



# MARKETING INTERVIEW WITH SCOTT ARPAN

Advanced Seller Data Services

800-992-4536



[scott@notesellerlist.com](mailto:scott@notesellerlist.com) // [www.notesellerlist.com](http://www.notesellerlist.com)

## Outline & Overview

### Is now a good time to enter the note business?

1. There are far more quality notes being created now than anytime in the past 10 years. I have a better view of this than anyone.
  - a. Banks are not lending to quality borrowers
  - b. Sellers want to earn better interest rate than bank or CD offers secured by real estate they know
  - c. Offering seller financing will enable a quicker sale at a higher price in slow markets
2. Investors are starting to loosen up and offer more reasonable prices than 2 or 3 years ago
3. A certain infomercial get rich quick by listing notes on the internet company is out of business. His students flooded the market without proper training and put a bad taste in the note holders mouth about all note brokers. **NOTES ARE NOT A GET RICH QUICK BUSINESS BUT ONE CAN MAKE A VERY GOOD LIVING AND ACCUMULATE SIZABLE RETIREMENT IF THEY WORK HARD AND SMARTLY.**

### Why should note brokers use direct mail to find notes?

1. Target notes you or investor can purchase.
  - a. Basic: seasoning, healthy markets, loan amounts, LTVs
  - b. Advanced: Property Type, Payor type (personal or corporate), Balloon or maturity date

2. Target motivated sellers: Long distance/out of state note holders
3. Use to attract note buyers directly to your website bypassing search engines misdirecting note sellers away from your site

### **Isn't mailing expensive compared to other methods to find notes?**

1. Direct mail offers the most bang for your buck
  - a. \$40-\$70 per quality response with 1% (typical) response rate
  - b. PPC and SEO is higher when only quality notes and your time are considered.
2. Mailing becomes cheaper as you build economies of scale
  - a. printing, processing and postage costs per unit go down as volume rises

### **What are the keys for a successful marketing campaign?**

1. Be unique and set yourself apart from the generic messages
  - a. "If you hold a note, did you know you can sell it" is the absolute worse message but many new brokers try it.
2. Your message will dictate success
  - a. You have 3 seconds to attract attention with your headline
  - b. My favorite formula:
    - i. Tell prospect how they benefit
    - ii. Tell them to act now with urgency
  - c. Other successful formulas
    - i. Pictures note holder can use to imagine themselves benefiting from your service

ii. The long 3 page chatty narrative while sitting for morning coffee- was very successful for a note broker had 20% of audience to himself

iii. Gimmicks- brown government envelope, the express urgent reply mailer

1. I don't like but they work based on longevity of use

### **Don't note holders get pounded by note brokers using mail?**

1. Most new brokers focus on website development

2. I have carried 5 notes from my own real estate investment activities

a. 3 were picked up by the generic note lists (2 notes were not picked up by any list but mine)

i. I received about a dozen mailers on average the first 2 months

ii. Months 3-12 one or two mailers on average

iii. After 12 months one mailer every four months

iv. A couple after 12 months

v. Only one company typically mails after two years about every 6 months

3. The key is contacting note holders when they need cash bad enough to sell their note for a discount.

a. Most note holders do not keep prior mailers or remember who mailed them, they call the company contacting them when they need to make a sell.

### **What are the benefits to other brokers mailing note holders?**

1. Competition is very beneficial to growing the number of notes for sale

a. All customers want a free market where they feel they can price shop.

i. However, most don't shop, especially if they only have one or two mailers in front of them when they need the cash

ii. They are too lazy to shop and feel if there are many note brokers, all will offer the same price

b. Being hit with mailers telling them they can sell their note will excite more prospects to selling their note than if you are the only mailer- Lager pie

i. Retail stores- when one advertises heavily tell people to buy a product- sales of that same product increases at competing stores because demand or excitement goes up.

c. Clustered competitors- Car dealerships, grocery stores, large retailers locate around each other because consumers feel safer.

### **Can I expect every note holder needing cash to call me?**

1. On average you should have a 1 to 1.5% response rate. Seasons, the economy and other factors will move this around and we can discuss later.

2. Don't try to be all things to all note holders or you will confuse them. I feel 2-3% of note holders are ready to sell at most times of the year. Some will not respond to your message or presentation.

### **How do I get note holders to respond?**

1. Create a sense of urgency to call to receive the benefit you provide

2. Make it very easy for them to find phone number and website

a. Place at top, middle and bottom of letter or both sides of post card

b. number and website must stand out- use red in large font

c. Prospects will not hunt around to figure out how to contact you

i. True for both mail and websites

3. Make certain they understand the benefit you provide- if they need what you offer they will call. If they don't need what you are giving them, they will not call.

### **Are post cards or letters better for finding notes?**

1. Post Card
  - a. Effective on smaller notes, below \$150,000
  - b. Note holder sees your message
  - c. NEVER put personal information (loan balance, sale price etc) on post card
2. #10 Package (Envelope)
  - a. More professional presentation for more sophisticated note holders.
  - b. Is the only medium banks, credit card companies and other financial companies who need to be trusted use.
  - c. Can provide much more information about your service
  - d. Include buck slip for added response

### **How seasoned should the note be before mailing the note holder?**

1. Six weeks before note meets the minimum seasoning requirements of your investor so you can close right as note becomes "seasoned" for investor
  - a. Some note holders want to liquidate note ASAP
2. When you anticipate the note holder will need cash- Many different theories

### **Are some months better than others for mailing?**

1. Best months:
  - a. Start- cash needed for holiday bills, new car, boat or RV during winter sale

- b. Late March- need cash for tax bill
  - c. Late May- need cash for travel, new house
  - d. September- Cash for school, car for kids/grandkids,
2. Worst months
- a. Between Thanksgiving and Christmas- too much focus on holidays
  - b. Between July 4<sup>th</sup> and Labor day- too many note holders traveling

### **What are the best states for brokers to mail?**

1. States close to you-
  - a. People like working with companies close to them
  - b. You build rapport with note holder if you know the town note holder lives in or note is located- weather, local sports teams, community events
2. States you lived in the past and know the area well enough to carry a conversation with the note holder
3. California, Texas and/or Florida
  - a. They create over 60% of all seller carry-notes
  - b. Texas very popular, many good notes in current economy
  - c. California and Florida, not much competition, starting to produce good notes

Key: Ask your investors what states or areas they see the best deals coming from where they see the best opportunity for brokers sending them deals

### **Who provides lists of note holders?**

1. Many competitors are listed with a link on my website at [notesellerlist.com](http://notesellerlist.com).
  - a. Notelead.com, FINS, Experian and others can be found on my website.

2. Like I mentioned before about clustered competitors, I have absolutely no problem with people shopping the value of my service against any competitor. Shopping allows them to know the best value is with me. For example:

- a. We have 12 guarantees to our customers not available anywhere else
- b. We provide many pages of free information about how to market for note holders- targeting for mailings but many of the same principles apply to websites and brochures
- c. We give you free calculators to budget your mailing campaign and a financial calculator.
- d. Our customers look and sound more creditable with note holders due to the depth of information we provide.

3. Go to [notesellerlist.com](http://notesellerlist.com) for all the advantages we offer.

**Do you provide phone numbers to call note holders?**

1. I cannot provide phone numbers.
2. However, some of my clients have great success calling note holders and there are companies who will give you phone numbers for about 4 or 5 cents per number.