

NPN; REO; Inventory nationwide and Confessions of a "SERIAL FLIPPER"..

Some Insight for both investors and brokers.

To assist them, in knowing where the opportunities are in this market.

Look at the attached properties. See the UPB balances? See the purchase price (BPO). How many of these are in big cities? Also keep in mind these are Non-Performing notes now. The attached assets are priced from **\$15,000- \$120,000.00**. The **Modern Strategy** to fix and flips, the investors would buy this entire bulk sight unseen (*smaller local investor would of course want to view the insides*). He would then systemically take some occupants, tenants to court in filing for possession of the premises. Others he would work out a monthly repayment plan at market rental rates; some homeowners he may have to offer cash for keys or actually foreclose on a few. There are property management companies that will do this work for the investors/rehabbers and some law firms will as well at a nominal costs per. The fixer rehabber rehabs them enough to get them all in leasing condition. The cost to rehab a property for rental is infinitely cheaper than to rehab for sale at the highest market value. In many instances the cost will only be several thousand dollars. The assets acquired will be bought to focus on a specific market demographic. To assure the success of this formula you will be buying only properties in the above mentioned price range. That demographic includes the following renter categories; those whom are supporting families with minimum wage income; those who may have been burned in the previous market and can't qualify for purchase loans; those that may need some type of government assist for housing (section 8) and generally any other people looking for affordably homes to rent. Ultimately, we are talking of single family properties that range in rents from \$600-\$1500 dollars a month for an average 3br and 1 bath property. In this rental range you will significantly increase the value of your portfolio simply by changing from residential owner occupied properties to rental income property with a tenant. Now sell the whole bulk of notes now as income producing property all at once or one at a time. Here is the key. Instead of your, asset value being determined by a discount of the outstanding NPN (purchase price), It is now determined by the income the property produces. You will find an average 33% (fairly consistent in any market if you buy the

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right inventory and follow these principles) increase in value, simply by changing from residential to commercial status.

Here is the most awesome thing about this **Modern Strategy** to fix and flip!!!!!!!!!!!!!!!!!!!! Anybody can buy your inventory of income producing properties. You never have to worry again about your buying having to get qualified or whether they are buying FHA or VA or approved. Listen up loan officers. A commercial loans, includes loans that are on single family income producing properties that are not owner-occupied. Commercial loans are financed at a maximum 70% LTV loans. The value is based on the income the property generates (income approach to appraising real estate for commercial properties). Residential property is valued buy a comparison approach (home sales of similar owner occupied single family properties in the neighborhood and regulated by the federal government HUD; RESPA). SO whether the buyer has good credit scores or whether buyer has W-2 or personal income is most times totally irrelevant. Any investor can buy your income producing properties. Some times with little money from his pocket. A seller with a 33% (varies) profit margin may be very flexible with terms and conditions and can make any deal he wants.

Get in your car and drive 75 miles or more in any direction away from most major city and find the \$25,000 -\$150,000 dollar notes; REO's NPN; short-sales, single family properties where ever (see attached). You may find some properties in this price range closer to major market areas. Again look at the addresses of these properties below. You may find these opportunities in every state. Then rehab them to great rentals. Rent them at the section 8 margins parameters; or the min. wage markets from \$600-\$1500 month. Income producing property bought at the right price points and leased at the right rental ranges are up to 33% more valuable higher than a same single family house roughly depending on the market.

Example

Buy a \$30,00 dollar house (if it is a you note may even purchase it for \$24,00) and sell that same house as income producing property, with a tenant in it. This house easily values at \$80,000.00. Sell it to a retired or new investor for \$60,000. Sell it to a local businessman to diversify income. You can **guarantee** he'll qualify for the loan, because its income producing. A n again commercial loans are determined by income

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produced. The house will/may cost you \$7,000-\$10,000 to rehab into a great rental. Total purchase cost \$24,000 + \$10,000= hard costs to rehab equals \$34,000.00. An additional \$5,000.00 Soft costs for court evictions; cash for keys; foreclosure may be necessary. Some properties you'll break even on some you will make a killing. Now you have a \$40,000 house you are selling for \$60,000. The house rents are \$800 per month (**section 8** or min wage range, anywhere in America). It in effect guarantees the loan repayment, **almost directly guaranteed by the federal government.**) You will never have a problem selling income producing real estate, this is the type of housing loans the big banks want to make and do so whole heartily for the big guys buying 5,000 house bulk packages or two, three house packets to you in your neighborhood. Will you need to see inside each of these single family notes/houses to estimate the cost of rehab? It is totally not necessary in a majority of the cases. Its pennies on the dollar to make most houses rent ready. By making the properties income producing, it increases the value tremendously, at the right price points. You would sell them as income producing. They are bought and sold as commercial transaction. Never worry about is the market good, if I am overpaying by 5% or so for the purchase; how much is the rehab going to cost me. It is not as relevant. It is more important to know what the rental rates are in the market of purchase. This determines your new income value (market value) in relation to purchase price. One more time! "Commercial property (*again single family homes that are not owner-occupied and leased for income*) value is based on the income it produces"

I am attempting to enlighten investors, rehabbers and brokers on why the big investors, like Blackstone; Carlisle Group; etc., are buyer this inventory when old school fix an flipper are still thinking about the resale value in overheated residential markets. Banks are beyond that thinking, but they are financing every single family commercial loan they can get their hands on. For them the attraction is, it is not regulated by the federal government. Consider this, fewer owner-occupied first-home buyers are buying house is this market. It is difficult to qualify for government financing; nothing but minimum wage jobs; the prices of homes have dropped. This **Modern Strategy** which allows anyone to Fix and flip their way to millions in the current market. These are specific strategy now being applied by the big banks and Wall Street, since the bubble bursting. This strategy is making the single family housing market so lucrative for investors and rehabbers alike. this is the same single

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housing family inventory that the big banks foreclosed on and now are the owners of and couldn't sell in a slow economy. They are now selling the assets to buyers whom are converting these assets to rental income and the banks are making billions by offering commercial loans against them and most lucratively, the hedge funds are selling them to the world as CBMS and RBMS, again. The major difference now and before the bubble is that *then* the loans were guaranteed by the homeowner making mortgage payments. It is now guaranteed by rental income based on section 8 payments and the American economy continuing to grow minimum wage jobs and earners. A tenant you may always evict out of a property. A homeowner/property owner has to be foreclosed. There is much less risk and cost with the former. Bankers adjust. Flippers should adjust as well

Please call me with questions. I have the inventory right now. I never list publicly. Email to inquire. Qualified individuals only!!

Contact me about my off off market single family inventory. Buy one or two properties or buy in bulk. I have inventory all 50 states.

Attached and identified properties here are for illustration purposes only and may or may not still be available. Serious buyers please contact me directly reapsoinc34@gmail.com for current list for buyers with verifiable POF

211 Lovelady Street Northwest	Hartselle	A L	3564 0	Morgan	1.5021E+15	Boarde d	123 3	4	2	3640 0	
1454 Concord Church Road	Talladega	A L	3516 0	Talladega		Boarde d		3	1	3790 0	
914 Woodard Avenue	Mobile	A L	3661 0	Mobile	R022208440015 098	Boarde d	174 2	3	1. 5	1350 0	
166 Kikers Camp Place	Ragland	A L	3513 1	St Clair	1.81E+15	Boarde d	177 8	3	2	5390 0	
2290 Mount Mills Road	Tuscumbia	A L	3567 4	Colbert	20-02-04-0-001- 006.001	Boarde d		3	2	4590 0	
8745 South Saginaw Avenue	Chicago	I L	606 17	Cook	2.60611E+13	Board ed	748	3	1	400 0	
10710 South Langley Avenue	Chicago	I L	606 28	Cook	25-15-405-035 -0000	Board ed	114 0	2	1	125 00	

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7218 South Lowe Avenue	Chicago	I L	606 21	Cook	2.02811E+13	Board ed	902	3	2	125 00
3919 West Grenshaw Street	Chicago	I L	606 24	Cook	1.61433E+13	Board ed	155 0	4	1	100 00
658 West 81st Street	Chicago	I L	606 20	Cook	2.03311E+13	Board ed	122 1	4	1	125 00

3 Gering Court	Indian Head	M D	206 40	Charles	7003269	Boarded	112 8	3	1	7400 0
236 Columbia Street	Cumberla nd	M D	215 02	Allegany	5032318	Boarded	924	2	1.5	1050 0
317 South Cannon Avenue	Hagersto wn	M D	217 40	Washingt on	17025805	Boarded	936	2	1	3290 0
2616 Orleans Street	Baltimore	M D	212 24	Baltimor e City	1674 055	Boarded	126 0	2	1	3990 0
5006 Sipple Avenue	Baltimore	M D	212 06	Baltimor e City	5.95E+25	Boarded	147 8	4	2.5	7490 0
263 Maryland Avenue	Hancock	M D	217 50	Washingt on	5003032	Boarded	165 4	2	2	1100 00
309 Broad Street	Crumpto n	M D	216 28	Queen Anne\'s	7005415	Boarded	146 0	3	2	5990 0
637 Shriver Avenue	Cumberla nd	M D	215 02	Allegany	5020344	Boarded	139 2	3	2	2990 0
1516 Cypress Street	Curtis Bay	M D	212 26	Baltimor e City	36553630	Boarded	656	2	1	1500 0

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