

# Marketing Samples

***By: Kevin Shortle***

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*From a declaration of principle adopted by a committee of the American Bar Association.*

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# **Marketing Program**

## **Introduction**

Enclosed in this manual are several sample letters, postcards and advertisements. You may duplicate, modify, and copy any or all of the content contained in them. A marketing expert specifically wrote these letters for you. We suggest that you use these letters as a basis for your marketing letters and advertisements; however, we would encourage you to customize them by adding your own "local flavor" and creativity.

Also, please note that marketing is about consistency and numbers, however it is not an exact science. You will never receive a 100% response from any type of advertising, so you must use a variety of different methods, and monitor your responses to see what works with whom. Be patient, but persistent.

## ***Commit to your Marketing Program***

One of the biggest mistakes a new entrepreneur can make in this industry is not to commit to his or her marketing program. New entrepreneurs give up too soon. They aren't willing to persist. Persistence is the key.

In our seminars we often use the analogy of marketing and growing a crop. In the beginning, you plant the seeds. Then you nourish the seeds. At this point you may not see any signs of life. If you continue to nourish the seeds they begin to sprout and eventually bear fruit for years to come.

It works the same way in this business. You plant the seeds by mailing letters, making phone calls, telling people about your business and utilizing other marketing ideas. You nourish them with follow-up marketing in the form of phone calls, presentations and post cards. Eventually, this persistence will start to bear fruit in the form of income to you.

For example, if you are going to run an advertisement in a newsletter, magazine or other publication, you need to run it for at least three months. If you can't afford to run it for three months, you can't afford the ad and should consider advertising elsewhere or doing a cooperative advertisement.

## **Strategic Alliances and Cooperative Advertising**

Small business networking groups are popping up all over the country. These groups give you the opportunity to meet with other entrepreneurs. Many of these people will have businesses that will compliment yours.

Consider doing an ad with another business. Be creative. Here are some suggestions:

- Place a tri-fold brochure (or any other marketing tool) in with a financial planner's, attorney's, or real estate agent's mailer (invoice, newsletter, or other advertising) and pay some of the cost (or some other arrangement).
- Run an ad or mail a marketing letter with any of the marketing groups mentioned and split the cost.
- Do any of the marketing ideas with any of the marketing groups discussed.

You must go into marketing knowing that not everyone you contact will be interested in your product or service. In our business you get one of three answers: "yes," "no" and "maybe." If the answer is "yes," obviously you move on to the "gathering information" stage. If the answer is "no" or "maybe," it's likely the result of one of the following things:

- The person you are communicating with doesn't understand the process:
  - The person thinks that contract buyers pay 20 cents on the dollar.
  - Doesn't know about anything other than full purchases.
  - Doesn't see how they will profit from it.
  - Doesn't think it's legal.
  - Afraid you will take advantage of them.
  - Worried about making a commitment or a decision.
  - Think it's something new, unproven and untested.
  
- The person you are communicating with doesn't need the money:
  - The person created the note, so that they would have income.
  - Doesn't want a lump sum for tax reasons.
  - Believes they are making more interest than they could otherwise make in alternative investments.
  - Has many notes, is very wealthy, and doesn't need the lump sum.
  - Doesn't know what they would do with a lump sum.

### The person you are communicating with doesn't understand the process

If this is the case, you need to try several approaches and several marketing tools to breakdown the person's fears, objections and uncertainties. This process is always started with questions followed up by offers and solutions.

. The best way to come up with the questions is to simply repeat their objections to them in the form of a question.

For example:

**Them:** "I've heard that you may be able to sell contracts, but I don't want to do anything illegal."

**You:** "So if I understand you correctly, the only reason you are not interested in selling is because you think it may be illegal. Is that correct?"

**Them:** "That's right."

**You:** "Let me assure that it is not only **legal**, it is a multi-billion dollar industry that involves individuals, banks, and other financial institutions. In fact, numerous insurance and investment companies purchase these contracts. I recently read that the largest mortgage insurance company in the world is buying contracts. Large insurance companies and banks

do as well. Bayview Financial, First National Acceptance. You have heard of them, haven't you?"

**Them:** "Of course."

**You:** "With highly regulated companies like that involved, you can be assured that everything is legal. In fact, attorneys, title companies and other third parties review all of the documents before they are closed. The questionnaire we need filled out does not obligate you to anything. Why don't we go ahead and fill it out? In the meantime, I'll mail you a booklet that will help you understand the industry better."

**Example 2:**

**Them:** "My friend told me that you people only pay 20 or 30 cents on the dollar."

**You:** "Your friend told you 20 or 30 cents on the dollar?"

**Them:** "That's right and I'm just not going to sell it for that!"

**You:** "I don't blame you, if that were my note and that's all someone was going to pay me, I wouldn't sell either! My investors are paying up to 92 cents on the dollar. If I could get you that kind of money, would you be interested?"

**Them:** "Sure I would, but I don't believe that you can and I don't want to waste my time."

**You:** "Mr. Seller, I certainly don't want to waste your time or mine. Why don't we do this: fill out the questionnaire (or fax me a copy of your settlement). It's very short and simple and I'll call you back in an hour or so with a purchase quote. In fact, let's take it a step further, what do you think your note is worth (or how much money do you need)?"

**Them:** "It should be worth at least \$57,000."

**You:** "Let me write that down. \$57,000, is that right."

**Them:** "Yes."

**You:** "Do you need \$57,000 or is there another amount that you really need?" The reason I'm asking is that we can buy the entire note or just part of the note. In fact, we can even buy just a part of the payment!"

**Them:** "I need the entire amount."

**You:** "Okay, now that I know what your needs are, and I'll get back you as soon as possible."

The person you are communicating with doesn't need the money.

If they don't need the money, your conversation will be short, but remember that just because they don't need the money now doesn't mean that they won't need the money at some point in the future. Re-market these people every six months. Your goal on this initial call is to test their objection for validity.

Example:

**Them:** "Why would I want to sell it? I created it so that I would have a monthly income!"

**You:** "So, you prefer a monthly income over a lump sum?"

**Them:** "Sure, I'm making 9% interest on my note. You can't beat that."

**You:** "9%? That's pretty good. We've found that many people cash out of their notes to invest in the market, a business or for estate planning purposes. You know what's very popular with people in your circumstances? Selling only a certain number of payments, like three to five years' worth. Have you heard of that?"

**Them:** "Yes, but I 'm just not interested." (Obviously, if they say "no," explain partials and splits to them).

**You:** "I understand. Please keep my card and letter with your documents in case you decide to sell sometime in the future."

### ***Try a Variety of Marketing Tools***

- Letters
- Postcards
- Large and small placement ads
- Booklet
- Presentations for groups

Other methods include:

- Business cards
- Stationary
- Word of mouth
- Tri-fold brochures
- Presentations performed by you
- Articles written by you
- Handouts
- Banners
- Golf shirts, baseball caps, pens, magnets and other items
- Yard signs
- Car signs
- CD-ROM business cards

## ***Test your Marketing***

Being committed does not mean that you can't adapt to changing circumstances. In that regard, you might need or want to change your marketing pieces over time. Always test your marketing pieces by sending out several letters (different in form and/or content) and then track the responses to see which are the most effective. New entrepreneurs often overlook this.

The first big mailing I ever sent out was a 13-page mailer on tax lien certificates. My two partners and I bought a mailing list of bank Certificate of Deposit owners figuring certainly they would like to invest in tax liens, which provided a higher return and equal amount of risk. All of us pitched in \$2500, our total investment commitment for the business, figuring that at least ten people (our breakeven point) would order the program. One person responded to our letter and he requested to be taken off the list! All of our money was gone. We bet it all on one mailer. What a huge mistake! Let me save you the money by saying **always test market and monitor the response**. Once you have a good response, then "go big" if you want. Don't waste all your startup capital like we did. We had a great product, but we had a lot to learn to do about marketing.

We learned that we should have tried a smaller amount of CD holders so that we could also try to market to some real estate investors, note investors, high-income earners, etc. We should have tried several different letters, maybe a post card, or held a seminar. Once we found out what was working then we would have had enough money left to focus on what worked!

## ***Networking is very Important***

Have you ever heard the expression, "it's not about what you know, but who you know?" It holds true in this industry, too. Therefore, we recommend getting out there and meeting people and getting your name out there.

Professionals to network with:

- Real Estate Agents
- Financial Planners
- Bankers
- CPAs and other Tax Professionals
- Attorneys (Divorce, Estate Planning, Real Estate, Investment, etc.)
- Investment Advisors
- Mortgage Brokers and Bankers
- Farmers
- FSBOs (For Sale By Owners)
- Real Estate Investors
- Title Companies
- Appraisers
- Developers
- Business Brokers
- Auto Dealers
- Bail Bondsmen

## Clubs and Groups

- Chamber of Commerce
- Certified Financial Planner Groups
- Toastmasters
- Board of Realtors
- Church Groups
- Social Groups
- Seniors groups
- Country Clubs

## Newsletters and Weekly Newspapers

- From all of the above
- Thrifty Nickel
- Buy Owner magazine
- Penny Saver
- Local weekly newspapers
- Subdivision newsletters
- Military newspapers
- Condominium newsletters

## Trade Magazines

- Accountants
- Financial Planners
- Tax Professionals
- Attorneys
- Real Estate Agents
- Agricultural (Farming subsidies)
- The Encyclopedia of Associations (Check your local library).

## Offices, Restaurants and more

- All of the above
- Local restaurants
- Farming supply shops (farm subsidies)
- Bail Bondsmen (often hold notes)
- Grocery stores
- Medical offices
- Lumber yards (developers)
- Retirement centers
- Charities and not-for-profit organizations (sometimes notes may be given as donations from estates)
- Golf courses

## Radio and Television

- Local AM stations
- Cable access companies
- Local cable programming
- Talk radio

## Other

- Internet
- Shirts
- Baseball caps
- Pens/ pencils
- Magnets
- Car signs
- Yard signs
- Etc.

This is just the beginning. Keep your eyes and mind open to new creative ideas to market yourself.

## Database Marketing

It usually takes three to four months before you close your first transaction. Most people spend the first month getting ready, the second month taking action, and the third and fourth months following through. Your results may differ because of these reasons and others, including the fact that you may not have a database.

Every successful company builds, manages and markets its database. When you're starting out, your database is probably going to be very small. You must increase the size of your database as quickly as possible because again, marketing is a numbers game. Here are several ways that you can build your database:

- Personal contacts
- Buy leads from a database company
- Advertising in newspapers
- Networking
- Strategic alliances

# **Real Estate Professionals**

# "How to Attract Qualified Home Buyers to You Like a Magnet"

January 12, 2xxx

Dear Ms. or Mr. Realtor:

My name is John Smith and my company, New Millennium Financial Services, helps attract new business to you like a giant magnet.

This will help you increase your income faster and with less effort than you ever dreamed possible.

As you know, many **traditional lenders have tightened their loan qualification requirements.** This makes it difficult for many people to get a loan.

We help real estate agents like you close more sales. We do this by **giving you access to deep-pocket contract buyers who have more flexibility** than banks, savings and loan associations and other traditional lenders.

We **specialize in simultaneous closings.** This means you can now approach medium to high-equity owners and structure a note for the seller that we will purchase at closing. Because current contract buyers are more flexible, medium to high-equity owners can attract a wider range of buyers than they could otherwise.

There are also people in your area that own real estate notes. Many of these people aren't aware that these notes can be sold for immediate cash. We can give your clients a FREE appraisal of their notes so they can see for themselves just how valuable they are.

You can help these people liquidate their notes for maximum present value and earn a commission at the same time.

In these competitive times, you need every advantage you can get to differentiate yourself from all the other real estate agents. My company can give you the extra edge you need to attract more prospects with a minimum of expense, effort and time. All it takes to work with us is a simple no-risk phone call, with no obligation to you or your clients.

Why not call me now, at 555-1234, while the idea is still fresh in your mind?

Sincerely,

John Smith

Cash Flow Specialist

P.S. Did you know there are ways to fund a portion of a note or a portion of the payments? Ask me how!

Here are some additional headlines and introductions you can use with the previous letter or your own:

## **"How to Increase Your Income Faster, and With less Effort than You Ever Thought Possible"**

January 12, 2xxx

Dear Ms. or Mr. Realtor:

My name is John Smith and my company, New Millennium Financial Services, helps you increase your income faster and with less effort than you ever dreamed possible. We do this by showing you how to attract new business to you like a giant magnet.

## **"How to Get Home Sellers to Beg You to Take Their Listing"**

January 12, 2:xx

Dear Ms. or Mr. Realtor:

My name is John Smith and my company Contract Buying Services, helps attract new listings to you like a giant magnet. This will help you increase your income faster and with less effort than you ever dreamed possible.

## **"Breakthrough Program Takes the Hassle Out of Qualifying Home Buyers"**

January 12, 2xxx

Dear Ms. Realtor:

My name is John Smith and my company, New Millennium Financial Services, helps take the frustration out of loan applications.

This will help you increase your income faster and with less effort than you ever dreamed possible.

**"New System Makes Your Closings  
Faster and Easier than Ever Before"**

January 12, 2xx.x

Dear Ms. or Mr. Realtor:

My name is John Smith and my company, New Millennium Financial Services, helps take the hassle out of closings. This will help you increase your income faster and with less effort than you ever dreamed possible.

Following are some examples of postcards.

## **"How to Attract Qualified Home Buyers to You like a Magnet"**

Dear Real Estate Professional:

I help agents like you close more sales. I do this by giving you access to deep-pocket contract buyers who have more flexibility than banks, savings and loans and other traditional lenders.

I specialize in simultaneous closings. This means you can now approach medium to high-equity owners and structure a note for the seller that we will purchase at closing. Because our contract buyers are more flexible, medium to high-equity owners can attract a wider range of buyers than they could without your help.

In these competitive times, you need every advantage you can get to differentiate yourself from all the real estate agents. My company can give you the extra edge you need to close more deals faster, cleaner and with less effort.

I'd love to work with you. Why not call me now, at 555-1234.

Sincerely,

John Smith

## **"How to Increase Your Income Faster, with less Effort than You Ever Thought Possible"**

Dear Real Estate Professional:

I help real estate agents like you make money. Here's how:

There are people in your area that own real estate notes. Many of these people are not aware that these notes can be sold for immediate cash. You can help these people liquidate their notes for maximum present value and make a commission at the same time.

I help you do this by giving you access to deep-pocket contract buyers who pay top dollar for real estate notes.

I'd be happy to give your clients a FREE, no-obligation appraisal of their note so they can see for themselves how valuable it is.

Call me at 555-1111 and let me know how I can help you.

Sincerely,

John Smith

# **"New System Makes Your Closings Faster and Easier than Ever Before"**

Dear Real Estate Professional:

I help real estate agents like you close more sales. I do this by giving you access to deep-pocket contract buyers who have more flexibility than banks, savings and loans and other traditional lenders.

This will help you increase your income faster and with less effort than you ever dreamed possible.

In these competitive times, you need every advantage you can get to differentiate yourself from all the other real estate agents. My company can give you the extra edge you need to close more deals faster, cleaner and with less effort.

I'd love to work with you. Do not hesitate to call me at 555-1234.

Sincerely,

John Smith

# **"Breakthrough Program Takes the Hassle Out of Qualifying Your Loan Applicants"**

I help real estate agents like you take the frustration out of loan applications so you can make more money. As you know, many traditional lenders have tightened their loan qualification requirements. This makes it difficult for many people to get loans.

I help real estate agents like you close more sales. I do this by giving you access to deep-pocket contract buyers who have more flexibility than banks, savings and loans and other traditional lenders

In these competitive times, you need every advantage you can get to differentiate yourself from all the other real estate agents. My company can give you the extra edge you need to close more deals faster, cleaner and with less effort.

I'd love to work with you. Why not call me now, at 555-1234.

Sincerely,

John Smith

**For Sale By  
Owners  
(FSBOs)**

# "How to Sell Your Home Faster, and with Less Effort than You Ever Thought Possible"

January 12, 2xxx

Dear Mr. or Ms. Home Seller,

How would you like to be able to sell your home in the next 30 days? With my help, you may be able to do just that.

My name is John Smith with New Millennium Financial Services. I help people just like you sell their homes quickly.

Don't worry, I'm not a real estate agent trying to get a listing. I'm a "For Sale By Owner Financing Specialist" who can help you attract more qualified buyers than you could by yourself.

How do I do that? It's easy, really, using my 3-Step Quick Close Mortgage System." First, I analyze your property and current indebtedness, if any. Then I help you design a new financing package that will open up your home to more qualified buyers. Then, when your home sells, I arrange for one of my funding sources to pay the maximum possible amount of cash to you.

There's a little more to it than that, but basically, that's how it works. The main thing is you have a way to attract more qualified buyers to your home than ever before. And you now have a way to get the most cash from the sale of your home. This will give you piece of mind and let you get on with your life.

And here's another benefit for you: I'll help you set all this up with no out-of-pocket expenses. My compensation is paid by the contract buyer, so you do not need any money to use my system.

What do you think? Will you let me help you sell your home quickly for the maximum amount of cash to you? Just call me at 555-1234 for a no-obligation assessment of your needs. Please call now, while the thought is still fresh in your mind.

Sincerely,

John Smith

Cash Flow Consultant

P.S. You can get a copy of my Special Report, "Sell Your Home Quickly and Easily for Top Dollar" FREE, by calling 555-1234.

Here are some additional headlines and introductions you can use with the previous letter or your own:

## **"New System Helps You Sell Your Home in 30 Days"**

January 12, 2xxx

Dear Mr. or Ms. Home Seller,

How would you like to be able to sell your home in the next 30 days? With my help, you may be able to do just that

## **"Breakthrough Program Takes the Hassle Out of Selling Your Home"**

January 12, 2xxx

Dear Home Seller,

Finally, a way you can take the hassle out of selling your home yourself! It's easy, it's fast, and it really works.

## **"How to Open Up Your Home to More Qualified Buyers than You Ever Dreamed Possible"**

January 12, 2xxx

Dear Mr. or Ms. Home Seller,

How would you like to open up your home to more qualified buyers than you ever thought possible? You can do just that with my help.

SAMPLE POST CARDS

*FREE Special Report Reveals...*

**"New System that Helps You  
Sell Your Home in 30 Days"**

Dear Home Seller,

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My name is John Smith with New Millennium Financial Services. I help people just like you sell their homes quickly. Don't worry, I'm not a real estate agent. I am a "For Sale By Owner Financing Specialist" who can help you attract more qualified buyers for your home than you could attract by yourself.

I've prepared a Special Report called, "Sell Your Home Quickly and Easily for Top Dollar" . which you can get FREE, by simply calling 555-1234. Why not call now, while you're rethinking about it?

Sincerely,

John Smith

*FREE Special Report Reveals...*

**"How to Attract Qualified Buyers to  
Your Home Like a Giant Magnet"**

Dear Home Seller,

How would you like to be able attract qualified buyers to your home like a giant magnet? You can do just that, with my help.

My name is John Smith with New Millennium Financial Services. I help people just like you sell their homes quickly. Don't worry, I am not a real estate agent just trying to get a listing. I'm a "For Sale By Owner Financing Specialist" who can help you attract more qualified buyers for your home than you could by yourself.

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***FREE Special Report Reveals...***

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John Smith

***FREE Special Report Reveals...***

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Sincerely,

John Smith

**FREE Special Report Reveals...**

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I've prepared a Special Report called, "Sell Your Home Quickly and Easily for Top Dollar". which you can get for FREE, simply by calling 555-1234 now!

Sincerely,

John Smith

# CPAs and other Financial Planners

# **"How to Attract New Clients Like a Magnet. .. ...and get them to stay for life"**

January 12, 2xxx

Dear Ms. or Mr. Prudent:

Announcing a fast and easy way to attract new clients like a magnet. You can also make some existing clients extremely happy. You want to know how? We buy mortgages and other income streams for cash! Let me explain:

As you know, when people sell their homes in these competitive times, they sometimes have to take back a mortgage instead of cash. Now, with your help, instead of waiting years to get their money, your clients can get generous cash payments immediately!

My company helps people eliminate the risk and headaches of owning a mortgage, trust deed, land contract and many other types of structured settlements.

## ***How this will get you new clients:***

It's easy. You undoubtedly have an ongoing marketing program, right? Now instead of talking about the usual prospecting topics, you can tell people you can help them generate immediate cash. Believe me, nothing gets attention faster than offering to help get a large sum of cash.

This may be outside your normal services. When you think about it, aren't you really in the business of solving problems for your clients? If you help someone turn a long-term mortgage into cash now, isn't it likely that they will ask for your advice on what to do with it? Won't that generate more revenue, and a long term client for you?

By the way, if you've ever had a property appraised, you know the fee can run into the hundreds of dollars. As a way to introduce our company to you, we will give any of your clients FREE appraisals of their notes so they can see for themselves how valuable they are.

Your clients have nothing to lose and plenty of instant cash to gain. Even if they decide not to sell at this time, they can keep the appraisal with my compliments.

All it takes to get started is a simple no-risk phone call. We do all the work, at no cost to you or your clients. If you have any clients or prospects who'd like to turn their mortgage or other income stream into a lump sum of cold hard cash, I urge you to contact me for details.

Why not call me now at 555-1234, while the idea is fresh in your mind?

Sincerely,

John Smith

Cash Flow Specialist

P.S. Did you know there are ways to fund a portion of a note or a portion of the payments? Ask me how!

Here are some additional headlines and introductions you can use with the previous letter or your own:

**"How You Can Lock In Clients for Life"  
...and dramatically increase your fees**

January 12, 2xxx

Dear Ms. or Mr. Prudent:

Here's a breakthrough way to lock in clients for the long haul and attract some new ones at the same time, greatly increasing your fee income.

**"How You Can Give Your Clients a Huge Check"  
... which they can let you help them invest!**

January 12, 2xxx

Dear Ms. or Mr. Prudent:

Announcing a fast and easy way to make some of your existing clients extremely happy. This can also generate increased fees for you.

**"How to Turn Your Clients' Assets into Cash to Invest" ... which will generate more fees for you!**

January 12, 2xxx

Dear Mr. Prudent:

Here's a fast and easy way to make some of your existing clients extremely happy. This can also generate increased fees for you.

# "How to Help Your Clients Get More liquid" *...so you can help them manage their money*

January 12, 2xxx

Announcing, a fast and easy way you can help give your clients more liquidity.  
This will give you a better opportunity to manage their **finances**.

## Sample Post Cards

### "How to Attract New Clients Like a Magnet"

*...and get them to stay for life!*

Dear CPA/Accountant/Financial Planner:

When your clients sell their homes, they sometimes have to take back a mortgage. Now, instead of waiting years to get their money, your clients can get a generous cash payment now.

My company helps your clients cancel the risk and headaches of owning a real estate note. We buy notes and other income streams for cash!

Our service will also get you new clients. If you help a prospect turn a mortgage or other income stream into cash now, it's likely they will ask for your advice on what to do with it. This will generate more revenue, and a long-term client for you.

Your clients can get a FREE appraisal of their note so they can see for themselves just how valuable it is. All you have to do is call me at 555-1234. Why not call now, while the idea is still fresh in your mind?

Sincerely,

John Smith

### "How You Can Lock In Clients for Life"

*...and dramatically increase your fees!*

Dear CPA/Accountant/Financial Planner:

When your clients sell their homes, they sometimes have to take back a mortgage. Now, instead of waiting years to get their money, your clients can get a generous cash payment now.

My company helps your clients cancel the risk and headaches of owning a real estate note. We buy notes and other income streams for cash!

Our service will help you lock in clients. If you help them turn a mortgage or other income stream into cash now, it's likely they will ask your advice on what to do with it. This will generate more revenue and a long-term relationship for you.

Your clients can get a FREE appraisal of their note so they can see for themselves just how valuable it is. All you have to do is call me at 555-1234. Why not call now, while the idea is still fresh in your mind?

Sincerely,

John Smith

MORE HEADLINES

**"How to Turn Your Clients' Assets into Cash to Invest"**

*...which will generate more fees for you!*

**"How to Help Your Clients Get More Liquid"**

*...so you can help them manage their money!*

# Attorneys

# "We Pay Instant Cash for Structured Settlements"

*... Now you and your clients don't have to wait for your money!*

January 12, 2xxx

**Dear Mr. Juris:**

Announcing a fast and easy way to get cash for your clients' structured settlements - and your fees up front.

As you know, most large judgments are awarded as annuities instead of **lump sums**. **This can be quite an inconvenience for your clients and can delay payment of your fees as well.** In addition, over time inflation will devastate the purchasing power of any fixed-payment annuity, causing further anxiety.

Fortunately, instead of waiting years to get paid...**you and your clients can get a generous cash settlement now!**

My name is John Smith and my company helps attorneys like you eliminate the risk and anguish of structured settlements by making a cash purchase. We also pay cash for mortgages, trust deeds, land contracts, **casino winnings and other income streams**.

We have the capital to buy, for maximum present value, awards arising from personal injury, medical malpractice, product liability, workers' **compensation, motor vehicle collision, and other structured settlements**.

**How does this help you?**

You can do your clients and yourself a great service by allowing us the opportunity to provide you with a completely confidential, no-obligation settlement evaluation.

All it takes to get started is a simple, no-risk phone call.

**We do all the work for FREE!**

If you've ever had property appraised, you know the fee can run into the hundreds of dollars. As a way to introduce our company to you, **we will give your clients a FREE appraisal of their settlements so they can see for themselves just how valuable they are.** Your clients have nothing to lose and plenty of instant cash to gain. Even if they decide not to work with us at this time, they may keep the appraisal with my compliments.

If you have any clients who'd like to turn their legal settlement or other income stream into a lump sum of cold, hard cash I urge you to contact me. Why not call now, at 555-1234, while the idea is still fresh **in your mind?**

**Sincerely,**

John Smith

Cash Flow Specialist

P.S. Did you know there are ways to fund a portion of a settlement or a portion of the payments? Ask me how!

OTHER HEADLINES AND LEAD INS

**"How to Give Yourself and Your Clients a Huge Check"**

***Now you and your clients don't have to wait for your money!***

January 12, 2xxx

Dear Mr. Juris:

Our new breakthrough program gives you a fast and easy way to get cash for your clients' structured settlements - and your fees up front.

**"How to Increase Your Cash Flow Immediately"**

***Now you and your clients don't have to wait for your money!***

January 12, 2xxx

Dear Mr. Juris:

I'm writing to tell you about a fast and easy way you can get cash for your clients' structured settlements - and your fees up front.

**"How to Turn Annuity Settlements into Instant Cash"**

***Now you and your clients don't have to wait for your money!***

**"How to Get More of Your Fees Up Front"**

***Now you and your clients don't have to wait for your money!***

## SAMPLE POST CARDS

### **"Get Instant Cash for Structured legal Settlements"**

***Now you and your clients don't have to wait for your money!***

Dear Legal Professional,

I help attorneys like you eliminate the risk and anguish of structured legal settlements by **arranging for their purchase for cash**. I can also cash arrange to pay for mortgages, trust deeds, land contracts, annuities, casino winnings and other income streams.

My principals have the capital to buy, for maximum present value, awards arising from personal injury, medical malpractice, product liability, workers' compensation, motor vehicle collision, and other structured settlements.

If you'd like to get a lump sum now for virtually any cash flow, call me at 555-1234. Why not call now, while you're thinking about it?

Sincerely,

John Smith

### **"How to Increase Your Cash Flow Immediately"**

***Now you and your clients don't have to wait for your money!***

Dear Legal Professional,

I help attorneys like you eliminate the risk and inconvenience of structured legal settlements by **arranging for their purchase for cash**. I can also arrange to pay cash for mortgages, trust deeds, land contracts, annuities, casino winnings and other income streams.

My principals have the capital to buy, for maximum present value, awards arising from personal injury, medical malpractice, product liability, workers' compensation, motor vehicle collision, and other structured settlements.

If you'd like to get a lump sum now for virtually any cash flow, call me at 555-1234. Why not call now, while you're thinking about it?

Sincerely,

John Smith

## "How to Give Yourself and Your Clients a Huge Check"

*Now you and your clients don't have to wait for your money!*

Dear Legal Professional,

I help attorneys like you eliminate the hassles and frustrations of structured legal settlements by arranging for their purchase for cash. I can also arrange to pay cash for mortgages, trust deeds, land contracts, annuities, casino winnings and other income streams.

My principals have the capital to buy, for maximum present value, awards arising from personal injury, medical malpractice, product liability, workers compensation, motor vehicle collision, and other structured settlements.

If you 'd like to get a lump sum now for virtually any cash flow, call me at 555-1234. Why not call now, while you're thinking about it?

MORE HEADLINES

## How to Get More of Your Fees Up Front"

*Now you and your clients don't have to wait for your money!*

## "How to Turn Annuity Settlements into Instant Cash"

*Now you and your clients don't have to wait for your money!*

# Seasoned Note Owners

# Convert Your Real Estate Note into Cash!

When you sold your property, you probably would have preferred to receive all cash rather than monthly payments through a real estate note. Although there are benefits to owning a real estate note, there are also disadvantages such as:

- Your money is tied up for a long period of time.
- Hassles and concerns with collecting payments.
- Late or missed payments.
- Missed investment opportunities.

## We Pay Top Dollar for Real Estate Notes

My company works with some of the largest investment companies in America. Because of these "deep pockets," we are able to pay you up to 90 cents on the dollar or more! That's right, the days of cashing out at 40, 50 or 60 cents on the dollar are gone.

## We Create Solutions for Cash Flow Problems

Everyone has a unique situation and that's why *we don't do "cookie cutter" purchasing*. We look at every note and every note owner as an individual. We'll supply you with many different selling options such as:

- Full purchase- You receive the large lump sum you need.
- Partial purchase- You receive the lump sum that you need now and monthly payments in the future when you need them.
- Split purchase- You receive a lump sum and monthly payments.
- Multi-stage Payout- You receive a lump sum now and a lump sum in the future. *The payout will equal the face value of the note!*

## There is No Cost and No Obligation

Call xxx-xxx-xxxx or Fax xxx-xxx-xxxx today. I will call you back within 24 hours with several options. We'll discuss each one to determine which is the best for you.

Sincerely,

Your name

Your company. "Your company slogan"

Your address, phone, fax, email.

PS: Our new Multi-Stage Buyout gives you full-face value!

# Placement Ads

## **IMMEDIATE CASH FOR MORTGAGES**

Special FREE report reveals Insider's Secrets to turning mortgages, annuities, and/or legal settlements into instant cash. 24-hour message: 1-800-555-1234.

## **FREE REPORT REVEALS SECRETS OF SELLING YOUR HOME IN 30 DAYS**

Special FREE report reveals Insider's Secrets to selling your home yourself, faster, and with less effort than you ever dreamed possible. Don't wait, call 1-800-555-1234 now.

## **INSTANT CASH FOR LEGAL SETTLEMENTS**

Special FREE report reveals Insider's Secrets to turning legal settlements, mortgages, and annuities, into instant cash. 24-hour message: 1-800-555-1234.

## **ATTENTION "FOR-SALE-BY-OWNERS"**

New FREE report reveals Insider's Secrets to attracting qualified buyers to you like a giant magnet. Why be frustrated, when you can sell your home fast? Call 1-800-555-1234 now for 24-hour recorded message. Don't wait!

**Don't Even Think About**  
**Selling Your Home Yourself**  
**Without Reading This Special Bulletin!**

YOUR TOWN-How would you like to sell your home in the next 30 days? You may be able to do just that, with my help.

My name is John Smith with New Millennium Financial Services. I help people just like you sell their homes quickly.

Don't worry, I'm not a real estate agent trying to get a listing. I'm a "For Sale By Owner Financing Specialist" who can help you attract more qualified buyers for your home than you could by yourself.

How do I do that? It's easy, really, using my "3-Step Quick Close Mortgage System." First, I analyze your property and current indebtedness, if any. Then I help you design a new financing package that will open the market to many more qualified buyers. Then, when your home sells, I arrange for one of my many deep pocket funding sources to pay the maximum possible amount of cash to you. There's a little more to it than that, but

basically, that's how it works.

The main thing is you now have a way to attract more qualified buyers to your home than ever before. And you now have a way to get the most cash from the sale of your home. This will give you peace of mind and let you get on with your life.

And here's another benefit for you: I'll help you set all this up with no out-of-pocket expenses. The contract buyer pays my compensation, so you don't need any money to use my system.

What do you think? Will you let me help you sell your home quickly for the maximum amount of cash to you?

You can get a copy of my Special Report, "Sell Your Home Quickly and Easily for Top Dollar" for FREE by calling (789) 555-1234. Please call now, while the thought to do so is still fresh in your mind.

# WARNING: Don't Even Think About Selling Your Mortgage, Annuity or Legal Settlement Until You Read This Message!

## Inflation Takes Its Toll

YOUR TOWN- With the increasing usage of owner financing in the area, many sellers are stuck holding mortgages instead of receiving cash.

Many people who purchased or inherited annuities are finding the returns are not competitive with today's alternatives.

Plaintiffs who win sizable legal awards of malpractice, product liability, workers compensation and traffic accidents are being forced to settle for payments spread over many years instead of a lump sum.

The devastating effects of inflation eat away at the purchasing power of these income streams, causing many people great anxiety.

Until now, there hasn't been much anyone could do but wait.

## A Win-Win Solution

Fortunately, there *is* relief. {insert your company name here}., has ready capital to buy all types of structured payments including mortgages, annuities, inheritances, trusts, lottery winnings, business receivables and more.

But all buyers are not the same. Many companies claim they can produce results, but only {your company name} has access to virtually unlimited funding sources who are eager to cash you out.

So before you waste your time with someone who can't deliver, call us for your FREE report, "Insider Secrets To Cashing Out." We'll rush you a copy of it with no obligation. You'll learn how to get a free appraisal of your situation and much more.

So don't delay. Get the money you need, want and deserve fast. Call 1-800-555-1234 now, for a free, recorded message.

# Sample of Free Booklet and Glossary

***By: Kevin Shortle***

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting or other professional service. If legal or other professional assistance is required, the services of a competent professional person should be sought.

*From a declaration of principle adopted by a committee of the American Bar Association.*

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## **The Purpose of the Handbook**

This handbook was created to provide educational information to note holders and potential note holders. It will cover mortgage notes, deeds of trusts, land contracts, simultaneous closings, and structured settlements.

All of the above notes can be great investments, however they do have some risks and often it makes financial sense for some note holders to cash out of all or part of their note. This handbook will show you a variety of ways that your newly created or well "seasoned" note may be purchased.

## **Seasoned Notes**

"Seasoning" refers to the number of payments received by the mortgagee from the mortgagor. If you own a seasoned note, you sold your property some time ago and instead of receiving all the cash up front, which you may have preferred to do, you sold your home with seller-carry-back financing. This method of selling real estate has become, and will continue to be, extremely common.

Seller-carry-back financing has benefits for every party involved in the transaction. The property seller, now also the mortgagee, sells their property quickly, inexpensively, and without the normal hassles involved with institutional or bank financing. The property buyer, now the mortgagor, successfully purchases a property that they may not have otherwise qualified for through traditional financing. Hopefully, you created the note at a good interest rate and are enjoying the monthly income provided by the seller-carry-back note.

The note which you now own is a salable asset. As a note holder, you should know the value of that asset. Let's face it, life is unpredictable so you may have to or want to sell all or part of your note now or at some time in the future. Note brokers, like the one who gave you this handbook, can explain how the note is valued, as well as the many ways in which it may be sold. Ask the note broker for an appraisal.

When you sell your note there are not any out-of-pocket expenses to you and the transaction can be completed in ten days if all the proper documents are in order. Again, the note broker will assist you in gathering all the proper documents for the closing. Closings are held at a local title company and can be handled in person or by the mail.

## **The Risks of Seasoned Notes**

The mortgage or deed of trust that you own is simply a pledge of the property as security or collateral for the payment of the debt. Part of the risk of owning a note like this is that the collateral may go down in value. Another part of the risk is the effect that inflation has on your monthly income.

## **Inflation**

Inflation constantly erodes the purchasing power of every dollar. At the time of this writing, inflation is extremely low, approximately 3.5%. That means that every year a single dollar loses 3.5% of its purchasing power. Inflation continues to compound upon itself year after year. What will your monthly income purchase five, ten, or fifteen years from now? What will happen to your purchasing power if in the very likely event that inflation goes up?

## **Liens**

A lien is an encumbrance on a property. It is a claim on property for some obligation or debt. One example is a property tax lien that arises if the property owner doesn't pay the taxes owed. If such a lien is placed on the property because of delinquent taxes, the collateral or security of debt loses value.

## **Insurance**

Property insurance protects the value of the property, which is your collateral in case it gets damaged. Do you know if the property is insured? If so, for how much? Are you listed as the mortgagee, trustee, or first contract holder with the insurance company? What would happen to you if the property burned down?

## **Property Value**

The property owner should maintain and may even improve the property, but what if she or he lets it fall into disrepair? What if the neighborhood takes a turn for the worse? Will your note be worth anything?

## **Default**

What if the borrower fails to make the payments on time or worse, fails to make the payments at all? What are the foreclosure laws in your state? In most cases you must hire an attorney and it could take up to 12 months to have the person removed.

## Seasoned Notes - Helpful Strategies

1. Check the terms of the mortgage or deed of trust to see who is responsible for paying the property taxes and insurance. The most common ways are:
  - a. The borrower pays taxes and insurance
  - b. The borrower makes monthly payments to an escrow account held by the seller. The seller then pays the taxes and insurance once per year.
2. Make sure the insurance policy is issued in an amount equal to or greater than the amount that the mortgagor owes you.
3. Make sure that you are listed with the insurance company as the mortgagee, trustee or first contract holder. This insures several things:
  - a. You are entitled receive the insurance proceeds before the property owner.
  - b. You get a copy of the renewal notice each year.
  - c. You should receive a cancellation notice if the borrower misses a payment.
4. Call the county every year to make sure the property taxes have been paid.
5. Don't let the mortgagor make a habit of making late payments. This will hurt the value of the note.
6. If possible, drive by the property occasionally to see if it's being properly maintained.
7. Keep a payment history log and other paperwork on file that relates to the property, including photographs of the property.
8. Keep all of your paperwork together and in a safety deposit box.
9. If default does occur, hire an attorney who has an office near the property and who is familiar with the foreclosure laws of the area.
10. Don't be afraid to adjust the contract if some of the above items were not properly addressed when the note was created.

### **Examples - Seasoned Note - Full Purchase**

\$115,000 purchase price  
\$15,000 down payment  
\$100,000 note created for 20 years at 10% interest  
\$965.02 payments per month  
Two years of seasoning

Balance of note \$96,517.25

Assuming the mortgagor has average to above average credit, a funding source would pay about \$87,000 to purchase the entire note.

Total cash to note seller:

\$15,000 down payment  
\$23,160 received in payments over the last two years  
\$87,000 from investor for the note purchase

\$125,160 total cash to seller

\*In all examples the purchase prices are accurate at time of printing but subject to market conditions and individual note qualifications.

### **Examples - Seasoned Note - Partial Purchase**

\$115,000 purchase price  
\$15,000 down payment  
\$100,000 note created for 20 years at 10% interest  
\$965.02 payments per month  
Two years of seasoning

Balance of note \$96,517.25

Note holder needs \$40,000 so the investor buys the next 60 payments only.

Total cash to note seller:

\$15,000 down payment  
\$23,160 received in payments over the last two years  
\$40,000 from investor for the note purchase  
\$149,578 from payments 85 through 240

\$227,738 total cash to seller

### **Examples - Seasoned Note - Half Partial Purchase**

\$115,000 purchase price  
\$15,000 down payment  
\$100,000 note created for 20 years at 10% interest  
\$965.02 payments per month  
Two years of seasoning

Balance of note \$96,517.25

Note holder needs \$20,000 now and a monthly income stream so the investor buys \$500 of the next 60 payments only.

Total cash to note seller:

\$15,000 down payment  
\$23,160 received in payments over the last two years  
\$20,000 from investor for the note purchase  
\$27,900 from payments 25 through 85  
\$149,578 from payments 86 through 240

\$235,638 total cash to seller

### **Unseasoned Notes - Simultaneous Closings**

Unseasoned notes are created when a note originates through seller-carry-back financing, and then the note owner (property seller) immediately sells the note to an investor. The note is normally sold at a predetermined and guaranteed price. This is a creative way to sell a property quickly, at a premium and without all the red-tape and qualifications for bank financing. This can be done with or without a real estate agent.

For an investor to purchase an unseasoned note, certain loan-to-value ratios (LTV) must exist. The note broker will show you how to create a note so that these LTVs are met. The note broker will also show you how to create a note that will have a high present value. The higher the present value, the more attractive it is to investors.

The process is really simple. The property owner advertises owner-held-financing or seller-carry-back financing. Attractive financing opens the buying opportunity to more people, so the phone should start ringing off the hook. Have the most qualified buyer sign a purchase contract subject to you being able to sell the note to a funding source. The note broker will work with the funding source to establish the final purchase price of the note. If the purchase price is agreeable, the deal proceeds to closing. First, the buyer and seller create the note, and then the property seller (note owner) sells the note to the investor at the predetermined price.

Please note, for a transaction like this to work the property seller must have at least 50% equity in the property.

## **The Risks of Unseasoned Notes and Simultaneous Closings**

On a full purchase, there are no risks! All of the contracts are subject to final approval and the purchase price is guaranteed in writing.

On a partial purchase the risks are similar to seasoned notes. The investor and the seller share these risks.

## **Unseasoned Notes-Simultaneous Closings - Helpful Hints**

1. The larger the down payment, the more the note is worth.
2. Sell the property for full appraised value, after all, you are offering attractive terms. Most people are willing to pay full price if they can get attractive terms.
3. The interest rate of the originated note should be a percentage or two above prime. Currently, 9.5 to 10.5%
4. The shorter the term of the note, the higher the present value.
5. A balloon payment combined with a longer amortization period can lower the monthly payments for the property buyer without lowering the present value that much.
6. Little and nothing down deals can be accomplished by doing partial purchases.
7. Work with the note broker to come up with several purchasing options.
8. The better the credit of the potential mortgagor, the more the note is worth.

## **Unseasoned Notes-Simultaneous Closings - Full Purchase**

\$100,000 sale price  
\$20,000 down payment  
\$80,000 note created at 10% for 15 years  
\$859.68 monthly payments

An investor buys the \$80,000 note for \$72,000

### **Cash to seller at closing:**

\$20,000 down payment  
\$72,000 note sale

\$92,000 total

### **Unseasoned Notes-Simultaneous Closings - Partial Purchase**

\$100,000 sale price  
\$20,000 down payment  
\$80,000 note created at 10% for 15 years  
\$859.68 monthly payments

An investor buys the next 60 payments for \$39,000

#### **Cash to seller at closing:**

\$20,000 down payment  
\$39,000 note sale

\$59,000 total

After five years, the remaining payments of the note go back to the original note owner.

#### **Total cash to seller:**

\$20,000 down payment  
\$39,000 note sale  
\$103,162 payments 61 through 180

\$162,362 total

### **Unseasoned Notes-Simultaneous Closings - Balloon Partial Purchase**

\$100,000 sale price  
\$20,000 down payment  
\$80,000 note created at 10% for 30 years  
\$702.06 monthly payments

An investor buys the next 120 payments for \$49,000

#### **Cash to seller at closing:**

\$20,000 down payment  
\$49,000 note sale

\$69,000 total

The balance of the note in ten years is \$72,750

#### **Total cash to seller:**

\$20,000 down payment

\$49,000 note sale  
\$72,750 balloon payment

\$141,750 total

### **Unseasoned Notes-Simultaneous Closings - Small Down Payment**

\$100,000 sale price  
\$5,000 down payment  
\$95,000 note created at 10% for 15 years  
\$1,021 monthly payments  
An investor buys the next 60 payments for \$45,894

#### Cash to seller at closing:

\$5,000 down payment  
\$45,894 note sale

\$50,894 total

After five years, the remaining payments of the note go back to the original note owner.

#### Total cash to seller:

\$5,000 down payment  
\$45,894 note sale  
\$122,520 payments 61 through 180

\$173,414 total

### **Structured Settlements**

"Structured settlements" is a catch-all phrase that includes personal injury awards, medical malpractice awards, product liability awards, motor vehicle collision awards and any other legal settlement. Most of these awards are settled out of court and insurance companies pay the settlement from an annuity.

Once a settlement agreement is made between the parties, the insurance company that is responsible for making the payments will buy an annuity. The insurance company remains the owner of the annuity. The recipient of the annuity, or benefactor, is the person who won the award. Unfortunately, most of these settlements are written in favor of the insurance company, not the beneficiary.

These settlements are normally written with the benefactor's long term financial well-being in mind and little consideration is given to the benefactor's short term financial well-being or current investment opportunities. Most benefactors would like better

control of their settlements. Too often court cases are drawn out for years and the beneficiary wants to end it and move on with his or her life.

A beneficiary can take advantage of investment opportunities and control short term financial difficulties by selling all or part of a settlement. In almost all cases the benefits of a partial sale outweigh those of a full sale. The present value calculations and inflation are two reasons why partial sales or incremental partial sales make financial sense.

## **The Risks of Structured Settlements**

### **Inflation**

Inflation constantly erodes the purchasing power of every dollar we own. At the time of this writing, inflation is extremely low, approximately 3.5%. That means that every year a single dollar loses 3.5% of its purchasing power. Inflation continues to compound upon itself year after year. What will \$20,000 purchase five, ten, or fifteen years from now? What will happen to your purchasing power if inflation goes up?

### **Default**

It is very unlikely that an insurance company will fail to make a timely payment or miss payments completely, however it is possible. Be sure the company you settle with has an extremely good rating.

### **Missed Investment Opportunities**

If you received your money in a lump sum instead of installments, and put that money in the bank, what interest could you be earning on it? What other potentially profitable investments could you be making (stocks, bonds, CDs)? How much money could you accumulate in five, ten, or fifteen years?

### **Structured Settlements - Full Purchase**

Benefactor has received \$10,000. The next payment to be received is \$50,000, five years from now.

An investor would pay anywhere from \$20,000 to \$28,000 dollars depending upon several factors, such as whether the note may be assigned or not.

### **Structured Settlements - Half Partial Purchase**

A beneficiary will receive \$1,000 per month for the next 240 months, period certain. He or she needs \$20,000 to pay off high interest debt and needs some monthly income. He or she has received the first two years of payments.

An investor would pay about \$21,000 for \$500 of the next 68 payments.

## Cash To Seller

\$24,000 already received (Payments 1-24)  
\$21,000 from the investor for payment 25-91  
\$34,000 for half of the payment for period 25-91  
\$150,000 for \$1000 per month for payments 92-240

## **Structured Settlements - Partial Purchase with Life Insurance**

A beneficiary receives the following:

- \$250 on the first day of each month from May 1, 1981 and every month for as long as he or she is living
- \$30,000 on April 15<sup>th</sup> 4 years out, guaranteed
- \$40,000 on April 15<sup>th</sup> 9 years out, guaranteed
- \$60,000 on April 15<sup>th</sup> 14 years out, guaranteed
- \$65,000 on April 15<sup>th</sup> 19 years out, guaranteed
- \$70,000 on April 15<sup>th</sup> 24 years out, guaranteed
- \$75,000 on April 15<sup>th</sup> 29 years out, guaranteed
- \$80,000 on April 15<sup>th</sup> 34 years out, guaranteed

In order for the beneficiary to make a decision to satisfy her current goals, the note broker gets the following purchase quotes for the beneficiary:

- \$38,000 for the 2000 lump sum payment only
- \$57,000 for the 2000 and 2005 lump sum payments only
- \$70,000 for the 2000, 2005 and 2010 lump sum payment only.
- \$91,000 for the \$250 monthly payments for the next 240 months, the 2000, 2005 and 2010 lump sum payment only.\*

\*Because the monthly payments are only going to be paid if the beneficiary is alive, the investor requires that she buy a decreasing term life insurance policy with the investor listed as the beneficiary. Decreasing term is very inexpensive and the value of the policy is written just to cover the investors return-no more.

## Glossary

**Abstract of Title:** Condensed history of title to real property, consisting of a summary of links in the chain of title extracted from documents bearing on the title status.

**Agent:** A representative; one who is authorized to act on behalf of another.

**Agreement for deed:** see Contract for deed

**Amortization:** Payment of a debt by regular installments payments.

**Appraisal:** Professional service provided by a licensed, registered or certified appraiser to produce an estimate of value.

**Appraised Value:** Estimated worth of a property or note determined by someone qualified in valuation.

**Assessed Value:** Worth established for each unit of real property for tax purposes by a property appraiser.

**Assignment:** Written instrument that serves to transfer the rights or interest from one person to another.

**Assignor:** Person who gives his or her legal rights or interests to another person.

**Balloon Payment:** A financing device requiring periodic payments of a smaller amount than is necessary to fully amortize the principal borrowed. A single large payment at maturity is required to pay off the debt in full.

**Borrower:** The mortgagor; one who gives a mortgage as security for debt.

**Broker:** Generally, a special agent who acts as an intermediary between two parties and negotiates contracts between them.

**Closing:** Final settlement between buyer and seller; the date on which title passes between the buyer and the seller.

**Cloud on title:** Any defect, valid claim or encumbrance that serves to impair or curtail owner's rights

**Collateral:** Real or personal property pledged as security on a debt.

**Contract:** An agreement between two or more competent parties to do , or not do , some legal act for a legal consideration.

**Contract for Deed:** A financing technique wherein the seller agrees to deliver the deed at some future date, and the buyer takes possession while paying the agreed amount (also called a land contract, installment sales contract or agreement for deed).

**Deed:** A type of conveyance; a written instrument to transfer title to real property from one party to another.

**Default:** Failure to comply with terms of an agreement or to meet an obligation when due.

**Discounting:** A method for increasing a lender's yield.

**Down Payment:** A portion of a purchase price paid prior to closing the transaction. Earnest money may be a part of or the entire down payment.

**Due-on-sale clause:** A provision in a conventional mortgage that entitles the lender to require the entire loan to be paid in full if the property is sold.

**Encumbrance:** Any lien, claim, or liability affecting the title or attaching to real property.

**Equitable title:** The right of the vendee to obtain absolute ownership of property to which the vendor has legal title; the interest held by the vendee under a sales contract or contract for deed.

**Equity:** The market value of a property less any debt against it.

**Foreclosure:** A court process to transfer title to real property used as security for debt as a means of paying the debt by involuntary sale of the property.

**Free and clear:** Title to real property that is absolute and unencumbered.

**Grantee:** Party who receives a deed or grant; buyer.

**Grantor:** Party who signs or gives a deed; seller.

**Hazard insurance:** Coverage by contract whereby one party undertakes to guarantee another party against loss resulting from physical damage to real property.

**Hypothecate:** To pledge real or personal property as security for debt or obligation without giving up possession of the property.

**Installment sales contract:** see Contract for deed.

**Interest:** The price paid for the use of borrowed money.

**Judgment:** Decree of a court that not only declares that one party owes another but also fixes the debt amount.

**Just value:** The fair market value.

**Land contract:** see Contract for deed

**Land description:** A definite and positive written identification of a specific parcel of land and its location without any additional oral testimony.

**Lien:** A claim on property for payment of some obligation or debt.

**Loan-to-value ratio:** Relationship between amount borrowed and appraised value (or sales price) of a property.

**Maintenance clause:** A provision in a mortgage agreement that requires mortgagors (borrowers) to maintain mortgaged property in good condition.

**Marketable title:** Rights to real property that are so clear that a buyer may have peaceful and quiet enjoyment of the property free of litigation.

**Market value:** The most probable price a property will bring from a fully informed buyer, willing but not compelled to buy, and the lowest price a fully informed seller is willing to accept if not compelled to sell.

**Mortgage:** A written agreement that pledges property as security for payment of a debt.

**Mortgagee:** A lender who holds a mortgage on a specific property as security for the money loaned to the borrower.

**Mortgagor:** A borrower who gives a mortgage on his or her property in order to obtain a loan from a lender.

**Note:** Legal evidence of a debt that must accompany a mortgage; a legally executed pledge to pay a stipulated sum of money

**Opinion of value:** An estimate of a property's worth given by a licensee for the purpose of a prospective sale.

**Origination fee:** A charge by a lender for taking a mortgage in exchange for a loan.

**Prepayment clause:** A provision in a mortgage that allows the mortgagor to pay the mortgage debt ahead of schedule without penalty.

**Present value:** The worth of all future benefits of an investment in terms of today's dollars.

**Promissory note:** A written promise to pay a specific amount (see also note).

**Property insurance:** see hazard insurance.

**Quitclaim deed:** A type of deed that will effectively convey any present interest, claim or title to real property that the seller (grantor) may own.

**Ratio:** The relationship in quantity, size or amount between two things; proportion.

**Real property:** Any interest or estate in land, including leaseholds, sub-leaseholds, business opportunities and enterprises and mineral rights; real estate.

**Risk:** The chance of loss of all or part of an investment; the uncertainty of financial loss.

**Sales contract (purchase agreement, contract for sale and purchase):** An agreement whereby one party agrees to sell and the other party agrees to buy according to the terms set forth.

**Secondary lender:** Agency or financial institution that buys mortgage loans previously made by primary lenders.

**Secondary market:** A source for the purchase and sale of existing mortgages.

**Second mortgage:** A loan that is junior or subordinate to a first mortgage, normally taken out when the borrower needs more money.

**Tax clause:** A provision in a mortgage that requires the borrower to pay all legitimate property taxes.

**Tax lien:** A claim against real property arising out of non-payment of the property taxes.

**Term loan:** A non-amortizing mortgage that normally calls for repayment of the principal in full at the end of the loan term.

**Title:** The group of rights that represent ownership of real property and the quality of the estate owned; evidence of ownership of property; legal title.

**Title insurance:** A policy of insurance that protects the holder from any loss resulting from defects in title.

**Trust:** A right of property, either real or personal, held by one party for the benefit of another party.

**Underwriting (loan qualification; risk analysis):** The analysis of the extent of risk assumed by a lender in connection with a proposed mortgage.

**Vendee:** The buyer of real property under an agreement for sale.

**Vendor:** The seller of real property under an agreement for sale.

**Warranty deed:** A type of deed containing the strongest and most comprehensive promises of further assurance possible for the grantor to convey to a grantee.

**Wrap-around mortgage:** A financing technique in which the payment of the existing mortgage is continued (by the seller) and a new, higher interest mortgage, which is larger than the existing mortgage, is paid by the buyer/borrower.

**Yield:** The rate of return; the return on investment or the amount of profit stated as a percentage; the ratio of the annual net income from a property to the cost or market value of the property.

To obtain a free no-obligation purchase quote for your mortgage note, please copy and complete the following and fax or mail it to your representative:

## Mortgage Information Questionnaire

Rep Name:

Phone:

Fax:

Is this a Simultaneous Closing Yes or No (Please circle one)

### Note Seller Information

Name:

Address, City, State, Zip:

Phone:

Fax:

### Mortgagor Information

Name:

Address, City, State, Zip:

Social Security Number:

### Property Information {Circle and/or fill in as appropriate}

Property Type:

Single-Family, Detached House                      # of Bedrooms                      # of Bathrooms

Multi-Family Unit - Number of units: \_ \_

Condo

Commercial Building    Use \_\_\_\_\_

Mobile Home with Land    Year Built \_ \_ \_ \_                      # of Bedrooms                      # of Bathrooms

Single-wide or Double-wide

Lot: Commercial or Residential.                      Number of Acres: \_ \_ \_ \_

### Occupancy

Owner Occupied, Tenant Occupied, Vacant

Sale Date: \_\_\_\_\_ Sale Price: \$, \_\_\_\_\_

Terms: Number of Years: \_\_\_\_\_ Down-Payment: \$, \_\_\_\_\_

Interest Rate: \_\_\_\_\_

Monthly Payment: \_\_\_\_\_ (Principal and Interest Only)

**First Payment Due:** \_\_\_\_\_

Number of Payments Made: \_\_\_\_\_ Number Remaining \_\_\_\_\_

Beginning Balance: \_\_\_\_\_ Current Balance: \_\_\_\_\_

Does the Note Balloon? \_\_\_\_\_ If so, when: \_\_\_\_\_

**Lien Position:**

1st Mortgage, 2nd Mortgage\*\*\*\*, Wrap Mortgage

\*\*\*\*If the note is a second mortgage, what was the balance of the first at the time of sale? \_\_\_\_\_

**Geography**

Urban, Suburban Fringe, Inner City, Rural

Note/Mortgage Holder Signature \_\_\_\_\_

To obtain a free no-obligation purchase quote for your structured settlement, please copy the annuity policy **and fax or mail it to your representative.**

Please make sure that the payments are outlined, the annuity owner is listed, the beneficiary is listed, the reason for the settlement is explained and a statement of whether the note may be assigned or not.

Assignability may not determine if the settlement note is purchasable. There are other legal maneuvers that we may use to help you.

**While your mortgage quote is being processed, please gather the following documents and information for closing:**

**Mortgagee Profile: (Note Seller)**

- Name(s)
- Mailing Address
- Social Security Number(s)
- Home Phone

**Mortgagor Profile: (Payer)**

- Name(s)
- Mailing Address
- Social Security Number(s)
- Marital Status
- Phone Number

**Documentation**

- Copy of the Recorded Security Agreement (Deed of Trust, Mortgage, Contract)
- Substitute a Purchase Agreement & Credit Application if simultaneous closing
- Copy of Promissory Note (will need original for closing)
- Copy Closing Statement
- Copy of Amortization Schedule or Payment Records
- Copy of Hazard Insurance
- Copy of Existing Title Policy
- Copy of Mortgage Purchase Agreement
- Copy of Mobile Home Title (if applicable)
- Copy of any additional liens - Copy of Release if underlying liens have been paid off

**General Information**

- Property Address
- Owner or Non-owner occupied
- **If Commercial:** Need completed Commercial Property Information Sheet
- **If Vacant Property:** Need completed Undeveloped Property Information Sheet
- Photos of Property (if available)
- Complete Description of Property

1. Lot Size
  2. Square Footage of House
  3. Number of Bedrooms and Bathrooms
- Directions to Property
  - Maps (if available)
  - Explanation of any unusual circumstances (probate of wills, divorce decrees, previous assignments, interest or payment changes or anything else out of the norm)
  - If this is a Wrap Contract, we will need the name, address, phone number of the person or institution that owns the underlying note
  - If **Escrow Held**: Agent's name, Address, Phone Number, the Account Number, the balance in the escrow account and a Letter of Authorization to Release information
  - Name, Address, Phone number of the Title Company and Contact Person if a Simultaneous Closing
  - Current Balance:
  - Date Last Payment Received:
  - Date Next Payment Due:
  - Net to Seller:
  - Your Fee:
  - Any Positive Comments about the property or the area: (fast growing area because of, close to shopping or hospital, Just remodeled, etc., the more the better)