

# Runner UP

I have been investing in Real Estate ever since first attending Ron's events 3 years ago. Since then, I have had a daughter and son join me in my business. We've attended all but one of Ron's boot camps and attribute much of our success to him!

We have found that free and clear houses make great targets for us. Here is one that we did that has over \$700 per month positive cash flow for 5 years and then has at least \$34,000 equity when we sell it!!!

The deal came from a yellow letter to a pre-foreclosure list. The foreclosing lender was not a bank but a private individual who had sold his home on owner financing. It's a 4 year old home in Athens, Georgia and he was foreclosing for \$125,000. We worked out a short sale with him and purchased the house for \$91,000 with only \$12,500 down, **no interest and no payments** for 5 years with a balloon for the remaining \$78,500 due at the end of the 5 years.

Current ARV = \$150,000

Repairs = \$7,500

Borrowed \$25,000 from a private lender of which \$7,500 went to repairs, \$12,500 down, and \$5,000 to me. Interest of \$12,500 due on \$25,000 note at the end of 5 years.

Profit:

\$5,000 up front:

Taken out of the \$25,000 borrowed up front

\$43,500 in the middle:

\$725 net/month passive rental income (net of insurance, taxes & expenses) over 5 years

\$34,000 on the back:

\$150,000 sales price - \$116,000 owed at the end of 5 years (ignoring possible appreciation)

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\$83,500 total projected profit net of expenses

We'd take more deals like that any day!!

Thanks!

Bob, Erin & David Massey  
Greensboro, Georgia