

## Letter from the Editor

Happy June! We're excited for the arrival of summer around the DMV... and for #ALLCAPS! May was another great month for us (as well as for the Caps). We originated seven loans for a loan volume of 2.798 M. We did all FIRST Trusts. We originated four loans in Virginia, and three loans in Maryland. It was a very productive month. We had on large loan close (1.4M) and another large loan that closed on June 1. June is shaping up to be nearly identical to May. Stay tuned for next month's newsletter to see how the month wraps up!

## CHUCKLE'S CORNER

*"They say money talks but all mine ever says is 'Goodbye.'" – Jill Shalvis*

## FOOD FOR THOUGHT

Thanks to everyone who supported us by participating in Catholics for Housing's 5K Run/Walk for Affordable Housing on June 16. Congratulations to Don Palumbo, who won his age group!

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## The MLS is Dead.... Here are the Top Ways to Find Real Estate Deals

Marketing to motivated sellers is the key to success in real estate. All of the real estate investing techniques you learn are academic until you find some motivated sellers. The MLS is dead, auctions are thin, and many people are throwing in the towel. But not you... Here are the top ways to find real estate deals that are not the usual MLS listings or auctions.

### 1. Door Knocking

Nothing beats personal interaction. Knocking on doors is still the best way to find real estate deals. I suggest going to random houses in a defined set of neighborhoods, and asking if the person who answers the door if they know anyone with a house for sale. You can also leave a personalized, handwritten note at homes that are pre-foreclosure.

### 2. Mailers

Mailing letters, postcards, and fake handwritten "yellow letters" to different groups of people can be very effective. It's a good idea to make the letters personalized and to hand-write the envelope. Some possible lists could include non-owner occupied properties (absentee owners), out-of-state owners, those with homes in probate, people who are late on their mortgage but not yet in foreclosure, those who have filed foreclosures, and properties with code violations from the county.

### 3. "Driving for Dollars"

Drive around targeted neighborhoods and look for "For Sale by Owner" signs, "For Rent by Owner" signs, and abandoned properties with grass grown up, a pile of mail on the stoop, and other indicators that no one is living there.

### 4. Leveraging Others

You can benefit from relationships with wholesalers, bird dogs, brokers with "pocket" listings, or even hiring a virtual assistant to comb through online listings.

### 5. Cold Calling

Cold call the For Sale by Owner and For Rent by Owner leads you found from driving around or find them online on Criagslist, Rental.com, 4SalebyOwner, and online classifieds.

### 6. The Internet

Having a presence on social media, blogs, and real estate investor community websites can be very helpful.

### 7. Everything Else!

Try magnetic car signs, bandit signs, and *especially* networking – who knows YOU matters!

Finding real estate deals are definitely still possible – it may just require some out of the box creativity on your end!

## Three Things Borrowers Can Do to Foster Faster Closings and Positive Relationships with Their Lenders

When a borrower has a “hot deal”, time is always of the essence. Often, the borrower has convinced their seller that the buyer’s offer is strongest because of their ability to close fast. Buyers often use time as a key element to negotiation. Fast offers, fast responses, and fast closings tend to bring lower purchase prices that favor buyers.

For lenders funding these kind of deals, time is also of the essence. The lender wants to know when the deal is going to need funding, so that they can plan accordingly. They need loan documents ready and funds available on the day of the closing. A short time until closing is wonderful for a lender because they can deploy their funds and get a deal on the books quickly.

Since both the lender and the borrower benefit from a fast closing, the best practices for getting a deal done should be examined closely. Here are three great ways to make sure a loan gets closed fast and stays on track once it is funded.

### 1) Be ready to close before a deal is even started.

The borrower needs to know who can deliver a timely hazard/liability insurance binder, as not every insurance carrier wants to work with investors. Some insurance carriers have inspection requirements and others will accept pictures provided by the borrower. The borrower should take time to make sure that their organizational documents (org docs) are in order. Org docs include: a certificate of good standing for the purchasing entity from the state, an employer identification number for their entity from the IRS, and documents that explicitly state who is an authorized signer for the entity. Knowing which title company can close a deal quickly is also critical. In many jurisdictions, the buyer selects the closing company. There is no reason to wait until the last minute to identify a quality closing company.

### 2) Begin planning and permitting early.

A lender is going to want as many details about a project as possible before committing to the deal and funding it. There is no reason for a borrower to wait until they own a property to determine which contractors they plan on working with throughout the project. Often, a borrower can get access to a house before owning it so they can get an exact price quote. If that isn’t possible, then the borrower can certainly meet a contractor outside the house, discuss the scope of work and understand the contractor’s availability.

Beyond that, a borrower can determine if architectural plans are going to be needed and start working to understand the permit process. Weeks can be saved on a project by lining up contractors and doing early planning. In urban environments, it can take more than a week to even get a dumpster/demo permit. There is no reason for a borrower to wait until they own the property to start the planning and permitting process. The more details the borrower has about permits, plans, construction budgets and timelines that they can share with the lender, the faster a lender can make a decision on funding a loan.

### 3) Communicate, communicate, communicate!

Once a project gets going, some borrowers keep quiet and provide no project updates to their lender. This can work out okay if everything goes right, all payments are made in a timely manner, insurance is maintained, taxes are maintained, permits are completed on time, and the final exit strategy goes off without a hitch. However, if there any unexpected events in the project, it is a lot better to have a great communicative relationship with a lender before those exceptions happen. The best way to do this is for the borrower to drop the lender a weekly or bi-monthly email that outlines progress on the project. That way, if the need for an extension comes up or the borrower needs to request a payment forbearance, then the lender already has a great relationship that they want to work to preserve.

## Deal of the Month

The deal of the month revolves around a property on 5108 Woodland Way in Annandale, Virginia. We closed a loan in **18 HOURS** from the initial phone call! This type of service and execution is unprecedented in the real estate industry. Many thanks to Rick Oppenheim with Atlantic Settlement Group for helping us to close so quickly!

Charlie received a call at 6:00 p.m. on May 21 to fund a deal that was foreclosing on May 23 at 2:30 p.m. The property was worth \$625,000. The owner only had one loan (the foreclosing loan) in the amount of \$289,725. This house was under contract in the MLS for \$625,000. The listing agent, who was a previous client of CSF, called us to see if we could help save her deal.

Upon receiving the call, Charlie immediately phoned Rick to do a quick title bring down. We needed a title search so we could get title insurance for the loan. We received the results of the title search the next morning and we had the deal closed at noon on May 22. The house is still under contract and should sell to the new purchaser on June 30 and our first trust will be paid off!

## May Deals



31055 Lumber Road



3711 35<sup>th</sup> street



411 Briggs Chaney Rd



5108 Woodland Way



13201 Putnam Circle



90 Daimler Dr.