Jim Ingersoll

Private Money Secrets for Real Estate Investing

How To Find and Use

Private Lenders for

Real Estate Investing

Jim Ingersoll

"Fire Your Bank And Succeed Massively" Jim Ingersoll

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that neither the author nor publisher is engaged in rendering legal, accounting, or other professional service. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

Layout & Cover Design by
Ginger Marks
DocUmeant Designs

http://www.DocUmeantDesigns.com

Published in The United States of America.

Dedication

This book is dedicated to everyone seeking additional cash flow in today's challenging economy.

Thank you to my parents who helped me understand the value of a strong work ethic along with providing a path that led to investing in Real Estate.

*A **special** thank you to my best friend and wife. Cheryl you continue to be my inspiration! To the two best daughters a father could ever have, Melisa and Carisa you are amazing, and I am glad you are both investing in real estate at a young age.*

Acknowledgements

Thank you to my good friend and colleague, David Phelps. Cheryl and I love working with you and Kandace and appreciate you both very much.

Contents

About Jim Ingersoll

Jim Ingersoll is a real estate entrepreneur who teaches investors how to generate cash flow and build wealth by investing in real estate. Jim continues to buy, sell and manage his own properties and is an active on the street investor.

Jim grew up in a small town in Western New York where he was taught to work hard, get a good education and work his way up the corporate ladder and that is exactly what he did. He received a B.S. in Electrical Engineering from Rochester Institute of Technology and later received his M.S. in Engineering Management. He started working as an Engineer, then was promoted to a Senior Engineer, promoted again to a Staff Engineer, an Operations Manager, Quality Manager, Director of Continuous Improvement and finally a General Manager of multi-location manufacturing business. Jim had global responsibilities and helped open new factories on the East Coast, West Coast, Mexico, England and China and at one point had hundreds of employees working for him.

While climbing the corporate ladder and accepting numerous promotions, he discovered that no matter how hard he climbed and how much responsibility he accepted, that he was still just an employee. **He realized that he wanted to chart his own course without the constraints of corporate America.**

He bought his first investment property in 1995 and continued to invest in himself by learning creative real estate methods, which allowed him to jump out of his corporate America job in 2006. He replaced the income from his job by wholesaling houses in Richmond, VA. In 2007 Jim took his wholesaling business and scaled it into a high volume business by wholesaling 120 houses in one year. The wholesaling continued in 2008 with close to another 100 deals completed.

As the market began to change, Jim began focusing aggressively on joint venture real estate deals where he would buy and hold single-family homes as rental properties. This allowed him to quickly build passive income streams from the investments without using any of his own money in the deals.

Jim enjoys teaching how to find private lenders so that investors can buy houses and invest without needing money. He advocates leveraging real estate in joint ventures, which lead to free and clear houses that can be rented by long term, quality tenants.

Jim has numerous publications including his two published books. "Investing Now" was published in 2010 and focuses on buying houses without banks and creating income streams by fixing and flipping houses. "Cash Flow Now" was published in 2012 and focuses on multiple streams of real estate income.

Jim is a sought after speaker who continues to provide training at seminars and boot camps helping students learn the fundamentals of real estate investing. You can connect with Jim on his primary website: http://www.investingnownetwork.com

Jim lives in Richmond, VA with his wife Cheryl and their two children.

Introduction

Investors relying on bank financing are struggling and failing due to the tough underwriting criteria and high down payments while those who have figured out how to fire their banks are succeeding massively!

Have you heard the great news? Real estate is still on sale throughout the country. Inventory of distressed housing is still available, and we are experiencing the great real estate wealth transfer of our generation.

"Historically real estate has created more wealth then any other investment platform." **David Phelps**

What is holding you back from tapping into this opportunity?

For most investors today, the answer is the lack of bank financing.

That's why I believe now is the time that you should fire your bank and set yourself free. Just a few years ago, we had the opposite problems. Inventory of distressed housing was low, prices were high, and bank financing was loose and easy to obtain. Which market would you rather operate in?

Today's market provides much better opportunities for investors IF you are ready to fire your bank and learn to work directly with private lenders.

"None of us want to reach the end of todays real estate market and wish we had bought and held more houses that produce rental income."

Daniil Kleyman

We are experiencing the greatest transfer of real estate wealth of our generation. If you can build a portfolio of rental properties you will capture immediate cash flow and equity. As you begin to invest in real estate assets your net worth will naturally sky rocket. The key to maximizing cash flow is to joint venture with private lenders instead of relying on bank financing.

Instead of just having the skills to rehab a house, today you need to have the skills to rehab your financing by learning to joint venture with private lenders. This requires a shift in your thinking about how to invest today. The days of going to your local loan officer and getting low or no down-payment mortgages are gone; the good news is that finding and using private lenders is a much better way to buy real estate.

I am glad you are reading this book so that you have a foundation to begin buying real estate assets with private lenders rather then relying on the traditional banking methods.

Chapter 1

Why Fire Your Bank?

"A bank is a place that will lend you money if you can prove that you don't need it." Bob Hope

Banks can be a royal pain! Bob Hope is point on with this quote. If you have great credit, cash in the bank and don't mind a full-recourse loan then banks can be great to work with. Here are some reasons you should consider eliminating banks from your investing strategies.

1. You'll Never Run Out of Money

Even though real estate prices have come down compared to a few years ago, houses still take a lot of capital to purchase. You can buy houses as cheap as cars in today's market, but that is still a lot of money if you are paying cash or having to make 20% down payments to get bank financing. Investors who rely on bank financing continue to struggle, even if they have great credit, because of the tough underwriting guidelines and down payments required to buy investment real estate. One of the best things about real estate investing is the ability to leverage the acquisition.

Leverage allows investors to purchase real estate without paying for the entire purchase. On a $100,000 single family home, an investor using bank financing can purchase the home with $20,000 - $25,000 down. The bank finances the remaining $75,000 - $80,000. That is the power of leveraging real estate acquisitions. The reason investors are struggling is that with 20 - 25% down payments, they can quickly run out of money and can not buy more houses. Additionally most distressed real estate purchases require significant repairs and upgrades. When you finance with a bank they do not loan you the capital to do the repairs. If a house needs $20,000 of work and you need to make a $20,000 down payment, it will require about $40,000 cash out of pocket to make the total investment. There must be a better way to invest and maximize your leveraged investment!

What if you learned to buy real estate with true "nothing down?" That would be full leverage and allow you to invest in more real estate assets. What if you had a private capital source that would fund your acquisition, renovations and closing costs for you? That would provide you with an investing strategy with 100% leverage capabilities. It would also ensure you will not run out of funds while building your real estate portfolio.
It is imperative to learn to use other people's money (OPM) to ensure your success in real estate. Otherwise, you will eventually run out of funds and struggle to invest successfully.

When you fire your bank, you will find that you do not need to make a down payment or even pay for your closing costs. As a real estate investor, your returns will be infinite if you do not have any of your own money in the deal. An infinite return is a great goal for your next transaction and will allow you to continue buying more properties without running out of funds.

When you learn to find private lenders and eliminate the need for banks, you will be ready to succeed massively.

2. You Can Close Your Deals Much Faster

Purchasing houses that are in distress situations often require a very fast closing. If you are relying on bank financing, you will find the process to be full of hurdles that continue to slow down your closings. These hurdles come in the shape of credit applications, loads of personal financial documentation, rent rolls and leases for other properties you own, credit reports, and appraisals.

Each of these hurdles represents an opportunity for delays in closing. When you are buying distressed real estate you must be able to close on time and without hassles. Each of these bank-financing hurdles can lead to a lost transaction, lost opportunity and lost profits.

When you use private financing, you avoid most of these standard delays and hassles. When you find a great deal, you can close within a few days if you are using a private lender.

3. No One to Say "No"

Today's mortgage regulations have led to stringent underwriting guidelines that can become problematic for many investors. Each underwriting requirement can lead to a bank saying "no" to funding your real estate deal.

Own too many houses, sorry but the answer is NO!

Credit not high enough, sorry the answer is NO!

Not enough cash reserves, sorry the answer is NO!

Not enough income showing on last year's tax return, sorry the answer is NO!

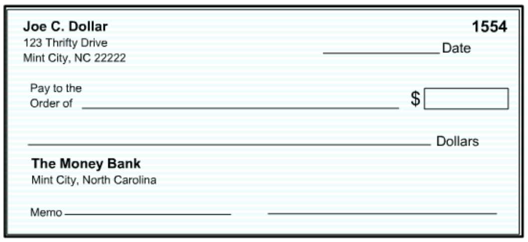
How many houses would you like to buy this year if you did not need any of your own money and did not need to be concerned with getting a bank mortgage?

When you eliminate bank financing from your investing strategies, you will be liberated to buy as many houses as you want without using any of your own money. Freedom to buy as many houses as you want will allow you to succeed!

I hope you're wondering how to begin to purchase homes without a bank, because I will answer your questions and take you through the process of finding and using private lenders.

4. No more personal guarantee's

Did you know that every time you sign for a new bank mortgage you are leaving them with a signed check, with no date on it? Would you give anyone else a signed blank check? Every bank loan is a full-recourse loan. That is exactly what a personal guarantee gives to your bank!



If something goes wrong and you cannot make your payment or the bank decides to suddenly call your note due today they have the power to capture your other assets!

Why would you want to add risk to your future with a personal guarantee?

Eliminate the myth that you need a bank and that they can shove anything in front of you at closing because they believe you need them so badly. Protect your assets, don't sign personal guarantee's, full recourse loans and don't leave your bank with a signed check. Eliminate the banks from your real estate investing strategies and you will eliminate risk. If something goes wrong and you are working with a private lender, you can meet direct and quickly work out a solution. Try that with a bank. Call the 800 number for customer service, tell them you have a problem and request a meeting. Let me know how that works out, but I know it won't happen because after your mortgage is originated it will be sold to another "pretender lender" who does not care about your success path or problems you are experiencing. **Fire your bank and succeed!**

Recap - Top reasons to fire your bank

1. Never run out of money
2. Speed – Close your deals fast without hurdles
3. No one to say "NO"
4. Eliminate risk from full-recourse loans and personal guarantees

Chapter 2

How To Create Great Returns With Real Estate

"Show me the money" Jerry Maguire

"Show Me The Money" Remember this quote from the Jerry McGuire movie? How many times did Cuba Gooding, Jr shout this quote? If you know the answer, please email me at jim@investingnownetwork.com and I will send you a prize.

Now that you understand the "why" behind private lending, you may be wondering "How can I find the money for my deals."

I am glad you asked!

First, you need to understand that you have to solve money problems. Second, understand that EVERYONE has a money problem. That includes both the good folks left unemployed by our bad economy and the folks with lots of funds who are tired of LOSING in the market, CDs, etc**.**

To understand the money problems that the folks with the money have you need to understand the future value of money and compound interest so you know the difference it makes over a long period of time. The difference in value of future investments between a CD at 2% and a real estate investment at 10% is a gap larger than the Grand Canyon!

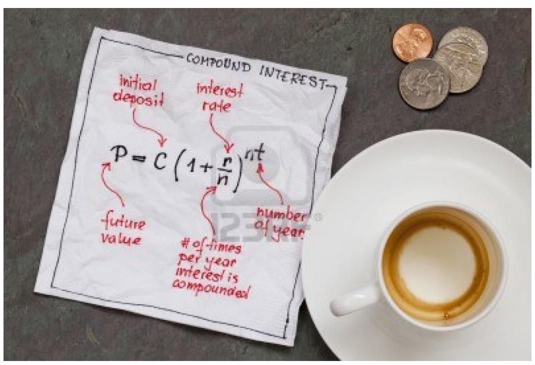
"The Most Powerful Force in the Universe is Compound Interest"
Albert Einstein

I love great quotes, don't you? What do you think of this quote from Albert Einstein?

I spent so many years studying Math and Science while getting my degree in Electrical Engineering that I came into a deep respect and appreciation for Albert Einstein. When he says that compound interest is the most powerful force in the universe, I listened. I would love to hear your thoughts so leave me a post on my Facebook wall at http://www.facebook.com/realestatedealmaker.

In case you forgot what compound interest is: "**Compound interest** arises when the interest gets added to the principal," so that the interest that has been added *also itself* earns interest. This addition of interest to the principal is called *compounding interest*.

A **retirement account,** for example, may have its interest compounded every year: in this case, an account with $100,000 initial principal and 20% interest per year would have a balance of $120,000 at the end of the first year, $144,000 at the end of the second year, and so on. Millions of people are earning 2% or less in money-market accounts and CD's so it is important to know the return.



Get over it! Everyone has a money problem. You either don't have enough money or you have too much; but either way you have a money problem in today's economy. If you know how to make money in real estate by collecting income producing properties or can flip houses for capital gains, then you can help solve the problems that millions of people who are afraid of losing their money right now and are sick and tired of earning that 2% in a CD or money market account.

The stock market has a history of sharp drops that started with the crash of 1929 which led right into the great depression, but others also include "black Monday" in 1987 and more recently the 9-11 attacks in 2001. But even though the market has been strong in recent months, many financial investors fear that the fundamentals of our economy remain challenged and are worried about holding onto their capital if we begin to experience accelerated inflation.

People with money in the stock market have serious money concerns.

If you are **very wealthy** and have $5M invested in the 30 stocks that comprise the Dow Jones Industrial Average, you would have lost $300,000 in November 2011 if you sell the stocks. If you don't sell the stock you are gambling future losses and trying to determine how big of a market rally you really need to regain your $300,000 of losses in November 2011. Many well off people lose sleep as their stock market investments sometimes drop quickly and they don't know what to do with their money. That is why the wealthy are also having money problems.

If the money is taken out of the market where can you put it where it is safe and secure and maybe earn a reasonable return? For many people the answer to this question was to move their funds into bank CD's. At least the funds will be secure up to the FDIC limits ($250,000 per depositor) and they cut off the losses from the stock market. But, can they handle the prospect of having nearly no returns on all that capital? A CD sounds like a safe and secure investment, but the safety and security will cost a lot in the way of virtually no returns on investment.

CD rates are not providing much return on investment. If you have $100,000 to invest you can earn between .5% and 1.5% if you are able to invest in the CD for one to five years. Generally the longer the term and higher the balance will lead to a slightly higher return. But also remember that if you want to use the invested capital before the term expires you generally have to pay penalties and will lose most of your interest anyways. The CD rates generally provide a return that is near the anticipated inflation rate so the owner of the CD is safe and secure by FDIC but in reality is not earning much of a return.

People who have moved funds from the stock market into a CD certainly have money problems. If you have moved $100,000 from the stock market and placed it into a three year CD earning 1.5%, how much money will you have when the three-year term expires?

$104,599.85.

The $4,599.85 in interest will likely not even keep up with inflation so the account holder is essentially losing money with his CD investment!

This is what is happening in today's economic climate, balances are not growing any faster than the inflation rate. **Millions of dollars are moving out of the stock market and** investors are looking for new alternate ways to earn a reasonable rate on their investment so they can get their plans for retirement, college savings and so on back on track.

Everyone does have a money problem. This includes those who have lost jobs, the middle class that is losing their retirement savings, the wealthy who are paralyzed with fear about losing their wealth and even our own Government continues spend more than they receive.

As a successful real estate investor you should have no problem finding a discounted house right now, fixing it up and renting it or flipping it. You can find ways to provide a fantastic, safe return and solve a problem for someone with money sitting on the sidelines right now.

You should be able to offer private lenders, which could be a self directed IRA of course, a nice and safe return of 6 -8% and let them earn more than banks are getting on mortgages today. They have a nice, safe and passive investment and you do all the work to buy, fix up and manage the property.

Another great strategy is with equity financing. You could offer future equity and a portion of your monthly rental income. **This will typically create a very strong double-digit return for your financier who will enjoy investing in local hard assets that produce monthly income streams.**

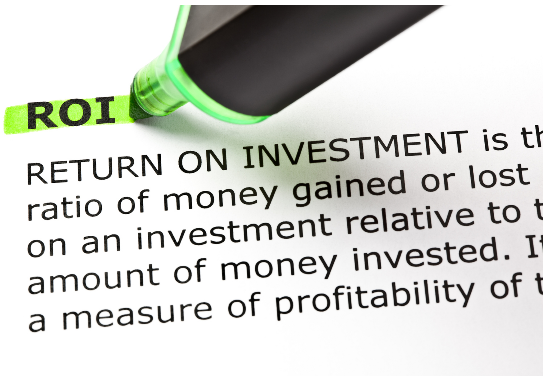
Understanding compound interest along with knowing the economic climate we face today should help you structure real estate deals that are very successful for both the real estate investor and for the private lender. It is a nice win-win scenario where we help each other and both mutually benefit.

The rule of 72 is a simple method to determine how long it takes to double your money based on the rate of return. Numbers other than 72 could be used, but 72 is more easily dividable for most interest rates typically calculated.

As an initial example, lets say you start with a balance of $100,000 and can earn 2% in a CD or 8% in a real estate investment. What is the length of time for your $100,000 investment to double for each investment?

1. **CD:** 2% compounding interest: 72 / 2 = 36. This means it will take 36 years to grow your investment from $100,000 up to $200,000 if you earn 2% per year in a CD.

2. **Real estate:** 8% compounding interest: 72 / 8 = 9. This means it will take 9 years to grow your investment from a $100,000 balance up to $200,000 if you earn 8% in your real estate investment



Millions of people are earning 2% or less in money-market accounts and CDs so it is important to know the return. Below is a table that will show you the value of earning a great return on your investment as indicated by the Rule of 72.

Rate of return	Years to double investment
2	36
4	18
6	12
8	9
10	7.2
12	6
14	5.1
16	4.5
18	4
20	3.6
22	3.3

There is a direct correlation between your investment decisions, the returns you generate, and your long-term cash flow achieved. Albert Einstein provided us with numerous discoveries that forever altered society. I think if Albert was with us today he would be working on discovering the best way to get his money to work for him by earning the greatest returns while managing the risk associated with his investment choices.
The **very first secret** to private lending is that the people holding onto the millions of dollars need to be able to earn a reasonable return in a secure environment such as local real estate. The folks with all the money need great real estate investors as much as real estate investors need them. There is plenty of anxious and lazy money around to invest in real estate and people would prefer to invest in their local economies rather than on Wall Street.

Once you have the confidence in that first secret, your ability to find and use private money increase dramatically.

2. How to invest in real estate with retirement savings

The Individual Retirement Account (IRA) was introduced in 1974 by Congress to help encourage those who did not already have retirement plan or pension at work, to save for their own retirement. The mantra of the day was to encourage individuals to save for their own retirement. The original plan would allow individuals to open an IRA providing they did not already have another company-sponsored program established. In 1981 the IRA was expanded to include everyone, whether or not you already have another retirement plan or pension at work.

According to the IRS, code sec 408(a) the official definition of an IRA is a trust or custodial account, created or organized in the United States for the exclusive benefit of an individual or his/her beneficiaries.

There are two primary types of IRA's; each has the following characteristics:

1. **Traditional IRA** – A traditional IRA generally allows tax-deductible contributions. There are factors that affect the deductibility such as if participants are already using an employer pension account. The earnings from the IRA investments are taxed when distributions are taken after reaching at least 59 ½ years old.

2. **Roth IRA** – The Roth IRA was created in 1997 as part of the Taxpayer relief act. The major differences compared to the traditional IRA are that the contributions are not tax-free, but the distributions are tax-free.

One major advantage of using an IRA to save for retirement is that the IRA account is held separate from and the account holder cannot easily access the funds without paying taxes and penalties. This is an advantage because it makes the removal of the funds more difficult which forces most account holders to leave the funds separate from their every day lives and allow the earnings to compound until they are ready to retire. In essence the account is designed to be held until retirement, which is a good thing, as many people today would access their IRA if it were easy to do so. In most states the funds in IRA's are also protected from potential creditors.

"The best kept secret in America is the self-directed IRA"

Jim Ingersoll

There is $4.6 Trillion sitting in retirement accounts and only 2% is in a self-directed IRA account.

The Self-directed IRA is perfect for the investor who is prepared to make their own investments outside the arena of stocks, bonds, CD's and mutual funds. The types of investments that are possible with a self-directed IRA extend to the following:

- Real Estate – Residential single family, multi-family, mobiles on land, commercial property and raw land
- Notes, Deeds of Trust and mortgages – secured with real estate, unsecured, automobiles, etc.
- Foreign currency – investing in the exchange rate between the US and other currencies
- Oil and Gas – Production, royalties, mineral rights, etc.
- Precious metals including gold and silver – Hedge against all political, social and other influences
- Private and Public Stock – Venture capital type investments
- Tax lien certificates – Investing in tax delinquent real estate
- Many other alternate investments

If you are ready to jump-start your retirement and give it new life for then you will want to consider jumping into some alternate investments that are not tied to the traditional stock market. There are a lot of great opportunities in each of these alternate investment classes. For instance, if you can learn to invest in real estate and mortgages, you can find investments that are returning 6 – 12% annually.

There are some prohibited transactions associated with a self-directed IRA and I will highlight a few of the big ones for you:

- Collectibles such as stamps, antiques and rugs
- Life insurance
- Alcoholic beverages
- Lend money to yourself (IRA holder)
- Profit from investments must go back to IRA account
- Transactions with disqualified people including: Self, Spouse, Parents, Children

Both a traditional and Roth IRA can be self-directed. The traditional approach for an IRA will have a custodian control your retirement account with services they sell which are typically stocks, bonds and mutual fund type products.

However, with a truly self-directed IRA custodian you are the one in control of your retirement account and you are responsible for making your own investments. A self-directed IRA is easy to establish and roll funds into. Once your account is established, the custodian takes the role of account administrator and will help direct your investment transactions. They will direct the paperwork and documentation as well as provide guidance to help you not make a prohibited transaction along the way.

The account owner is the one who makes every single investment decision and ultimately determines how, where and when to invest the retirement funds.

Let's return to Einstein's compound interest so I can show you the difference between a 5% return, 10% return and 15% return starting with a $100,000 balance and investing for 20 years:

$100,000 with a 5% return for 20 years will grow to $271,264.32

$100,000 with a 10% return for 20 years will grow to $732,808.95

$100,000 with a 15% return for 20 years will grow to $1,971,555.75

The self-directed IRA is perfect for a savvy investor who wants to make their own investments outside of the traditional stocks, bonds and mutual funds because it offers the account holder many alternate investment options.

Now is the perfect time to plan your future and determine what rate of return you need to meet your retirement investing goals. One way to take full control of your own retirement investing is to roll funds into a self-directed IRA using the investment of your choice as the vehicle to achieve your personal goals.

Maybe you (or someone you know) have a 401k that you can roll into a self-directed IRA and you can invest your retirement in real estate.

Chapter 3

How to find private lenders for your real estate investments

Once you have worked with a private lender and created great returns you will discover that you attract more money. But so many investors continue to struggle because they do not know how to find private lenders and structure the financing without a bank.

1. **Start with your closest circle of influence:** For many people this may be an extended family member who has money sitting in a CD or on the sidelines from the stock market. It could be in a 401k or IRA that you can teach them how to rollover. If so, be sure they are not a prohibited member for a self-directed IRA and encourage them to roll their funds into a self-directed IRA and lend you the money. This will

create fantastic returns for them and provide you with your first lender. Make a list of the folks in your inner circle right now and circle their name if they have invested in real estate in the past or worked as a Realtor.

2. **Extend your circles:** You can then extend your circle of influence outward and think of this as a ripple in a lake. Each ring further out will be another opportunity for you to work with a new private lender. Begin to network at CPA, financial and real estate meet-ups. Become good at telling your story in 5-7 seconds when someone asks what you do. You want them to ask you if there is an opportunity to joint venture together on some real estate deals. Your extended circles include colleagues, neighbors, friends from college and professional practice folks such as doctors, chiropractors, dentists, attorneys, veterinarians, etc. Make a list of these folks right now and circle the names of the ones who you know have invested in real estate in the past.

3. **Don't sell, market or pitch – just educate.** Begin telling people how they can invest into local real estate with YOU. Tell them how easy it is to take money out of CD's, roll retirement accounts over into a self-directed IRA and invest in the best real estate market of our generation! Share with them how they can joint venture with you on real estate deals.

4. **Use social media to blast your message:** You have the ability to help people earn fantastic returns working with you on joint ventures. Tell them, using social media with posts like this:

"Did you know a that a Roth IRA can be used for investing in real estate and you get to take tax-free contributions? Ask me how."

"Interested in working with me on a joint venture real estate investment? Give a shout and I will get you the information."

"Tired of earning less then 2% in your CD? I can show you how to earn three-times that amount, safe and secure in local real estate."

Ready to help someone rollover their funds and have them work with you as a private lender on your deals?

I highly recommend Quest IRA. Here is their website for you:

www.questira.com

Finding people with 401k accounts is super easy. Think of your neighbors, college buddies, colleagues from past jobs and extended family members. Make a list of at least 10 people to talk to about it right now. Your list can include family, friends, colleagues, your doctors, veterinarian and so on. Invite them to lunch with you and educate them on how easy it is to roll into a self-directed IRA so they can begin investing in real estate with you.

Chapter 4

How to use private money

Another secret is that you must learn how to structure your funding. You will also no longer be going to a bank and having them tell you the interest rate, points, junk fee's, amortization and terms of the loan. You need to become very comfortable structuring your own deals that make sense for you and your private lender and every deal may be a little different. This is a paradigm shift after your fire your bank. In other words, you will set your own terms on the deal, not some bank officer. After you fire your bank, you wont have a bank to prepare your documentation. Instead you need to be able to tell the private lender what is in it for them.

If you are doing simple debt financing with a private lender, start by trying to get them to loan you money at 6 or 8%, which is 3-5 times the earning of a CD. Do not volunteer to pay any points, pre-payment penalties or other junk type fees. These fees only exist in regular conventional bank financing.

You need to be prepared to properly structure your deals such that the person lending the money has as much security in the collateral as possible. Once you understand how to structure the notes, deeds of trusts, insurance, etc. you will be able to properly protect your private lender.

"Develop a climate of trust and the private lender will be ready to write your checks on your deals." **Walter Wofford**

Equity Financing – Joint Venture Real Estate

Another option to buy and hold real estate is to offer to work with your private lender as a joint venture where you will share the future equity of the house and you will share the monthly rental income stream as well.

Personally, I am happy to give up 50% of future equity and 50% of my monthly rental income in exchange for a joint venture where I use none of my own money to buy a house. I can buy as many houses as I want using this strategy and never need a bank for financing!

If you give away equity and cash flow from your rental income streams, you will be able to find long-term financial private lenders for your deals.

With equity financing and joint ventures you can capture 50% position in rental properties and build an entire portfolio of houses without needing a bank.

Without mortgages payments going to banks, your cash flow is super high and this strategy works in high-end markets like NYC, LA and San Francisco!

Private Lending is also highly effective for investing in commercial real estate, land and multi-family properties. Unlock private capital, learn to use OPM and succeed.

Case Study

Buy and Hold Rental Property With Private Lenders

Three Bedroom ranch style home we invested in using a private lender.

This home was purchased using 50/50 equity participation meaning that the Landlord/catalyst and the investor/ private lender will split net rental income and the upside profit 50/50.

The catalyst is the real estate investor who does all of the work finding, negotiating, rehabbing and managing the property. The catalyst provides NO funding. 100% of the funding for investment comes from the Private Lender.

Purchase price: $46,000

Renovation expenses: $34,000

Total investment: $80,000

Home rented for: $900 per month

Taxes and insurance expense: $150 per month

Net rental income stream: $750 per month

Income stream split 50/50: $375 per month to private lender and the Catalyst/Land lord also gets $375 per month.

Value of home today: $125,000 (for this case study we assume we sell in 5 years at today's value)

Upside equity split 50/50 when sold: $22,500 for Investor / private lender and $22,500 for Catalyst / Landlord

Total cash return in five years: $22,500 in rental income and $22,500 in upside equity = $45,000

Annualized return for investor: 11.25% return

Long-term: $80,000 investment, 11.25% return, 20 years will lead to over $674,668.42

"Fire your bank and succeed massively" Jim Ingersoll

Free and Clear Houses lead to your freedom

How many houses do you need to become financially free? What would your cash flow look like if you buy 20 houses with joint venture private lenders for long-term buy and hold?

If you buy 20 houses that can rent for $1200/month you and your private lender should capture about $500 per month in positive monthly cash flow. Those 20 houses should net close to $10,000 per month. That is a great return for both the private lender and for the Catalyst real estate investor who can make it happen. The bonus of course, is the future equity, so focus on the cash flow first as that is what will set you free.

Got questions? Did the message in this book resonate with you? Feel free to email Jim direct at:

Email Jim:

jim@investingnownetwork.com

Connect with Jim Ingersoll

www.BigMoneyInvestor.com

Facebook: www.facebook.com/realestatedealmaker

Twitter: @investforever

Check out my books on Amazon!