

“How To Quickly and Painlessly Get Paid on Reject Loan Turndowns?”

Better Alternatives for Mortgage Brokers and L.O.s!

HOW TO USE THIS book...

This book consists of 10 pages. At the top of each page is a question – and below the question is its associated answer. The purpose of this book is to clearly explain the numerous benefits for each person involved in an equity-share arrangement. Do not sell yourself short by skimming the book. The information contained in this book is already laid out in a simple, easy-to-understand format. It should take 5 minutes to read this book – 5 minutes that may earn you tens, if not hundreds, of thousands of dollars on your **REJECTED HOME PURCHASE LOANS and FALLOUT DEALS**. Read it! Ask questions!

Derrick Ali – Is Not A Realtor or Loan Officer!

He Sells Homes to People Who Can't Credit or Bank Qualify and
He Buys Homes at **FULL PRICE** From Sellers Who Either No Longer Wish to Own or Can't Afford Their Home!
And He **HELPS BOTH** To Do WHAT Their **LENDERS WON'T** or **CAN'T** Do!

(517) 960-4802 Home Office

(206) 339-4691 Fax

derrick@hearandprofit.com

Calls, Faxes, and E-mails Are Taken All Hours Of Any Day!

...What's the Logic?

True Ownership Options

*...The “**Bundle Of Rights**” – What are they and how can they be transferred?*

QUESTION: What do your clients expect to “get” from owning a home?

1. Use & Possession
2. Mortgage Loan Principal Reduction
3. Appreciation
4. Equity Build-Up
5. Income Tax Benefits
6. Pride of Ownership

QUESTION: How can these “Bundle Of Rights” be transferred?

1. Outright cash purchase of property
(i.e. Conventional Sale).
2. Outright cash purchase of *interest** in property
(i.e. Buy Part of It and Enjoy ALL of It)

*...Seems easy – just lease, option or owner finance the property... **WRONG!***

...Is it Smart?

True Ownership Options

*...There are **many dangers and failures in standard owner financing** devices.*

1. Due-On-Sale Clause Violation
2. Tax Benefits Cannot Be Transferred
3. Equity Claims By Tenant / Buyer (can block / stop eviction attempts)
4. Defaulting Tenant / Buyer Must be Foreclosed Upon Vs. Evicted
5. Suits, Judgments, Liens, Bankruptcy, Probate Can Attach to Property
6. Parties Can Easily Defraud Each Other (placing loans / liens on property)
7. No 3rd Party Intermediary To Protect Both Seller & Tenant / Buyer
8. Parties Can Change Their Mind At Termination (i.e. not sign an option)
9. Capital Gains Tax Can Reduce Seller's Cash At Inconvenient Time
10. Having One's Name on Title Says "Sue Me I Own Real Estate"
11. CANNOT SELL FULL BUNDLE OF RIGHTS!

...Why would anyone set themselves up for such problems???

...Is it Safe?

True Ownership Options

...Are lease options, rent to owns, purchase options, land contract, etc. dangerous?

YOU BETCHA!!!

	Lease Option	Rent to Own	Purchase Option	Land Contract	Your Idea Here
Violate Due On Sale	X	X	X	X	X
Can Not Enjoy Tax Benefits of Owning	X	X	X	X	X
Suit, Judgments, Liens, Etc Attach	X	X	X	X	X
Fraud By Either Party Easy	X	X	X	X	X
No "Neutral" 3 rd Party	X	X	X	X	X
Title Not Protected	X	X	X	X	X
Must Maintain Property	X	X	X	X	X
Cannot Share Future Appreciation	X	X	X	X	X
No Bundle Of Rights	X	X	X	X	X

...How Can a Buyer Purchase a property without ANY of THESE Problems?

...Is it Legal?

True Ownership Options

...Use a Properly Structured *Title-Holding Trust* to transfer ownership benefits.

Safe

Legal

Logical

Fair

QUESTION: *What is a trust?*

ANSWER: *A trust is an arrangement wherein one party entrusts another (the Trustee) with holding the ownership (Title) of an asset for their own (the Settlor Owner's or original title-holder's) Benefit.*

QUESTION: *What is unique about the title-holding trust?*

ANSWER:

- 1. Title-holding Trusts were 1st formed (used) in Illinois in 1890*
- 2. A Trustee holds both Legal & Equitable title to property*
- 3. The Trust holds only real estate and no other personal property*
- 4. The Trust is beneficiary (Owner) directed and not by the Trustee*
- 5. The Trust changes Real Estate (Realty) to personal property.*
- 6. Beneficiaries of the Trust are taxed as owners of real property (see IRC 163 (h) 4 (d))*
- 7. All Trust documents remain silent & unrecorded (except the deed)*
- 8. Trust ownership is private & confidential (and remains so.)*
- 9. The Trust can Transfer of Ownership without Title Changes*
- 10. The Trust carries No Reversionary Penalties (no income tax due on capital gains when property goes back in the name of the Trustor owner when the Trust is Terminated.)*
- 11. Trusts DO NOT violate the due-on-sale clause or alienation admonitions of lender (Title 12 USC 1701j3d FDIRA 1982)*
- 12. Trusts by-pass Probate, in the event of a beneficiary's death*
- 13. When properly structured, a Trust Can Shield the Property Title from judgments, liens, suits, bankruptcy, marital dissolution, etc. (personal property cannot be partitioned)*

*...What are **Benefits** for my non-qualifying Buyer?*

1. Easier Credit Qualification and Payment Arrangements
2. Low (10%- to 15%), minimal (7%) or even NO Down Payment
3. Income tax deductions may be taken advantage of –
Legally (*see IRC 163 Sect b.*)
4. Equity Buildup from reduction of mortgage principal
5. Share in Future Appreciation (50% -100% depends on Your upfront Cash)
6. Property is Protected (shielded) from creditor judgment, liens, suits, bankruptcy, marital dissolution
7. Enjoy “Pride of Ownership” without conventional process complications
8. Ownership without Debt load: ZERO Impact to your financial statement (*only equity interest in title-holding trust – and not debt on real property*)
A benefit when applying for credit to refinance or other purchases
9. Protection from illicit or untoward acts of any “other parties” in the Trust
10. No longer a need to scrimp and save for years to begin enjoying benefits of real estate Ownership, Profits and Peace of mind that comes with it.

*...**Agents – Get paid on all of your Fallout Deals...Now!!**
Refer all of you non-qualified deals for cash up front, and then get paid your full commission when your client Buys the property.*

...Is it Easy & Fast?

True Ownership Options

*...It sounds great. **Where and how we begin?***

1. Agent refers non Qualified Buyer
2. We assign a Beneficial Interest in a Trust to a Resident /Buyer
3. Draw Up a Beneficiary Agreement Between all of the Beneficiaries
4. Execute a Possession / Occupancy Agreement (triple-net lease)

And at this point

BUYERS: *Will now enjoy the full bundle of rights of homeownership.*

- They didn't fill out any credit applications nor undergo credit checks
- They didn't drag through a month long, red-tape closing process
- They didn't need the conventional 20% down payment
- They have a better product than any Realtor or Lender would have sold them

LOAN OFFICERS/BROKERS: *Would now **GET PAID** on otherwise Dead Deal.*

- 500 to 1250 Dollars referral
- Exclusive RE listing on the sale to Buyer / Loan Officers Exclusive on new Loan
- Full commission paid when Buyer closes for Loan Officers/Brokers
- Affiliates can also receive Beneficial interest in trust properties without violating HUD or RESPA

True Legal Real Estate Ownership Without All Of The Conventional Hassles, Hurdles and Headaches!

That is exactly what I am offering to you. Whether your clients NEED TO SELL or HAVE HAD TROUBLE BUYING... Our process requires no banks or credit applications. Pure no qualify home ownership with integrity, dignity, and loyalty expected and delivered by all parties, every time. **No one else can beat this method** nor match our 'Full-Price' offers because we know that our offers are built on solid principles, financials, plus value. Be cautious for impersonators Trust programs out there!!! A poorly structured improperly prepared Trust transaction is as dangerous as an any property title unprotected by a Trust.

Today's real estate market is overflowing with "No Qualifying" and "Rent to Own" homes in virtually all price ranges and locations. Recent newspaper classifieds sections show hundreds of such ads and opportunities. So Beware! The fact is that in most of these cases BIG problems can, and quite often do, arise whereby sellers/owners and buyers/renters become aware of - ONLY TOO LATE TO PREVENT THE DAMAGE. *These issues warrant your review and due diligence!*

I personally challenge you to ask any seller/owner about How They CAN and WILL PROTECT THEM SELVES from the following items listed below whenever they are considering a rent-to-own, lease option, land contract, or any form what-so-ever of owner financing:

1. Seller financing is a direct Violation of Due-On-Sale clause
2. Parties are open to each other's creditor judgments, lawsuits, marital dissolutions, probate, and bankruptcy
3. Parties can change their minds and refuse to sign pertinent transfer documents at termination
4. Parties are vulnerable to open disputes without a 3rd party intermediary through whom they must deal on all issues
5. Parties can easily defraud each other (placing loans / liens on property without knowledge or consent of the other)
6. Tax benefits cannot be transferred to another without a transfer of ownership (sale)
7. Having one party's name on title opens the doors to legal action by anyone wishing to "nail" someone in court
8. There is no means available for immediately selling the full "bundle of rights" in real estate ownership without a Trust

How will they protect them selves from the above problems? *Under virtually any owner financing scenario you are not protected, period!* **The opportunity I am presenting to you is DIFFERENT!** Yet it legally and flexibly protects your clients from all of the above problems, plus some, and it doesn't require stellar credit or even 20% down.

So I WELCOME You To Consider the Equity-Sharing Land Trust:

This is whereby a neutral 3rd party trustee and associated trust holds title to the property. Your clients become a beneficiary of this trust and as such are thereby afforded all the rights of home ownership just as if they bank qualified for a loan and put 20% down. The full bundle of rights can be bought conventionally...Or...they can avoid conventional hassle. If your client cannot qualify for a loan and they don't have/want to put 20% down, then *why would they enter into any agreement that doesn't convey these rights to them?* This home comes with the full bundle of rights without qualifying, credit, and hassle!

1. Possession use and occupancy
2. Mortgage loan principal reduction
3. Profit potential from economic appreciation
4. Equity build-up from mortgage principal reduction
5. Income tax deduction benefits relative to payment of mortgage interest and property tax
6. Pride of Ownership

Ask any lease/option, lease/purchase, rent-to-own, or land contract Seller to legally convey a Full-Bundle of rights to your client (above-listed) in their deal. It cannot legally be accomplished any other way except through the equity-sharing land trust – Not to mention the inherent legal/financial dangers of all other creative financing devices and transactions. **Do throw away your Dead deals.** Do not throw away Thousands of Dollars of potential commissions. **Do not put your clients in the way of legal and financial exposure. Don't do that!**

As the 'Intelligent Professional' presume you to be, I encourage you to SHOP AROUND. And revisit all of your Deals that you thought was dead. Then call us back to inform us as to what killed it. /or to quickly assist you in to turning your FALLOUT DEALS into cash.

...An Example of Owning vs. Renting?

How we pay buyers to live in their homes

*...I cannot afford to pay more each month than I currently pay. **WRONG!***

<u>RENTERS GET:</u>	Rent:	\$1000 p/Mo
<i>(Nothing!!!)</i>	Need to Earn:	\$1500 p/Mo Pre Tax
	Actually Earned:	\$1500 p/Mo
	Actually Take Home:	\$1000 p/Mo
	Tax Benefit:	\$0.00 p/Mo
	Savings:	\$0.00 p/Mo

*...You must **earn** \$1500 p/Mo to pay \$1000 **RENT!*** (Assuming 33% Tax Bracket)

<u>OWNERS GET:</u>	Payment:	\$1250 p/Mo
	Need to Earn:	\$1500 p/Mo Pre Tax
	Actually Earned:	\$1500 p/Mo
	Actually Take Home:	\$1250 p/Mo
	Tax Benefit:	\$250+ p/Mo
	Savings:	\$250 p/Mo

*...A Renter must earn \$1250 to pay \$1250 **PAYMENT!** The government wants Them to own your home (NOT RENT IT) so it gives **TAX BREAKS** to **OWNERS!***

*When these **TAX BREAKS** are accounted for, they **KEEP** more of what they earn!*

(End)

P.S. \$250 p/Mo invested at 8% for 30 years = \$519,823!!!

To Get Buyers Into a NEW Home TODAY ...Call Us TODAY at: 1-517-960-4802 or Email: derrick@hearandprofit.com

RENT TO OWN TENANT-BUYER'S APPLICATION

Each Rent-to-Own Applicant must complete a separate form. To view a property, please fax this application and a legible copy of your driver's license to 1 (775) 251-8678. We will contact you upon receipt.

Property Address You Are Interested in Renting To Own

_____ City State _____

Your Full Legal Name _____

Current Home Address _____

_____ City State _____

Home Ph# _____ Work Ph# _____

Fax# _____ Cell# _____ Pager Number _____

Email Address _____

Driver's License # or State ID#: _____

Current Landlord or Residence _____

Property Address _____

Landlord Phone _____

Landlord Fax _____

Current Monthly Rent \$ _____ per _____ (Week/Mo/Yr)

Leased FROM _____ TO _____ (Mo./Yr.)

Reason For Leaving _____

Previous Landlord or Apartments _____

Property Address _____

Landlord Phone _____ Landlord Fax _____

Monthly Rent \$ _____ per _____ (Week/Mo/Yr) Leased FROM _____ TO _____ (Mo./Yr.)

Reason For Leaving _____

Current Employer _____

Employer Address _____

_____ City State _____

Telephone _____ Position/Title _____

Prior Salary _____ Employed FROM _____ TO _____ (Mo./Yr.)

Personal

Maximum Monthly Rent You've ever Paid \$ _____

Move in Date _____

Maximum Up Front Payment You Can Pay (Including First month's Rent) \$ _____

Extra Cash Towards the Property Purchase You Can Make Each Month (Beyond Base Rent)

\$ _____

Applicant represents the above information to be true and complete and hereby authorizes Landlord/Agent to verify (release) any and all information regarding my rental history.

Signed _____ Date _____

Signed _____ Date _____

Homebuyer Questionnaire

NAME: _____

Address

City, State, Zip

Telephone: _____

Email Address: _____

Now Begin the Homebuyer Questionnaire Checklist:

1. What city do you want to live in?
2. How many Bedrooms do you prefer? _____ Baths? _____
3. Square Footage?
4. What is your price range? \$ _____
5. How much can you afford to pay monthly? _____
6. Are you currently employed? Yes/No
Employer _____ Phone Number _____
How long have you been employed?
7. How is your credit? _____
8. Do you have a down payment? Y/N If so, How much? _____
9. When do you need to move? _____