

**This Real Estate Wholesaling Tutorial Is Freely Presented To You  
by WESTERN REAL ESTATE SOLUTIONS™  
A Subsidiary of GLOBAL BROADCAST MARKETING™**



## **GLOBAL BROADCAST MARKETING**

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**We offer no guarantee that you will prosper, unless, as with any  
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**We make no legal claims; for legalities you should consult an  
attorney – preferably the attorney that is part of your  
“Power Team”.**

**We do offer you assistance.**

**This Tutorial should be utilized in conjunction with/as an adjunct  
to your WIA/Russ Whitney Training.**

**You shall not provide this Tutorial to anyone else, except by/without written permission.  
You may direct others to [our website](#) so that they may take advantage of this [Real Estate  
Wholesaling Tutorial](#) and the other information that we have to offer them.**

**Our website is: <http://globalbroadcastmktg.com/WholesalingTutorial.aspx>**

**WELCOME to our No B. S. Tutorial...**  
**We are not trying to sell you anything !**



**Real Estate Investing Is Not magic !**  
**It Takes Plenty Of Hard Work !**  
**Make It Your JOB, full or part time !**

The following Tutorial is intended as a guide to controlling properties, that are “move-in quality”, with no re-habbing, and \$10 down as a non-refundable deposit for a property. You can make \$2K - \$20K plus for your \$10 using this system. You’ll have control of the property for 45 days, with a built in 15 day extension, just in case.

Please send others to the website that you got this Tutorial from instead of just sharing it from your own saved files. We have other information to share with them. The website is:

<http://globalbroadcastmktg.com/WholesalingTutorial.aspx>

**Don’t forget, you owe me !**

**PROSPERITY IS OUR WISH TO YOU!**

# **“OUR \$10-DOWN METHOD”**

**First, Create a folder (“Wholesaling Tutorial” ). Right click the other downloads and “Save As” to your Wholesaling Tutorial folder in order; then make the necessary changes to the forms (e.g. Names, Dates, Addresses, Amounts, Footers & etc.)**

I have geared most of these Instructions for the Investor that is operating on a shoestring budget...

Always, Always... have a notepad & pen in your vehicle. Write down all of the phone numbers and addresses of the “For Sale By Owner” signs that you see. Follow the system!

Take a notebook with you and go to a Real Estate Investor's Meeting in you area; in fact go to a couple in other cities/areas also. This is a great way to build up your database of investors. You can find them/a meeting by going to:

<http://www.reiclub.com/real-estate-clubs.php>

**Get business cards from everybody, give them yours also (if you don't have your cards yet, design & print some simple flyers with your contact info,4 to a page, cut 'em and pass them out)**; let everyone know that you are a new Investor/Wholesaler of properties and will have some GREAT DEALS! to offer them. **It is always best to have a Buyer or Buyers lined-up ahead of time...** ask everyone if they are in the market to buy now, and what are they particularly interested in: 3 BD, 2 Bath, or 4 BD, 3 Bath, or 2 BD, 1 Bath, etc., Move-in Quality homes, or rehab DEALS, or even bare-naked property. **TAKE NOTES, ESPECIALLY ON WHO WANTS WHAT!**

## **BUILD YOUR POWER TEAM!!!**

Look in the local phone book for Title Companies, call your choices and make appointments to interview Officers of Title Companies to see if they approve of your Contracts/Paperwork and will do business with you and this “No/Low Down Method”...explain that you are a new Investor in the area, and that you will be bringing all of your business to them... choose the BEST!.

Contact and interview Realtors... you may want to list properties with them and they may provide you with leads, and you can provide them with on-the-side DEALS!

Contact and interview Real Estate Attorneys.

Contact and interview Mortgage Brokers, EXPLAIN YOUR Wholesaling Business to them. Explain that you will have properties for sale and that some of your potential Clients/Buyers may have "Bumpy Credit".

All of the above people will be part your "POWER TEAM".

Make 8½" X 11" flyers: I WILL BUY YOUR HOUSE TODAY

Hang them everywhere: Stores, Malls, any bulletin boards you can find, EVEN empty houses! IN THE DOORS of properties (**NOT** in the Mailboxes) that are being offered as "For Sale By Owner".

Also, e-mail them as attachments, to your database of investors. Later, when your budget allows, have bright fluorescent-green 12 by 18 posters with black lettering made with the same info on them; have most of them plastic laminated to withstand the rain, wind, and sunlight. Take a two or three step ladder and put 'em on telephone poles (up high, even higher so that the kids don't tear 'em down). Mine say, "I WILL BUY YOUR HOUSE TODAY! CALL 530-743-9878". I went to Staples and bought 30 Lime-green 12" X 18" poster Boards and took them to a printer and had them print my signs for about \$80.00.

When you can afford to, run an advertisement in the newspaper, in the "For Sale By Owner" column: "I will buy your house today! Call 530-743-9878". Everybody checks their own FSBO ads in the newspaper and **will** see your ad. Have it in **bold print**, with a **bold border** around it so that it draws attention.

**GET ALL OF YOUR DUCKS IN A ROW !!! Line-up "Buyers" ahead of time to cut down your time spread of turning the properties. Call me if you don't understand...**

Attached after this document, on the website is the "Agreement To Purchase Real Estate", "Affidavit and Memorandum of Agreement", "Assignment of Contract", my basic script I use when talking to people who are selling their property themselves [FSBO's], (it is adjustable, USE YOUR OWN PERSONALITY AND PHONE STYLE), and a Home Inspection Checklist. Download these documents and save them in Word, **IN ORDER**, so you can print 'em up as needed. These are what I use with **All** For Sale By Owner's (FSBO's). I give a copy of the Contract to the Seller, and a copy to the Title Company (I don't use First American Title Company anymore).

The "Assignment Of Contract" is a Private Contract between you and the Assignee/New Buyer (of the Contract). Give a copy of this to the Title Company and a copy to the New Buyer... and give a copy to the Original Seller, it keeps them informed on the progress of the property.

All of the documents are pretty self explanatory.

After you have a DEAL!/Contract signed, the "Affidavit and Memorandum of Agreement" should be recorded at the Courthouse in the County where the property is located, \$12 or \$15 (?). **This is very important!**

That way a Seller can't sell to anyone else without your knowledge. It is a type of Lien. Find a FSBO home, or even a few of them. Call them, let them know that you are an Investor, **NOT a Realtor**, and that you do buy homes for a profit... you "are in this as a business, you are a professional", and use the script to get info on the home. To find out the correct amount to offer them, tell them after the initial conversation and inspection, that you will deliver to them a written offer (the Contract) within 24 hours.

### **For a Move-in Quality property:**

#### **Figure this for yourself...**

If they want, for example: \$225,000.00, put it in your calculator, take that number & multiply by 22% - 27% (22% equals: \$49,500), then minus the amount the Seller wants (example: \$225,000). That equals \$175,500.00, and then divide that by \$12,000.00, which will give you \$14,625.00. Now, clear your calculator; put back the \$175,500.00 and add the \$14,625.00... it equals \$190,125.00 – rounded off its \$190,000.00. **That is your offer.** Or, you can offer less. If your offer does not embarrass you, **your offer is too high.** Not all of your offers will be accepted... that is to be expected; this becomes a numbers game. If an offer is not accepted, **in two or three weeks offer \$2K to \$5K more!** But, in a couple of weeks they most likely will become more motivated and will probably call you back and accept your offer, **your original offer of \$190,000.00** Then you rewrite the Contract with the appropriate dates & etc. Remember, if your offer doesn't embarrass you, **IT' S TOO HIGH !**

After your initial contact, make an appointment to go and talk with them, and tell them you will bring them a written offer 24 hours after the inspection/visit. At the visit/inspection, use the "" **Home Inspection Sheet**". Check everything; under sinks, in cabinets, around the bathtub, check the roof, look for mold, check for dry rot, be very thorough in your Inspection.

Then use <http://ditech.com/equity/calculators/appraisal/forms.do>, and then click on "Free Appraisal" on the left sidebar. Put in the address as per the instructions (example: 1624 E. Covillaud Street, 95901). Take the "High Value Estimate" (\$269,000.00) and put it in your calculator. Multiply that by 22% -27% (a 22% example equals \$59,180.00). Then minus the "High Value Estimate (example: \$269,000.00) which equals \$209,820.00 Then minus \$14,500.00. That equals \$224,320.00. Rounded off it is \$224,000.00. That's what you should use as your "Purchase Price Offered". **If not accepted, after three weeks, call the Seller(s) back just to check in with them.**

**FYI: I use this formula, and after I've gotten a Formal Appraisal done by a Licensed Appraiser (approximate cost = \$350), I have found that the True Appraised Value is at least \$20,000.00 - \$45,000.00 more!!! This makes for a better DEAL! than you thought you got...**

Nowadays, I don't always get a Formal Appraisal unless asked to do so, because this Formula works! If I do get a Formal Appraisal, I subtract the cost from the Contract sale/purchase price.

Then go to <http://zillow.com> , **play with this site, get to know it...** get information on the property that you can use as supplied info for your e-mail advertising to your database of Investors. **Zillow is very, VERY high on the Appraisal Value... don't follow their Appraised Value! Just get the other property info that would interest an out of the area Buyer/Investor (see listings on Craig List).**

If you haven't already, be sure to go to <http://russwhitney.com>, at the bottom of the page click on Discussion Board then register. There is a wealth of Real Estate information for Investors. Browse around, read the board posts, check it out thoroughly,

Then go to: [http://www.ziprealty.com/sell\\_my\\_house/index.jsp](http://www.ziprealty.com/sell_my_house/index.jsp) , click on "Home Pricing Tools and fill out the form, this will be your comparative sales (Comps).

Then, once you know the property owner's name and address go to: <http://www.moveup.com> , fill out the form & click the button, you'll get more Comps.

A really good source of Real Estate Investing Information is: <http://russwhitney.com>. Click on the "Discussion Boards" button, then register, and then peruse the boards. Also click on the "Student Tools" button.

One other bit of info you want to get: go to your County's website, click on the **Tax Assessor's** button and get a copy of the tax info provided (if you need help in doing this, send me the name of your County & State and an address of a property... I'll get the info for you and then provide you with detailed instructions on how to do it for your County).

Save all of these documents in Word (or copy and paste them to Word documents, then save them in the folder that you create for each property (you will also use these to e-mail info to prospective buyers in your database of Investors/Buyers, also in your listings of "For Sale By Owner" on such sites as <http://craigslist.org> ).

I normally use "45 days" as the closing period. But to be safe, on your first few deals, use "60 days or 65 days". When you see how easy it is to sell/flip/quick-turn the Contract, you can use a shorter time period (30 to 45 days) for closing, as a way to motivate the Sellers who NEED to sell quickly. Those who **need** to sell usually have their own motivating factors (i.e. death of a spouse, divorce, job/military transfer, job loss & etc., causing missed payments and possible pre-foreclosure). These are "**Motivated Sellers**".

Always put that the "agreement shall remain open until" as **5 days** from the "time" and "date" you & the Seller(s) sign the Contract. The Law says you hafta give them 5 days to change their mind. Explain that the time factor for the Contract does NOT begin to run until after the 5-day period.

Put a hardcopy print-out of the Ditech appraisal and the comps in the file (**that you start building on the property...put the hardcopy originals of everything in that file... (don't give anybody the originals,; give the Seller(s) a copy of the Contract)**). Tell the Seller(s) that "Ditech is one of the Nation's Largest Mortgage Companies and are close to an actual appraisal value, and **for a cash deal**, you always purchase properties at 22% to 27% below market value, depending on Ditech and the current Comps, and that you can close quickly – with cash in 60 to 65 days". Then show them your offer, which is the filled out Purchase Agreement.

**I USUALLY MAKE A \$10 NON-REFUNDABLE DEPOSIT, TO MAKE IT A LEGAL TRANSACTION BY CALIFORNIA LAW.**

After you and they sign, take pictures, inside & outside, make notes (use the Property Inspection document and be very thorough with the Inspection... (look for mold/water damage in sink cabinets; look for water damage & mold around bathtubs, sinks, showers, and in cabinets of the home, check the roof, check for dry rot under the roof eaves & etc., and point out flaws to the Seller(s), with a look of concern and a couple of slow shakes of your head. Ask them if they'd be willing to fix the problem so that you don't have to change your offer... **you only want move-in quality homes (leave the rehabbing work to the Re-hab Specialists)**. Get all of the pertinent info, and then take a **copy** of the Contract to your Title Company of choice. They will start the **Preliminary** paper work. Tell the Title Company that you want a copy of the preliminaries e-mailed to you when they are prepared. Check with Title Company every 3 or 4 days, and ask them how things with the property are going; talk directly to the Officer that you are dealing with or the assistant, **not** the secretary/receptionist. Be sure you have interviewed the Title Company Officer before you do your first DEAL! Show them your Contract(s)/paperwork that you use, and ask them if they'll accept your paperwork as is, "being that you are **not** a Realtor, but an Investor-Wholesaler that Wholesales the Contracts/properties for a profit".

Also, **when dealing with a divorce situation**, make sure you have the Title Company schedule different times for the Sellers to show-up. **VERY IMPORTANT! ... add a "D."** to number 8. on the Contract that says, **"8. D. Separate checks to be issued for each of the Sellers at separate times/appointments."**

Then, get your butt home & start contacting everybody and anybody and the all of Investors in your database with your "DEAL!". You can run ads on the internet (**do join some** of the Yahoo! Real Estate Groups - [http://finance.dir.groups.yahoo.com/dir/Business\\_Finance/Real\\_Estate](http://finance.dir.groups.yahoo.com/dir/Business_Finance/Real_Estate), **use Craig's List** - <http://www.craigslist.org/about/cities.html> , go to <http://myhouseinfo.com>, your local freebie papers & etc. or even a paid advertisement (Hint, Hint!); Put a FSBO sign in front of the property!

In the meantime, you may want to get an Official Licensed Appraiser to do an Appraisal. His/her numbers should come up about \$20K to \$45K+ more than what you got the property

under Contract for (see what a DEAL! you got). With your first few DEALS, don't try to make more than \$2K - \$8K off a property when wholesaling, you won't get enough bites. You want to make it a "win-win situation" for you, the Seller(s) and the next Investor/Buyer. Later you can go up to your \$10K - \$20K+ per DEAL with higher priced properties. Then when you see for yourself that My Formula works... quit getting Official Appraisals on properties... let the next Investor/Buyer of the property get the Appraisal done.

Contact everyone you know, even run a search on the "I buy houses..." guys.... Call them or e-mail them. Send an e-mail to every e-mail address you have. Look in the paper; run internet searches for the "I buy houses..." guys; use <http://craigslist.org>, and any freebie websites for your area that you can. Offer them your DEAL, but add "\$1,000.00 to \$3,000.00 (don't be Greedy too soon) as a **Non-Refundable Earnest Money Deposit Required** (part of your finders fee) **plus** the rest of your Assignment Fee to be paid at the Closing" (in the beginning shoot for a total of \$1,000.00 to \$5,000.00), plus tell them that, "If you are interested, I will FAX you the Assignment Contract, you FAX it back to me, signed. I will need a \$1000.00 - \$3,000 Earnest Money Deposit overnighted to me within 24 hours of signing and FAXing the Assignment Contract, by way of a Certified Check and made out to (Name), or funds wire transferred to my account, or a deposit to my account, within 24 hours, excluding week-ends & Holidays". (If they prefer the "funds wire transferred method or deposit method", give them your account number, Bank name & Branch, they will need the routing numbers of your account, also). Tell them that the \$1K - \$3K Earnest Money Deposit will be deducted from your total fee, and let them know that they MUST perform as to the terms of the original contract between you and the Seller(s), and that the "Assignment Of Contract" is between you and them, and that they must sign the Original Contract also, either in person with you or via FAX.

**Market, Market, Market...** that Contract!!! Notice that your "Exit Strategy" is on line 7.B. of the Contract. If you can't, for what ever reason, Sell/Assign the Contract, you should, in person, tell the sellers, within 5 - 8 days of the Contract ending date, that you "will have to re-negotiate the Contract for more time (15 days), or for a lesser amount and more time, or you will have to "Formally Withdraw from the Contract as per line 8.B". It should be noted that there is a built-in 15 day extension in the Contract.

If you get to that point, you should be prepared to submit a "Notice of Withdrawal", use the one from the website, **or your Title Company will provide you with one.**

Regarding the Forms you have downloaded from the website: Save them in Word, you can make the proper adjustments/changes (names, dates, addresses, amounts, footers & etc) in "Word" and by using the "Headers and Footers" under the View Button, to put your own info into the forms.

If need be, you can contact me via e-mail or phone for any assistance along the way.

**YOU CAN' T MAKE DEALS IF YOU DON'T MAKE OFFERS...  
AND MAKING OFFERS DOESN'T COST YOU ANYTHING  
BUT SOME TIME, SOME GAS MONEY, AND A FEW PENNIES  
FOR THE CONTRACT/PAPERWORK. This is a numbers game,  
in that your percentages of DEALS that get accepted are pertinent  
to the number of offers that you make...**

**Contact me** if you have **any questions or need help and/or guidance...**

\*\*\*The reason I developed my formula was because of having to cater to the whims of Appraisers that were two to three days late with their e-mailed documents (on every instance of the first 15 Appraisals I had done using four different Appraisers), and pretentious to the point of being downright rude (two cussed me on the phone when I asked why they were so late), they were unapologetic, and very seldom available for any type of communications.

So, out of desperation, I took the previous offers, the previous appraisals, the previous asking prices, Comps, my total up front costs & etc, put it all on a spreadsheet, did some formulating, came up with the numbers I use, and it happens to work-out just right for **MOVE-IN QUALITY PROPERTIES!!!**

The next principles in a property can request the Appraisal of me, or have their own done.

Also, **I only charge \$1K - \$5K for Earnest Money Deposits and \$2K - \$8 for TOTAL ASSIGNMENT FEES** (rolled into one), because the area I live in has SO MANY DEALS!, and I am able to justify my own "picking & choosing", and then I need to act and move fast on most of them; I don't have time for pretentious Appraisers that also are enjoying being able to pick & choose their deals.

Those that have bought Assignments from me have made at least \$30K+ on the DEALS!, and were able to give a really good DEAL! to their own new Buyer(s)/Investor(s).

I hope I have explained enough for you to understand my method to the madness...

**THE NUMBERS WORK.... USE THEM!**

**I personally, only DEAL! with "MOVE-IN QUALITY PROPERTIES"... no re-habbing costs & extra time for me anymore.**

**I am in Marysville/Yuba City (Yuba/Sutter Counties ---Water Rich with 3 rivers), California; North of Sacramento and NorthEast of the San Francisco/Oakland Bay area... Sacramento & Bay area commuters are buying-up the residential properties from me, as are the Investors in my database.**

**After 1 or 2 DEALS! be sure to set-up your company in an LLC out of Nevada or Delaware, and get yourself a good accountant as a Member of your Power Team.**

P.S. I suggest that you go to Radio Shack and get a “**Telephone Recorder**” (cost = \$29?) to use when speaking with your clients... at the beginning of your phone conversation inform them that because you “don’t write notes very fast, you’ll be taping the conversation so that you get all of the information correct”.

P.S.S. I also have “Lease With Option To Buy” forms... you can download them from the website. E-mail me for assistance and/or any explanations.

**P.S.S.S. Remember, you owe me... 3 TIMES. You must send me an e-mail that states you agree to these conditions or I will NOT provide you any further free assistance... a “Thank You” posted on the Russ Whitney Success Board would be very much appreciated!**

**You hafta send me your success story, in detail, after you have done 5 “DEALS!”. And, after 10 “DEALS!” you hafta teach someone else to do this business, for FREE. Remember, no one person/business entity can buy them all; be willing to give information freely to those that cannot afford the training you were able to purchase from WIA/Russ Whitney.**

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