

The 10 Biggest MISTAKES

Everyone Makes

When Buying

Or Selling

Real Estate.



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About The Author

In the early 1980's, Russ Dalbey was an international cyclist holding a "world record" as the fastest human to ever ride a bicycle over a one-mile distance – he was a national cycling champion and on the Olympic Development Team.

By the late 1980's, Russ had a highly successful career as a stockbroker before transitioning into the real estate note business.

In 1990, Russ opened his own little home-based business purchasing real estate notes and by the age of 28 he was semi-retired. It was then that he was asked to coach and mentor individuals looking for greater success in the real estate note business.

Since then he has published two of the best-known newsletters in the cash flow industry and hundreds of informational reports and articles. And, from listening to the needs of his students he has created a place to buy and sell real estate notes and other cash flows, better known as America's Note Network, which has helped facilitate nearly a billion dollars in transactions over the past five years.

Russ has been gifted with knowing what it takes to succeed and help others succeed. You are going to find great success in this incredible trillion-dollar cash flow industry and that Russ and his company will be there to help you every step of the way.

The Ten Biggest Mistakes Everyone Makes When Buying or Selling Real Estate

By Russ Dalbey,
CEO & Founder of America's Note Network

In this booklet you will learn eye-opening information that is guaranteed to make you or save you thousands of dollars on your next real estate transaction by showing you how to avoid some of the most common pitfalls in real estate.

Knowing and understanding real estate is one of the most fascinating fields in finance. It's no wonder there have been more millionaires created through real estate than in any other field!

No matter where you are in your pursuit of greater financial security — real estate can help you. And, by the time you are done reading this report you will have knowledge and know-how to make or save thousands of dollars!

These are **The Ten Biggest Mistakes Everyone Makes When Buying or Selling Real Estate:**

1. Not finding the right real estate agent.
2. Not knowing what the buyer or seller wants.
3. Not pricing a property properly.
4. Not knowing how to structure a more profitable transaction.
5. Not knowing how to sell a property quickly & easily.
6. Not knowing what clauses to use or avoid in a real estate contract.
7. Not knowing how to save substantially on taxes when selling a property.
8. Not offering seller-financing when selling.
9. Not offering seller-financing when purchasing.
10. Not understanding how to safely earn 20% or more with trust deeds and mortgages.

Let's discuss each of these mistakes — you may be surprised at what you learn!

Find The Right Real Estate Agent

Finding a good real estate agent (whether you are the buyer or the seller) is very important. You want someone who understands financing — all kinds of financing including the creative financing which I'll explain later in this free bonus report. Of course, you want someone who will take your calls and return them promptly. And, it is essential to have an agent who will place creative eye-catching ads to bring attention to your property. Something like...

“Low Down / Owner Will Finance / Call Now!”

This ad will get your phone ringing off the hook with people interested in the property.

The bottom line is, when looking for a real estate agent, do your homework! Interview as many as it takes to find the one who will work well for you. This will make you big money and save you hours of aggravation in the long run. If you have a hard time finding someone good in your area, please go to our web site www.notenetwork.com and click on our Ad Directory for a list of professionals in your area.

What Does Every Buyer Or Seller Of Any Property Want?

Everyone always wants a good deal, right? Of course! Everyone wants a good deal. So, what's a good deal?

If you were the seller of a property and were willing to reduce the property price and give the buyer special concessions, the buyer would say, “Hey, that's a good deal.” But you as the seller might think, “Hey, what's going on here? That's not a good deal for me!”

Normally, you would be correct...

What if I showed you that you could sell the property for less and actually make more? Impossible you say? Keep reading!

Let me tell you a big secret — The key to financial wealth in real estate is understanding notes and creative financing! This is very important and bears repeating! The key to financial wealth in real estate is understanding notes and creative financing! Simply put, creative real estate financing, otherwise known as seller-financing is your key to tens of thousands of dollars!

It doesn't matter who you are — a real estate investor, a real estate seller, a real estate buyer, a real estate broker, a mortgage broker or anyone else who will ever do anything with real estate. Creative real estate financing is your key!

As a point of clarity, creative real estate financing, seller-financing, notes, discounted trust deeds & mortgages, are generally the same and I'll refer to them all as notes. Be aware: Notes can make you rich!

The best way to explain notes, **which by the way will completely solve the other eight mistakes people make**, is to give you real-life, money-making examples that you can apply.

The information in this bonus report combined with the information in **Winning In The Cash Flow Business** is the most important education anyone can get regarding the creation of wealth!

Pop Quiz! Here's \$50 If You Get This Right! (Actually, I cannot make this bet with you because there is no way for me to verify your answers! But give it a try anyway.) If you have gone through **Winning In The Cash Flow Business**, I know you'll get the right answers!

Answer the following questions regarding the three seller-financed notes below:

- Which one would you want to **owe** on if you were buying a property?
- Which one would you want to **collect** on if you were selling a property?
- Which one would you find most **valuable** if you were buying it as an investment?

Note A: \$20,000, 12% interest, no monthly payments, principle and interest all due in 5 years, total payments: \$32,000.

Note B: \$20,000, 8% interest, payable at \$166.67 per month for 5 years and the unpaid principle balance due at the end, total payments: \$30,000.

Note C: \$20,000, 10% interest, payable \$166.67 per month for 5 years and the unpaid principle balance due at the end, total payments: \$30,000.

Got your answers?

- When buying a property, you'd prefer a note where you pay the very least amount or lowest present value.
- When selling a property, you want a note with the highest present value.
- When purchasing a note, you also want a note with the highest present value. The present values of these notes are not apparent without the help of a pocket financial calculator. We need to compare all three against a single yardstick or common denominator.

Choosing 15 percent yield as a yardstick allows us to compare what each \$20,000 note is worth in today's dollars:

Note A Present Value: \$15,186.16

Note B Present Value: \$18,079.37

Note C Present Value: \$16,497.12

How does this compare with what you guessed above?

You can see that a \$20,000 note is not worth \$20,000 and not all \$20,000 notes are of equal value.

Here's a **surprising** revelation: You can sell a property, carry back \$20,000 in the form of Note B at eight percent interest, and have it be worth more than Note A or C at ten or twelve percent interest. And, if you understand this philosophy, you can reduce the property price and still make more money by structuring the note in your favor.

These Creative Note Methods Are Known By Only An Elite Few!

Being educated in discounted real estate notes gives you many advantages in the real estate world. Not only can you buy and sell real estate quickly and easily, but you can profit from it no matter if you are the buyer or the seller.

**The Key Is Understanding Real Estate Strategies!
They Can Make You Thousands Of Dollars
Each Month!**

You can help people creatively structure their property sales and make a quick cash profit of \$2,000 to \$5,000 for simply finding an investor for the note - using none of your own money.

The **10 biggest mistakes** everyone makes when buying or selling real estate can be avoided if you know about notes. It's what I call "**note know-how**".

When you go through your course, **Winning In The Cash Flow Business**, you have a handle on how to:

- * **Earn \$2,000 to \$5,000 for Referrals**
- * **Safely Earn Over 20% on Your Savings**
- * **Make A Large Residual Monthly Income**
- * **Double Your Net Worth Every 3 to 5 Years**
- * **Secure Every Investment By Real Estate**
- * **Make No Risk Investments**
- * **Become Financially Independent**

I have been earning over 20% on my money for the last eight years! I have never made less than \$2,000 selling a note to someone else. And, I have no special background and you can do the same as me.

Here are just a few of the stories I have heard from my students:

I showed Richard F how to buy real estate trust deeds & mortgages. He invested \$4500 and purchased a \$9000 trust deed from a seller. That is a 50% discount. He could not believe how easy it was and this was his first deal. With monthly payments coming in every month. After 15 months the payor on the trust deed paid it off in full and he received \$9000. His yield was over 50%. And, he made over \$4,500 easily.

Another student, Steve B., purchased a \$45,000 trust deed for \$25,000. His total return on his investment 41.25% average per year with monthly income.

Mike K. bought a trust deed for \$41,000 and resold it for \$54,000, closed the whole transaction in 4 days, made \$13,000 with zero dollars invested.

Tiawo O. in her second week found a trust deed note for sale and referred it to an investor and made a \$19,000 referral fee. Without using any of her own money.

These are just a few of the many success stories I hear everyday. If you would like to read the hundreds of additional stories, please go to our web site at www.notenetwork.com and click on “**Success Stories**”.

The Investing Side Of Notes

I buy seller-financed trust deeds and mortgages at a discount. Often, at “Huge Discounts.” I never lose! They are safe because they are secured by real estate with lots of equity behind them.

You can learn how to take out ALL the risk of investing in real estate notes. They are so safe that no matter what happens, **YOU win**. The property can burn down, **YOU win** — you get paid off in full from the insurance company. The person living in the property stops paying, **YOU win** big by getting the property and all of its equity. And, it’s so easy to do if you know what to do.

You can forget about buying real estate with all of the hassles that go along with it: Tenants, fixing toilets, late rents, evictions: What a hassle! With investing in seller-financed real estate notes there are none of the above hassles. Plus—you will know before you spend a penny **EXACTLY** what your return will be, guaranteed!

How it works...

Let me give you a quick example of how investing in trust deeds & mortgages works....

Sue Seller sells her \$100k home. There is an existing first mortgage of \$50k and \$50k in equity. Bill Buyer purchases the home by assuming the first mortgage of \$50k from the bank and puts down \$20k (50 plus 20 = 70 where’s the other 30?).

Here is the other \$30k: Sue reluctantly carries back a second trust deed or mortgage, secured by her property, for \$30k payable over 20 years at 8% interest, paying \$250.93 each month (this happens every day in every town across America — there are over \$335 Billion worth of these notes and the number is constantly growing).

So, Sue now holds a trust deed that is secured by the property. Now, what we do is solve Sue's dilemma by buying her \$30k trust deed/mortgage note at a discount. Remember, she didn't want the trust deed in the first place. She wanted all CASH. I will show you how to approach Sue and have her thank you for buying her \$30k trust deed or mortgage for \$15k. She is happy, you are happy. It is a **win/win**.

Buy them at a discount!!! In your course, *Winning In The Cash Flow Business*, I reveal to you how to buy notes for as little as \$.50 on the dollar. You either keep the trust deed/mortgage note for yourself or refer it to an investor for \$.80 on the dollar.

For example, if you purchase and keep Sue's trust deed or mortgage, you have just doubled your investment in ONE DAY!!! You are earning 8% interest on the full

\$30k! Plus now you will be collecting Sue's \$250.93 monthly payment! Your yield or return on your investment is 20% per year for the remaining years!

What if you encouraged the owner of the property to pay off the trust deed early? Your yield would sky rocket. This is how you can make 40% and 50% or more on your savings.

Quick Cash Profit Opportunities That Exist

Or, you could refer Sue's trust deed or mortgage to an investor for \$.80 on the dollar. Remember, you negotiated from Sue to purchase it at \$.50 so you would keep the \$.30 difference. That would be a WHOPPING \$9,000 for simply finding Sue and referring her to an investor. You have no money out of pocket.

If you've already read *Winning In The Cash Flow Business* then you already know how to buy and broker seller-financed trust deeds and mortgages at a discount. Often, at "Huge Discounts!" I never lose and neither will you!

\$100 Per Month Can Turn Into Almost \$3,000,000.00 Just 30-years!

Let me give you an example of how you can make huge profits by investing in trust deeds & mortgages.

To help you better understand the power of trust deed investing consider this example of investing just \$100 per month for the next 30 years at the following interest rates.

This is what you would earn after 30 years at the following rates:

at 12% \$349,496.00

at 15% \$692,327.00

at 20% \$2,297,783.00

at 35% \$107,140,942.00

The above are true figures that show the power of compounding interest at high rates of return. Get this — you can even put trust deed and mortgage notes in a self-directed IRA. Forget the 5% you're receiving from the bank. For more information on putting notes in your own self-directed IRA go to "**Discover How To Use Your Self-Directed Retirement Plan For Independent Wealth Accumulation**" at our web site. The address is: <http://notenetwork.com/Products/viewproducts.php?id=1044> I know it rather long, but it's worth a look.

The Ten Biggest Mistakes Note Holders Make

Now I want to also tell you the ten biggest mistakes that note holders make. Knowing this information is going to give you the inside track to earning larger profits with your note business. Plus you can use this information to better help educate your note sellers and thus turn prospects into customers.

Land Contract, Land Sales Contract, Real Estate Contract, Property Sales Agreement, Purchase Contract, or Contract for Deed, they all mean the same thing. All the terms and how the debt is to be paid are in the contract.

1. Not Recording the Contract at the County Recorders Office: What happens here by not recording the contract is that a property lien is not accessed against the property. If legal action were filed for one reason or another, your attorney or the judge may say that that the document is not legal or enforceable.

2. Not Enforcing or Forgiving Late Payments:

Does your contract have a penalty clause for late payments? Enforce the penalty clause. This is extra money in your pocket. It tells the payor that you mean business. If the payment is not received within the grace period, send a certified letter, return receipt requested, notifying them that if this contract is not current within ~~~ days that you will start legal action, (possibly foreclosure) or whatever action necessary as stated under the default section of the contract. If this doesn't produce results, turn it over to an attorney experienced in the law of foreclosure in your state. Don't wait, as time is of the essence in a foreclosure action.

3. Record Keeping:

Keep close track of the day you receive your monthly or scheduled payment. (Photo copy the check and the bank deposit receipt or keep a separate bank account). This record provides proof that the payments have been paid, and paid on time. If there is a dispute with the buyer of the property, or if you decide to sell your contract to a contract buyer, they will need to see this proof of payment. (Always deposit funds received as soon as possible after you receive them).

If your payments are collected by a bank or escrow company, the information you may need can be requested, and they will furnish you with a payment ledger and account balance.

4. Documents:

Can you locate all the documents? Remember the documents may be needed at any time—that is, you may want to sell the contract for cash, they may pay off the contract early, or the property that the contract is on may be sold or transferred to a new owner (is it assumable?). Put the documents in a safe place away from fire or theft, as they may be needed tomorrow, a year from now or even 10, 15 or 25 years in the future.

5. Taxes and Insurance:

There is the possibility of default. Who is responsible if the taxes and insurance are not paid? **You are**, as the holder of the Land Contract. The title of the property does not change hands until the note is paid off in full and a satisfaction of lien is recorded. If you do not make a follow-up call to the County or City tax assessors' office or obtain a copy of the paid tax bill from your purchaser, you may find that property is being sold for back taxes. Call the Insurance Company to see that Hazard Insurance is still enforced and that you are named beneficiary as a lien holder for the full amount of the contract, and

make sure that any copies of renewal notices are sent to both parties of the contract. If the policy has not been paid, and if the house or building doesn't have coverage and has a fire or other natural disaster, the results could be a total loss of your debt receivable.

6. Inspection:

When was the last time you saw the property? Drive by the property from time to time. See if the building and grounds are well maintained. If the yard and building are in good condition or show improvements since you sold, chances are the inside is the same. The buyer must protect and keep up the value of the property in case of non-payment of contract or foreclosure. If the property looks run down, check the contract for a clause for keeping the premises and buildings thereon in as good condition as they were at date of sale. Send a certified letter, return receipt requested, notifying them of the default of their contract. Follow though with the recommendations as stated in the contract.

7. Subordination Clause:

If your buyer requests a subordination clause **DON'T DO IT** a subordination clause gives the buyer the ability to put a senior lien or loan on the contract. This will move your lien to a second position and will damage the cash value if you decide to sell the contract or any partial payments of the contract.

8. Failure to Enforce:

Actions always speak the loudest. Make sure you stick to the terms and clauses. If you don't it will be hard to enforce in a court.

9. Income Taxes:

The interest information is important for two reasons: 1) You must declare earned interest on your income taxes 2) You need to provide the total interest figure to the property buyer, so that they can file it with their income taxes.

10. Understanding the Value of Your Contract:

That means if I wanted to sell the contract for cash, how much money would I get, who will pay me, and how fast can I obtain the funds?

Well, we are coming to the end of this bonus report "The Ten Biggest Mistakes Everyone Makes When Buying or Selling Real Estate". I truly hope and trust that the information has been rewarding and worthwhile.

Creative real estate financing and discounted real estate notes go hand-in-hand. It's the greatest business in the world. I know many people who have become extremely wealthy by implementing the techniques in this report and in the course material I've provided you with.

And lastly, I want you to know that my staff and I are here to help you become successful. Give us a call and see for yourself that we're really here and have your best interests at heart.

It doesn't matter if you use this information to get wildly rich or if it's just to purchase your first home – use my techniques. They will make or save you thousands of dollars!

My staff and I look forward to working with you. If you have any questions, please feel free call us at 1-888-499-7064. We are here to help. I wish you the best of luck and look forward to hearing your success stories.

Resources

Library

I have trained thousands of students, just like you, with the information in this course that will help you Build Wealth. Just follow my simple step-by-step program to establish a strong foundation for your note business and to change your financial future for years to come.

I want you to know that my staff and I have created an incredible support system just for you, here at America's Note Network. Over the past six years we've created a wealth of information to help support you. We update this information on our web site each day. You will find more than 450 information packed articles on the America's note network web site.

The course that you received is everything you need to make \$2000.00 to \$5000.00 per transaction for simply referring a note and listing it on our web site. If you choose to purchase the note for yourself, you will earn 20% or more on your investments. The purpose of this information is to provide you with continuing and in depth education. It's structured in a simple and easy to follow format that will make you money. Simply, log on to our web site at www.notenetwork.com to access this free information by clicking on the "Library" link.

Ad Directory - Free Gift

I would like to tell you about how you can place a free ad on our web site to receive additional exposure for your new business. At our web site you will find the “Ad Directory”, click on the ad directory and follow the simple steps to place your free ad.

Personalized Web Site

I'm always searching the cash flow world trying to find the best ways to make money and to help my students make money – top priority is listening to their needs! Recently, I have found that many new cash flow brokers have been requesting assistance with establishing a business web site. This is an area that I had over looked and so recently I assigned America's Note Network's programmers to a new project: The creation of personalized web sites that will create a cash flow presence for our brokers. For more information on how you can get your own personalized web site go to www.Cash4CashFlows.com

Pricing A Note

Many times I'm asked how to price a note? The answer to that question can be many fold because there are many elements involved when evaluating a note. Simply go to our web site and click on the “How-to Reports” and there you will find the ‘Note Pricing Guidelines’ report to link to. Or click on <http://notenetwork.com/Reports/Note.Pricing.Guidelines>

Frequently Asked Questions

A great way to find answers to your questions, immediately, is by going to our Frequently Asked Questions section! We have spent a great deal of time putting together a complete list of frequently asked questions. If you have a question, please first look on the easy to use FAQ's page of our web site, to save time. We highly encourage you to try this area of our web site first as an immediate answer to many of the questions you may have. Go to www.notenetwork.com/FAQ

Getting Answers Fast

The next best way to contact us is via our web site's Message Board at www.notenetwork.com/messageboard there you will find quick answers to any question you may have. So, if you have a burning question that needs to be answered right away, just list it on our message board and you will receive a response within the hour- 8:00 A.M. to 6:00 P.M. mountain time.

Support

The next best way to contact us is via email. You may send your questions to support@notenetwork.com. Please note, that you will usually receive a response within an hour. And if you would like to call us, please feel free to do so at 303-499-7064. Our experienced staff is happy to help you find answers your answers.

Success Stories

Can you picture yourself in Hawaii telling the world about your successes? Have you bought a note and earned 20% or more on your investment? Have you listed a note on the America's note network web site and made \$2000.00 or more in one transaction? Tell us about your success and you may very well be telling the world about your success on our next television show! To tell us your story, go to: www.notenetwork.com/YourSuccess