



# REAL ESTATE INVESTING MASTERY

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## 1221 – Don't Tell Me It Doesn't Work

Hosted by: Joe McCall

**Joe:**

What's up? Joe here, REI in your car. Driving to pick up my daughter from school, and I wanted to talk about something. And here it is. Ready? Yo, don't tell me it doesn't work. That's the title of this podcast. Don't tell me it doesn't work. Oh, I get so frustrated. Maybe this is a little rant. I'm going to be nice and friendly as best I can. Okay, but, like, stop telling me it doesn't work. Good grief, people. What's wrong with you? Like, maybe it, too. You know what? You're right. You sent 500 letters and you didn't get a deal. It doesn't work. Forget it. Go back. Do your job. Like what? You're right. It doesn't work. I don't know what else to say. I was just like, What? Really? Okay. Yep. You sent ten offers. You're right. It doesn't work. What was I thinking? I mean, I don't know. It's just. It's a scam. You're right. It's. It's a scam. You've been lied to. It's all part of the matrix. Like it's a big, huge. What does. What did Hillary Clinton call a vast right wing conspiracy? We're just a bunch of deplorables. It doesn't work. You're right. Like, here's the thing. And this is I've seen this for years in this business, doing deals and teaching and educating, helping people do deals. I get a lot of testimonials from students that are doing deals and killing it and making a lot of money. And it's awesome and it's exciting. It's like an emotional rollercoaster for me because I'm like, Yes, I see people doing deals and then I get emails or complaints from people. Like it doesn't work. I sent out, you know, 500 letters literally just a little bit ago and no leads. It doesn't work. I'm like, What do you want me to do? Like, this person didn't even tell me. What did you do, send letters or postcards? Did you give them your phone number or website to call or to go to or an email? Like, who did you send it to? Did you send it to vacant landowners, the North Dakota or Iowa or Florida? Like, where did you send who did you send it to? What did you send postcards or letters? Did you send first class mail or bulk rate mail? I don't you know, I don't know. And so I'm just scratching my head, like and I just got another testimonial from somebody saying, Hey, Joe, I just wanted to send you a message thanking you so much for teaching this stuff. It's amazing. I've been part of this other guys program, I'm not going to bash programs here because I have my own people who complain about my courses. But the guy was saying, I got the other program, the good guy, but he doesn't do it the way you do. And I did it the way you do it. And I'm getting tons of leads. I just got my first deal. I'm not sure if they sold it or got it under contract yet. I don't know. But I just got my first deal and I'm so excited. Thank you so much. You're making a huge difference. And I'm not saying all this to toot my own horn and this isn't a humblebrag. I'm just scratching my head trying to figure out what is the difference between people that do it and people that don't. It's the same thing with title companies, by the way, and realtors and attorneys. I remember when I was first getting



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started, this attorney telling me that it's illegal to wholesale. And I said, Why? And he said, You can't make that much money wholesaling a deal. It's if you're if you believe that you can make ten grand wholesaling a deal, it must be illegal. It's like, really? So it's illegal if I make \$10,000. But it would be fine if I made \$9,999. Or is there okay, show me in the law where it says now, thank God I wasn't new in the business, right? But show me text, text, chapter, verse in law statute where it says it is illegal, it's against the law to wholesale a deal and make \$10,000 or more. And the guy said, Oh, and just forget he got frustrated. It's like, you can't do it. And then he blamed it on some late night infomercial scam. Wow. All right. Whatever.

**Joe:**

So I, at the time, I was looking for an attorney to help me do some I forget what it was. This was like 12 years ago. Another time I was looking for an attorney to help me with my subject two deals and talked to a title company. I was looking for a title company to help me with my subject two and one title company after the other was saying, No, you can't do that. It's illegal. Oh man. So what am I going to do? Not going to quit. I'm not going to give up. I think that's one reason why I've had success in this business is because I refuse to give up. I'm not going to let somebody tell me you can't do it. I'm going to figure out a way to do it, dammit. You see what I'm saying? I think this is the main difference why people succeed and people fail. I just refuse to quit. I refuse to give up. Don't give me no for an answer. Tell me how to do it. So then I started asking around and I found some investors that were doing subject tos in St Louis and I asked them Hello. I said, Hey, which title company do you use? Oh, here's somebody that we use. Go talk to them. I talked to that title company. Sure, no problem. There's fact at the time there was a line on the HUD statement that said subject to there was a line for subject to mortgage amount. Right. Okay. And they said, Yeah, you got it. We just want you to have the seller and the buyer sign this extra disclosure thing. No problem. That's good. I want to do that. Oh, man. Okay, so then how about this? Don't tell me it doesn't work. You go to a local real estate club like a REIA. Is anybody I give you? I don't. Do they still exist? I think they do. They almost all meet on Zoom now. So I went to my local REIA, Real Estate Investment Association Club in Saint Louis, and this was back 2008 and 9 around there and start talking to people cause I'm like, Man, I want to go and I'm going to meet some guys who are doing deals. Well, REIAs are the wrong places to go to find people who are doing deals. I'm sorry if I offended you, At least the ones that I used to go to. There were people that do. And we're doing deals. Actually, I found out later, but they weren't in the meetings. They were out in the bar drinking beers. Well, okay, You talk to these guys. Oh, man. Yeah. You're new. Welcome. Yeah. Listen, average wholesale fees in Saint Louis, three grand. Like you don't listen to the B.S. from these other gurus that come prancing around in town saying they're making \$10,000 wholesale fees. You're going to. You're doing good. You're lucky if you can make \$3,000, Like that's it. I heard this from I don't know how many people already count them,



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literally three or four different people over the span of a few months ago, I was going to these professional real estate investors groups were saying that you should not expect. Don't get your hopes up. You can't make more than \$3,000 a deal. You know what I something didn't sit right with me. Maybe I'm just gullible. Maybe I just believe, you know, too optimistic. And I. I don't know. Well, I'm like. I don't know if that's. Why can't I make \$4,000 on a deal? Why can't I make 5000? \$10,000 on a deal? This schmuck over here who's certainly not as smart as I am, he's not as good looking as I am. He made ten grand, Li says. What? He says. Why can't I write? So don't tell me I can't make 5000 or \$10,000 on a deal. Well, guess what? My first wholesaling deal was in a small town an hour outside of Saint Louis three family. This was a traditional straight up wholesaling deal, right? I had done some buying holds by this time. I'd done some. I had I done some subject twos, I don't even remember. But anyways, my first wholesale deal and my first one, I made a 12,000 and change, \$12,000 and change. I was so terrified of these people that have told me, you can't do it. That when I put a sign in the yard, I never even saw the house until about a year ago. And this was 2008. So this was 14 years ago. I did a video and I went to the house for a video. But anyway, I was so petrified and terrified that this was illegal, immoral and fattening. So I put a sign in the yard. The first person to call me was a realtor, and I don't know, this is the first person to call me as a realtor. The deal is dead. They're going to tell me I can't do it. And I said to the realtor, Yeah, that's available, you know. Well, the guy said, I have a buyer who wants it. Can you tell me a little bit about it? And I said, Well, before I get into all the details, I just got to be honest with you. And upfront now, so nervous. I remember saying, I don't know if this is okay or not, but I don't actually own the deal yet. I have it under contract and I even told the realtor what I had it under contract for. I bought it for like 50, \$50,000 and I was trying to sell it for \$65,000.

**Joe:**

And by the way, how did I come up with that number? I pulled it out of my but the lady had it listed a year prior, previously for \$120,000. It expired and I couldn't find comps. It was a three family. There were no multiple families out there. She didn't even have leases on her tenants. She would go knock on their doors once a week and get cash from them. Okay, These people do even have phones. Well, whatever. So she begged me to make an offer. I said 50, and she said, okay. She took it. Right. Well, this realtor, it's like, Oh, okay, I got a buyer for us. Oh, I don't know if this is okay, but I buy a house. I don't own it yet. And I got another contract for 50 and the guy said, No, no problem. That's cool. My buyer, my guy wants it. And I said, Oh, really? Yeah. And I said, Well, I don't have a title company that can do a wholesaling deals. And they said, Don't worry about we'll just use mine. And I said, Well, where are they? And they said, Well, they're right there in this town. It's a town called Warrenton. Like, really? You said, Yeah. So then I'm thinking, Oh no, it's a local title company in a small little town. They surely don't work with investors. You can't do wholesaling deals there. So I said, Give me their name and number. And I called the title



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company and I said, because I wanted to get ahead of it. I wanted me to tell them upfront what was going on. I didn't want to get that dreaded phone call that says, You can't do this here. What do you city slicker Yankee, What do you like? I don't know. So I called the title company, said, Hey, I got this deal here. This buyer warns that I just have to I remember being so nervous. I just want you to know that I don't own this property yet. And I hope it is okay. I don't own it yet. And I don't know how this works. Is this okay? I got it for 50. I'm selling it for 65. And I remember the title company saying, Yeah, relax, it's okay. No big deal. I was like, Oh, really? Yeah, no big deal. Oh, man, I was so excited. I was like, This is amazing. Like, really, This stuff works. Don't tell me it doesn't work. Come on, people. So, all right, we closed the deal. It's funny. This deal. I made every mistake possible. I gave the seller a 1500 dollar earnest money deposit in cash like I. Because she said, don't give me a check. I don't have. She didn't care, couldn't cash checks or I don't remember the story this way. I gave her an envelope when she signed the contract of like \$1,000 or 1500 dollars cash for earnest money deposit. What a disaster that could have been.

**Joe:**

Well, here's the, my whole point. Here's my whole point, guys. Don't be that guy that says, Look, doesn't work. Don't be it. Just stop it. You know, I'm kind of frustrated. At the same time, I'm trying to be patient and understanding because I understand what it's like to have doubts and fears and insecurities and wondering, man, is this really going to work? Like, I just bought Joe's course. I just signed up for this coaching program. I just spent \$1,000 in marketing and oh my gosh, what if it doesn't work? Is it all a scam? Well, I don't know what to say. You just got to trust the system. You just got to trust it. Just got to do it. Just do it. And this is why it's so important to hang out with other people that are doing deals, that are doing land deals, that are making \$10,000, wholesale fees on deals. Right. You got to hang out with them and network and be with other people that are smarter than you. Don't hang out. Don't get advice from broke people. What are you thinking? You know what I'm saying? Don't get money in financial advice from broke people. Well, you know, with land, we're working on a deal right now. And here's another example. In my own head, I was like, No, you can't do. I was looking at Florida. In these counties, there's like there's tons and tons and tons of deals right now happening in these suburban areas of Florida, these little quarter acre lots. And you look online, it's like, oh my gosh, there are so many active listings in these communities, but there's lots of sold to. Right. And I'm speaking to my in my head this whole the fear demon is speaking in my head saying, you can't do this there. No, I mean, like, that's ridiculous. There are 500 vacant land listings in this little quarter acre, quarter mile cube square or whatever I'm trying to say. And like, you're not going to be able to sell a deal there. There's too much competition. Well, it's like I'm going to try it because I interviewed a guy, Ray, on my podcast who's dead in one year, like eight or 900 grand net doing these kinds of deals. And I thought, Well, I'm just going to give it a shot. I'm going to trust it and I'm not going to go small. I'm not going to dabble and



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just dip my toes. I'm going to send 5000 letters. And I did. I did. And we sent stupid offers, like whatever I did, I don't know. But every call that we got, like we were offering four times higher than we should have offered, maybe three. Like, if it's if we should have been offering five, we were offering 15. It was embarrassing. We got a lot of calls and it wasn't on purpose. It was an accident. And we had to tell everybody to call it. I'm sorry. You know, we we made a mistake, but what is the least you could take? Do you really want to sell this thing? You should listen to it. If you want that price, you should listen with a realtor. All right. But let me ask you something. What's more important to you? You want to sell it fast or do you want to sell it for the highest price possible? Because I'm not. I can't pay you that. I'm sorry. What's the least you could take? And they were sitting on two deals right now. That they're not. They're not closed yet. We bought them for about 60 \$500 and we're selling them for \$30,000. Okay, 30,000. We're selling them for \$30,000 and we're buying them for 60 \$300.

**Joe:**

Now, here's the other thing. Like and they got two of them right now working on, okay, here's another. You can't do assignments on land deals. You can't like, okay, we're get the numbers, write this down, get this in your head. We're selling it for \$30,000 and we're buying them for six approximately. Okay. We're doing a \$23,000 assignment fee on two of these deals. \$23,000, which is what's 23 divided by 30? I don't know. It's like 90% of the value of the property is our assignment fee. You can't do assignment fees for long for bigger than \$5,000. You can't do assignment fees bigger than 10,000. I was no buyer would ever sign off on an assignment fee that big. Nobody would ever buy a property for 30 grand knowing you were making a \$23,000 profit on that deal. Are you crazy? Who in their right mind would do that? That's got to be illegal. There's a law against that. That's your moral and fattening your. That's a scam. You can't do that. Well, okay, whatever. Whatever, Dude, you can't fix stupid. So you're right. But I'm going to do it anyway because there's nothing wrong with making some money in this business. Here's the deal. These properties are selling for \$40,000. So the guy buying, it's getting a great deal. This is a guy who's got a lot of money. He's buying as many vacant lots in this area, in this area as he can. He just and this is a good deal for him and the seller, we told the sellers, listen, this is the most we can offer. We weren't willing to pay any more. We told the seller, if you want to get a higher price, you should list it with an agent. We didn't, you know, pretend that it was only worth \$5,000. We didn't lie to them. The seller just didn't care. They just wanted to get out of the deal. They wanted their money. They wanted fast cash. They didn't want to use a realtor and go through the all long, expensive process of listing it on the on the MLS. So I don't know. Maybe I'm going to get in trouble for even talking about this. I don't know. But here's the thing. The buyer and the seller are signing the assignment agreement. I think the self maybe the seller is and I don't know, but the buyer is signing the assignment agreement and we tell the sellers, we're in the business to make a profit. We're not agents.



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We're not realtors. If you want to sell it for a higher price, you should not sell it to us. You should sell it to somebody else. I had a seller one time in Florida who I this is way longer than I normally go. I'm just sitting in line now. I apologize. I had a seller in Florida who I offered the properties worth about 20 grand or something. I offered six, and he called me and said, and I normally ask for three months to close. And he said, Well, can you close in 30 days instead of three months? And I said, Well, yeah, let me ask you why. And he said, Well, my daughter's getting married. And a little extra cash would help with paying for this wedding. Oh, okay. Well, so I'm offering six, I think is what it was. No, I was offering four because and then I asked him, I said, well, how much did you buy it for and how long ago did you buy it? And he said, Well, we bought it like six or seven years ago for \$6,000, and I'm offering him 4000. So I felt bad because, number one, he needs money for his daughter's wedding. And I'm offering him like two or three grand less than what he bought it for six or seven years ago. And I told him, I said, man, you know, I feel bad, like I'm offering you less, but why don't you just sell it with an agent? Why don't you go with a realtor? You can make more money with it. He said, No, I just don't want to do it. My daughter's getting married in 30 days, and I just need some extra cash. I don't care about it. We bought it because we were hoping to, you know, use it a little bit, but it's been so long. We've really only been there once and I just don't care about it. I said, All right, fine. And we did. We closed on it in 30 days. We sold it, made about 11, 11 or \$12,000 profit.

**Joe:** All right. So here's my point. Enough of the rant. I think you guys get my point. I hope this inspired you a little bit. And I hope it also pushes back a little bit to the whiners and the complainers and the yeah butters. And if you're if you're tempted to complain and say, yeah, but my situation is different. Well, I am different. Stop it. You know, I don't know. Get your big boy panties on and figure it out. Stop making excuses. And if it's just. Just make more offers, man. I mean, I don't know what else to say, and hopefully I didn't offend anybody. I hope I inspired some of y'all. Go make it happen and don't tell me anymore. It doesn't work. Cool. All right, Love you guys. See ya, bye.