



**THE
ULTIMATE
STRATEGY**
For Buying and Selling Houses

The Secrets Behind Free & Clear Investing



with Richard Roop



**ULTIMATE
TRAINING
WEBINAR**

The Core Four

■ Marketing

- ✓ Targeting sellers of free and clear houses
- ✓ Mail cheap postcards each month

■ Buying

- ✓ Negotiating 0% owner financing
- ✓ Structure and present multiple offers

■ Funding

- ✓ Raising all the cash needed
- ✓ Collecting extra cash at closing

■ Selling

- ✓ Buy with terms, sell with terms
- ✓ Holding as a rental



Buying Free & Clear Houses

- **How to**

- ✓ **Create your program**
- ✓ **Target guaranteed profits**
- ✓ **Forecast net cash flow**
- ✓ **Present multiple offers**

Deal Example

- **\$220,000 house (ARV)**
 - ✓ **Free and clear house**
 - ✓ **\$1,295 market rent**
 - ✓ **\$7,000 in repairs or remodeling**
 - ✓ **\$10,000 cash now desired**
 - ✓ **3 months to occupy = 60 day plan**
 - ✓ **\$200 taxes and insurance**
 - ✓ **\$150 utilities - while vacant**

Deal Structuring Software

Ultimate Profit Generator



www.richardroop.com/upg

Property

- **\$220,000 house (ARV)**
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Updates

- Profit Targets
- Inflation
- Imputed interest
- Private money
- Rent-to-Own
- Wrap Financing



Nav

Updates

Property

Profit Targets

- **\$50,000 minimum profit per deal**
 - ✓ **Make offers for 5 or 7 years minimum**
 - ✓ **\$50,000 = \$7k to \$10k per year held**
- **\$7,000 minimum profit per year**
 - ✓ **The longer you get, the more you make**
 - ✓ **Increase to make more on high-end**
 - ✓ **Increase to lower prices on "Offer Sheet"**
- **All cash MAO:**
 - ✓ **65% less repairs**

Inflation

- **60 months of NO appreciation**
 - ✓ **Selling price and rent**
- **3% appreciation thereafter**
 - ✓ **Historic average is 4%**
- **3% inflation on costs**
 - ✓ **Taxes, insurance, utilities and HOA**
- **180 months max**
 - ✓ **Both appreciation and inflation**

Imputed Interest

- **8% Time Value of Money**
 - ✓ **Cash flow to seller – paper loss**
- **Applicable Federal Rates**
 - ✓ **Update from website**
 - ✓ **Only needed if offering interest**
 - ✓ **Short, mid and long term**
 - ✓ **9 years = mid term**
 - **1.93%**
 - **Jan 2011**

Private Money

- **2.07% 5 year bank CD**
 - ✓ **Update from website**
- **75% Max LTV**
 - ✓ **Leave at least 25% cushion**
- **12% rate on 1st lien**
 - ✓ **Learn to get 6% to 10%**
- **Interest only payments**
- **2 points**
 - ✓ **Normally 0 points**

Rent To Own

- 25% vacancy rate for renter
- 15% vacancy rate for tenant-buyer
- 24 months of purchase deposits
- 12 months of rent credit
- \$100 a month rent credit
- 2% min down
- \$100 extra a month
- 36 months max extra per month

Wrap Financing

- **Max term**
 - ✓ **Same at Offer #1**
- **8% down**
 - ✓ **If more you get less on back end**
- **6.99% interest**
 - ✓ **If more you make more income**
- **360 month amortization**
 - ✓ **Interest only keeps payments lower**

Costs

- **Buy costs - Reimbursed**
 - ✓ **\$2,125 for Marketing, etc.**
- **Buy costs – At Closing**
 - ✓ **\$2,510 for closing costs**
- **Hold costs - Monthly (90 days)**
 - ✓ **\$150 utilities**
 - ✓ **\$200 taxes and insurance**
 - ✓ **\$0 payments on existing notes**
 - ✓ **\$1,050 total = monthly x 3**
- **Hold costs – to occupy**
 - ✓ **\$590 for one time supplies and monthly ads**
- **Selling costs**
 - ✓ **\$7,285 = 3% commission and closing costs**

	is	Repairs	Costs	Offer #1	#

Offer #1

- **Calculate high price offer**
 - ✓ **15 year term**
 - ✓ **\$0 down**
 - ✓ **Some cash flow**
 - \$380 = 50% cash flow
 - Avoids negative backend
- **\$315,489 = RTO MAO**
 - ✓ **\$247,090 balloon in 15 years**
 - ✓ **\$68,400 cash flow total**
 - ✓ **\$0 down**

Offer #1

- **Cash Flow**

- ✓ **\$756 cash flow gross**
- ✓ **\$376 net**
 - After \$380 to seller

- **Resell price**

- ✓ **\$296,183 after 15 years**
- ✓ **\$220,00 value today**
- ✓ **OK to sell early!**

Offer #1

- **Cash Now**
 - ✓ **\$10,000 when bought**
 - Plus buy and hold costs, etc.
- **Cash flow**
 - ✓ **\$67,720 total positive**
 - \$376 x 180 months
- **Cash later**
 - ✓ **\$5,620 cash later**
 - Resell-loans-sell costs-buyer credits
- **More cash now**
 - ✓ **\$4,390 down when occupied**
- **More cash flow**
 - ✓ **\$54,290 rent increases**
 - Inflation adjusted

Offer #1

- **Cost of cash flow to seller**
 - ✓ **-\$28,627 paper loss**
 - ✓ **Time value of money**
- **Cost of inflation of expenses**
 - ✓ **-\$8,384**
 - ✓ **T & I, HOA**
- **\$105,000 profit target**
 - ✓ **15 years x \$7k per year**
- **\$133,363 profit collected**
 - ✓ **Adds back -\$28,627 paper loss**

Offer #1

- **Remaining Equity**
 - ✓ **\$140,547**
- **Private Money Needed**
 - ✓ **\$10,000 Cash now**
 - ✓ **\$7,000 repairs**
 - ✓ **\$6,275 buy and hold costs**
 - ✓ **\$465 lender points**
 - ✓ **\$702 in loan payments (PM x 3)**
- **\$24,453 total or \$25,000**

\$220,000 ARV

\$0 down and \$380 a month

- **\$315,490**
✓ **15 Years**
- **\$269,230**
✓ **12 Years**
- **\$233,500**
✓ **9 Years**
- **\$213,670**
✓ **7 Years**
- **\$136,000**
✓ **Cash**

\$220,000 ARV

\$20,000 down and \$270 a month

- **\$284,940**
✓ **15 Years**
- **\$243,640**
✓ **12 Years**
- **\$213,220**
✓ **9 Years**
- **\$197,190**
✓ **7 Years**
- **\$136,000**
✓ **Cash**

\$220,000 ARV

9 years and and \$300 a month

- **\$235,990**
✓ **\$0 down**
- **\$230,070**
✓ **\$5,000 down**
- **\$212,290**
✓ **\$20,000 down**
- **\$176,730**
✓ **\$50,000 down**
- **\$136,000**
✓ **\$136,000 down**

9 years, \$5,000 down and \$300 a month

Custom - Offer #1		Offer #1	
Years	0	9 years	1
Down	\$0	\$5,000	\$
Payment	\$0	\$350 = 50% of RTO Net	\$
Price	\$0	\$228,510 = RTO Mao	\$
Balloon	----->>	\$185,710	
ARV	\$220,000	Exits:	
Resell Price Now	\$219,500	MAO	
Offer #1 Price	\$228,510	Available Cash Flow	
Imputed at 1.93%	\$195,794	Cash Flow after Payment	
Subject To	\$0	Resell price in 9 years	
Remaining equity avail	\$135,294	Cash Now - when bot	
Private \$ needed	\$29,706	Cash Flow - Total	
Profit Target	\$63,000	Cash Later - in 9 years	
		Cash Now - when occupied	

9 years, \$5,000 down and \$300 a month

An opportunity to earn 12.00% for up to 9 years!

123 Main Street, Colorado Springs, CO 80909

We're bringing in a money partner to fund the following great deal:

The value of the property is \$220,000 after we spend \$7000 getting it ready for occupancy.

Our projected profit is \$63,000 over 9 years!

We will rent the property for \$1295 monthly or sell with wraparound terms for \$1542.

We are looking to borrow \$29,706 at 12.00% for up to 9 years secured by a 1st position lien.

The amount owed on the property totals \$0.00 with a total monthly payment of \$0.00.

The ITV or investment to value is 13.5% with a \$190,294 cushion of equity to protect you.

Monthly payments on this investment are \$297.06 a month, amortized on a based of interest only

You can request a higher/lower monthly payment based on your income or growth goals.

Would you like to learn more about this opportunity?

Here's how this investment might compare to a 5 year bank CD at 2.07%!

Months	2.07%	Earned	12.00%	Earned	Difference	% More Interest!
0	\$29,706	\$0	\$29,706	\$0	\$0	0.0%
3	\$29,860	\$154	\$30,606	\$900	\$746	484.5%
6	\$30,014	\$309	\$31,533	\$1,828	\$1,519	491.8%
9	\$30,170	\$464	\$32,489	\$2,783	\$2,319	499.3%
12	\$30,326	\$621	\$33,473	\$3,767	\$3,147	506.9%
15	\$30,484	\$778	\$34,487	\$4,782	\$4,004	514.6%
18	\$30,642	\$936	\$35,532	\$5,827	\$4,891	522.5%
21	\$30,801	\$1,095	\$36,609	\$6,903	\$5,809	530.5%
24	\$30,960	\$1,255	\$37,718	\$8,013	\$6,758	538.7%
27	\$31,121	\$1,415	\$38,861	\$9,156	\$7,741	547.0%
30	\$31,282	\$1,576	\$40,039	\$10,333	\$8,757	555.5%
33	\$31,444	\$1,739	\$41,252	\$11,546	\$9,808	564.1%
36	\$31,607	\$1,902	\$42,502	\$12,796	\$10,895	573.0%
39	\$31,771	\$2,065	\$43,790	\$14,084	\$12,019	581.9%
42	\$31,936	\$2,230	\$45,117	\$15,411	\$13,181	591.1%
45	\$32,101	\$2,396	\$46,484	\$16,778	\$14,382	600.4%
48	\$32,268	\$2,562	\$47,892	\$18,187	\$15,625	609.9%
51	\$32,435	\$2,729	\$49,344	\$19,638	\$16,908	619.5%
54	\$32,603	\$2,897	\$50,839	\$21,133	\$18,236	629.4%
57	\$32,772	\$3,066	\$52,379	\$22,673	\$19,607	639.4%
60	\$32,942	\$3,236	\$53,966	\$24,261	\$21,024	649.6%

\$3,236 versus \$24,261 means... \$21,024 or 650% MORE profits!



Ultimate Profit Generator

- **Detailed deal analysis**
- **Conservative profit targeting**
- **Multiple offer generator**

The background features several stacks of US dollar bills, some standing upright and others fanned out, creating a sense of wealth and profit. The bills are in various denominations, including \$100 and \$20.

Ultimate Profit Generator

Order for \$797

www.richardroop.com/upg

Get FREE as bonus with enrollment

www.richardroop.com/mastermindretreat

100% credit toward enrollment if owned!

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MASTERMIND RETREAT

- **3 ½ Day Live Event**
- **January 26-29, 2011**
- **Phoenix, AZ**

Real Estate Millionaire Executive Training!

- **How to**

- ✓ **Do it yourself**
- ✓ **Delegate**
- ✓ **Outsource**
- ✓ **Systematize**

#1 Generate cash NOW

10 Steps

1. Find a deal
2. Prescreen for equity
3. Plan your exits – price and income
4. Structure your offers
5. Present your offers
6. Get a contract
7. Fund the deal
8. Close the deal – collect cash now
9. Fix the property
10. Occupy the house – collect more cash now

Greg from NC

- **3 new deals in December**
 - ✓ **0% owner financing**
 - ✓ **\$20,000 cash now each**
 - ✓ **7, 12 and 15 years each**
- **\$238,000 min profits!**
 - ✓ **\$60,000 cash upfront PLUS**

Listen to 13 minute audio:

www.richardroop.com/2011gameplan

#2 Generate cash FLOW

4 Ways

1. Rent

- ✓ Tenant buyer
- ✓ Renter

2. Interest

- ✓ Contract buyer

3. Principal

- ✓ Purchase deposits
- ✓ Amortized notes

4. Purchase deposits

- ✓ Down payment assistance program

#3 Generate cash LATER

7 Ways

1. Trades

- ✓ Mortgage on other property for down
- ✓ Sweat equity and keep rehab cash

2. Principal pay down

- ✓ All payment to seller reduce note balance
- ✓ Builds rapid equity

3. Appreciation

- ✓ Bonus profits!

#3 Generate cash LATER

4. Refinancing equity

- ✓ Move 0% financing to other property

5. Cashing out

- ✓ Help your buy get bank financed

6. Discounting notes

- ✓ Paying off seller notes early

7. Moving the mortgage

- ✓ 0% financing on your residence?

\$148,000 in December Refinancing equity

FIDELITY
NATIONAL TITLE COMPANY
1277 Kelly Johnson Blvd # 100
Colorado Springs, CO 80920
(719) 599-1711

WELLS FARGO BANK, N.A.
P.O. BOX 5047
DENVER, CO 80218
(303) 733-3333

CHECK NO. 007915

DATE	ESCROW NO.	AMOUNT
12/10/2010	F0306407 - 370 MWD	\$66,694.65

SIXTY-SIX THOUSAND SIX HUNDRED NINETY-FOUR DOLLARS and 65/100

FIDELITY NATIONAL TITLE COMPANY
ESCROW TRUST ACCOUNT

THE [REDACTED] PROPERTY TRUST
P.O. BOX [REDACTED]
WOODLAND PARK CO 80866

[REDACTED SIGNATURE]
AUTHORIZED SIGNATURE

VOID AFTER SIX MONTHS

THIS CHECK IS AN ORIGINAL WATERMARK ON THE REVERSE. HOLD UP AT AN ANGLE TO VIEW.

AMOUNT

\$66,694.65

\$148,000 in December Refinancing equity

FIDELITY
NATIONAL TITLE COMPANY

177 Kelly Johnson Blvd # 100
Colorado Springs, CO 80920
(719) 590-1711

WELLS FARGO BANK, N.A.
@ 007919

CHECK NO. 007919

DATE	ESCROW NO.	AMOUNT
1/13/2010	F0366405 - 370 MMB	\$81,768.80

EIGHTY-ONE THOUSAND SEVEN HUNDRED SIXTY-EIGHT DOLLARS and 80/100

FIDELITY NATIONAL TITLE COMPANY
ESCROW TRUST ACCOUNT

PROPERTY TRUST
P.O. BOX
WOODLAND PARK, CO 80866

VOID AFTER SIX MONTHS

AMOUNT
\$81,768.80

Refinancing equity

- **Forced equity appreciation**
- **New private money first**
 - ✓ **Frees up existing private money**
 - ✓ **Opportunity to discount seller**
- **0% seller financing 2nd**
 - ✓ **Up to 100%**
 - ✓ **Because you can move again**

The Core Four

■ Marketing

- ✓ Get lists of high equity homeowners
- ✓ Mail “magic bullet” postcards

■ Buying

- ✓ If there's equity go
- ✓ Structure and present multiple offers

■ Funding

- ✓ Create your private money program
- ✓ Use my private money

■ Selling

- ✓ Rent
- ✓ Rent to own
- ✓ Wrap financing



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