1413 – Wholesaling Land? Your Closings Are Slower (and Riskier) Than They Should Be

Hosted by: Joe McCall
Guest: David Olds

Joe: Welcome. This is the Real Estate Investing Mastery Podcast.

Joe: This is important and I want to tell you why. When you go in and you close a deal, in other words, you have property under contract with the seller, you market the property, you market the contract, you find another buyer that wants the deal. Okay. Now you're going to wholesale that deal. You might do an assignment. You might buy it on owner financing, sell it on owner financing. You might by it with cash and sell it on owner financing. You might flip it. You might do double closing with transactional funding. There's a lot of different options. A lot of different things you could do. You might buy it, a month or two later, sell it. There's a lot that goes on in the background that you don't, maybe you've never done a deal before, you don't know what we're talking about. David's going to talk about all of this, the stuff that happens in the back ground. And if you start going down that rabbit trail, it's a huge time suck. It can take a ton of your time and resources and you're like trying to coordinate and be the middle man between like getting this from the seller, getting this one from the buyer, playing the phone tag game, trying to get the title company, what they want, there's always going to be issues. So it's a big giant pain in the arse. Okay, that's why you want to hire transaction coordinators. Okay, now here's the dealio. I've used transaction coordination companies in the past, not David's, and I've known David for years and years, but he just recently added a new program that I'm excited about. And I'm going to tell you about it in a second. But here's a deal. I used to have to pay a ton of money anywhere from $3,000 to $5,000 in the past for a transaction coordination company and all the extra closing costs. So sometimes we would make 5-grand on a deal and we would spend 6-grand on closing costs and transaction coordinators and all of that. Giant pain in the butt. And sometimes the transaction coordination company was charging us $3 to$ 5,000. And when you're in the house world, that's maybe not a big deal, right? Because when you do houses, you're talking about hundreds of thousands of dollars and that transaction coordination fee is just a small percentage of that

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house and the profit that you might be making on that house. So I've always kind of like been, I mean, I understand the value. I understand why it's important to use transaction coordination companies, but I'll just do it myself because I don't want to pay all that extra cost. So I have known David for years and years, and he's been doing this, his transaction coordination company for years with people who are doing houses. But he approached me a few months ago and said, Hey, we need to talk. And I said, I know, Dave. I know. He said, listen, we've introduced some new pricing structures where you don't have to even pay for it anymore. And I said, what? Just scratched my head. What are you talking about? He said, yeah, you don't have to pay for anymore. And we only get paid if and when the deal closes and we've got a new way that you can make the end buyer pay for. And I say, okay, now I'm interested because that's been my holdup and blockage for a long time. And I'm excited to get Dave on because we're gonna talk about this. This is important. When you are wholesaling deals or holding deals, this relates to all-any kind of strategy you're doing. If you're doing a quick assignment, all right, you need a transaction coordinator to stay in the middle. When you're doin' a double close, where like you're closing on the deal in one day, we offer free transactional funding in the program, and you're turning around and you selling it the same day or the next day to somebody else, there's a lot of moving parts in that. If you buying a deal and selling it three months later, there's still a lot moving parts and all of that. So we're gonna talk about that with David because I want you focused on revenue generating activities. Do you know what that means? That means you need to be spending your time on marketing, talking to sellers, making offers and following up. That's it. You do not need to spending the time on the phone chasing all of these people. It's very, very maddening and frustrating. All right, so with that said, I wanna bring David Olds on. David from REI Closings, ezREI closings. All right. So welcome David. I'm going to probably turn this into a podcast as well. I'm gonna put it out there because this is really, really important. And the link that you guys need to go to, if you want to go check it out right now, is closelikejoe.com. I'll put that in the Zoom chat. closelikejoe.com. And that will take you to my page with David. Now he's got a special program that's only available to you guys. Right?

David: You cannot get it on our website.

Joe: Yes. So David, thank you for being here, man. How are you?

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David: Man, I love it. I've been looking forward to this all day. I've got a couple of slides. You want to share some slides or just want to chit -hat back and forth? What's, tell me what's best for you guys.

Joe: Let's share your slides, thank you for putting this together and putting the time into this. And guys, I'm going to be here in the chat, so please keep on typing your questions in the chat. I'll do my best to be in there and monitoring this as we go.

David: Can we see that? Technologically challenged though. All right, cool. Well, Joe, thank you so much for having me. I really appreciate it. And guys, it's awesome to be here. Here's one thing I know. If you're part of Joe's community, I know that you're serious about really just changing your life through real estate and you're not looking to get buried in the noise that just comes along with like all the extraneous things and parts of real estate. And here's the deal, you know, and Joe kind of alluded to this at the very beginning, most investors lose money, not because they can't find the deals. Like you guys got that covered, right? Joe's got you on lock for all of that. You're learning all of that in the program. But a lot of the losses come because investors don't know how to get those deals over the finish line, right? They get stuck or paperwork piles up or there's title delays or they're giving you these problems that you don't understand how to solve. And everybody starts pointing fingers like Molleri and Curly. And before you know it, like the deal that could have changed everything, that $10,000, $20,000 deal, like it just slips away and I felt that. I've been a full-time investor for a lot of years and that is just absolutely heartbreaking, right? I've ben there, I've felt that gut punch and this is why we built ezREI Closings, right, so that that never happens to you because I had it and I know it's the worst feeling ever. So today I'm gonna show you just the exact system, right, everything that Joe just talked about that's already handled more than 8,000 investor deals. Right? Joe didn't bring us in on our first day. He made sure that we fought through it for a couple of years and we were battle tested before he would introduce us to his community. So, you know, our goal, right, is to allow you to just focus on locking up land deals. And our job is to make sure that you get paid for it. So by the end of this call, you're going to understand exactly how to close every deal you touch, right? Fast, safe, and just ultimately stress-free. And just so you understand, like I'm not some corporate suit guy who just stumbled into estate wanted to build a company right I've been doing this for 22 years I flipped over 1600 houses built rental portfolios and run one of the biggest wholesaling teams in the country nationwide property liquidators. And believe me, I have lost deals, some really painful ones that are

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70, 80,000. The last one I lost a few years ago was $106,000 I stayed up till 1am in the morning, emailing title companies, you know, title companies that did not understand investor deals or what I was trying to accomplish or an assignment or some type of creative thing. And I've had sellers just literally ghost me after weeks of locking up that deal and chasing the paperwork.

David: So my partner, Heather, and I, we built ezREI Closings because we were done watching good investors lose great deals for reasons completely outside of their control. Not a single one of us read Rich Dad Poor Dad and said, you know what? I wanna be really good at title abstracting, right? Is there anybody who thought that? None of us got into this business for that reason, right? We wanna make money, we wanna help sellers. And we just want things to run as smooth as possible. So, I just want you to understand, I am one of you. I am an old school knuckle dragging, wholesaling investor. The very first podcast I was on was with Joe years and years ago and I was so nervous and equally nervous to be on here today. But I'm an investor and we built a company that fixes the part of the problem, the part the business that everybody hates. So, let me show you what's actually broken and what we did to fix it so that you just understand. And we're gonna go through these quick and I wanna leave a lot of time for questions. So, if you've ever had a deal die or if you're just getting started, you've been afraid of this, right? I want you to picture this for a moment. You got the deal, right, you got the lead in, it came through your FreedomSoft account, like everything is good, you've negotiated it, you feel momentum, right and then all of a sudden, like there's silence, right. Title's not answering you, the buyer starts getting nervous, maybe you don't even know what to do next, right! You don't lose those deals because you weren't smart enough or motivated enough or you didn't work hard enough, you didn't get up early enough, right you lost it because nobody actually owned. The closing process and this is what we were talking about before we got started, right? Title companies, understand this, right, they are not your partner. Title companies are built for, we call it three Rs, retail, refinances and realtors. They are not built for investors. In fact... I used to own a title company in six states. Investor business is the worst for them. It's the riskiest, it's just the most problems. Title companies, they don't move fast. They don't understand assignments and they certainly don't chase people down like we do. And this is what kills momentum. And momentum is absolutely everything in this business. And when that slows down, that's when your sellers lose trust and buyers disappear and deals just

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die. So, if you've ever felt like just the business was too hard or it's overwhelming, it's not. You just didn't have quite the right structure around you and that's where we really step in.

David: So let me take you through like some of that chaos and let's turn it into something predictable, scalable, and easy. So that's what we call it. We call it the easy system because that's exactly what it is. It's simple, it' safe, and it's done for you. And here's how it works. You're going to bring the deal. That's your job. Our team steps in and we handle everything after that. Title, the searches, the attorneys. If you have agents involved, right? Paperwork, the follow up that constant communication that I will tell you as an investor, it literally makes my head spin. This is why I brought in my very first transaction coordinator. Our job is to talk to everybody so that you don't have to. You don't have to call Mrs. Smith and go Hey, Mrs. Smith, everything's on track and we're still set to close in three weeks. Right? That's our job. We track every deadline and we keep your sellers calm and your buyers engaged, right. So whether or not they're you know, getting private funding or hard money or whatever it is, right? We're keeping everybody on track and sometimes. I like to say it's like herding cats, cats on crack, right? But the Dirt Flipper system, that teaches you how to find the deal. Our job, we make sure you actually get paid on it. So once you experience that first closing with us, you won't ever want to do it another way, right. We have like a 92% retention rate because our clients, they never want to go back to dealing with title again because it's horrible, right, so imagine waking up tomorrow knowing that every deal you locked up is moving forward, handled by experts, completely under control. That's what it feels like to work with us because I'm like Joe, I want you working on your marketing. I want to on that phone locking up your next deal. Let's start stacking contracts, right? Let's get that pipeline full so that those deposits are hitting your check every single week. And, you know, Joe kind of alluded to this at the beginning. You might be wondering how you know how to get started without breaking the bank because I remember, right, when I started in this business, I tell people I was half a broke. I didn't even have enough money to be considered broke, right.

David: So let me show you the easiest on ramp in the entire industry. And this is not something that we do for everybody. There are very, very few, less than I can put on one hand, groups that we will make this offer to. And you guys are special. I look up to Joe, he's absolutely an icon in this industry. You are all in the right place learning from the right person. So we're very proud to be here. But this is the easy pack system and we built it for one reason, right? I wanna remove every excuse off the table so that you can do deals. So there's no

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contracts, no set up fees, no subscriptions. You literally only pay when the deal closes that means if your deal doesn't close you don't pay I'm gonna work for free for you, right? But the reason I'm willing to make that risk is because I know you guys are in the best system out there And you're gonna have a very very high close rate So, you know, it's literally zero risk for you Right and we wanted to create a way for brand new investors, right or people that are just getting started and don't have maybe They're not full-time yet to be able to look and operate like pros from the very first deal, right So you get access to my full team, right? Everybody right here in my office in Chattanooga, Tennessee. And that's the same system and the same people that have handled thousands of files without ever putting up a single dollar until you're paid, right. But even with that, some people are going to ask, okay, but what if I'm on, you know, tight on cash right now? This is what we tell people, right, we, it is absolutely completely free, completely cost free. And I'm going to show you how to do that. Right. And Joe talked about it at the beginning, having your buyers pay, we call it the pass through play, right and here's how it works. You simply build the fee, right? It's a $14.97 fee. You build that into your assignment fee or, you know, and basically it shows up on your buyer's closing statement. So when the deal closes, the buyer really is essentially the one that's paying us and it costs you nothing out of pocket. It covers the entire TC fee, you know all of our coordination, not the closing costs, right, closing costs you have to pay to the city and the state, that type of stuff, the county. But importantly, you're going to get all the support, the communication, the speed for ultimately zero cost.

David: And this works with everybody, right. I've done it in my own business long before we launched it to 8,000 files and hundreds and hundreds of clients all across the country. Hedge funds, it works, I promise. But the best part is your buyer is going to benefit too, because their closing is going to go smoother and faster. And when they experience that, you know what they're going to want to do? Come back and buy another deal from you. So this is what I mean when I say, this is how smart investors close for free, right? The best people in the game are not working harder. They're working and structuring their business so they can be smarter. So imagine that next deal. You lock it up, send it to our team, and we will handle that entire closing process for you. The calls, the documents, titles, searching up death certificates, lining up all the errors, getting affidavits done, whatever it is. And we're just an extension of you. You're the one that looks like the professional. You're one that's gonna close like a pro and close faster. And you're gonna get paid like one too. And that's why the smartest investors do not try to do this on their own. They don't

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try to go it alone. Because every deal, every deal has a hundred moving parts, right? Joe, let me ask you a question. You've had, you've done a million deals. Like think of the worst deal you've ever had, right. The day you signed that contract, did you think it was going to go sideways and turn into something that made you want to dig your eyeballs out?

Joe: Well, I've not done a million deals.

David: You've done a lot though.

Joe: Yeah, it's anymore. I just when I'm doing it on my own now I have an assistant that takes care of it. But like yeah, I'm expecting something to go wrong every single time.

David: Yeah, that's that's experience there for you. Yeah. So, you know, they're just, it's like juggling sticks of dynamite. Sometimes you never know which one is going to go off. So you know the smartest investors, they really stay focused on revenue. Joe mentioned that at the very beginning, right? The front end of the business and the professionals, the people that do this all day long handle the back end. We don't do anything else. I don't run a wholesaling company. We're not out getting leads. I'm not coaching people. Everybody in our office comes in every single day, full time, sitting at a desk, making sure that your deals are going to Close. Think of the power of that. The power of the people that have closed 8,000 files. I would love to say you're going to come up with something that we haven't seen. Maybe you will. Honestly, it's very exciting around here when something new pops up. But literally, this is like the matrix. We've seen every single thing that's going to come up and that allows us to solve these problems and get your deals closed. This is the type of thing that separates the investors who are just struggling, maybe doing one or two deals a year, to the ones that can build a real business, something that's really sustainable. So when you're working with our team, your deals are gonna close faster, right? It's gonna be cleaner and a ton less stress because we can see those problems coming so far in advance. And this makes you look like more credible and bigger and more trustworthy, even if it's your first deal, right, because you've got that team standing behind you working for you. So...

David: You've probably heard this saying, if you want to go fast, you know, go alone. But if you wanna go far, right? That's where you need to go to be together and build a team around you. And that's what we are, right. We're your together, the part of the business that really

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will scale with you. So, you may think I'm full of malarkey, right, let's talk a little bit about just kind of some of the stuff that we've done, not to brag, but I just want you to understand how dedicated we are to making sure that these deals close and how it works. So. We've done over 8,000 transactions. That's a lot across all 50 states. It's a staggering number. It's actually close approaching 9,000. We'll recalculate as we get closer to the end of the year, but we've helped investors close over half a billion dollars in real estate. Our clients have made over $56 million in verified profits. I know that's gonna probably top 65 by the time we get to the of this year. But one of the things that's not talked about a lot and Joe and I spoke about it is, You know, land deals are awesome. The thing about land deals that are great, and you guys all know this, I'm preaching to the choirs or nobody's emotionally attached to the furniture that's in the living room because it's not a house, it's just land, right? But land deals can also have some of the biggest title issues because maybe they've been passed down or it's got leans and encumbrances, all of that on the property. But overall real estate, the nationwide close rate is 50%. That's the national average. That's from First American Title Insurance Company. That's not me. That's the biggest data collector and underwriter in the country. Our clients are closing up to 78% of their files, right? So think about that. That's almost a 50% increase by letting professionals do it and it's not gonna cost you anything. And that's not luck, that's systems and communication and having a team behind you of people who care, right. And the system works, right, whether you're flipping land in Arizona or wholesaling a house in Florida, it doesn't matter, right it's the same process. It's proven, it's repeatable and it specifically built for investors just like you that are doing land.

David: So again, just imagine close your eyes for a minute and imagine your next deal right that wire hits man There's nothing better than seeing that wire pop up your confidence is up right now. You're you've got free time You're not chasing down stuff that you really don't understand and you're having to google What monument of title is your time is free to go spend it with your family or leave work at 2 o'clock and go Pick up your kid at baseball game, whatever it is That's what happens when you plug into the super simple system So yeah, so let's make it a little bit real like here's what makes us an absolutely no-brainer And Joe talked about this at the beginning. No contracts with us. Like, I don't want your first born or anything like that. There's no set up fees, no risk. No, like, you know, $200 fee every month to be a member of the club, you only pay when it closes. That's something, you, know, I committed to Joe, we will never charge you unless it closes. This works for

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land, houses, creative deals, anything that you're doing, right? You're going to get a full team of in-house US based literal professionals, right, certified transaction coordinators that know this side of the business inside and out. I used to think I was great at doing deals. I'll be honest with you. I walked through our office out here and... I listen to some of them and the solutions they're giving our clients, I'm like, dang, that's pretty good. I don't know that I would have even thought about that, right? So it's super easy.

David: I'm going to show you in a minute how you can, you know, sign up again, get your phone ready because the only way you can do this is by scanning this QR code or going to the Joe's link. This is not something you can find anyplace else. Like we don't, we don't promote this far and wide. If you want to work with us another way. It's $2,000 a month. We'll put you on a subscription. Happy to do that. But if you want to have literally no upfront costs, I'll show you in just a minute. But once you submit your deal, I promise you, you're going to feel that relief instantly, right? The moment that you hand off that first deal. Your stress is going to drop, your confidence skyrockets and you can go work on your next deal just knowing that somebody's going to get this thing closed, right? Because now, right, now you know that you have somebody who cares about your deal as much as you do, because I promise, I only get paid when your deal closes. Who do you think is going to work harder on your deal than anybody else? Yeah. I promise you, I've got two English Bulldogs at home that really like their cookies. So we are going to make sure that these deals close. Yeah. So that's that, right. Like, imagine just checking your email or you can log into our portal. We're going to give you a free software thing where you can log in and see in real time what's happening with your deal and seeing closing confirmed. Closing is happening tomorrow. I want that to be your new normal. I want it to be the way that you run your business, just like hundreds of other successful investors all over the country.

David: And this is how you start. It's very, very simple. I told you we'd keep this short. I wanted you to grab your phone, open the little camera app. Somebody had to explain it to me because I'm not that technologically advanced. And scan the QR code and it will take you right to the link. If not, you can use the link that Joe a close like Joe that he put in there. It takes you literally less than a minute to set up a free account. There's no set up fee, no risk. You know, it will log a credit card for you in case you ever want us to like file a memo or do any of that kind of stuff. But we will not charge you unless the deal closes. And then you can, we'll show you exactly how to pass all of that off right off to your end buyer. So once you do that, you're in, you're able to submit your first deal. If you don't have a deal ready,

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go ahead and sign up because you will have this. You know you can do an onboarding call with our team so that when you get that first deal, you know exactly how to get it in there. Absolutely no reason to wait. So yeah guys Joe invited me here because he wanted to give you guys access to something that really will Save time protect your deals and help you win, right? We are we are all in this to see you guys win So yeah scan the code. Let's get started.

Joe: Couple of questions here. I was seeing the questions come in. Do you pick the title companies or do we pick the title companies and tell you, hey, we're going to this?

David: Yeah. So, I mean, if you've got a title company that you're really in love with, let's talk about it. Chances are we have 800 partner title companies all across the country. Changes are we're dealing with somebody great. But in general, yeah, let us pick them. Here's why. Not all title companies are created equal. And I didn't want to go into it a ton in the presentation. But think about like a restaurant. Some people do Mexican, some people do Italian, some people are the muffin shop. And then maybe you get a bagel shop, which Chattanooga's woefully understocked on bagel shops. So I wish somebody would open one of those. But here's the thing, right? The ones that deal with investors, like honestly, we're the worst business for title companies. They don't love us. So we have literally gone through and interviewed almost countless title companies and we've come up with, it's somewhere in five to 800 title companies that we know will get your deal. Because here's a thing, guys. I'm responsible for getting your deal closed, right? So. Let us pick it so that we can be sure. I will tell you this, and a positive Joe has told you, if you ever let your buyer or your seller pick the title company, 50-50 that deal's gonna close. I have the data to back that up, right? Because you've got the seller, it's his brother or golfing buddy who runs a title company and he's gonna go, hey, Steve, do you know this guy's signing your contract to make him $14,000? End of your deal. Or if it's the buyer's title company same thing. Dude, why are you paying a $14000 assignment fee? Let us control that deal. I just want your focus to be on marketing and talking to people, locking up contracts and finding buyers.

Joe: Yeah, so good. So I love that because you've got the title companies in all 50 states. You've already done deals with. And remember, David is a wholesaler who started a transaction coordination company. You know what that means? He understands assignments. He understands creative deals like owner financing, contract for deed, land contracts, double

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closes. So like you can, when you use a transaction coordinator, you avoid a lot of the hassles of trying to explain to a title company, this is how we're gonna do the assignment or whatever. This is how, we do the double close with the transaction coordination, I mean the transactional funding, right? That, they just take care of it for you. And so you're gonna be working with the title companies that have already been doing that with other clients of David's, those creative types of deals. Do you understand, see how this will save a lot of your deals? Because you're working with somebody who already understands the creative real estate stuff that we're doing. Okay, that's really important.

David: Yeah. 100%. So, I didn't mean to cut you off. When my partner, Heather and I, we were sitting in a conference room and we're like, okay, do we want to start this? Because I had one of my friends say, don't start that business, that's absolute brain damage. Why would you want to do the worst part of the business? I'm like, you know what, because I think people need it. But one thing that was really important to us, a couple of different things. One, I knew that we weren't going to have clients in one state or one region, right? We were going to get people who you may be doing deals in Virginia, but you might get one in Nebraska. So we knew from day one that we needed to be competent and understand. And there are a lot of laws. We can have a whole separate podcast about that, but there are lots of laws across all 50 states. So, we needed be sure that we could work in all 50 States. But the second thing, right, I've done all the types of deals, right. Land and, you know, big tracks and novations and sub to like all of them. So that was very important because honestly, this company was built for me and a couple of my friends and I'm kind of a dick. So I wanted to make sure that every single person that worked for me and put my name ahead of what they were doing, that they could handle every type of deal. So for us, our coordinators, it takes them two to three months to be certified. So don't be confused out there about somebody who's like calls themselves a transaction coordinator because they downloaded a six-hour video and now they're out there, calling themselves top of the chain or whatever TC. Like do not trust those people with your I don't know you do whatever you want But I'm just saying I would not trust somebody with my deal that that you know wasn't a professional and this wasn't their full-time gig

Joe: And they're going to be charging you more.

David: They're going to charge you, and even if they don't charge you upfront, if your deal dies, they're going to charge you a cancelation fee. So, yeah, I mean, you know, we're making

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the biggest gamble we can make because we love this program and trust Joe and know that, you know, this is, you, know, the community that we want to be aligned with. That's why we're offering this program.

Joe: And some people are asking, well, how much does it cost? It's $1497. $1497. And if you're double closing on the same day?

David: Doesn't matter. $1497. I'm not going to charge it twice.

Joe: Yeah, I'm not going to charge them twice. But here's the thing you got to remember, too. We're going to make the buyers pay for that. So how do you do that, David? How do you make the buyers? But what do you add?

David: Crazy simple. We're going to add a line into your contract and we've already given that to you and you know when you sign up we're happy to do an onboarding and make sure it's in your contract correctly. But it's going to say something along the lines of the buyer will pay a transactions fee of $1497 at closing. That's it. Like it's very simple and you're not putting neon lights around it. I'm not bolding it with you know pink highlighting right. It's just in my contract and does anybody raise your hand if you're like my buyers won't pay for that. I know I know some people are thinking that, but it's- Yeah, I'm gonna tell you, when I first came back and I had a partner and I told him about this, he's like, buyers will never pay. I'm like, you know what? I think they will, let's test it. We tested it 800 times in our own business before we opened this one. And I'm telling you, hedge funds paid it, buyers paid it builders, land, everybody pays it, right? It's just, Joe, we were just at a hotel, it's the pillow fee, the pool fee, the parking fee, everybody is all feed to death. If you go on some of the major dispositions platforms, every single listing says you know $43,000 plus TC fee. We're the people that introduced this to the market about three years ago and now it's everywhere. It is very accepted as part of this business. So I assure you we are closing hundreds and hundreds of files every single month and our buyers are having or our clients are having our buyers pay for this over and over and over again. Trust me, I would not get on this program and tell you it worked if it did not.

Joe: Even if they didn't pay for it, I'm telling you it's still worth it. I would pay it in a heartbeat, and I do. I'm paying it on our deal. So the thing you got to remember now is, all right, by the way, I am paying it because I have an assistant that's doing it for me. But what I'm

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trying to say here is we're going to be using this transaction coordinator from now on, because it's an absolute no brainer. And this is going to free up my team's time to do those revenue generating activities that I talked about at the beginning, right? If you look at how much your time is worth and you're going through and you're making all these calls, you're chasing all these people, your time's going to be way better spent using a transaction coordination company. And I would argue you are going to actually make more money, and you are to close your deals faster, you're going to flip them faster when you use Transaction Coordination Company. And all of this too, by the way, U.S.-based team. Here in my office. His team is here in Tennessee with David.

David: Yeah, nobody's sitting at home watching Netflix, doing their laundry, you know, taking care of their kids. They are here in the office, from 8.30 to probably 6:30. Some of them stay till 7:30, 8 o'clock at night. People who work West Coast deals. They're here like every single day. They're managed, they're audited, there's KPIs like they're, this is, yeah, this isn't a fly by night thing. If any of you are in Chattanooga, come by, I'd love to host you.

Joe: Yeah, there's also a question about closing costs. So closing costs are separate. You always have to pay those closing costs.

David: Yeah, the one thing that you do get, and just to say this, guys, you know, if you call a title company and you're like, hey, I got a problem, I need this thing moved up, you know what, you're one out of probably 60, 70 deals they're doing. When our company calls, and this isn't to brag, I'm just saying we carry a lot of weight because we, not because I'm a big guy, but like because we do a lot closing. Like I have the vice presidents of First American and Fidelity come to our office because we just do so much volume. Like they really want our business. So when we call and I'm like, hey, you know, Brian's deal really needs to close this week, what do we need to do? What do I need to get this thing moved forward? Right, they're going to respond. You're going get more of a response from us just because we carry just a big stick.

Joe: So this is what happens guys, this is why he needs transaction coordination because I have seen this a gazillion times. This, I have seen a million times, all right? Maybe not done a million deals, but I've seen this a million times. You call a title, or a title company calls you,

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or they email you, right? And hey, we need this, something's missing here, or whatever. And so you don't understand it, so you call them back or you email them back and it's maybe on a Friday afternoon. And so then they don't get the message or read the email until the next Monday. They call you back, it goes, you see a call, unknown caller, you hit ignore. Then you start playing this phone tag game. I mean, this is what title companies do. I don't have a piece of paper, here we go. They have a huge stack of papers on the title company's desks, right? And what happens? Oh, there's something missing. They'll circle it, shoot you an email, leave you a voicemail or something, and they put it back on their pile. And that pile gets deeper and deeper and deeper and deep down. And you are not the only deal they're working on. I mean like this, people don't realize the amount of time that's wasted chasing people and you forget, you're playing phone tag. And sometimes the title companies are like we don't they don't care if the deal doesn't close or not. Right?

David: You're not there $600,000 easy deal where they're going to make $3,000 on the title fee. And Joe, what you said is exactly right. Guys, people always think title companies are like this mystical smart thing. It's somebody that's been working there for two weeks, that's following a checklist. And they're like, oh, yep, I talked to, I sent her an email and I'm like, I told him I needed a death certificate. Check. That sits over here. It will sit there until Alistair calls them back and figures it out. Like, if you get a hold of them, Yeah, it's a little bit. Exactly. Oh, all of that. Yeah. So, yeah, it's just it is a huge time suck. And I can't tell you how much time I used to spend on this. And, you know, during the day, I was out running around looking at properties and rehabbing and doing all the things. And i would come in at, you know, six o'clock to my office to this list of emails and messages. And then I'm trying to deal with it. And you know what I wasn't doing? I wasn't at home with my wife and family.

Joe: So this is no-brainer. Again, let me clarify. Does not cost you anything. You only, the deal, they only get paid, ezREI Closings only gets paid if and when the deal closes. And you can make your buyer pay for it. But even if they don't pay for right, split it 50-50. You pay 750, $750, they pay $750 whatever. Or even then you still pay for it all yourself, you will do more deals and make more money and sell your deals faster when you use a transaction coordinator, okay? You pay nothing upfront, they handle everything, all the paperwork, all the communication, the title issues, because there always are title issues. Trust me on that, especially with land. This is why I'm so passionate about it. Your buyer pays the fee, it gets built into the closing costs, so it literally costs you nothing and it works nationwide. David's

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been doing this in all 50 states, any deal type, the creative types of deals that we do, wholesaling, assignments, double closings, creative deals, owner financing, Like even if you were doing novations, and sometimes we have done novations with vacant land.

David: We're not novations. How many do you do? 40% of our deals. So figure we've done 3,200 in the last four years.

Joe: Oh my gosh. Listen, this is important. What is a novation? Explain this for people who don't know.

David: A novation, it's basically replacement of contract. So to make you understand novations, I love talking about this, you have to understand why we assign to cash buyers, right? If I'm selling or Joe's buying my property and he's getting a loan from Bank of America, Bank of American is never going to pay an assignment fee, I promise you. One percent of the time, he's using a local credit union and his next door neighbor is the president. Maybe you can get it through. But as a rule, let's just say no major funding or traditional funding sources ever going to be an assignment. So what do we do? Right? We've got this great property, and we want to put it on MLS and we wanna go out to the full market and get the highest possible price for it so we can make bigger spreads. Well, this is actually not new. Joe and I know, like, novations have been around for a hundred years, right? They've done it differently. We used to kind of know how to do it, but you're like, that's kind of a lot of trouble. Here's what the magic of a novation is. It's called Replacement of Contract. I have a contract with Matthew here and I'm buying his land, but I want to sell it to Joe. I'm like, man, how can I do this? Well, what if I just make the contract from Joe to Matthew direct? Right? And I make that the contract. And then I just, I tell Matthew, you're going to pay me a marketing fee at the closing, right? Because now it's not on Joe's side. Bank of America only cares what's on Joe side of the closing statement. But on the seller side, the seller is paying They're paying in their car, their child support, they're paying for all of these things. The lender does not care about Matthew's side, so we're basically moving our assignment fee over to the seller's side. And there are some things that we're going to do to stay protected, right? Because obviously, think about that, if I'm making the contract between them two, I don't want to be cut out of the deal, right. So this is what we do. We make sure, you know, we're using the right title company that understands innovation because I

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have a lot of people come to me and say, I got cut out the deal. I don't know what I did. So, you do want a little bit of training on innovations before you go out there and just try to wing it because there are steps to follow. But that's ultimately what it is. We're moving our assignment fee over to the seller side, and we're going to make sure that we're protected, whether it's a memo or whatever it is, or a couple of different things that we can do. But that, and you can do this with land too, this allows you to put it on MLS and allow people to bring loans. Because here it is guys, think about this. We've all sold to cash buyers, or we've talked to cash buyers, all cash buyers, they want a deal because cash is king and all that stuff. And a cash buyer is bringing 100%. If I'm selling a $22,000 piece of land or $52,000, they're bringing all 52. But if I put it on the market, maybe they're only putting 10 or 20% down, right? So now my buyer pool is so open, right. So now instead of selling it for 52, maybe I'm selling it 70, right, that's the magic of novations. So I was probably more than.

Joe: With novations, you don't have to explain to the title company how this is, how you're doing this. Yeah. The transaction coordination company, ezREI Closings, does that for you. And they already have the title companies who have done this before. So it's not a big deal. Yes. There's some questions here real quick, David. Let's do it. Do I only have to give David a copy of my buy and sell contracts, and they take it from there? Does David's team talk to the buyers and sellers without me?

David: All of them. It's what we do every single day. So when you scan this link, you're going to do a couple things to sign up. Within about 10 minutes, you'll start getting some emails, but one of them is going to be a link to open your portal. Sounds like fancy names. Just a very, very simple CRM that we developed just for transaction coordinating. We used to charge people $1,000 for it, but Joe negotiates better than anybody else, so you guys get it for free. So yeah, literally a 10-year-old can figure out how to drag and drop those two contracts in there. We need the seller's name, what type of deal it is. Very, very basic information, will take you 30 seconds. And then from there, here's what's going to happen. That contract is going to get assigned to the right coordinator that handles that state. Because there are some states that are different. We have people that just specialize in the Northeast and the dual attorney states. Anyways, let's say that that contract is going to be assigned to Claudia. Claudia is going call up Mrs. Smith. Hey, Mrs. Smith, my name is Claudia. I'm working on this deal at 123 Main Street with Joe. Hey I'm going to your point of contact from here all the way till closing. Great, you're out. Go get your next deal. Hey,

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so Mrs. Smith, I have some questions for you for the title company, so I can get you paid just as quickly as possible because that's what they all want, right? And we've got about a five page intake form. And after doing 8,000 of these, again, like the Matrix, we know all the problems that are going to pop up. So we're asking questions. I want to ask every single thing that could possibly pop up, because here's the thing, I want solve it on the front side. I don't want an email two days before closing going, oh my God, this is in foreclosure. What are we going to do? That's a problem. That's the stuff. This is why 50% of deals die. Same thing. You're going to upload that buyer's contract. We're going to call your buyer. Hey, Steve, you're working with Joe on this deal at 123 Main Street. A little bit different conversation. Hey, I've got your contract here. You're closing it into the land man, LLC. Awesome, man. I need your corporate docs, your articles, who's authorized to sign and all using private funds. Great. I need that person's name so I can call them, get the terms, get that title coming to get the deed of trust done, the mortgage. And let's get this thing closed. How quickly do you want to close? All right. Yeah, we will do all of that stuff.

Joe: And I see some questions here about who pays the $1,497 again, your end-buyer, but let's say, let's see you have some heartburn about that. Okay. Let's say you think, man, I don't know, I can't ask them to do that. Then just ask for half say, listen, the buyer to pay half of the transaction coordination fee $750. Yeah. I mean, like when you're making five to 10 grand, what is 750 bucks to have somebody do all of that stuff for you.

David: Yeah. So the other day, I got this text, Joe, I wish I could pull it up. It's probably a little too deep in here, but somebody, it was a TC, I'll use the term loosely from another community. And this happened to be a sub two deal. But anyway, you understand they charge this guy $1,800 upfront. Upfront, 1,800 bucks. And then the deal got a little bit complicated and tried to charge them $2,300 more. So what is that? $4,100 to close a deal. We're not BS-ing these guys. It's three to $5,000. Like these guys are doing two deals a month and you're paying their college tuition, right? The reason we can do this cheap is because we do it at scale.

Joe: Yeah. And I've seen that I've paid that before. This is why I'm so excited about this. This is awesome. And I'm like, David, thank you so much for being here. It's really cool. This is, and in full disclosure, I do get a little commission out of this again, but you only pay for this if the deal closes. If it doesn't close, it falls apart. Nobody pays anything. And if it does close, your end buyer pays for it and it's not a big deal to put in a contract that buyer will pay

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$14.97 for transaction coordination. A lot of these buyers, they want it as well because that means it's going to close. It's going to be easier for them as well. The buyers want this.

David: Yeah, that's absolutely the conversation when somebody says, you know, gives you any pushback. Hey, Joe, listen, I know that you want to close on this thing so you can get your permits pulled and get your foundation laid just as soon as possible. The reason we use a third party to come in here and handle all this stuff is one, you have a lot of secure documents like your corporate docs and your wiring instructions and all that. That's all handled by an outside company that's safe and secure. And most importantly, we're going to get this thing closed as quickly as possible so you get started on this. Boom, hit it and move on. Somebody asked a question here, how much does it typically cost the buyer to close with the title company, that varies. And we can actually tell you that when you get your deal, if you give us the AB and the BC contract, we can calculate that for you. But there's not a ton of difference between one title company and another. Cost is not your issue. Do not worry. If you're thinking cost, you're thinking the wrong thing. What you should be thinking, who's going to get this deal closed so I get paid? That's the question to be asking, right? So And when I say this, title insurance rates are set by the state, not by an individual title company. Doc fees, taxes, all of that is set by a county that is not set by the title company, so what you're talking about is a closing fee that's anywhere between three and maybe $600. You're talking a $200, $300 swing max. Now, because we do so many deals, we do get the best pricing. But if my guy's at $400 and you come back and say somebody's 275 do you want the 275 guy you know and again your buyers paying this right so I don't know this is not a spot to have heartburn what you want right and we're really not in the paperwork business we're in the peace of mind business right I want the peace of mind that I don't have to worry about this, that somebody's going to get this closed for me. That's what I want. That's why I wanted when I brought in Heather, who now runs all of my companies, and she was my TC. That's when I wanted. I just didn't want to fool with any of this.

Joe: Yeah. And I see the questions here. Very good question. Yeah, they're great. You still have to, ezREI Closings is not gonna find the buyer for you. They're not marketing the property, they're not advertising it and putting it on the MLS and doing that marketing stuff. Okay, they are not. They're the coordinator that's handling the closing between the three parties involved. The seller, you, the investor, the middleman, and the end buyer. Okay. Right. So.

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David: Yeah, Joe, your group is so active. I love it. Yeah, lots of great questions. Yeah. 100%. This just goes in your contract. Your buyer signs it. It's just, it's on their side of the closing statement. Yeah the buyer pays it. You're not going to pay anything else.

Joe: And I was paying $3,000 to $5,000 for transaction coordination before. It's a real thing. All right, no brainer, good. Thank you so much, David. Guys, scan that QR code up there or just go to clotheslikejoe.com. That'll redirect. I'm excited about this. This is gonna make everything so much easier. And you know what else it is? It's just one less thing you've gotta learn, right? And in my experience, it's like maybe 35% of all the deals we've done have been smooth, not a whole lot going on. 35, 50% are, I'd say like, okay, there's a lot that we're, this is confusing, a lot of back and forth, a lot of stuff we have to fix or whatever. And then 25% of them are just like, this is a dead deal. And so we cancelled the contract because something's really wrong with it. Or it's going to take way too long. But that's a lot of work to figure out. When you're new, you're just getting started with flipping dirt. And I have to learn all this extra stuff about closing and title companies. And you want me to call the buyer and the seller and ask them what? The title company is not going to teach you what to ask for or what to get. But David's company already knows that. And they will take care of that and help you with it. So anyway, thank you, David. We're gonna move on. I got eight or 10 questions to answer that were submitted in advance. Thank you so much for being here, David, I really appreciate it.

David: Alright, thank you for having me, Joe. Like I said, in all sincerity, big honor. Again, you were my very first podcast, so always happy to be here. Guys, thank you so much. If we can help you with anything else, please reach out. Joe, I'll talk to you soon.

Joe: Yeah, thank you, David. We'll see you.

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