

ACTS Simulcast Questions

Michael Klebanoff

What is prospect whose home you're visiting says to you that he/she/they are interested but they'd like to take your paperwork for review by their attorney and then get back to you--or that they just want to "sleep on" your proposal and then get back? Do you "high-pressure" them into making a decision right then and there, while you're still at their hose? Doesn't that make you look somewhat sleazy? Look forward to your reply.

Give them the blank agreement, let them take it to the attorney and ask them when is best to follow up.

Sharon Chapelle

Did he put the 60,000 down ON TOP of the value of the house - re credit to down payment?

In looking for and advertising for Buyers for higher priced homes - Do we place ads in different places or differently than with lower price homes

Here's a question for Ron - I had a buyer look at the house and then when it came to signing in front of lawyer, he said he wanted another inspection to make sure that "As Is" is actually AS IS when the Seller had moved out. IE He inspects it again to make sure nothing has happened to the house during the Sellers move or between the times he saw it and when he takes possession. In the document, AS IS doesn't say WHEN that is

I meant do you market on craigslist for High priced house buyers or elsewhere.

We market on Craigslist for high-end houses, but there should also be a Facebook campaign developed with ads on it as well as LinkedIn to drive traffic from the higher end more qualified buyers. Plus, you can also get realtors involved as long as you agree upon what commission they would bring for bringing in a terms buyer up front. The \$60,000 down was part of the purchase price, it was not on top of the purchase price. It will always apply to their down payment when they get ready to buy. If a buyer wants to revisit the house before they close on it that's only reasonable, I'm not sure I understand your issue there.

Viki Watson

What store do you get the white signs?

I think you can get them from any sign company.

Lezlie Borden-Sistrunk

When the tenant goes for the loan does the assignment fee count as a down payment?

No, it does not. That's why we have to create a new contract to the buyer, assign it to our seller and get the seller to tear up the old one.

Do you still use Trust Agreements for subject to deals?

We buy all properties, regardless of how they're purchased, in a land trust.

Steve Buoch

Is the nonrefundable deposit paid by a tenet/buyer credited from the sales price?

Absolutely, it's credited directly toward the down payment.

Is the non-refundable deposit paid by a tenet buyer credited toward the purchase price?

Lance Wall

Can we Sandwich Leases in Georgia and can we give credit debt reduction with a Lease Option Contracts in Georgia without affecting Frank Dodd Act or

Yes, you can. But if you do give debt reduction, you should consider it one of your seller financing deals in the three you can do and still be exempt.

Zane

Who is the best attorney in OKC??

I have no idea, you should check with your local REIA group and start asking around to other investors and realtors.

Jermon Clayborn

Should I worry about a real estate agent reporting me for doing these acts deals?

I wouldn't worry about them reporting because you're not doing anything wrong. In that light, what do you care what the real estate agents say or do as long as you're not violating the law?

Jason Simpson

Can you get me the name of the Oklahoma City attorney that you're referring to (assuming that they're 'trained up' now)?

I didn't refer to any Oklahoma City attorney and I'm not sure what you're referring too.

Benjamin Bayless

Does a VA manage your buyers list?

No, you should manage your buyers list, but your VA can call the ones who have money to work with and fill out the information sheet that was in your manual so that you'll know what that buyer's interested in the next time you want to put a house on the market.

David Remenowsky

What if you want to help someone sell a property and the bank note is fair market value? Sure I might be about to get \$5k down deposit is the ACTS best to do and put a 5-10 year lease option or ACTS deal with them. Please suggest your feeling on this situation.

We sell quite a few houses that are over leveraged and the amount of down payment you're going to get is totally irrelevant to what your buyer is willing to pay. I can tell you it has nothing to do with the loan balance. People will pay a lot more than what it's worth, especially if they get debt pay down and a beautiful home that they can walk into without qualifying.

If a house is over leveraged and the seller just wants out but value of house is only \$50k, what would you do an ACTS deal with them or would you do it another way as maybe I could get \$5k-\$7k upfront. If you just want to help them it's either this or work a short sale right which may take a while to work out!

I'm not sure how to answer that question. I'm not even sure what it means, but I can tell you I would not even be dealing with houses that are only with \$50,000. You should be in the better quality neighborhoods, multi hundred thousand dollars at minimum.

Brian Roberts

ACTS deal do you do a Subject To with the seller or lease option?

That depends on the seller. That's gonna change every deal and the seller's needs.

D.L Cote

I'm having a hard time getting leads. How many letters are you mailing out a week?

We are not mailing out letters a week. We just started. If you're having a hard time getting leads, then you're probably doing nothing to find FSBO signs or you're running ads online or you're running them on the wrong sites and you're not having good quality VAs call ads online. Only when all of these fail, and that's very, very rare, would you mail letters. The ones we're mailing are to free and clear houses in the \$300,000 and above category.

Tony Profit

Where EXACTLY do we find Free and Clear deals?

You rent lists of free and clear home owners. Our yellow letter guys can supply them for you or you can go to melissadata.com

Where can we buy the sign in a box with stakes?

You can get the stakes at Home Depot or Lowes. The signs you need to make by hand and you can get the blanks at any sign shop.

What if a tenant buyer gets a mortgage 2-3 years AFTER we're out how is that handled?

I don't understand the question there, Tony, because if you're out, what do you care? If you mean, "What if they get a mortgage 2-3 years after you sold it to them and now they want to qualify?", then you will probably write a contract for them for the loan balance at that time or whatever the actual purchase price is so they can take it to their lender.

What if a tenant buyer gets a mortgage 2-3 years AFTER we're out how is the non ref & other money paid us handled?

It's not paid, nobody has to bring it to closing. You simply have to show it as a credit for funds received on the purchase and sale agreement.

Len Priode

Ron you said North Carolina had some issues?

It doesn't have issues, Len. It's like any other state, you have to know what is required in your state before you start doing business there and any closing agent or attorney can give you those facts.

James Irvin

Do I need to have an LLC entity before I start business?

No you don't James, you can write contracts in your own name, but you will need an LLC very soon. Shortly, we'll be offering those to Gold Club members, but frankly, a phone call to a company like Business Filings or Company Corporation, you can get your own with a credit card in hand to pay the state fees and their minimal charges. You'll need the name of the company you want, two or three of them actually, and who are the officers.

Steve Hardwick

What is the estimate closing the buyer pays through your attorney?

Steve, I don't know what you're talking about so please rephrase your question and submit it. Our attorney fees are \$400 in our case.

Gary Neason

Seller has 1 house 3/2 1245sf and 1 house 3/1 1040sf on .1 acre in Canada free and clear seller needs 394,000 to purchase a residence to move into. Property valued at 750,000.00 is this a deal?

If you're saying that a \$750,000 house as-is, the seller will sell for \$394,000, it's absolutely a deal. If I were you, I'd put it under contract, even for all cash, and try to flip it to someone for maybe \$500,000, but honestly you don't give me enough facts to give you a real clear answer.

Alfonso Moreo

In Texas, if we find a seller whose willing to owner finance and work with us on an ACTS deal....what's the first thing we do?

Get it in writing.

Is the Texas lease option agreement part of the Gold Club membership?

No, it isn't, but we will be doing a webinar with John Jackson on May 8 and he'll be offering it there along with his two day lease option event in Texas.

Do you think we'll get better visibility with a larger sign...say a 24x24 versus an 18x24?

I've used both and both work.

Adam J. Sanchez

How is the buyer protected from the seller in ACTS? Seller, not making payments, cashing out refi, etc.

The buyer is not protected from the seller except that the buyer has rights in their contract to take action if needed. We suggest that we have a third party escrow company collect the payment, make the underlying payment and send both parties statements at the end of the year. They cost \$50 and \$15 a month and we pass that cost on to the buyer. Both parties usually love it. We use escrowserv.com

Nicolas

Agreement with Seller: If I am assigning a property with equity , -when should we use the Exhibit A that states that balance will be pay down every month, when should we use the other one Purchase Price doesn't go down every month?

The only time you're going to give credit to a tenant buyer for debt reduction, is when the property is over leveraged because if it isn't there's no reason for them to get debt reduction. If you're staying in the deal, remember, you're giving away that debt reduction that you get to keep if you don't give away that benefit to the buyer.

Troy

And should we use a real estate agent involved? And how much should we pay our attorney's and the RE agent if we need them?

Troy, we do not use real estate agents, we have no need for them. We have no problem selling properties that don't require bank qualifying, on our own. As we said on the webinar, our attorney to put the tenant buyer in the house is about \$400-\$500. This is a deal you're going to have to make with a real estate attorney on your own. Remember, the buyer pays our fee.

Marlene Green

Doing anything extra to sell high end homes?

Yes, we would be doing ads on Facebook, LinkedIn and any other appropriate site we think high income earners would be watching. That would bring them right to the flyer created about the home and would get their contact information and start the contact.

Thanks for tip on weekly communication with Seller. Any other common mentee mistakes just doing biz with either side?

I have no idea what that means.

E

As discussed from p. 62 when buyer wants credit for assignment fee toward down payment..... Which would cause a new agreement for the seller to sign.... what happens if the seller does not want to sign it.... or wants \$\$\$\$ since they now see (for example 20k)??

Well, I'll tell you it's the seller that has the most to lose here. It is their loan underneath and remember, once you've already collected the \$20k, there isn't much the seller can do about it. If they don't want to receive it then probably the best thing for you to do is stay in it and keep collecting and keep paying until it's cashed out. It's not that big of a deal, but I think you'll find it rare when a seller wouldn't want to protect themselves and collect the rent directly from their buyer.

If we are doing many deals in different counties which can be up to 6, 8 or more hours away.... it is difficult to have buyers and sellers meet at "our" attorney office in person.... any suggestions on how to handle this since it is so difficult finally finding "any" attorney who finally understands and agrees on how we do these ACTS deals.... and will not screw up deals. I know

how important it is to have a face to face with buyers/sellers/ and attorney in order to CYA. Thank you... and GREAT JOB TODAY!

You should not be doing deals far away from your home unless you've got boots on the ground where you're at. Somebody occasionally needs to show the house and somebody does have to meet the buyer and that should be done face to face.

GREAT JOB TODAY. we are doing many deals in different counties which can be up to 6, 8 or more hours away.... it is difficult to have buyers and sellers meet at "our" attorney office in person.... any suggestions on how to handle this since it is so difficult finally finding "any" attorney who understands and agrees on how we do these ACTS deals... I know how important it is to have a face to face with buyers/sellers/ and attorney in order to CYA. Thank you... and GREAT JOB TODAY!

SELLER DOES NOT WANT TO SIGN A NEW AGREEMENT TO HELP BUYER GET THE CREDIT FOR ASSIGNMENT FEE TOWARD DOWN PAYMENT... WHAT TO DO? HAS THIS HAPPENED TO YOU???

I think you missed that one, the seller doesn't sign the new agreement, it's between our company and the new tenant buyer. We then collect the money and then we go back to the seller and assign the agreement to them. Honestly, they really don't have any choice because if they don't accept it, then they're going to create their own mess. Remember, it's them that's got the loan. It's their interest we're trying to protect, so now they get to collect directly from our buyer. There's really no reason for them not to do it.

Don

When or why do you use Exhibit A?

You have to use "Exhibit A" on all of your lease option agreements or there are no terms or monthly payments stated. If you'll notice, they are not in the body of the agreement. You just have to decide which "Exhibit A" applies to the particular deal you're working.

Karl Koberg

Will audio be available of this webcast? I was having audio issues during parts.

The audio will not be available, however, we actually did make the decision to record it after we capped out at 500. That recording will be replayed probably within the next month or so. We'll let you know, but right now we have no plans to do anything other than rebroadcast.

Andrew

I wanted to know how to get over a buyer/seller apprehension of asking for their SSN?

You don't ever ask the seller for their SSN, you have no need. The buyer knows they're going to have to fill out an application to supply it. I have never once in my life had a buyer tell me they wouldn't give me their SSN and frankly, if they did, easy decision, they aren't my buyer.

Dave

What if the Seller wants to keep me on the hook as the original Tenant and not want to accept an assignment on a new lease between me and the buyer?

You worry too much. First of all, you're never going to sign the lease option agreement yourself, your entity is. Worse case, your buyer can hold you entity accountable, which owns nothing. Don't worry about this. Your seller has to protect their best interest and if you make it clear when you talk to them that you're going to go find a buyer they approve and install them in the house you'll never run across this problem.

Jeff Carroll

So if you are not staying in the deal, purchase price is whatever loan is at time of purchase, how do you make sure the assignment fee goes toward the down payment when purchasing?
Whatever loan amount is plus the said assignment fee?

I've already answered that in previous questions.