to pay for one way or the other. Oh, or for later, and you're paying a lot more for it later. Whether you use Jerry's money or my money or another hard money lender, another local transactional lender, you're going to pay for it somehow. And the reason why I wanted Jerry on, is to talk about the solution that he's come up with because it's convenient, it's easy. And Jerry is a wholesaler. He understands the wholesaling business and what's involved with this. So we're going to give you a link here in just a minute talking about Jerry's program. But this is something really important you guys got to grasp. If you're if you're trying to pinch pennies here and there, you're stepping over pennies or you're stepping over dollars to pick up pennies. I think that's how the phrase goes, right. You got to look at this big picture, because when you can actually close on these deals and fund them and close, you're going to make more money doing this and you're going to be doing more deals. This is what's going to step up above higher than all of the other competition that's out there. Right. And I see a lot of comments in here. People are complaining about everybody on social media now. Everybody on YouTube is talking about wholesaling. There's a bunch of dinglings out there ruining the industry for us, right? Well, here's the thing. There are a bunch of of dealings. And what's the other word I like to call them? I forget that are out there chuckleheads. That's what I call them. Chuckleheads. There's a lot of chuckleheads out there that are screwing up the industry. Right. But if you want to stand above them and you want to stand above your competition, then you've got to get access to money. You've got to get access to money, whether it's Jerry's. And I think, Jerry your website is UseJerrysCash.com

Jerry: Yeah. Go to that link. What will happen is you'll register for a training that I'll be doing and it's about a forty, forty-five-minute training. And we talk all about the program, how you can get locked in on this type of funding. Secure your spot now. So it's there for you that the introductory rates and we've taken it a whole step further to for these transactions. We actually handle all of the closing for it too. So even the title for it. So you use our nationwide title company to do the whole thing and you don't have to worry about that. So it just we've just facilitated the whole process. It's catered specifically to this industry so that you can start doing these



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double transactions. And again, there's a benefit to this right now. Today, this isn't something that you should be thinking. Oh, we know what? I'll worry about that once regulation comes to my town, it's way more than that, because in my opinion, what's happening is, is if you can actually look a seller in the eyeballs and say, I'm going to buy your house for cash and you mean it and you can do it, you know what kind of confidence that gives you and you kind of buying power that gives you? You will get steep discounts because you can hold your own now, right. You're no longer these piddly assignments going to be happening because you are you are performing on the contract. And it's full disclosure, I am buying your house. Ask your other ask my competition if they're actually buying your house. Right. And so it's going to put you in a whole other ballpark right out of the gate right now today.

Joe: Oh, my gosh. You got to you got to understand this, guys. I was talking to a big, big wholesaler in Phoenix, is that right? Yes. Phoenix we both know one hundred of them in Phoenix, but I was talking to one of the big hundred in Phenix. And you know what they're telling sellers now? There's pulling away. They're taking their offer. If they say no, they say, listen, that's fine. But listen, let me let me tell you something, Mr. Sellers. All right? My price may not work for you, but if you you should go get other bids from other investors. OK, but this is what these wholesalers are telling these sellers now. OK, listen, they're saying to these to these to the seller, go ahead and get some more bids. But listen, don't let them make sure that they have on their contract that this contract is non assignable. Make sure that their wholesaler puts that in their language in the contract. This contract is not assignable. Make sure they're actually going to close on the deal. There's a lot of fly by night wholesalers out there that watch some YouTube videos and they're not going to actually buy the house. They're just going to buy it and sell it to somebody else. So the guys that are actually doing a lot of deals, they're warning these sellers of you wholesalers that don't have the actual money to close. So it's almost like you got to figure this out or you're not going to you're not going to survive in this business. You know what I'm saying?

Jerry: Yeah, it's that's really interesting you say that, Joe, because, you know, if you think about it, when you can tell a seller, look, I've got the finances behind me to buy this property in cash and I can prove it to you and I can give you proof of funds. And I am going to close ask these other guys if they're actually going to close. Like you just said, you it puts you in the driver's seat in this industry. You are at a you're at a



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whole other level that you can leverage big time. And I mean, the reason why I can beat my competition hand over fist is because I do have the finances behind me to perform and I can show that and prove that and have that legitimacy and having that legitimacy, especially today, because you guys think it's a secret that there's this wholesaling thing. It's not a secret. It's mostly sellers understand it. They get it. Now, just talking to you,

Joe: There's one other thing I forgot. One of the things that they're also telling the sellers is make sure with that other guy who buys your property, ask them to show you the last five transactions where they are actually on the title history of buying that property. That's another thing they're telling the sellers to tell the other wholesalers, which isn't going to happen with those people.

Jerry: Oh, yeah. And guys, if so, think about it. If this other wholesaler actually has the means to show those things and those things, you're kicked to the curb because what seller is not going to instantly be fearful of your offer when the performing guy can show that he actually performs. Right. It's going to it's going to kick you to the curb. And this is where things are going. This is how it's going. It's almost like we're pushing ourselves out, forgetting are pushing ourselves out of the industry.

Joe: I forgot. There's a third thing, Kyle reminds me here. Yeah. They're also telling these sellers, listen, don't accept any of the contract unless they're willing to put ten thousand dollars down earnest money deposit.

Jerry: Right, so that eliminates ninety-nine percent of wholesalers who don't have any money for a down payment. Yeah, right. I mean, guys, this is in this full circle. This right back to where a lot of people who come to come to my channel who consume my content, these are these are people who are looking to get into the industry. They're looking to learn how to wholesale. They're looking to better their life situation, their finances. They're looking for a way to get out of a job they hate. They want to create financial security and they see real estate and wholesaling as a means to get there. And it is it's an amazing needs. It pulled me out of paycheck to paycheck, minimum wage to to Millionaire was wholesaling. I'm so incredibly grateful for our industry and the opportunities that that that has provided. But guys, it's an industry now. It's not this. It's the secret's out. And so if you want to stay relevant, you better be adapting. You better start adapting so that you can stay



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relevant. And I don't think just stay relevant. My goal is never stay relevant. It's the top. How do you get to the top, the way you get to the top, is you perform and you show these sellers what other what other wholesalers cannot show and you're instantly in the top of the game. Yeah, I love it.

Joe: Yeah. Very good. Guys, again, UseJerrysCash.com It's a little page that invites you to watch a little webinar where Jerry talks more about this program. I highly recommend it, guys. There is a lot going on in the industry, a lot that's changing. And you need to understand how to use somebody else's money. It may be Jerry's money. One of the things I teach a lot of people is find cash buyers who have the money, who will do your transactional funding for you. Right. So you might find a buyer that is already buying deals. Maybe you can have them be your transaction lender, but you need transactional money. And if you want the fast, easy way to do that, one great website to go to is UseJerrysCash.com. You guys know, I don't promote or or push anybody that I don't already know, like, and trust. And I know that they're going to serve you well. I've known Jerry for a long time, Jerry. I don't know if you remember, but it was probably back eleven, twelve years ago. I remember talking to you on the phone. You were in Michigan? I was in St. Louis. And we were talking about this whole business. And you're trying to decide whether you should get into coaching or continue doing deals or not. And do you remember that conversation?

Jerry: No, I don't. So I wonder what year that would have been.

Joe: I was like 2010, 2011. I think that sounds about right.

Jerry: Yeah. Yeah. That's when I started getting into training and coaching about around 2009, 2010.

Joe: Yeah. All right, guys. Jerry, anything you want to wrap up with here as we, as we close?

Jerry: No, I think guys just keep advancing your education. Elevate yourself. We need to bring our industry up. We need to bring it out of this negativity that's happening out there. And I think the way we all do that is we just perform at a higher level. Right. So all of us need to to raise the standard on our industry and be a voice. I



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think I think it starts with each and every one of us having a voice for our industry and showing the world right, showing the investing community, showing the real estate agency community, showing everybody that we operate on a high level. And we're here to bless lives. We're here to provide value. We provide a benefits. We do good to the community. And that's why we're here. And that's our that's our objective. And the more that we the more that we look out for the best interests of everybody that we're involved in, then then I think the money will just flow, right? Like the money will come. Don't worry about that. Just do good, do the right thing, have a high standard, have integrity and all that you do. And we can change this image that's happening in our industry. And we have to that we have to change this image and we have to be a voice and fight for a seat at the table. And that starts with each one of us doing the right thing and creating in that good image and that goodwill in the community.

Joe: Yeah, I just want to summarize what we've been talking about here. Go and get your license. The benefits outweigh the costs, number one. Number two, you need to have the intent and the means when you are making offers on properties. You need to have the intents to actually close on it and you actually have the money to close on it. You need to give the sellers options. You always need to give full disclosure to the seller when you're making your offers. Oh, there was something else. I forgot what it was. But don't panic. Don't freak out. All right? This isn't the end of wholesaling as we know it. There's still a lot of opportunity and money to be made as wholesalers. I'm excited about these things because it's filtering out the fly by night operators. It's giving more opportunity for us, you and us listening to this now that we know how to do it. So. If you want to get Jerry's cash, OK, go to UseJerrysCash.com. UseJerrysCash.com. Check out Jerry's YouTube channel. It's amazing. What do you call it? Is it flipping mastery or just Jerry Norton or?

Jerry: Yeah, yeah. Flipping Mastery will get you to the YouTube channel.

Joe: Yeah, he only has two hundred and thirty of two hundred and fifty thousand subscribers which is awesome. Yes. And real quick, two guys. If you're interested in working with me, go check out PartnerWithJoe.net, PartnerWithJoe.net. We have all of these podcasts transcribed and listen to past episodes at RealEstateInvestingMastery.com. I'm looking for my link for that and I don't have it for my screen here, but it's just RealEstateInvestingMastery.com. So good. Thank



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you so much, Jerry. We've got a ton of comments here. I haven't even got all of them. We'll look at your comments when this video is done and respond when I can. So thanks, Jerry. Sure appreciate it.