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## 1093 – Racism & Fair Housing - Is It Still A Problem And What Can We Do About It?

Hosted by: *Joe McCall*

Guests: *Brent Roam and John Kiehl*

**Joe:**

Welcome. This is the Real Estate Investing Mastery Podcast. What's going on, guys, Joe McCall here with the Real Estate Investing Mastery Podcast you're in for a good treat today on this show, we're going to have a guest that I had on recently, Brent Roam, and we're going to be talking about a very, very serious topic. And you know what we can do about it. This podcast is all about real estate investing, but this particular topic of racism, fair housing discrimination, it affects and impacts all of us, and this is a very important topic to talk about. And I found out about this, and when I first heard about it, I'll share a little bit of my kind of story into it. I thought, Yeah, you know, I thought that was that. That ended with the Fair Housing Act of 1968, and I met this gentleman. We're going to have on here in just a minute Brent Roam, and he started kind of opening my eyes to the serious problem that it still is today. And it's easy for me, you know, above middle class wealthy white guy way out in the suburbs to kind of not realize that this is still a problem. And so we have responsibility as real estate investors to make sure that this blight upon the United States disappears forever. So I wanted to read something to you before I brought our two guests on, and this is from the brochure from these guys. So you can kind of understand what we're talking about. So bear with me as I read. This won't take me long, but this is really, really important to understand. Did you know that from nineteen thirty four to nineteen sixty two, roughly 98 percent of home loans in the United States went to white families 98 percent. All right, Joe. That was nineteen thirty four to nineteen sixty two. But guys, 98 percent of home loans during that time frame went to white families. Many factors contribute to poverty. However, poverty among African-Americans in the United States stems from a long history of state sponsored discriminatory practices related to housing throughout the 20th century. That's the nineteen hundreds local, state and federal governments enforced policies that incentivized homeownership and flourishing neighborhoods for white people only. As a result, wealth in white communities compounded and passed to future generations, while wealth in black communities dissipated. So by the time these practices were officially outlawed in 1968 with the Fair Housing Act, the die had been cast. Decades of state sponsored housing discrimination had created pockets of deep poverty and deprivation among black residents in St. Louis and other United States cities. The consequences of these policies continue to impact millions of African-Americans to this day, and this ministry we're going to be talking about today is



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specifically trying to help people here in St. Louis. But again, this impacts. And this is for everybody. For many Americans, a home is not only a place to eat, sleep and raise a family, but also their largest asset. Home ownership in flourishing neighborhoods is a major key to reversing the downward economic spiral affecting millions of African-Americans. Homeownership and flourishing neighborhoods provides a lot of valuable benefits. And there are six or at least six or seven of them here. All right. Number one, wealth, homeownership and flourishing neighborhoods increase his personal wealth and generation wealth. I think we would all agree with that. Safety is number two. Homeownership and flourishing neighborhoods provides increased safety and peace of mind. Number three, income, homeownership and flourishing neighborhoods provides opportunities for better jobs via socialization and networking. And we're for education. Homeownership and flourishing neighborhoods provides access to high performing public schools. Next, health, homeownership and flourishing neighborhoods provides access to nearby health care facilities and finally, nutrition. Home ownership in really good neighborhoods provides greater access to grocery and retail stores. Some of the stuff you never even think about, but there are a lot of people thinking about this every single day, so your investment in housing equity will yield exponential returns. And so I wanted to get Brent and John on the podcast here to talk about what's going on. Is this still a problem today and what can we do about it? So let's bring Brent Roam and John Kiehl. How are you guys?

**Brent:** What's up, Joe? Thanks.

**Joe:** Glad you're here! I'm joined by Brent. I had you on the podcast a few months ago. I talked about this topic. I'd encourage you all to go listen to that again. We had a great lunch with you guys just a week or two weeks ago. And I wanted to get you back on the show because you guys have made some great progress on this issue and you had a goal that you didn't meet. You exceeded and which is so awesome. So can you guys introduce yourselves and tell us a little bit about the fam and what you guys are doing here in St. Louis?

**Brent:** Sure. Yeah, my name is Brent Roam, and I'm a pastor here in St. Louis and University City and in the Shawnee. And yes, several years ago, I pulled up the the indenture on my on my home, the legally binding document that tells you where to build a fence and where to put your downspouts. And I was very surprised to find on that legally binding document in my neighborhood. You said it, that black people and brown people were prohibited by law from owning a home in my neighborhood. And it was written into my indenture. It was there, wasn't written out of my indenture until nineteen ninety three and it's still in there. But on the on the bottom with a little asterisk saying, you know, this isn't this is not possible anymore. It actually wasn't enforceable after 1968, but it wasn't taken out to



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1993. That kind of opened my eyes to like, Wow, no wonder St. Louis looks the way it does. Because for decades, you know, people who were able to buy homes and build wealth and pass wealth along even modest, well, you know, really got a leg up. So I began to do a lot of research and got people that are smarter than me to join me in this effort, and we launched an organization called the FAM. Well, technically at the beginning or at the end of last year, 2020, it really we really got kicked off the summer of this year, right? We had a goal to help five African-American families purchase their their first home. That was our that was our goal for this year to grow. The goal, ultimately is to eliminate race as a factor in homeownership. It's great to have all different kinds of factors that determine whether somebody wants to own home. Do they want to own it? Are they working hard? Are they? Yeah, there's a lot of great factors, but race should not be a factor that you can look at and say, Oh, if you're black, you're less likely to own a home, significantly less likely. And if you're white, you're significantly more likely. If that is the result of decades of the consequences and the effects of decades of of our own systems and laws, we should address that. We should fix that. I'm a Christian. And so for me, it's a sort of it's a Christian duty is like, let's let's just let's get in there and let's fix this thing is the problem. So we had a goal of five of five families, and that was our goal for this year. And I'll turn it over to John to tell you how we did.

**John:** So as of last Friday, we put our 17th family into a home, which is seventeen. Yeah, which is wonderful. We wanted we had the modest goal, not because we thought there would be a lack of need or interest. There was no lack of applicants, for sure, but we wanted to kind of learn as we went and we have we've kind of had the opportunity to better define our niche and what works and what doesn't work. And so we're very excited and our goals for next year are even more aggressive, of course.

**Joe:** So I want to talk in a minute about, you know, we're not going into the city and revitalizing homes right now. We're helping them buy homes in really nice neighborhoods.

**Brent:** Correct. Yeah. The goal is the goal is basically from nineteen nineteen twenty, let's just say for 1910, actually before that. But anyway, nineteen twenty, let's say the nineteen seventies roughly black folks were not allowed to. We're not allowed to purchase homes and most of the nice neighborhoods in St. Louis and in the heart and the neighborhoods where they were allowed to purchase for those neighborhoods are predominately red lined, meaning the government said We're not going to go not doing any loans there. We're not going to put any grocery stores there. We're not we're not going to do any investing in those areas. Those are red line neighborhoods, not investing in those. So what happened is those neighborhoods and you can go drive from, you know, like a couple miles north here fell apart. You know, there was no no investment in those neighborhoods. Property values



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went down. White folks left. And so they just these neighborhoods crumbled. So not only did did the codes and the laws and the and you know, all of the legal documents and rules and restrictions incentivize white homeownership. It also simultaneously crushed black on homeownership and crushed black wealth building by and large. Now, obviously, a lot of black folks have figured out a way to navigate out of that. But overwhelmingly, just statistically, you got to you. Just take a look at the map of St. Louis today, and you see exactly what happened. You see the consequences of what happened from the 1920s until now.

- Joe:** Talk a little bit about St. Louis, the make up here because on your website, and it's been a little while since I looked at it, but there are certain zip codes right next to each other. Yeah, that have a huge difference and and talk about that for a second, would you?
- Brent:** Yeah. So like that, you know, Clayton and the Jeff Bander loop neighborhood radical difference, right? Well, almost all of the predominantly largely white and one is 90 percent African-American. And I mean, the differences and wealth, the differences in employment, the differences in educational opportunities and what's really striking is the differences in life. Expectancy is, I believe, is 12 years. Yes. Yeah, I think it's a well like you will live on average 12 years longer in the Clayton neighborhood than you will in this valley. Never.
- Joe:** Yeah. Let me share this section on your website right now. So these are two zip codes right next to each other. Six, three, one two five and six three one two six. Yeah, and it might be hard to see right now. I'll try to zoom in a little bit, actually, but the racial makeup won't let me zoom in any more. On the left, on the nicer zip code is 78 percent white. Yeah, 14 percent other nine percent African-American on this side over here. It's two percent white. Ninety five percent African-American unemployment is four percent over here. Twenty four percent over here on this side. Seven percent below the poverty line over here. 54 percent below the poverty line over here. The median household income is ninety grand. Over here, it's 15 one five. Life expectancy over here is eighty five. Over here is sixty seven. I don't think anybody can look at that and say, Oh this this. This still isn't a problem today. This still doesn't affect us today.
- Brent:** Well, the fact that all of those numbers fall along racial lines leaves you with kind of a head scratching issue, right? You either have to say, Well, I guess I guess black folks, just as a as an ethnic group, maybe they don't work as hard. Maybe they don't want to make as much money. Maybe they don't care for themselves as well, right? So you either you have to come up, you have to look at that. And how is that? Why is that that way? Why is that that way? And if you scratch the surface just a little bit deeper, you go, Oh, it's kind of like if somebody got punched in the face and you don't see him get punched in the face, but



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when you see him, they've got a black eye. The question is going to be, how did you get that black eye, right? If they said, Well, because I got punched in the face and you know, nobody's punching you in the face, there's somebody punching him in the face, right? They go, No, no, but I got punched in the face, you know, 10 minutes ago. Now I got a black guy, right? So what we see on set in St. Louis is, I don't know that we have different people, have different views on this. I don't think we have overtly. We certainly don't have overtly racist laws that prohibits black people from buying homes in St. Louis anymore. Right. So that's all that's gone. Those went away in 1968. What we see is the black eye. What we see is the wound of the historical policies that that were put in place that prohibited not only prohibited blacks by and large from gaining wealth, but actually crushed the wealth that they had that they could accrue by disinvesting from those neighborhoods while incentivizing wealth and white. They so so. So we're seeing the effects of somebody getting punched in the face. And so our job now is to go, OK, how can we help? Like, how can we help make that whole right? Nobody should walk around with the black guy brand.

**Joe:** Somebody going to someone's going to say, What does it matter to me? You know, I didn't cause a problem. Yeah, why should I have to do anything to fix it?

**Brent:** OK, so let me give you let me give you my reason first, right? Because I'm a I'm a Jesus guy. I'm a faith guy. I'm a believer. So now that if you're not, it's members of your audience or not. I can still come out with another reason. But from a believer standpoint, right?

**Joe:** There's a preacher. Come on.

**Brent:** Okay. There's a parable called the Good Samaritan. The Good Samaritan is a guy who's walking down the road, sees a guy beating up on the side of the road. He didn't do it. He had nothing to do with it. He wasn't culpable. He did not have anything to do with the injustice that had been perpetrated against the guy. But he sees a guy against whom there's been an injustice. And what I love about the story is the Samaritan took responsibility irrespective of culpability. In other words, he didn't say, It's not my fault. He didn't say, I didn't do this. It's not my responsibility. What he said is there's a guy who's been hurt. And what I'm going to do is try to make him whole. So in the story, he puts him on his own donkey takes him to that, takes him to the end, gives the innkeeper the money, says nurse this guy back to hell, right? And if this isn't enough, I'm going to swing back by and make sure that he's made whole. And Jesus goes, That is what it means to love your neighbor so that Jesus, his description of what it means to be a Christian. It means when you see an injustice, even if you don't see it happen, even if you didn't do it, even if it's not your fault and you don't have any relationship to anybody who caused it right, it's still our responsibility as believers if we see the results and the ramifications, the effects of an



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injustice. It's our job to go, take care of it and fix it. And so that's that's my reason from a faith perspective of I see the lay of the land in St. Louis exactly paralleling that parable from Jesus. I see a group of people that have been harmed by then. You can do the research. You know, it's not it's not hard to find how all of this this was done. It was done through laws and principles. Like I said, it's on my. It's on my. And denser on my house, it's not hard to find.

**Joe:** And this was only one generation ago.

**Brent:** Yeah, there's nobody listening here today whose parents were not born before 1968, right? So this is one generation. This isn't like, oh, slavery 400 years ago. No, this is like your parents, my parents, you know, and probably a lot of your listeners were born before 1968. If they have a black friend and they're a white listener and they have a black friend of born before 1968. They have a friend who was who was negative, who experienced negative discriminatory laws against them. Their friends were not able to buy a house in most neighborhoods in St. Louis, most flourishing neighborhoods in St. Louis prior to 1968.

**Joe:** And this is why I wanted to get you on the show, because this isn't about white guilt. This isn't about trying to make us feel bad, but it's like, here's an opportunity that we can do something just a little bit to help make it better for a few families.

**Brent:** This is why I got excited about a vision of a new St. Louis, right? The vision of a St. Louis where race is not a factor. You know, when we as Christians and we go, Man, I just want to be colorblind. I just don't want to see race, right? Well, one way to help us to help eliminate race as a factor is to is to lean in and actually see the consequences of race. Right. And what we've done is as a culture to society and then go, OK, let's if we really want to make race less of a factor, there are ways to do that. Like, Let's do that. Let's have let's have a vision of St. Louis where, you know, more or less likely to be rich or poor or own a home or not own a home. Your race does not play into that. Your race is not a factor in that. That's the vision of St. Louis that we have.

**Joe:** And this is why I wanted to get you on the show, because who is the guy who walked? There were two guys that walk. That's right, guy that was beat up. It was a it was a priest

**Brent:** And a Levite.

**Joe:** And a Levite. Yeah. The most honored, respected religious people of that day. And I don't want to be accused of being that guy who walked past. Right?



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- Brent:** Yeah, I was one. Two guys saw it. I mean, this is so natural, right? You see it. You know, it's ugly. I don't want to go near it. I actually want to go to the other side of the road and avoid it. Yeah. So this topic, man, it's going to make a lot of people go. Yeah, that's an ugly topic. And it's scary and it freaks me out. I don't have to fix it. So I'm going to the other side of the road and I'm just going to like, avoid it and I get that. I completely get that. That's what I would prefer to do myself. But but at a certain point, somebody has to go, OK, this screwed up over there. Let me go see what's going on. And Jesus says, That's that's my guy. My guy is the guy who says, I'm going to go see what's going on. I'm a dig in. I'm going to figure out what's going on, and then I'm going to help.
- Joe:** There's a lot of sins of America. Lot of bad things we've done. I think racism is probably one of the greatest sins of our nation, and I want to see America prosper. I want to see our housing and a prosper, our economy prosper. And I think this is one of the most important things we can do to help with this. OK, so talk about what you guys do at the fam. I'll put the website up here again. You guys can take a look at it. The fam still dot com. There it is, the fam. First of all, what is fam stand for?
- Brent:** It stands for fair access to mortgages. And it also has that kind of vibe of like, Dude, we're going to be there. We're going to be like, we're going to be the fam. We're going to be like a cousin or an uncle or somebody who came, who cares for you and loves you and wants to help, you know, kind of get your cross.
- Joe:** Nice. All right. So what do you guys do with this 17 families that came this last twenty twenty one, which is awesome. I remember hearing your goal before you even done one of those. Yeah, yeah. Now, all of a sudden, what's going to have lunch and you've done 17?
- Brent:** Yeah, we got we have two more lined up that are now pre-approved. Now I'll let John
- John:** That we've actually committed to.
- Brent:** Then we're going to close on those homes within the next few months. And then we got
- John:** Probably another dozen that we're talking to trying to get ready to get pre-approved for a mortgage. And then we assist with financially with down payment and closing costs. One of the things that probably differentiates us is we're pretty generous with that assistance. There are other down payment assistance programs, but we have as a minimum ten thousand and we go as high as twenty thousand. Our intent is to make a strong impact to change the trajectory for a family, not to just get them to barely squeak by and get in. And of course, that increases the probability of foreclosure and other issues. And so we we try



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to, as Pastor Brent said, lean in and come in strong and we continue to stay in touch with our clients. So we want to make sure that they know that we're still in their corner, that we want them to be successful. What could be worse to find out that a year from now, someone's in foreclosure, that we helped? So we want to make sure that doesn't happen as much as possible. And so. The process is pretty easy in that if they are African-American, if they had an ancestor that was born before 1960 in the United States, lived in the United States, that's it on the race side of things. And then in addition to that, we have some generous parameters in terms of income and then we commit to a certain dollar amount. We do strongly prefer we've made a couple exceptions, but we strongly prefer that they do not that they're not already under contract. We would like them to take this 10, 15, 20 thousand dollars in their hip pocket and move to a more flourishing neighborhood, right? And be able to have some level of cushion going into home ownership because stuff happens. As you well know, stuff happens in that first six nine months. And so we in that time period, not only have we do generous in what we give. We also want to stay in touch with assisting with maintenance of the homes, et cetera. So there is there is a strong desire on our part for the success of our to change that trajectory. And it dramatically does. I mean, the the wealth gap between blacks and whites as a result of past discriminatory practices in housing is ten to one for every dollar that whites have. Black households have 10 cents and in our 17 families, I think there's only 15 or there's only two that don't have a negative net worth. You add up all of their debts and subtract it from their assets, such as they are and they're underwater. A lot of that, by the way, student debt. Anyway, it's underwater.

**Joe:** So don't get me started on student loans. I go, Oh my gosh. But here's the thing. Some people think, Well, OK, Joe, the housing discrimination laws have passed a long time ago. Yeah. Anybody can get a loan. But talk about some of the difficulties that people in that are raised poor, that are raised as a minority. Is it still difficult for them to get credit to get good mortgages? Do they still have what are some of the challenges that they face that we're not familiar with?

**John:** I think that historically there was it was much worse, even post 1968, right where realtors would deliberately steer the families into black neighborhoods. And some of that probably still occurs does. And so I think that that's very problematic.

**Joe:** Reminds me there was just a story the other day in the Wall Street Journal. I think it was. Yeah. And this has kind of been going on. This has been in the news for the last year or so. They'll have a black family who's getting trying to sell their house and they get they they're there to show the house. It's a nice home. The appraiser appraisers it at a lower at a low price, lower than thought. Then they switch it. There's a term for this, too. I forget there's a



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term for this. Bring in a white family to pretend like they're the owners. Yes. And then the appraiser will come in significantly higher still happening today.

**Brent:** I literally just talked to a friend of mine, the exact like, like sold a house. And you said the African-American family sold a house and you said it's less than a mile from where we are right now. Is moving out of Chesterfield. Had the exact same thing happened, the exact same thing happened. So yeah, I mean, these are all this stuff is off the books, right? So like, this is stuff that we can't really. I mean, how do you address it if somebody is like, how do you address racial steering? How do you address, you know, a racially discriminatory practice if it's kind of under under the radar? I don't know. I mean, that's a problem.

**John:** And it is somewhat outside the scope of what the FAM focuses on

**Brent:** Yeah, is right now. We acknowledge it that it's still happening. OK, so

**Joe:** But talk about like some of the challenges that black families have with establishing credit, you know, and having a positive net worth. So it makes it easier to get mortgages.

**John:** And so, as I mentioned, most of our families and I was I was very surprised by this having a negative net worth. I wasn't anticipating that at all. Many of them are are educated and there are there aren't the type of encouragement. And this is more poverty related than it is racial. Of course, that within more impoverished families, you don't have a history of budgeting of of really carefully watching your money understand the implications of what I take this payday loan, what does that really mean? And then there's the desperation of a of a downward spiral that we've seen in. Several of our folks were working with hope to turn them into clients where all of a sudden they're getting a car loan at twenty eight percent. You know, they're getting these these loans that lasts for three months or forty five, 50 percent because in Missouri, they don't have loss against their usury laws. And so. Basically, what is happening is, is they're in a spiral, they can't get out. They're in a mess. And we've talk internally about maybe addressing that, but you've got to kind of know what you're focused on and what you're good at. And for right now, what we do is we outsource those folks to people who who can help them,

**Joe:** You help them get the financial knowledge and training on how to budget. Yeah, we do. To how to

**Brent:** Increase your credit score, consolidate your debts, get out from payday loans.



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- John:** Yeah, yeah. And yes, and it's usually those that are kind of you look at their credit report and you have a discussion with them, which we always do. And you see some things that can fairly easily be addressed in the way I think about it is if they're within three months of being able to get from 580 credit score to six twenty six twenty five, then we work with them to get them there. If it looks like it's a little more desperate situation financially, we have partners that we outsource them to and stay in touch with them because we want them six nine months later to come back in and be able to help them get into a home.
- Brent:** Joe, you're kind of asking about like like black folks today, like, what's the what's the struggle today, right? And I think it's the trick is to not separate today from yesterday because because what happened yesterday impacts today. So for instance, like my my grandfather on my father's side had an eighth grade education. He was a bus mechanic in St. Louis. He was kind of like German Dutch ancestry on my dad's side. He was able he grew up and he lived in Wellston. He was able to own a home in Wellston. And then when when in the 60s he was he had incentives and he had the ability to buy a home. And in Bridgeton,
- Joe:** Which is a good blue collar, solid middle class.
- Brent:** So slowly and ended Bridgeton in this in the 60s, 50s, 60s, you know, like that was it was like, man, that was like and I it was like in my mind, it was like the Chesterfield up to date. Like it was like, you're moving out, you're moving up right here at any of his black colleagues, any other black bus mechanics working in the city for the city of St. Louis would not have had and did not have that opportunity. Right. So same level of education, 8th grade education, same job would not have had the opportunity, right? That opportunity impacted my father's ability to accrue generational wealth. Right. So my grandfather was able to accrue wealth, hard working guy and I would like it was good for him to take advantage of the opportunities he had and should do that. But but but so if you just put him side by side with a black colleague in the 1950s and 60s of the same same mental capacity, same moral capacity, same education level, what you see is one has opportunity to go up the other. Not only did not have that same opportunity, but the opportunities were diminished because the neighborhoods where black folks of that era were permitted to live were also disinvested from. And so, you know, multiply that times ten thousand one hundred thousand people, a million people. And what you see is this is what you see is the stats. So just like, whoa, this is what happened. Now, surely, obviously, there were some black folks that were able to find their way out of that, and there were obviously some white folks who like, spiral down. Right? So it's not it's not a 100 percent right. But what you see statistically is right now when you look at African-Americans in St. Louis and you see that like over 50 percent of African-Americans in St. Louis live below the poverty line and less than 11 percent of whites live below the poverty line in St. Louis. You have to not



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just look at that, you have to go, Okay, how do we get here? And then how do we correct it? Because if you don't do anything to correct it, then what you get is like rolling a ball, right? It's going to keep rolling in the direction that it was rolling until somebody stops it and rolls in another direction. And so what we're doing is stopping the ball and trying to roll it another direction, right? Because somebody stopped the ball in 1968 from a legal standpoint, right? OK, we're not allowed to do this anymore. But the effects of that are just carried out through child parent, child care, child parent right over generation, over generation times of a million people. And so that's that's where folks are today. We're trying to address the consequences of the wrongs of the past.

**Joe:** All right good. So we were a real estate investing audience here. How can real estate investors help organizations like yours? You know, we can donate money. I'd encourage everybody to go to theFAMSTL.com I've done that. And then but you know, let's say you're in Oklahoma, you're in Florida. What can investors do if they, you know, this is not going to be my most popular podcast, right? I'm not going to get the most downloads. I know we've already offended a bunch of people by something I said or didn't say, so I just apologize in advance for offend you. But this is so important we've got to talk about it. I think because I personally am a Christian and I don't want to be that guy that walks on the other side of the road and just ignores the problem and doesn't look at it. Yes, I want to do something a little bit to help if I can, right? And I think God is, you know, any kind of wealth that we have as investors, as business owners, as entrepreneurs. I believe God's given us wealth and blessings, not just for ourselves to hoard it. I think he's given it to us to be a blessing to other people as well. So he wants us to be generous. And I think the more generous we are on this side of heaven, the more prosperous and the more rewards we're going to have in heaven for eternity, right? So this is this is a big deal, is what I'm trying to say. All right. So what is it that investors, real estate investors can do to help, you know, we're not talking necessarily about revitalizing homes in bad neighborhoods? Maybe nothing wrong with that. But like,

**Brent:** That's not our that's not our gift. Yeah.

**John:** So so one of the things that we're looking forward to doing and we put our toe in the water already is to acquire through the I'm going to call it the wholesale real estate community acquiring homes that that may need some renovation, et cetera. And we are looking for generous folks who will view it either as a tithe or something. Some portion of that activity could go toward organizations like the farm. There are organizations that are kind of in this space, in any major metropolitan area. And so you spoke of of Oklahoma City or wherever else. And so these these organizations that exist, not necessarily quite the way we do things. Nevertheless, we're starting that process and the numbers look very promising to



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be able to acquire a home at wholesale prices and to do some work with a skilled labor at a discount because we have access to that and volunteers means that these families can go into home ownership with a sometimes a significant amount of equity, which is really significant in terms of changing the whole trajectory for that family.

**Joe:** I love that. So is there a way and maybe this is a dumb question because we're not asking people like to donate tens of thousands of dollars, but let's say you're a wholesaler and you find a good deal. Maybe instead of a wholesaling that house to a rehab or, yeah, sell the house at cost basis or sell or sign the contract to an organization like the FAM? And so that the fam can buy it. That's right at a significant discount. And they have this team that they can put to do the rehab. That's right. Is there a way like maybe this is a dumb question, but for the tax advantages, could a wholesaler donate a property and then write off the profits that they might have had on that property? They would have made five grand in wholesaling it? Is there a way to do that?

**John:** That's an interesting question. And I would have to defer to a tax expert. All right. We'll get some more thoughts.

**Brent:** If there's a way to do that, well that would be beautiful. Yeah, because one of the things like so some people just give, they just want to get to this organization. And so we've had donors give tens of thousands, hundreds of thousands of dollars. I mean, we have people get very significant gifts, right? That's what that's why we're able to do. That's why we've had 17 homes in the first year and the first six months, really, I mean, from the time we actually started first, right? So we if that if any of your audience is desirous of doing that, we will accept your donation happen. But I like the the other option too, because like, let's say that somebody says, Look, I don't want to give, but I want to invest in this right, not for throwing a huge profit to myself, but like if somebody said, like, All right, can I can? I can, I can. I can. I loan the fam one hundred thousand? Or can I put one hundred thousand into an account to be used to buy a home and then and renovate? And then when we sell it right? Get your money back. Maybe we could. Maybe we could work out a deal where there's some small percentage for, you know, financing.

**Joe:** Right?

**Brent:** Right. Being that those kinds of those kinds of opportunities are amazing because we can be highly competitive in the wholesale market because we don't have to make a profit. What we really want is for our clients to have equity in their home right now on average. And John, correct me, if I don't get the numbers right with the 17 families that we have put in homes on average, their net worth has increased by \$20000. So for for on average, for all



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of the 17. Families. So this is this is like a game changer in somebody's life. Twenty two year increase in net worth. Right. They have equity in their homes. They have. They have. They live in nice neighborhoods. Their kids are going to decent schools. They're making friends with people that they would not have otherwise not otherwise have contact with. Right. They are. You know, and it's it's it's a game changer. So if somebody said, Look, yeah, I want to either give or I want to invest in this organization. There are opportunities to do both of those things nice.

**Joe:** And I just wanted to clarify too, just so it's clear to everybody. We're not asking a wholesaler to donate a house right to sell the house to the family.

**Brent:** Sell it to us.

**Joe:** Yeah, yeah. That's huge. Yeah, there's a lot of opportunity. Or maybe it's, you know, there's a lot of guys out there that are wholesaling a lot of deals.

**Brent:** If they would, if they would sell us one out of 10 of their good ones. Great. We'll take that.

**Joe:** And you've got the team. I can help. We have it. Yeah, got the lenders that well, the banks and even hard money lenders that will lend on the deal temporarily until some bridge financing the option to get permanent financing in it. Yeah. And you've got the people that are doing a credit counseling with the people that you're working with. So I think it's

**Brent:** And we got the buyers lined up out the door, so they're ready to go.

**Joe:** That's so awesome. Yeah, man. OK, so I wanted to keep this under forty five minutes. Anything you want to say, just to kind of wrap it up, maybe there's somebody that is thinking, I want to do this in Oklahoma City. I want to do this in, I don't know, Beverly Hills or something or I love, but like somebody else wants to do this in their own home, you know, like what would you recommend to them?

**Brent:** I would. I would recommend they take our model and totally rip it off and steal everything that we do, kind of take all of our language and do it exactly the same way. They're the only the only thing they can't have is John Kiehl, because John is making it happen here. And you know, they need to find they need to find themselves a John Kiehl to actually get down in the weeds and work with the people. Make it happen. But I would say, please rip us, rip us off. Take everything we have. Go do the same thing elsewhere, right? That's what I would say for folks in other states.



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**John:** And contact us and we'll help.

**Brent:** Yeah, we'll help you get out. Absolutely. We would like. Our goal is to eliminate race as a factor in home ownership in St. Louis, in one generation. If it's if other people want to do that in their cities, man, and this model is clean. It's simple, it works. And it's it's amazing, right? And it's actually within a few years. I think we will see a statistically significant bend in the curve of black homeownership in St. Louis. Like, like, no measurable. Oh my gosh. Right? So, yeah, so if people want to do it in other cities, go for it. If if you want to be a part of what we're doing here and get a picture of the vision that we're trying to create here in St. Louis, contact us. And I would just real quickly say, Joe, dude, I am so grateful for you because you're a real estate investor guy like, this is your wheelhouse, man, and you have, you know, you have really opened up to you and you went into this right? You didn't walk on the other side of the road and you said, Let me, let me get a closer look at this. And you got in there with us and you have been thinking through and talking through and have been supportive and bringing us on this podcast and giving us ideas and context. I mean, so we just want to say thank you to you for the way you are leaning into this deal. Man, this is huge.

**Joe:** Well, thank you. It's an honor, really. It is, and I'm excited to see where this goes. You know, it's just it's it's a pebble in the pond and it's making a ripple and it'll have an effect for eternity for some of these families. You know, it reminds me of the verse where Jesus says, you know, use your money. He's talking about the shrewd steward. Do you remember this? You can probably tell it better than I can, but this guy is. He knows he's going to get fired because he's mishandled his owners masters money and he settles debts with some other guys. And then the master says, Man, look at this guy. He's so shrewd with his money, and then he uses this phrase, you know, about using your worldly wealth to win eternal friends or friends for eternity or something. That's right. So they to accept you in heavenly places. And I don't understand the full context of that, but I'm wondering if that maybe what he might have meant. Part of what he meant was when we use our money here to help. I mean, there's nothing really spiritual about having a family buy a house or donating a little bit of money or donating a deal or whatever. But maybe in heaven, right? There will be somebody that comes up to you and says, Hey, what's going on, buddy? You know, and we make some really incredible friends in heaven and we do something that just gets them there. You know what I'm saying? Yeah, about maybe I'd like

**Brent:** In my mind we are like, and this is the way I believe personally. But we are this everything that we have belongs to God, all my money, my house, my car, my wife, my children, everything that that I that is in my possession actually belongs to God. And when God teaches us how to handle his stuff and we handle it correctly, that pleases him right. If my



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financial adviser mishandles, if I told him to invest in stocks and he put it all in bonds, I'd be ticked because I told him, put it in stocks and he put it in bonds, right? God told us what to do with our money, right? And part of what were to do with our money is to invest it in the in the service of those who are in need. It is about 10000 scriptures along those lines, right? So when we do what God tells us to do with his money, he's really pleased and when we don't. I think the other parable with the with talents ends with somebody in outer darkness amassing their teeth. It's not. He just doesn't like that.

**Joe:** No, it's not good. Yeah. All right. Cool. The famSTL.com. the famSTL.com. And imagine if you were in another city and something that we said spoke to you and you're like, Now I want to do that where I live or like Brent said. They're just take what you see at that website and copy it. Go for it. Copy paste, copy and paste the famSTL.com And I'm looking forward to seeing what's going on, what's going to happen with you guys in twenty twenty two? Hopefully, there's somebody listening to this that can come up with a creative idea are like, Well, maybe if you thought about this or here's a connection that you might want to talk to. I was thinking of a few people just now I'm going to make some phone calls for you guys.

**Brent:** Can I just say one last thing, Joe? I just I just realized that just remember this because people care about this, right? And this is important. We have no employees at the FAM. OK? John is a retired business guy, sold his business, made a lot of money and and is working 100 percent for free pro bono. Wow. I don't make a dime on this and I don't want to get super spiritual, but I'm not. God told me that I'm not allowed to make money off of this thing, right? I'm not allowed to rob paycheck of this. So everybody in this organization is working for free, which means other than like some of the cost of your flier. You know, I think we got one hundred those and like, you know, our website like some very small, minimal de minimis kind of expenses. We're like ninety eight percent all the money given and it goes to our goals, to the mission and to the cost. So that's just something that somebody might care about.

**Joe:** Oh, that's that's a big deal. That's awesome. John, any final words from you?

**John:** No. Except for thank you very much. This has been great.

**Joe:** I want to interview you guys again next year.

**Brent:** Yeah.



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- Joe:** And let's hear about your progress. I want you guys to double your goal. What is your goal for homes that next year? 50, 100, 100? It is awesome, will be it? Awesome. All right. Thank you, guys. Appreciate it on the show. Oh, by the way, Brent. Pastor Brent, what is your church? If somebody is familiar once again, maybe in the area, what church do you go to lead in what's?
- Brent:** Yeah, we're called one family church. You can find us in the Tivoli Theater on the Del Mar Loop. You can find us at the corner of Shaw Tower Grove and the Shaw neighborhood. And you can find our online campus at one family church.
- Joe:** One Family Church, dot com. You guys stream your services. Yeah, we did a couple of them. They're fun. Yeah. My pastor is friends with you, and it's a really good church, really solid church. The one. Tell me the website one more time.
- Brent:** One Family Church dot com.
- Joe:** One family church, dot com. If you're in the St. Louis area, you just want to watch it online. Go check it out. All right. Thanks again, guys. Thanks for the call.
- Brent:** Bye bye. Thank you.