

THE PAPER SOURCE

Journal

September 2024

www.papersourceonline.com

Beware of Cybercrime in
Real Estate

A “Note” To the Non-Performing
Note Naysayers

Secrets Of Being a Successful
Note Professional

How a Once-Bankrupt City
Has Become an Investor’s
Paradise

Best Loan Options for
Investment Property



The Paper Source
The Voice of the Note Business

Beware of Cybercrime in Real Estate



By *Bill Mencarow*

Real estate closings are being bombarded with cybercrime, and the funds are often never recovered. Here's how it works: a buyer gets a realistic-looking email purportedly from their attorney, agent, or title company; the signature, fonts, and logos are copies. The e-mail gives new wiring instructions for the money due at closing, and the buyers unknowingly wire it to the crooks. Always personally confirm any new information. Never trust an email when it comes to money, and if it's a phone call, verify its legitimacy by calling back to a number you know or visiting the office.

If you earn income from rental properties, you may be eligible to [claim a nice tax break](#). The 20% qualified business income deduction (QBI) is for self-employed individuals and owners of pass-through entities, such as LLCs, partnerships and S corporations. These individuals can deduct 20% of their QBI. The write-off also applies to some landlords with Schedule E rental income. There are lots of special rules and restrictions, so consult your tax advisor.

Did you know that the government can [seize your property](#) without paying you a dime?

[Inflation explained.](#)

Share this with a [college student](#).

To function intelligently and prosper, you need to understand monetary theory, particularly how it creates booms and busts, inflation and deflation, recessions and depressions. The place to begin is Murray Rothbard's short book, *What Has Government Done to Our Money?* [Download it for free.](#)

Second, [read](#) Dr. Gary North's FREE mini-book *Mises on Money*.

If only politicians today emulated [Congressman David Crockett](#) of Tennessee (yes, THAT Davy Crockett)

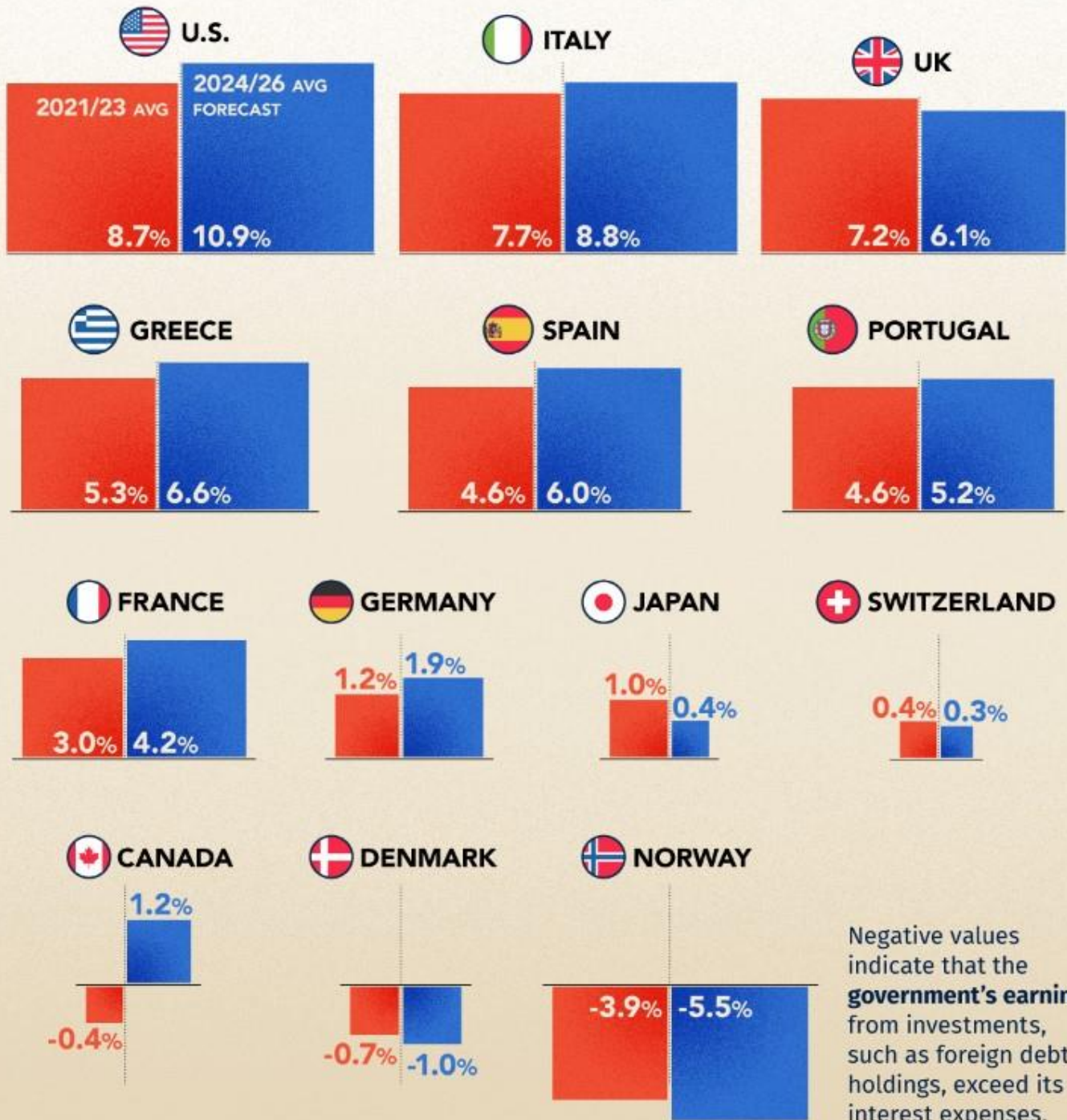
This is from my friend Franklin Sanders' [free daily newsletter](#), "MORE IRA FRAUDS. I have and will continue to warn y'all of hideously fraudulent companies pushing gold and silver IRAs and burying customers in over-priced products. Now another one, Oxford Gold Group, has gone under, taking the promised and paid for gold and silver and customer's money with them.

REBRANDING FREEDOM. Here's another razor-sharp [article](#) from Matt Taibbi of Racket News on the DNC's sinister rebrand of "Freedom", an argument for massively expanding federal authority, disguised as a celebration of rights. It throws overboard the Constitution's "negative freedom", i.e., absence of government intrusion, to "positive" or progressive freedom like freedom from disease, freedom from chaos, freedom from misinformation, freedom from gun violence, freedom from bad breath. Look out!"

And you think you've made some bad business decisions: On Oct. 22, 1976, the little-known third co-founder of Apple, Ronald Wayne, [sold his 10% stake in Apple for \\$800](#). Today, it is worth over \$100 billion.

THE RISING COSTS OF Government Debt

Net Interest Expense, % of Government Revenue



Negative values indicate that the government's earnings from investments, such as foreign debt holdings, exceed its interest expenses.



Source: IMF, IIF

A “Note” To the Non-Performing Note Naysayers

The non-performing note business is the hardest thing I have ever done—but also, by far, the most profitable.



By Gordon Moss

The mortgage meltdown debacle of the 2000s brought a unique opportunity in non-performing notes to the traditional note investment business—an opportunity most of the old school note experts did not take advantage of.

To this day, I hear the “Senior Note Experts” with 30 years or more of experience recommending “extreme caution” to anyone asking their advice on pursuing the non-performing note business.

They are absolutely correct in giving this advice to new note investors.

One of my favorite Peter Fortunato quotes (and there are many) is when I overheard his answer to a student asking him what his thoughts were on the non-performing notes business

Pete responded, “Do you LIKE attorneys?? No? Then why would you even consider that litigious business???”

As usual, Pete hit it right on the head.

Another experienced investor friend put it this way: “non-performing notes are NOT for the faint of heart” - also VERY true.

We started this non-performing note adventure in 2008 with years of serious study and a commitment to do whatever it took to realize the kinds of profits the experienced investors had realized. We traveled to every event (distressed debt, mortgage and servicing events, note conferences) and training around the country for years. We met and got to know the players

and evaluated the good, the bad, and the ugly—developing key relationships with those that we grew to know, like, and trust.

We were searching for a niche for the small independent investor with limited funds and focused on non-performing notes secured by quality, owner occupied, SINGLE-FAMILY HOUSES (with emotional equity) in good areas of the country that could be purchased for very small amounts of investment—usually 10 to 20 cents on the dollar. This is what we considered low risk “OPTION” plays—and we found them on JUNIOR liens, which is a unique niche that the larger players do not play in. We have mastered this amazing niche and are still very active in this market as of this writing.

The non-performing note business is the hardest thing I have ever done—but also, by far, the most profitable.

Gordon Moss began his career in real estate in 1985 as a commercial real estate broker in Orange County, California. He has been an avid student of the masters of all facets of the real estate and investing business for over 30 years. He now owns and manages a portfolio of properties and notes full time and today is very passionate and active in what he believes is still the best real estate and note investment opportunity ever. These 30 years of experience and focus give a unique perspective and Gordon takes great pride in the fact that he has a unique ability to make money in any real estate market.

His book [*Performance Anxiety—How to Create a Fortune with Non-performing Notes*](#) is a chronicle of today’s non-performing note business and creating a fortune in this unique opportunity.

Just A Slice?

We Buy Partial!

Do you have note holders who are not ready to sell their whole note but may be interested in selling a piece of it? We can help! Selling a note on a partial can help your note holders satisfy their current needs without giving up their entire investment.

We offer partial purchases on:

- Single-family homes
- Commercial properties
- Vacant land
- Mixed-use properties
- And more!



First National
Acceptance Company

The Note Buying Experts

855.265.3397 www.fnacbrokers.com

Real Estate Note Investors: FREE Tax & Asset Protection Workshop

GET STARTED NOW

Click or visit: aba.link/PaperSource



At this event you will discover...

- How to protect yourself and your family from lawsuits resulting from deals gone wrong.
- Why keeping your personal information out of the public record makes it harder for lawyers, creditors, and the IRS to come after you.
- How to reduce your heavy tax burden by structuring your business using this “wealthy investor” tax strategy.

Attendance is FREE. Thousands have already attended our online workshops. We will have dozens of CPAs, attorneys, and expert business advisors online so you will have an opportunity to get your most challenging questions answered LIVE on the webinar.



Scan the QR code

Secrets Of Being a Successful Note Professional



By Jeff Armstrong

If you're considering note brokering as a career, or you've just gotten started, the following secrets can make a difference in your probability of success in the note business. Some of the old "note broker sayings" that many new note brokers take to heart are no longer as true as they were before the Internet and the real estate market problems after 2006. Learn some new secrets about how to start your new note brokering business with less risk of failure.

A great many note brokers never make it through their first two years. They underestimate expenses and overestimate income. That's a deadly combination. Mostly it's high expectations for income and a real letdown when they're not doing deals like they thought they would. Just because you go into the note business, build a website and then tell all of your family and friends, it doesn't mean that you'll start receiving tons of referral business from them. You may get a few from family, but don't forget that your friends have other friends, and they may be in the note business as well.

Then there's relying too much on whatever marketing has worked for you in the past. Don't think that there will be leads coming in every week from your mention of your website or classified ad marketing. Definitely put in as much time, effort and money into marketing as you can. Every phone call, meeting or networking event is a potential commission. Don't look down on any note holder prospect, as you may regret it. One of the biggest deals I did my first year was because nobody else wanted to work with the note holder. His personality turned out to just be misunderstood and after several conversations found out he had a great need for a lump sum of cash.

Secret #1 - You Don't Have to Be Good at "Sales."

You don't have to be a sales person to succeed. If you are great at "selling," that's good. However, it isn't required. There are ways to present yourself and handle your note business that will separate you from the "pushy note broker" image. Think "note consultant" for better results. Try to stay out of "sales" mode, even if you're starving for a deal.

Secret #2 - Think Small for Big Note Business Success

Thinking small doesn't mean not planning for growth and success. It's about understanding your status as an independent contractor and setting up your note business practice and marketing to maintain your business as yours and portable. I am a firm believer in doing lots of small deals every month rather than one big one a couple of times a year. Singles and doubles will cover expenses and should give you some profit, the home runs will come.

Secret #3 - Develop a Marketing Plan and Stick to It

Beginning a new career as a note broker is exciting and you'll want to hit the ground running. Your long-term success depends on many things, but a good beginning note business marketing plan is one of the most important. Don't let your excitement and enthusiasm to talk with a note holder right away keep you from the all-important business planning and budgeting tasks. The right tools and knowledge will help you to focus on important note business practices and get a fast start on building your note holder and referral base without spending a lot of money.

Secret #4 - Develop a Budget, and Stick to That Too!

It's critical in your note business career that you not only cover your marketing expenses, but your personal living costs as well. Spreadsheet your personal living expenses and don't leave out anything, including cash

out of pocket for fun or coffee. Cover that, add a little, then do your planning for a business budget.

Most note brokers who fail just do not plan for anything else. It's a big step to decide on being in the note industry and start a new note business. It's exciting, but scary as well. Most new note brokers fail in their first year or two, but you do not have to be one of them. They fail because they do not plan for success. Sometimes starting part time is a better approach, as you can at least count on some income. Sure, starting part time is more difficult, but if it means the difference between failure or success, it is worth it. Often just one commission can cut the ties to the old job and move you to full time. Remember, success demands action, keep on marketing, it's going to work! TWITA! (That's What I'm Talkin' About!)

Jeff Armstrong of Armstrong Capital has been a note broker and investor specializing in the seller financed note industry since 1991. He can be reached by email at jeff@armstrongcapital.com. For more information on how he can help you with your note business, your note investments or to request a quote on a note you currently have, visit www.armstrongcapital.com



Secrets of Paper 101

with Jeff Armstrong

Beginner's introduction to and overview of the Note Business for New Investors & Note Brokers and those who want a refresher course.

[Click here to learn more](#)

Just
\$49

Complete 2-hour VIDEO recording of Jeff's beginner's workshop, plus the MP3 audio file.

Grand.bank

Receive Top Dollar For Your Note



Nationwide

We purchase in all 50 states



Broker Centric Service

Purchasing notes since 1978



Custom Pricing Options

We can tailor a purchase to meet your needs



Trust

We are an FDIC, federally regulated bank



sellmynotedirect.com



(800) 300-1467



Grand.bank is a trademark of Grand Bank for Savings, FSB. Member FDIC | Equal Housing Lender

**Trusted
Experience**



**Realistic
Prices**

**Your "Favorite Master Buyer"
Buying 1st Position Performing
Seller Financed Notes
Nationwide on all Property
Types since 1991**

**Exceptional Service
Incomparable Assistance
Quality Educational Products
Definitive Resources**



**New & Seasoned Note Professionals
Welcome**



Note Appraisals

Appraisals You Can Bank On

Nationwide

Secured or Unsecured

Promissory Notes

Performing or Non-Performing

Accurate & Current

**For you and your clients many reasons:
Estate Planning, IRA Conversion, Reduce
Taxes, Lessen Fees, Probate, Inheritance,
Pension/Profit-Sharing Plan Annual
Valuations, Personal Injury Settlement,
Divorce Settlement etc...**

How a Once-Bankrupt City Has Become an Investor's Paradise

By Julie Taylor | REALTOR.com

Chase C. Hunter became a real estate investor in Detroit in an unusual way. She searched for “best places to buy cheap properties” on Google.

At the time, Hunter was living in Houston and was curious to see where she could afford to invest in real estate on a limited budget. After searching online, she decided the Motor City certainly seemed to fit the bill, with sites like the Detroit Land Bank Authority selling vacant “as is” properties for as little as \$1,000.

Despite her reservations, Hunter pulled the trigger.

“I closed on my first two properties the same day in June of 2021,” she says. “The day I closed was my very first time in Detroit.”

Her first property cost \$2,000, the second was \$1,800. Since then, Hunter has purchased a total of eight Detroit homes. She’s transformed one property into her office, while renovating and renting out the others.

She permanently moved to the city last year to have “boots on the ground” near her investments.

“The market can be a challenge to navigate if you aren’t here every single day,” she explains. “Buyers have to know the culture of Detroit to understand how to invest here.”

Hunter is so passionate about the Detroit market, she became a real estate agent 10 months ago and is launching a real-estate investment group to help others buy and rehab homes in Detroit like she has.

“Investors come to Detroit from all corners of the country because the market is like no other,” says Hunter.

In 2013, Detroit famously filed for bankruptcy, becoming the largest municipal filing in history, with \$20 billion in debt. But since then, the Motor City has rebounded in a major way, with The Wall Street Journal

calling it “America’s most unlikely real-estate boomtown.”

Real estate prices bottomed out in the area in 2009, at a median sale price of \$58,900. Since 2009, however, sale prices have climbed annually each year to land at \$217,100 in 2023—an impressive 113.3% higher than the median sale price 10 years earlier.

“Buyers, including investors, took advantage of low home prices in the area over the last decade, bringing energy and funds into the city,” says Realtor.com® senior economic research analyst Hannah Jones.

As of the latest data in May 2024, the median sales price in Detroit was \$250,000—10.5% higher than just a year earlier. However, Jones points out that “even after substantial price growth, the median sales price in Detroit was still [much] lower than the national sale price.”

The latest figures put the median listing price across the U.S. at \$439,950.

Detroit’s spectacular comeback has inspired documentaries like “Gradually, Then Suddenly: The Bankruptcy of Detroit,” which explores the area’s rise, fall, and revival. Reality TV has also highlighted Detroit’s turnaround with shows like HGTV’s “Bargain Block.” It follows two Detroit real estate investors as they buy abandoned properties and transform them into stylish starter homes.

But while Detroit’s real estate might be cheap, that doesn’t mean it’s easy to turn a profit there.

Purchasing property in the Motor City often comes with expensive strings attached, such as back taxes or the need for extensive rehabilitation. Even though Hunter’s first property cost just \$2,000, she had to invest \$85,000 on renovations before it was ready for renters. Renovations on her \$1,800 home, which she converted into her office, cost \$130,000 because she encountered issues with the water lines.

Since rehabbing her first two properties, Hunter now spends more upfront on homes, so she'll have to spend less on the back end.

"I used to buy major rehabs that I'd have to repair from roof to basement; but at this point, I focus on things I can turn over pretty quickly, such as cosmetic rehabs," she says. "I look for homes in the \$80,000 range, because you spend less on repairs."

Her renovations now usually cost anywhere between \$5,000 and \$10,000.

Before bidding on a Detroit investment property, Hunter looks at the structure "for the potential it has—square footage, location, and dollar amount for repairs."

She typically uses business credit cards to fund all of her repairs and renovations. When it comes to getting renovations done, Hunter carefully vets everyone she works with.

"People will try to take advantage of you, especially if they know you don't live here," she warns.

The actual homes aren't the only challenge for Detroit real estate investors. The surrounding neighborhoods can be an obstacle, too.

"Crime is definitely still a major challenge," Hunter admits. "It can deter you from buying here for sure."

Yet things are improving: Last year, Detroit had its lowest crime rate in 57 years.

Hunter protects her properties with top-notch security systems and advises her clients to do the same. She also does her homework on a neighborhood before buying a property, with safety in mind.

"I avoid really bad areas that would be unsafe for single mothers and children," she says. "If a property doesn't function well for a family, I move on."

Some of the most up-and-coming neighborhoods in Detroit are Morningside, Bagley, and Warrendale, according to Realtor.com®.

Despite crime problems in certain areas, Hunter was pleasantly surprised to find that Detroit is a close-knit city.

"Neighbors here keep an eye on things for you," she says. "One of my favorite neighbors passed away last

year, and he would call me if my tenants were doing anything out of line. His daughter does that for me now."

That strong sense of community is one of the reasons Hunter wants to keep investing in the booming metro.

"Most of my neighbors have become my family," she says.

NOTE HOLDER LEADS

- 12 Guarantees on accuracy and deliverability.
- 20 years in business, built by repeat customers and referrals.
- Exclusive leads and data available only in our lists.
- Proprietary system to provide you the least targeted note holders.
- 30 years of experience marketing to noteholders.

Advanced Seller Data Services

800-992-4536

scott@notesellerlist.com



Funding Source

Lyle Wall
(970) 231-8366



REO

Real Estate Owned Portfolio Coverage

WE'RE IN BUSINESS TO PROTECT AND INCREASE THE PROFITABILITY OF FINANCIAL INSTITUTIONS, LENDERS AND INVESTORS.

Real Estate Owned (REO) insurance protects properties upon foreclosure or in portfolio.

Written as a master policy with the lender/investor as the Insured, this policy enables the Insured to cover residential, commercial and mobile home properties.

Liability coverage is also available for improved properties and vacant land.

- Available coverages include Hazard, Liability, Flood, Wind-only, X-Wind, Earthquake, Ordinance and Law and Loss of Rents
- Flexible coverages, valuation, limits, deductibles
- Coverage and premium payment on an annual or monthly basis
- Written by carriers with at least an A.M. Best 'A' (Excellent) rating
- FIC administers claims, providing a single point of contact and streamlining the claims process
- Refunds issued quickly on a pro-rata basis
- Manage your coverage using FIC's online system, Protector



Banks • Credit Unions • Investors
Property Managers • Loan Servicers
Housing Authorities • Hedge Funds
Receivers • REITs • Trusts

Related Coverages

Mortgage Impairment Coverage
Lender-Placed Insurance
Home Warranty

Financial
INSURANCE CONSULTANTS

CONTACT US AT: admin@ficllc.com

WWW.FICLLC.NET 888.893.7269

SERVICE

FLEXIBILITY

SPECIALIZATION

Best Loan Options for Investment Property

By Damon Riehl | [ThinkRealty](#)

Investing in real estate can be a rewarding venture. However, the success of your investment often hinges on securing the best loan for your unique needs. In this article, we will navigate the intricacies of finding the best investment property loans, shedding light on key considerations and strategies to maximize your investment potential.

Selecting the right loan is paramount to your investment journey's success. The nuances of the real estate market demand a tailored financial approach, making it crucial to explore the options available and identify the ones that align seamlessly with your investment goals.

Before delving into the specifics, it's essential to understand the landscape of investment property loans. How do they differ from traditional mortgages? What role do local market factors play in shaping loan options? Answering these questions will provide you with a solid foundation for making informed decisions.

Basics of Investment Property Loans

Investment property loans are the financial backbone for real estate investments. Unlike traditional home mortgages, these loans are tailored for properties purchased with the intent to generate rental income or appreciate. Key features include:

Higher interest rates. Investment property loans often come with slightly higher interest rates compared to primary residence loans.

Larger down payments. Lenders typically require a more substantial down payment for investment properties, usually ranging from 15% to 25% of the property's purchase price.

Rental income consideration. Lenders may factor in potential rental income when evaluating your eligibility and loan terms.

Understanding these fundamental aspects sets the stage for navigating the complexities of investment property financing.

Key Differences from Traditional Mortgages

Distinguishing investment property financing from traditional mortgages is crucial for making strategic decisions. Key differences include:

Intended use. Traditional mortgages are designed for owner-occupied residences, while investment property loans are geared toward properties used for investment purposes.

Risk assessment. Lenders assess the risk differently for investment properties, considering factors such as potential rental income, property management, and market conditions.

Loan terms. Investment property loans often have shorter loan terms and may come with higher monthly payments.

By grasping these distinctions, you can align your financial strategy with the unique requirements of investment property financing.

Importance of Local Market Factors

The local real estate market plays a pivotal role in shaping your financing options. Consider the following factors:

Market trends. Understanding current and future market trends helps you anticipate property appreciation or potential rental income.

Economic factors. Economic stability and growth in the local area can influence property values and rental demand.

Regulatory environment. Local regulations may impact your financing options, making it essential to be well-versed about legal issues.

By conducting thorough research into your local market, you position yourself to select financing that aligns with the specific conditions of your investment property.

Criteria for Selecting the Best Loan

When it comes to selecting the best loan for your investment property, several critical criteria can significantly impact the success and profitability of your venture. Understanding these factors will empower you to make informed decisions that align with your financial goals and risk tolerance.

Interest rates. Your loan's interest rate is a pivotal factor. Consider the type of interest rate (fixed or adjustable) and compare rates among lenders. A lower interest rate can save you money over the life of the loan. Down payment requirements. Examine the down payment requirements set by various lenders. A higher down payment may reduce your monthly payments but can impact your initial investment capital. Evaluate lenders that offer reasonable down payment terms for investment properties.

Credit score considerations. Your credit score plays a significant role in loan approval and the interest rate you receive. Understand the credit score requirements of potential lenders and take steps to improve your score before applying for a loan.

Loan term options. Evaluate the available loan term options. Shorter terms may have higher monthly payments but can save on overall interest costs. Longer terms may provide more flexibility in your monthly budget but result in higher total interest payments.

Loan-to-value (LTV) ratio. The LTV ratio compares the loan amount to the property's appraised value. A lower LTV ratio can result in better loan terms and increased lender confidence in your investment.

Types of Investment Loans

There are five main types of investment loans. Understanding their nuances will help you choose the best one for you.

Traditional mortgage loans. Traditional mortgage loans are a tried-and-true option for financing investment properties. These loans typically come with fixed interest rates, providing stability over the long term. Investors can benefit from predictable monthly payments, making budgeting and financial planning more straightforward. Understanding the nuances of traditional mortgages is crucial for those seeking a

conventional and secure financing route for property investments.

FHA loans for investment properties. Federal Housing Administration (FHA) loans are designed to make homeownership more accessible, and they also can be used for investment properties. Exploring FHA loans opens up possibilities for investors, especially those who may not meet the stringent requirements of traditional loans.

VA loans for investment properties. Veterans have a unique financing option through VA loans. Understanding the benefits and requirements specific to VA loans is crucial for veterans looking to capitalize on their eligibility and embark on successful real estate investments.

Private lender options. For investors seeking flexibility and alternatives to traditional financing, private lenders offer a compelling solution. Private lender options can provide tailored financing solutions for their property investments. If you choose this route, be sure you understand the terms, advantages, and potential pitfalls associated with borrowing from private sources.

Commercial loans for investment properties. Investing in large-scale projects requires specialized financing, and commercial loans are designed to meet these unique needs. Again, make sure you understand the intricacies of commercial loans for investment properties, including a comprehensive understanding of the terms, conditions, and considerations associated with this type of financing. Commercial loans can unlock opportunities in the dynamic real estate market.

Financing for Property Flipping

Property flipping, the art of buying distressed properties, renovating them, and selling the properties for a profit, requires a specific approach to financing. This section explores various financing options tailored for property flipping, emphasizing short-term solutions and strategies to maximize returns.

Short-term loan options. Property flipping often involves a quick turnaround, making short-term loans an ideal financing solution. These loans, such as hard money loans or bridge loans, offer rapid access to funds with shorter repayment periods. Explore the advantages and considerations of these loans, understanding their role in facilitating swift property acquisitions and renovations.

Renovation financing. Renovating a property is a crucial step in the flipping process. Delve into financing options specifically designed for renovations, including home improvement loans or 203(k) loans. Understand how these loans provide the necessary capital to undertake renovations and enhance the property's market value, ultimately contributing to a profitable sale.

Flipping strategies for maximum returns. Successful property flipping requires more than just financing. It involves strategic planning. Explore effective flipping strategies, including identifying the right properties, minimizing renovation costs without compromising quality, and optimizing the timing of the sale so you can achieve maximum return on your investment.

Keep in mind that the concept of the "best loan" is inherently subjective. The ideal loan aligns seamlessly with individual investment goals, risk tolerance, and the dynamic landscape of the real estate market. By understanding the intricacies of each financing option, investors can make informed choices, unlocking the potential for financial success in the vibrant and promising real estate market.



[Click here to learn more](#)

How To Calculate Cash Flows

The most complete calculator training of its kind...Over 59 Videos!

Learn the *secrets* of calculating cash flows to *maximize profits* and *return on investment*.

Only \$179

- Don't unknowingly pay more money - for anything - than you need to.
- Don't leave profit on the table...ever.
- Do control your own financial destiny!

[Click Here to Email Alison](#)

YOUR AD HERE

If you're interested in advertising in the Paper Source Journal, please contact Alison via email.

alison@cashflows.org

The Paper Source
The Voice of the Note Business

Note Servicing Center, Inc.

You Build Your Business – We Save You Time & Money



Our Services Include:

- Online Portals
- Multi-lender Loans
- ACH & Direct Deposit
- No Note Minimum/Maximum
- Property Taxes & Insurance payments
- 1098's, 1099's, and CA 593-I's
- And more! Contact For More Information.

(800) 646-3445

noteservicingcenter.com

newacct@noteservicingcenter.com



The **Passive Income Network (PIN) is a
Note Investor Membership Organization**

Are you tired of looking for quality performing notes?

PIN members no longer look

Check out the **Passive Income Network at**

<https://passiveincomenetwork.org>

Contact Founder Tom Chase at 833-272-7748, tom@passiveincomenetwork.org

A Form That May Help Protect Note Investors From Becoming Lenders

To guard against a note seller coming back after the transaction claiming he "didn't sell the note, he borrowed money," this form may help. The purpose is to have the note seller affirm that he or she is selling the note at a discount and that the interest rate which the investor ("Buyer") will receive will not violate the usury laws of the state in which the investor is doing business.

You should know what the usury rate is in each state you are buying notes. See volume VIII of the Martindale-Hubble Law Directory, available at public libraries and law libraries. It contains digests of the laws of each state arranged in alphabetical order by subject matter.

Do not use this agreement before having it reviewed by an attorney familiar with the applicable laws in the state in which you plan to buy notes.

Date _____

Re: Purchase of real estate lien note in the amount of \$ _____
(_____) executed by _____ payable to the order of
_____ (the "Note"). Property address:

The undersigned state and warrant that the purchase of the Note by _____ (Buyer) does not constitute an extension of credit to any party in this transaction. The undersigned Seller acknowledges that Buyer is purchasing the note at a discount from the balance. The discount will increase the yield the Buyer will receive. The Buyer and Seller agree that the increase in the yield will not make the Note usurious in the State of _____.

Seller and Buyer both expressly acknowledge and understand that the purchase of the Note by Buyer is a business transaction and not a loan in any form.

INITIALS OF SELLER IN AGREEMENT _____ INITIALS OF BUYER IN AGREEMENT _____

The undersigned further acknowledge that it is in reliance upon the truth of the statements herein above contained that Seller is selling and Buyer is purchasing the Note.

SELLER:

BUYER:

From The Paper Source Blog

Check out these articles published on our blog. Sourced from around the internet, you can find a wealth of information, including the latest real estate news and investor tips. Here's our recommendations for this month. Click the buttons below to view.

[Waiting For Mortgage Rates to Fall?
Why Experts Say it Won't Make a
Difference](#)

[Harris Proposes \\$25,000 Down
Payment Assistance For First-Time
Homebuyers](#)

[Vance Backs Trump on President
Influencing Federal Reserve
Decisions](#)

Are you a member of the Real Estate Note Investing Group?



The Paper Source – Guiding Note Investors Since 1987

Join the over 6,000 members in this Real Estate Note Investing and Brokering Discussion Group

U.S. Real Estate Investor Clubs

AL: Alabamareia.com, aiacub.com
AK: danniallethomas.com/alaska-real-estate-investment-club.html
AZ: azreia.org, tucsoninvestors.com
CA: BAWB.info, cvreia.com, lasouthreia.com, LAREIC.com, NorCalREIA.com, nsdrei.org,
ocreforum.com, prosperitythroughrealestate.com, reiwealthacademy.com, samsreclub.com,
sdimpactrein.com, sdcia.com, bayflip.com, sjrei.org, sviclub.com, strivewealthbuilders.com,
simplydoit.net, lynda@sdimpactrein.com
CO: coloradoreia.com, icorockies.com, Denver-REIA.com, irrofcolorado.com
DC: dcreia.com
FL: americanrealestateinvestorschool.com, breia.com, CFRI.net, distressedreia.com, flalandlord.com,
JaxREIA.org, investmentpropertiesmiamiflorida.com, REIF-Jacksonville.com, SarasotaREIA.com,
swflreia.com, sreia.com, TBREIA.com, tampareia.com, reea.com, WestonREIN.com
GA: atlantareia.com, northmetroreia.com
HI: hirei.org, reialoha.com, westhawaiiireia.com
ID: northidahorei.com
IL: careia.org, ccia-info.com, ilreia.com
IN: cireia.club, fortwaynereia.com, nicia.org
KS: MAREI.org
KY: kreia.com, mccra.org
LA: neworleansreia.com, lanorthshorereia.com
MD: baltimorereia.com, karcai.org, mdreia.com, mareia.com, reimw.com, tractionreia.com
MA: bostonAREIA.com, BostonRealEstateInvestorsAssociation.com, MassRealEstate.net,
newenglandreia.com
MI: michiganrealestateinvestors.com, REIAofOakland.com, reiaawaynecounty.org
MN: mnrealestateclub.com, mree1031.com, MnREIA.com
MO: comohome.net, fasterhousebuyersclub.com, ilreia.com, marei.org, REInvestorGroup.com
MS: jacksonrig.com
NV: reialv.com
NH: nhreia.com
NJ: centraljerseyrei.org, mreia.com, NJReClub.com, poanj.org, sjreia.org, njresn.com
NY: ActionInvestorsNetwork.com, EastCoastREIA.net, ffreia.com, lireia.com
NC: charlotteREIA.com, MetrolinaREIA.org, triadreia.org, treia.com
OH: acreia.org, greatlakesreia.com, GDREIA.com, mahoningvalleyREIA.com, investinstark.com
OK: okcreia.com, tulsareia.com
OR: ORREIA.net, rarebirdinvestors.com
PA: acrepgh.org, DelcoPropertyInvestors.com, digonline.org, montcoinvestors.org,
stroudsburgrei.com, wcaha.com, PittsburghREIA.com
RI: rireig.com
SC: MidlandsREIA.com, upstatecreia.com
TN: joinknoxreia.com, MemphisInvestorsGroup.com, reintn.org, tnreia.com
TX: IREClub.com, AlamoREIA.org, austinrenc.com, DallasREIG.com, elpasoinvestorsclub.com,
ntarei.com, dfwreiclub.com, sareia.com, txreic.com, contrarianclub.org, TheWealthClub.org,
WestDFWREIGroup.com
UT: nureia.org, UtahREIA.org, slreia.com, uvreia.com
VA: trigofva.com, TractionREIA.com
WA: northwestreia.com, reapsweb.com, REIAwa.com
WI: appletonreia.com, MadisonREIA.com, wiscoreia.com

Tools and Resources: 2024

Bankruptcy Records

pacer.psc.uscourts.gov, ndc.org/home

Commercial Real Estate Tax Reduction

sgettler@costsegregationservices.com

Credit Reporting Agencies, Scores & FICO, etc.

Equifax.com, Experian.com, TransUnion.com

Down Payment Assistance for Rehabbers

emdfunding1@gmail.com

Find House Values & Comps

Redfin.com, Zillow.com, Trulia.com, Realtor.com

Foreclosure Properties and Information

realtytrac.com, foreclosurefreesearch.com, foreclosurelistings.com

Joint Venture Funding, nationwide for wholesalers (notes and properties)

emdfunding1@gmail.com

Guide: Real Estate Negotiations & Beginner's Guide to Real Estate Investing

biggerpockets.com/real-estate-investing

Hard Money Lenders

biggerpockets.com/hardmoneylenders

Mortgage Calculator

moneychimp.com/calculator/mortgage_calculator.htm

Mortgage Note Investing Advice

papersourceonline.com/free-e-course-2/

Tools and Resources (Continued)

People Searches

intelius.com, skipease.com, zabasearch.com

Private Lenders

aaplonline.com

Professional Loan Associations

mbaa.org, namb.org

Property Reports (Chicago Title) Become a member (usually for free) and look up properties all over the US

premier.ctic.com

Public Records Search, Property Finders

courthousedirect.com, searchbug.com, propstream.com, propertyradar.com, batchleads.io, onlinerecords.com

Real Estate Abbreviations, Glossary

abbreviations.yourdictionary.com/articles/real-estate-abbreviations.html

Resources for newbies and old hands in the REI biz

connectedinvestors.com, crepig.ning.com, nationalreia.org, realestatefinance.ning.com, smarterlandlording.com, realestateinyourtwenties.com, investfourmore.com, compstak.com, thebrokerlist.com, apartmentvestors.com, creoutsider.com, parkstreetpartners.com, mobilehomeinvesting.net, adventuresinmobilehomes.com, landhub.com, thelandgeek.com, landthink.com, retipster.com, rentpost.com, rehabfinancial.com, rehabberpro.com, houseflippinghq.com, houseflippingschool.com, 123flip.com, flippingjunkie.com, bawldguy.com, themichaelblank.com, rei360.net, justaskbenwhy.com, joecrumpblog.com, joefairless.com, revestor.com, fortunebuilders.com, myrenatus.com, realestateguysradio.com, astudentoftherealestategame.com, realestateinvesting.org, biggerpockets.com, gowercrowd.com

Tax Auction Online Sites

auction.com, bid4assets.com

Tax Records Search

netronline.com/public_records.htm, publicrecords.searchsystems.net

© 2024 The Paper Source

Visual Style

DIGITAL MEDIA

MAXIMIZE *Your Visual* IMPACT

Designed and published by Visual Style Digital Media,