

FINDING MOTIVATED SELLERS

Reasons People Become Motivated Sellers

Job Loss	Owe back taxes
Business failure	Behind in payments
Can't afford payments	Facing foreclosure
Can't afford repairs	Bankruptcy
Job Transfer	Moved into other house
Built another house	Can't afford 2 payments
Divorce	Health problems
Death of spouse	Moving to nursing home
Don't want to live in house	Heirs don't want property
Bad tenants	Unanticipated expenses
High vacancy rate	Tired of being a Landlord

Others Not Wanting to Own Property

FHA, VA, FNMA (Fannie Mae), FHLMC (Freddie Mac), Banks, Savings Associations, Mortgage Lenders, Credit Unions, Private Lenders. Entities auctioning properties: IRS, DEA, City & County Governments, School Districts, Home Owner Associations, etc.

Business Cards

Pass out business cards to everyone you meet that tells them you buy houses in any condition for fast cash.

Advertise

Newspapers and other print media
Signs, Billboards, and Flyers on Bulletin Boards
Flyers in target subdivisions & bulletin boards
Radio, Television
Internet

Direct Mail

Mail to target groups (letters, postcards, and/or flyers)

Absentee owners	Estate planners
Non homestead owners	Owe back taxes
Multiple property owners	Posted for foreclosure
Divorce & probate attorneys	People in nursing homes or assisted living facilities

Call Likely Motivated Sellers

To find vacant houses or houses for sale by owner:

- Drive neighborhoods (ask neighbors for info on vacant houses)
- Ask homeowner association officers
- Ask postal carriers & meter readers
- Ask Police & Metro officers
- Ant Farm – paid per picture
- Bird dogs – finders fee
- Realtors - finders fee

Working with Wholesalers

Let them know you're a buyer

You'll make less than normal

Caveat Emptor when dealing with Wholesalers

Working with Realtors

Have 3 or 4 working with you

Make sure they know you have money to buy houses, and you're not a no-money down buyer

Make it a 2-way street -- give retail leads to them

Requirements of Realtors:

Must not be embarrassed to make low offers

Must give you appropriate comps

Must try to get seller's reason for selling & how much seller owes from the listing agent

Explain kinds of properties you're looking for:

Listed well below estimated after repair value

"as-is", "needs work", "known defects", "make offer"

"handy man special", "motivated seller", "must sell"

"needs TLC", "foreclosure", "moving", "transferred"

"available immediately", "estate sale", "flexible"

"no appointment required", etc.

Using Classified Ads

For Sale by Owner

Look for above words or out-of-area phone #'s

Call owner right away

Follow up monthly if ad still running

House For Rent Ads

Remember that the desire to rent may be overcome by the need to sell

Let ads age for 2 to 3 weeks before calling

Don't call ads by property management companies, real estate companies, brokers, sales agents, etc.

Follow up monthly if ad still running

Foreclosures

Pre-Foreclosure

Buying from property owner directly

Auctions in each county in Texas only on 1st Tuesday of each month

Short time frame – foreclosures become public information 20 days earlier

Information is public, so it's a competitive business

At Auction

Buying from the trustee

Competitive bid process

Must have cash in 2 hours

Usually can't get inside the house before the auction

Not for the uninformed investor

Post Foreclosure

Property now owned by lender

HUD/VA foreclosed properties sold to highest bidder with written bid via the internet

Look at the Greensheet ads for realtors working HUD/VA properties

Fannie Mae & Freddie Mac foreclosures are handled by certain Realtors

Call FNMA & FHLMC for current list of Realtors.

Banks & other financial institutions foreclosures marketed by certain Realtors

Some fixed-up for retail sale – others sold as is

Try to get MLS Listing of Realtors handling properties with the word "Foreclosure" in the remarks section. Ask other agents, "Who handles bank foreclosures?"

Try to get "Pocket Listings" by building solid professional relationships with key Realtors

Common Mistakes of New Investors in Buying Properties

Not having a marketing action plan to buy houses, or not working the plan

Wasting time with unmotivated sellers

Wasting time with retail sellers

Wasting time with sellers who owe too much

Buying in the wrong areas

Paying too much

Working with the wrong realtors

Not making enough offers

Not having a follow-up system