

# Bob's Tips On Private Money

## Create Your Program

1. Make sure that you set out EXACTLY what you offer.
2. Length of time (higher returns for longer investments) – my suggestion is 6 mos. → 60 mos.
3. Lien Position (1<sup>st</sup> pays lower, 2<sup>nd</sup> pays more because is more risky)
4. When Paid (monthly returns lower yield, end-of-term, like a bank CD, pays higher)
5. YOU'RE NOT BEGGING FOR MONEY - YOU ARE OFFERING THEM A RETURN ON THEIR INVESTMENT THAT THEY CANNOT GET ELSEWHERE.

## Foot in the Door Intro

1. Make it short, sweet, and to the point
2. Get them to ask questions – the more they ask, the more interested they are.
3. TWO possible approaches:
  - a. "What is your Opinion of this project"
  - b. "This may not be for you, but do you know anyone who would be interested in getting 2-3 times bank rates as a return on their money, secured by real estate?"

## Compelling Presentation

1. Liken what you do to a bank. Everyone is familiar with banks.
2. Talk about how banks make money – see presentation that I've supplied online at this Website.
3. Show them how you are SAFER than banks, because banks loaned as much as 105% of the value of a property – you're protecting your investors and limiting the investment to only 65% - 70% of the value of the property.

## Tell Everyone

1. Sure, tell everyone, but be sure you follow the guidelines as set out by the SEC.
2. NEVER use the words "guaranteed" or "secure"
3. The loan is *secured* by a deed of trust, and *insured* both by title and by hazard insurance.
4. With people that you don't know, take time to EDUCATE them and establish a relationship with them BEFORE ever offering them an investment opportunity.
5. BY NO MEANS should you EVER offer an investment to someone you've just met.

## Show Them it Works

1. Most beginning investors forget that they need to have some sort of Credibility Kit to show their potential private lenders.
2. Make sure your kit is ORGANIZED
3. INCLUDE:
  - a. Overview
  - b. Your Bio & Mission Statement (be specific)
  - c. Your Program
  - d. Presentation (see Power point on Site)
  - e. Deals You've Completed, or Deals Your Associate Has Done
  - f. Letters of Recommendation
  - g. Licenses, Organization Memberships, etc.

## Get Leads

1. Network
2. Talk to Everyone You Know and Tell Them What You Do
3. Search for active private lenders by searching your County Records (see Bonus Webinar)

## Get the Money

1. Don't be afraid to ask for the money.
2. A technique that I use is to get them to commit how much they want to invest, and ask them if something comes up that meets their criteria, would they be interested?