

Wholesaling Real Estate The Easy Way



One Method you
can use to Sell more
Ugly Houses faster
than your Competition

Wholesaling houses is a fantastic way to make money. In fact, I have personally made thousands of dollars on houses that I had not repaired. My personal record is a whopping \$30,000 on one contract that I assigned in only 45 days. Yes, I know that there is money to be made with wholesaling.

But what if I could show you how you can make more than just an assignment fee on a house? Would you be interested in hearing more?

Great! Let's first talk a little bit about your end buyer who is the rehabber.



If you have never rehabbed a house before, you simply can't appreciate the ease of the wholesaling business because rehabbing is pretty intensive.

Allow me to explain... As the rehabber, you have got to figure out what repairs you want

done as well as what repairs *need* to be done – yes, there is a difference. You have got to line up the time, materials, contractors and, of course, the money to do all of this.

I'm a big fan of getting your financing in order before you do anything else. While it is nice to have contractors and a project manager lined up, if you do not have financing arranged or at least explored, you're probably a couple months away from needing a plumber or a painter.

Most rehabbers use hard money lenders – private lenders, instead of banks or their own money. Almost all private lenders will require rehabbers to have some skin in the game, especially if they don't have a proven track record in the field and/or with the lender.

So, if you are a rehabber and you are going the private lender route, you'll want to find them before you start making offers on any houses.



Finding a private lender can take a lot of time and a lot of effort. On your own, you will need to build trust because the lender is investing in YOU just as much as they are in the property to be rehabbed.



My advice for any rehabber would be to first make a road map of the money required for the project. Know how much money you will need for every week and every phase of your project. Include the cost of labor and materials as well as any monthly payments to the private lender if required. Be sure to schedule your draws with the lender so that you can keep your money pipeline full and you aren't waiting on cash. Once you have your road map created, add 10% across the board as a safety net. You can adjust this percentage down as you do more projects.

It is important to keep in mind that most private lenders will not advance any funds to start your rehab. So you'll need some money down to

purchase as well as enough cash to cover each phase of your rehab. The lender will then reimburse you for each phase of rehab work when each is finished and an inspection by the lender is complete.

Until your rehab sells, you'll also need carrying costs for the duration. And if you actually hold the house too long, you might need to pay taxes on it too. With your road map and schedule planned out, you should have the confidence you need to start the project. Just follow the plan, and try to hit 90% of your inflated budget. You should accumulate a margin of error as your project progresses. That margin is your safety net that keeps you from reaching for a credit card, a friend or a family member. Things will move smoothly as the cash revolves.

Now I won't go into the more intricate details surrounding the methods, costs and processes involved in rehabbing as they are way beyond the scope of this publication. So let's get back to the main topic. As a wholesaler, it is important

that you understand the many challenges a rehabber faces when they take on a project. And now that you have learned that the money *is the biggest challenge*, you can take that information now and profit from it.

Having the ability and knowledge to flip a paper contract to a rehab investor is very valuable. It's a very simple way to make a nice amount of money in a relatively short period of time. But you could assign that contract a lot faster and much easier than your competition can by assisting your buyer, the rehabber, with his or her next challenge – finding the money to rehab the house you want to sell to them.



If you have not learned already, you will quickly see that most of your prospective buyers are not “all cash” buyers. Most will claim to be but, in fact are not. In reality, rarely any of them

have the ability to simply write a check from their bank account to buy a house. Instead, they must borrow money from other sources. It's to your benefit to lead them to the money.

You can help your buyers by becoming their problem solving guru – a “one stop shop”, if you



will. How? You would do so by bringing them the house deal and the financing – and you would get paid for doing both. Surely you will make a few thousand dollars assigning that purchase contract to your end buyer, but I will personally pay you for

referring your buyer to me for the financing as long as you are not a wholesaler as well as a licensed Realtor. RESPA and other rules prohibit such fees being paid to Realtors for referrals. We don't want anyone to get in trouble so we will play by the rules.

Of course, as a wholesaler, you would not offer financing directly to your end buyers, you'd simply market that you have teamed up with my company who can help them obtain the private financing. And we can show you how.

Most rehabbers already know of or have lined up contractors who will handle the specifics of the rehab. If they have not, they are readily accessible via referrals from you or fellow investors in REIA groups. The deals and the money are the toughest to pin down. But now, you can become their *exclusive solution pro*.

My company is directly connected with a private money lender that offers comparable yet competitive loans for rehab investments. We broker all of our rehab loans to them. And our fees are built into the lender points charged on the loan. Your buyer is never charged any fees up front from us. And we are only paid when their loan closes. Your client doesn't even have to sign any docs with us directly. We make it seamless.

This funding is only available in **Maryland**, all of the **District of Columbia**, and the following select areas of Virginia - **Northern Virginia**, all of **Richmond** (including Chesterfield, Hanover, and Henrico) and the following **Tidewater** localities of Virginia (Norfolk, Chesapeake, Portsmouth, Hampton Roads, Newport News and VA Beach).

A local rehabber can expect to see these very attractive loan features offered to them:

- ✓ Loans are Equity-Based NOT credit driven
- ✓ NO minimum loan amount
- ✓ NO pre-payment penalties
- ✓ NO monthly mortgage payments
- ✓ NO personal financial information is required
- ✓ NO employment verification
- ✓ NO minimum credit score requirement
- ✓ First trust – First lien position only
- ✓ Loan Approval within 48 Hours
- ✓ Fast closings (usually within 10-14 days)

Typical loan terms offered to them are:

- ✚ Up to 60% LTV based on ARV
- ✚ Between 12% and 16% Interest
- ✚ Between 4 and 6 Points
- ✚ 6-month balloon note (longer terms possible)
- ✚ Repair money escrowed and released in draws
- ✚ Experience is not required for approval

Now let's discuss your partnership with us and how you can profit **more** on every one of your house deals. The process is quite simple. Let's say you already have a house under contract with a seller and you just recently located a rehabber who has agreed to take on the assignment from you.



My company, the PCFC Group, will give you a private web page that you will use to submit each rehabber referral to us. The web page has a special form in which you must fill out. It literally only takes about 5 minutes to complete.

Within the web form, you will have the opportunity to upload a copy of the purchase contract as well as the signed assignment form with the rehabber (if you use a separate document). You must also submit the rehabber's contact information within the form.

Once received, we will talk with the rehabber to discuss their deal. We will ask a series of questions and we will work with them to put a loan request package together for them.

Throughout the process, we will update both you and the rehabber of milestones met. If the loan closes, we will process your earned fee and immediately issue it to you. It's that simple.



Now let's talk about the money you can make with us. The PCFC Group has a written agreement with the lender to obtain 2 points from each loan we successfully originate. As we discussed earlier, these points are built into the points the lender will list on the Letter of Commitment to

the borrower (your buyer). The PCFC Group will pay you exactly HALF of what we will earn in fees determined by the points.

Real Life Examples –

Your Buyer's Loan is \$65,000

PCFC charges 2 points (or 2 percent times \$65,000).

Your share would be **\$650**

Your Buyer's Loan is \$85,000

PCFC charges 2 points (or 2 percent times \$85,000).

Your share would be **\$850**

Your Buyer's Loan is \$125,000

PCFC charges 2 points (or 2 percent times \$125,000).

Your share would be **\$1250**

Your Buyer's Loan is \$165,000

PCFC charges 2 points (or 2 percent times \$165,000).

Your share would be **\$1650**

Do the math yourself for any loan amount you'd like!

The PCFC Group implements the same profit sharing partnership program with Auctioneers, Funding Correspondents and now, Wholesalers!

So let's look at a real world wholesale deal you might do. Let's assume you have a house for sale for \$135k. And let's just say you have placed an assignment fee of \$3500 on it. Under normal circumstances, that is all that you would normally receive from that deal is *only* \$3500.

But if you've teamed up with the PCFC Group to assist your buyer with getting the funding and it closes, we would pay you a referral fee of **\$1350**. Your total profit on that house would then be **\$4850.00!**

Let's take it a little bit further. Let's say the rehabber beats you up a little on the assignment fee. Hey, it can happen – I've experienced it before. Remember, you really wanted to make \$3500 on that assignment but the rehabber got you to accept \$3000. Under normal circumstances, you would have only

made the \$3000 from the assignment. However, if you've team up with the PCFC Group, you would clear a total of **\$4350.00!**



But let's expand our thought into this scenario a little deeper. I can tell you from past experience when I had assigned a deal to a rehabber, I would often feel like a *mushroom sitting in the dark*. The rehab investor had signed my assignment agreement and then supposedly went on their merry way to try and get it funded.

I would often wonder if the rehabber's loan was moving along. I'd worry if it would close **on time** or if it would close at all. Even worse, I couldn't even advise the seller how things were progressing. I really felt **lost** because, unless I called the rehabber and asked them, I would never know where he or she was in the loan process.

What's worse is being lied to... yes, being told by the rehabber that *"the loan is moving along fine"* and *"we should close on time"* when neither were true. Sound familiar? Sometimes the rehabber is actually scrambling to find the money elsewhere because the deal was turned down by their first lender! Oops, here comes the closing date! What do I tell my seller?

No wholesaler should ever be placed in such a position. If your buyer, the rehabber, backs out of the deal, your credibility with your seller will hang in the balance and then fall into the abyss. That's unless you can close on the house yourself. Otherwise, you will be forced to use a weasel clause in your contract to get out of the deal altogether. It's the "worse case" scenario for your business.

But by teaming up with the PCFC Group, you will know exactly how things are progressing because **we** will notify **you**. Of course, should your buyer be turned down for any reason, we

will tell you, but we can not disclose the actual reason why due to rules and regulations (law).



Our lender funds deals based on the deal itself and not the borrower's credit. However, the lender can decline to fund the deal *even if the house itself is acceptable*. Here's why... the borrower must have some skin in the game.

No private money lender is going to fund any deal today at 100%. That means the borrower has to inject some cash into it. Plus they must be financially fluid enough to fund each phase of the rehab as we mentioned earlier. So if it is obvious to the lender that the rehabber can not do both, the likelihood of them getting funded

is slim to none, regardless of how sweet the house deal appears to be.

Don't worry. We will pre-qualify them before we submit the deal to our lender. That is another purpose for filling out our web form online. If it is determined that the deal looks poor for any reason, we will immediately advise you.



Should the rehabber appear cash-strapped, you can suggest that they team up with another investor who *has* the additional funds. We can then take the team of two investors and the house deal to the lender.

If you refer your buyers to us, at least you will have peace of mind throughout the process and you won't feel left out of the loop. Plus you'll make ***more money*** on each of your wholesale deals!

It's good business sense to become a *Full Service Wholesaler* by successfully providing your buyer with the property and the financing, because you could easily obtain repeat buyers. If you can assist prospective buyers in overcoming their hurdles, you will dramatically increase your chances of selling houses to them in the future.

This strategy will increase the chances that your deals close successfully with more speed while you maintain control of the whole process. Plus it will put extra cash into your pocket.

So what is your next step? Well, you can give us a call and we can get things started for you. It's pretty easy to team up with the PCFC Group.

Just reach out to Troy Ross by calling

1-352-354-CASH

(1-352-354-2274)

Troy's Background

Troy Ross is the CEO of the PCFC Group. His background is wholesaling and rehabbing houses. Troy is also the Co-Founder and former President of the Richmond Real Estate Investors Association in Richmond, Virginia. He served in that position for ten years before opening the PCFC Group. He was also a law enforcement officer for sixteen years. He is a family man, business man, speaker and trainer. Troy has a passion for building businesses, networking and helping entrepreneurs find success.



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