

Private & Creative Funding Strategies



Why Use OPM for Real Estate Investing?

- No money or credit of your own
- Minimize personal risk in investing
 - Time Value of Money
- Exponentially grow your real estate business
 - Leverage



Seller Financing

- ** Lease Option to Buy
- Master Lease Option (commercial)
 - Record a Memorandum of Option and get Title Insurance
- ** Subject To ... (existing mortgage staying in place)
 - Transfer of Title but mortgage stays in place
 - Close at Title Co after title work and title insurance
- ** Owner Financing
 - First Position – Free & Clear – 100% Funding Possible
 - Second Position – Second or Partial Mortgage funding

Remember: Sell at Short Term Full Future Market Value

“Hard” & “Soft” Private Money

- Wrap Around Mortgage
 - Land Contract, Contract for Deed
 - Either the seller retains title or transfers to buyer
 - Promissory Note on downpayment
 - Performance Mortgage Form
- “Hard” Private Money (see Resources in Module)
 - 65/90% LTV – Asset Based Lending
- ** “Soft” Private Money (see Resources in Module)
 - Transactional and Extended Transactional Funding
 - 100% Financing

Other Financing

- Business Lines of Credit (see Resources in Module)
 - New business entity ok
 - Short term financing is easier to obtain
- Self-Directed IRA
 - Transfer the IRA to a custodian like Equity Trust
- Peer-to-Peer Lending Sites (see Resources in Module)
 - Private lenders loaning on their own criteria
- Portfolio Lenders
 - Small regional banks and credit unions

Other Financing

- Borrow on Your Life Insurance
 - Whole Life Insurance
 - MassMutual, Met Life, State Farm, and more.



Private Lenders

- People with Money

- Seminars and Luncheons
- Networking Events
 - IRA companies hosted events – Entrust, Equity, etc.
 - IRA cruises

TIPS: Branding & Credibility Kit

- Answer questions before they even ask
- Experience in real estate is helpful
- Branding and online presence are important

Wholesaling \$ = Simplicity



End Buyer's
Money

Transactional
Funding or
"Soft" Hard
Money