



# BROKER CERTIFICATION PROGRAM TRAINING



## **Legal Information Is Not the Same as Legal Advice**

This book provides information about real estate investing, private money borrowing, lending, and/or brokering. It is designed to help users safely determine their own legal needs. Please understand that legal information is not the same as legal advice. The application of law varies with an individual's specific circumstances. Laws vary from state to state and are in constant change, and although we do everything we can to make sure our information is accurate and useful, we recommend you consult a lawyer if you want professional assurance that this information, and your interpretation of it, is appropriate to your situation.

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***“If you think education is expensive, try ignorance.”***

*Attributed to both Andy McIntyre & Derek Bok*

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***“In today’s world, working for yourself is actually the safer route, and working for a corporation has become the riskier proposition.”***

*Paul Zane Pilzer*

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***“You learn more quickly under the guidance of experienced teacher. You waste a lot of time going down blind alleys if you have no one to lead you.”***

*W. Somerset Maugham*

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***“The only way to permanently change the temperature in the room is to reset the thermostat. In the same way, the only way to change your level of financial success 'permanently' is to reset your financial thermostat. But it is your choice whether you choose to change.”***

*T. Harv Eker*

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# WELCOME & INTRODUCTION





# WELCOME & INTRODUCTION

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## Welcome

- Honoring our Veterans
- Pledge
- Prayer



## Managing Your Expectation

*Get involved, stay involved, and become successful*

- Take notes!
- Ask Questions.
- Network with other investors
- Develop your "Success Plan"
- Don't miss the "Mastermind V.I.P. session on Friday!"
- Pass the certification test!

## Statement of Purpose

*"We are here to coordinate knowledge and effort, in a spirit of harmony, between two or more people for the attainment of a definite purpose."*

– Napoleon Hill

- To create an environment where we can collectively learn from each other.
- To provide solutions for each other
- To operate with an abundance outlook
- To increase bottom line profitability
- To build stronger relationships and greater understanding of our respective talents and necessary collaboration for growth and success.

## Code of Conduct for the Event

The purpose of our time together is to educate you on what it means to be an Independent Private Money Broker.

# WELCOME & INTRODUCTION

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To that end, the following codes of conduct will apply:

- Cell phones will not be used at any time during the scheduled sessions. Cell phones may only be used during breaks and lunch.
- You will respect each speaker during their allotted time, by listening attentively.
- **You will withhold comment or commentary until the designated time to share.**
- At all times, only **ONE (1) person will speak.**
- Be respectful, supportive and encouraging of your fellow brokers.
- Have fun, participate, be an active listener, and share

We understand that we're all adults here, however we want everyone involved to get the most out of the day we are together, making these rules necessary!

## Meet Our Family of Companies:

*"Obstacles are like wild animals. They are cowards, but they will bluff you if they can. If they see you are afraid of them, they are liable to spring upon you; but if you look them squarely in the eye, they will slink out of sight."*

Orison Swett Marden



Secured Investment Corp is the parent company in the organization. Through the work of its wholly owned subsidiaries, Secured Investment Corp provides real estate investors the necessary capital to finance their projects by bringing together private lenders and borrowers.

Secured Investment Corp also manages Private Equity Funds. These Private Equity Funds provide borrowers access to capital within minutes of closing their transaction. The Private Equity Funds consist of accredited investors that invest

# WELCOME & INTRODUCTION

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their money with the Fund. Secured Investment Corp manages the investors' money and pays the investors a return on their investment on a quarterly basis.

The Funds consistently average a double digit annualized return to our investors. - [SecuredInvestmentCorp.com](http://SecuredInvestmentCorp.com)



The Lee Arnold System of Real Estate Investing provides focused training that covers all aspects of real estate business. The Lee Arnold System is a powerful way for you to start investing your way to monumental wealth in the shortest time possible.

Education is a fundamental element to future success in finding, financing and selling real estate for profit. This learning stage includes training and/or mentoring to build solid understanding to successfully invest in real estate. In this phase an investor actively works to create Active Income which includes finding a great investment, or "deal", and then borrowing to fix and flip (or fix and hold) the property for positive cash flow. We call this growth in individuals' financial capacity and competency the "Circle of Wealth". - [LeeArnoldSystem.com](http://LeeArnoldSystem.com)

*"Few things are impossible to diligence and skill. Great works are performed not by strength, but perseverance."*

Samuel Johnson

# WELCOME & INTRODUCTION

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As the lending arm of the company, COGO Capital works with borrowers to originate, process, and close loans. COGO Capital offers private loan options for real estate investment properties within most states across the United States. - [CogoCapital.com](http://CogoCapital.com)



The servicing company for most loans originated by COGO Capital. Lake City Servicing is in our Coeur d'Alene, Idaho corporate office. Lake City Servicing is also available to service most other third-party loans. - [LakeCityServicing.com](http://LakeCityServicing.com)



Arnold Professional Holdings is the premier rehab arm of the company. Here is where we practice what we preach. APH buys and flips properties throughout the Spokane, WA market.

The company has a construction crew and specializes in Spokane, WA. This company has a main office and warehouse located in Spokane, WA.



# WELCOME & INTRODUCTION

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This is by to design to allow both personnel resources and physical resources to be closer to our real estate market.



At He's the Solution Ministries our goal is honor God in everything we do. We strive to allow our faith to be something that others can witness in our every-day lives. We endeavor to be more like Christ daily and encourage others along the way. We want to encourage you in your daily walk to show your faith, and to be BOLD in the workplace.

To this end He's the Solution Ministries sponsors an optional, non-denominational worship service at all events that last through a Sunday. The services start at 7:45am and end around 9:15am. All students as well as the public are invited and encouraged to attend.

We also providing encouragement, support and resources for those seeking a BOLD FAITH in the workplace. We hold weekly services via a conference call at 6:45 am PT so that you can be a part of a worship service every Sunday morning no matter where you are located. The number is 641-715-3276, and pass code number is, 866541# – [Hesthesolution.com](http://Hesthesolution.com)



## Secured Investment Corp Mission Statement:

*"Reimagining technology to create cutting edge solutions for investors to participate in alternative, secured, high performance investments."*



# WELCOME & INTRODUCTION

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## **The Lee Arnold System of Real Estate Investing Mission Statement:**

*"To educate, train and provide access to relationships and products allowing individuals to achieve financial freedom through real estate."*

## **Cogo Capital Mission Statement:**

*"To provide no-hassle, asset-backed, real-time private capital to real estate investors."*

## **Lake City Servicing Mission Statement:**

*"Lake City Servicing is a comprehensive real estate loan servicing company for investors holding real estate notes for non-owner occupied residential and commercial property."*

## **He's the Solution Ministries Motto:**

*"We get more of what we want, by helping others get more of what they want."*

## **Our Slogan:**

*"Equipping Christian business leaders for bold faith in the work place!"*

*"You learn more quickly under the guidance of experienced teacher. You waste a lot of time going down blind alleys if you have no one to lead you."*

W. Somerset Maugham

## **Reasoning Behind the Training**

- Alignment of interest → we win when you win
- Provide you with the resources to be an Independent Private Money Broker.
- Prepare you to take and pass the Independent Private Money Broker Certification Test

# WELCOME & INTRODUCTION

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## What You Can Expect

- Setting up your business
- Knowing the players & your role
- Marketing & generating Leads
- Positioning
- How to recognize the target deal
- Becoming the Master Broker
- All about the deal from application to und'
- How to structure the deal
- Practice w/brokering case studies
- Certification test review



## Circle of Wealth Philosophy:

The Circle of Wealth is at the center of everything we do here at Lee Arnold System. It is also your road map for how each division of our company can help you gain financial independence and passive income through.

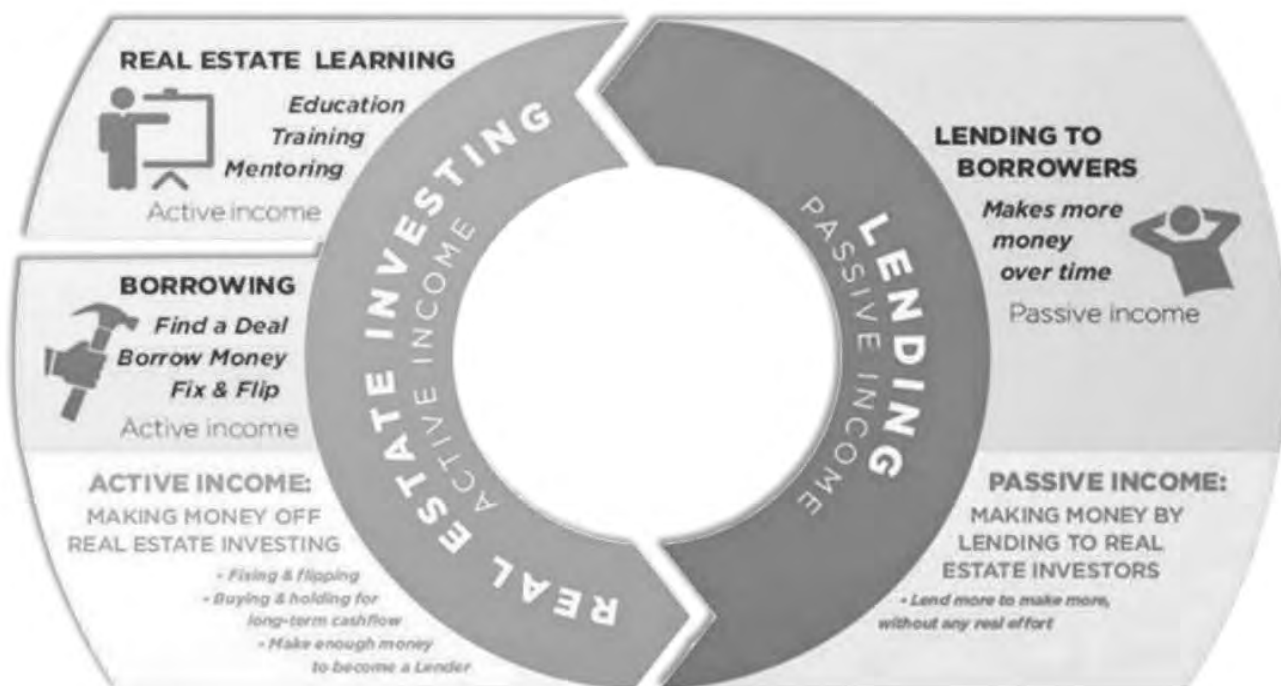
The Circle of Wealth has four stages. You can enter the circle at any stage and can go back and forth between stages as desired. Typically, people enter in at the training level and borrow funds for their real estate investments. They eventually become lenders, helping others obtain the capital needed to grow their real estate portfolios. This allows everyone, on every side, to succeed.

Ultimately, the Circle of Wealth allows you the financial independence and wealth building that you seek.

# WELCOME & INTRODUCTION

## CIRCLE OF WEALTH

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# SETTING UP YOUR BUSINESS





# SETTING UP YOUR BUSINESS

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## What does it take to be in Business?

- Check your motivation. It must be more than money.
- \_\_\_\_\_  
This class is just your beginning.
- Sit down and write a success plan for your business and then hold yourself to it.
- \_\_\_\_\_ give others permission to hold you accountable.
- Train your brain – you need \_\_\_\_\_, do things daily. Your business model must be consistent not just swinging for the fence.
- Core competency for business is management.
- Act like who you are striving to be. Do not discount yourself. Build your confidence in how you present yourself.
- Dress in an outfit that makes you feel more powerful. Dress for \_\_\_\_\_. This is a job. Work at it like the job it is!
- Don't confuse networking for profit with fellowship for fun. Networking is about making money.
- Know your "core competency."
- You must run your business above board! It must be done legally!
- \_\_\_\_\_ is your responsibility! You must manage your time.
- Set office hours. If you are using your home for an office, it is not a home during office hours. Do not do home tasks!
- Don't put your success in the hands of others. Results are more important than relationships.
- Don't be afraid to fail – if you are going to be successful you will fail at something!
- Set up your entity – L.L.C.
- Invest in a \_\_\_\_\_



"It is impossible to live without failing at something, unless you live so cautiously that you might as well not have lived at all, in which case you have failed by default."

- J. K. Rowling

# SETTING UP YOUR BUSINESS

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- If working with a partner, write out your partnership agreement and hold each other accountable.
- Write out specific job descriptions for your employees
- Be specific on your goals. Make them \_\_\_\_\_ goals.

## S.M.A.R.T. Goals Defined



## Creating a Power Team

### What is a Power Team?

*A Power Team is a group of people of \_\_\_\_\_ professions. They work with the same clients, but do not take business away from each other.*

A great example is easily found in the real estate industry. A realtor, mortgage broker, building inspector, title agency, real estate attorney, private money lender, and private money broker all service clients looking to purchase property.



# SETTING UP YOUR BUSINESS

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## Your Power Team Needs to Help With 3 Things

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

## What Can Your Power Team Do?

- Create a dynamic team of investors from the people that you already know, like, and trust.
- Improve and expand each other's business.
- Create borrower "hunters" or "bird dogs" to find steady flow of borrowers.
- Bring professionals in from all areas affected by your business to give expert advice and support.

## Create a Power Team by Becoming "The Connector"

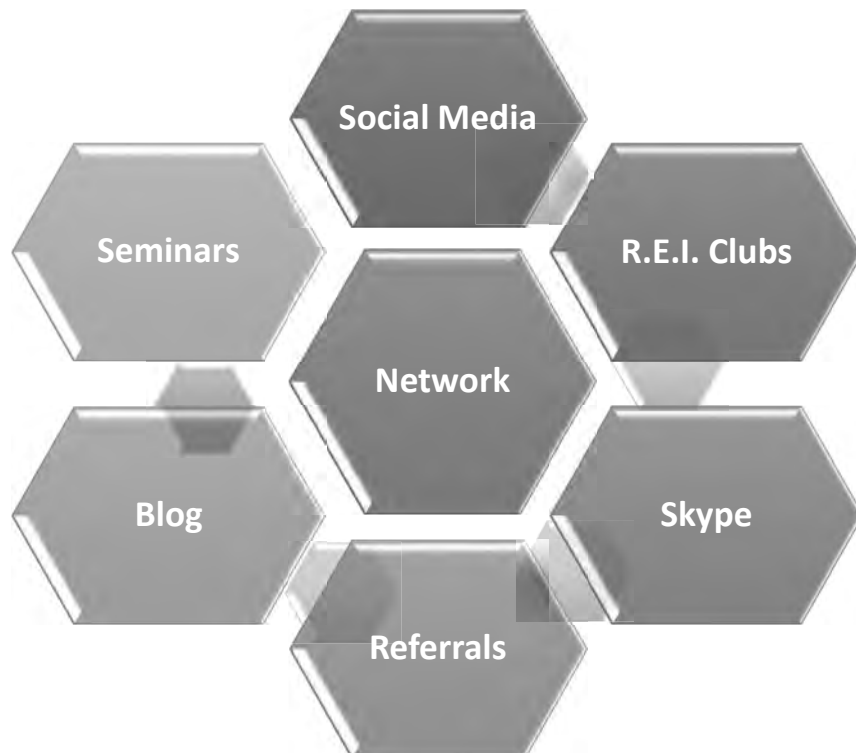
- Go where your best customers, competitors, and prospects meet. (Masterminds, Seminars, R.E.I. Clubs, Facebook, Linked In, Auctions).
- Give value. Be a resource and a connector.
- Get involved in the relationship. Pay it forward — By referring others, you'll get referrals!

# SETTING UP YOUR BUSINESS

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- \_\_\_\_\_ is today's currency. The most connected player wins the most profitable plays!

## PLACES TO NETWORK – Online and offline



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# THE BORROWER, THE LENDER, THE BROKER: **KNOW YOUR ROLE**





# THE BORROWER, THE LENDER, THE BROKER: KNOW YOUR ROLE

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## What is a Private Money Loan?

- Private Money Lending is a loan from a private individual to a non-owner-occupied real estate investor, secured by real estate property as collateral.
- Terms for these types of loans will vary by lender and will depend upon the experience level of the borrower, as well as the length of an investor's relationship with that lender.
- There are really no hard and fast rules to private money.

## The Major Players:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

## The Borrower

### Who is the Private Money Borrower?

#### Someone who:

- Needs quick funding for time sensitive loans.
- May have been denied a bank loan, for any reason, including credit and excessive loan conditions.
- Wants to avoid the long hassle of processing a bank or institutional loan.

# THE BORROWER, THE LENDER, THE BROKER: KNOW YOUR ROLE

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- Needs a larger loan with more \_\_\_\_\_  
\_\_\_\_\_ than most banks offer
- Wants an opportunity to make an investment in a new property using the equity in the real estate he/she owns (\_\_\_\_\_)
- Has circumstances making it difficult to obtain institutional loans:
  - \_\_\_\_\_  
(L.L.C.'s, partnerships, trusts, corps)
  - \_\_\_\_\_  
(minor to moderate)
  - \_\_\_\_\_ (old or current)
  - Property held in probate, trusts, family limited partnerships irrevocable trusts, corporations, etc.
  - \_\_\_\_\_

## What the Target Borrower Looks Like (For COGO Capital)

- Must be a valid existing U.S. business entity (L.L.C., corporation, partnership, trust, etc.)
- Cannot be an \_\_\_\_\_
- Personal guarantor required (all owners owning more than 30% of borrowing entity)





# THE BORROWER, THE LENDER, THE BROKER: KNOW YOUR ROLE

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- Borrower with a proven track record
- \_\_\_\_\_ is used as a compensating factor & for pricing
- Borrowers that have \_\_\_\_\_ (cash, partner, collateral, equity)
- Minimum 3 months of reserves to service the debt in the borrower's bank account.
- Has employment outside of the real estate business (Lenders love borrowers with an outside source of income).

## Why People are Borrowing Private Money

### Qualifying Challenges:

*Institutional lenders are very picky about the borrower and property.*

### Private Lenders look at:

- Appraised Value
- Borrower Experience
- Property Equity
- \_\_\_\_\_

### Need for Speed:

*Institutional lenders normally take 60-90 days to fund a transaction.*

### Private Lenders:

- Review the property's merit



# THE BORROWER, THE LENDER, THE BROKER: KNOW YOUR ROLE

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- Require less paperwork
- Can complete a loan in as little as 72hrs - 3wks

## **More Money, More Often:**

*Institutional lenders normally lend a capped amount of money on a capped amount of loans.*

### **Private Lenders can lend:**

- Multiple loans on multiple properties
- More money so borrowers can use less of theirs
- With far less seasoning requirements

## **Investment Parameters:**

*Institutional lenders look at the as-is nature of the property and borrower. They have no imagination on future value.*

### **Private Lenders lend on:**

- Amount of "skin in the game"
- Equity
- Exit-Strategy (highest and best use)
- Property's cash flow capability or income potential

## **Most Private Borrowers Fit into These Categories**

- Purchasing a fixer-upper to \_\_\_\_\_  
in three to six months
- Purchasing a fixer-upper to \_\_\_\_\_  
as a rental property
- Refinancing to \_\_\_\_\_  
in other cash-flow opportunities

# THE BORROWER, THE LENDER, THE BROKER: KNOW YOUR ROLE

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## The Lender

### Who is the Lender?

- Someone who is frustrated with losses in the stock market and is sick and tired of low returns from traditional investments like CD's, bonds, and mutual funds.
- Someone who doesn't want the hands-on approach associated with owning real estate and wants a much more passive option. Many lenders simply don't want the headache and liability that comes along with owning real estate.
- Someone who wants more control over their financial portfolio and to direct their investments.



### Why People are Lending Private Money

- It's a passive investment
- It creates ongoing, residual income over the life of the loan
- It can earn, on average, 8-12 percent annualized return
- \_\_\_\_\_: It's in first trust deed position.
- Control: Lenders can choose the terms.
- \_\_\_\_\_: Requires "skin in the game" from the borrower (in the form of cash, partner, collateral, and/or equity).
- To earn solid returns
- To control the parameters of their investments
- **To gain the gratification of investing in real people and real opportunities!!!**

# THE BORROWER, THE LENDER, THE BROKER: KNOW YOUR ROLE

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## 3 Most Common Reasons People Lend Private Money

1. \_\_\_\_\_:  
Many investment vehicles, like stocks and bonds are earning lower than desired, or simply unpredictable returns. They also tie your money up for longer periods of time. Private money mortgages are a solid source of healthy returns in a shorter period.
2. \_\_\_\_\_:  
Unlike investing in stocks and bonds, when you invest in private money mortgages you are investing in tangible assets. We vet out all the properties and make sure they are the best opportunities for your dollars.
3. \_\_\_\_\_:  
We do all the heavy lifting for you. We research, review, assemble and provide you, the lender, multiple private money mortgage opportunities until you identify the one that is within your level of comfort.

## The Broker

### Who is the Private Money Broker?



An intermediary who brings non-owner occupied commercial real estate investor borrowers and private money institutions together but does not use its own funds to originate private money mortgages.

A private money broker gathers paperwork from these borrowers and oversees the loan submission and packaging process for submission to the lender for underwriting, approval, and funding. The mortgage funds are then lent in the name of the private money institution.

# THE BORROWER, THE LENDER, THE BROKER: KNOW YOUR ROLE

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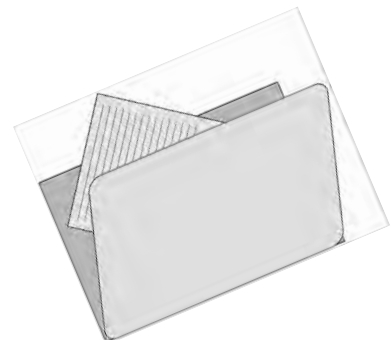
Upon closing, the private money broker receives an origination fee, often 1-3 percent, from the borrower as compensation for his/her services. This is paid off the HUD.

## Why People are Brokering Private Money?

- A very high \_\_\_\_\_ potential
- The smallest start-up investment
- The ability to provide a service continually needed
- The pleasure of helping people
- A recession proof business
- A year-round service (not seasonal)
- People flock to you.
- No refunds, no losses
- Points paid out of closing
- Cash transactions (no receivables)
- A service well accepted and revered by Lenders and Borrowers
- Personal and financial freedom
- A more fulfilling life
- More family time
- More travel time
- A broader, more dynamic experience

## What You Do to Set Up the Loan Package: 7 Steps

- \_\_\_\_\_ – Get the initial story
- \_\_\_\_\_ – Create a workable deal
- \_\_\_\_\_ – Assemble files for the lender



# THE BORROWER, THE LENDER, THE BROKER: KNOW YOUR ROLE

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- \_\_\_\_\_ – Set expectations
- \_\_\_\_\_ – Submit a full, complete package to the lender.
- \_\_\_\_\_ – Help keep the process going.
- \_\_\_\_\_ – Keep the communication lines open between yourself, the lender, and the borrower.

## How to Talk to the Borrower: Introduction

- Let them know who you are
- Let them know where you work
- Let them know what you do
- State the purpose of your call
- (Pause!)



## Is It a Deal You Can Do?

- Determine quickly if they have a deal, where it is, and what it is.
- Know the states in which we cannot pay you on the HUD.
- Know the states where funding involves special requirements.

## Does the Deal Make Sense?

- Would you lend YOUR money?
- They MAKE their money when they buy and COLLECT when they sell.
- Does it look like they can make a profit?
- Can they make the monthly payments?

# THE BORROWER, THE LENDER, THE BROKER: KNOW YOUR ROLE

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- Can they pay the lender back?

## Get Started!

- Document the facts of the deal
- Start the application process
- Follow up every day with phone call or email
- Use the client's name
- Get to know your client

## Turn Objections/Questions into Opportunity

- What's the rate? \_\_\_\_\_
- What's the term? \_\_\_\_\_
- What are the fees? \_\_\_\_\_
- I don't want to pay points. \_\_\_\_\_
- The rate is too high. \_\_\_\_\_
- The payment is too much. \_\_\_\_\_

## Are They Stalling?

- I need to think about it.
- I need to talk to \_\_\_\_\_.
- Call me next week.
- I'm just shopping for rates and terms.
- Can you send me information?



## Take Control – Assume the Sale

- I will send you the application package, so we can move forward with the process.
- Would you like me to get the appraisal going today?
- Are you ready to get started?
- I like the transaction and want to move forward. I need you to pay for the appraisal today.

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- This is a good deal. Let's get the paperwork in this week.
- Based on what we've discussed, can we move forward today?

## Set Expectations and Manage the Relationship

**DEFINITION:** An \_\_\_\_\_  
is about the behavior or performance of another person, expressed to that person, may have the nature of a strong request, or an order.

### Why Setting Expectations is Important?

- Puts You in Control
- Allows You to Manage Time Frames
- Allows You to Give Directions



## Set the Expectation!

- Make Appointments
- Loan Package Time Frame
  - Tell them when you need it.
- Paying for an appraisal
  - Set response time to pay
- Collecting the supporting documents
  - Give them deadlines.
- Closing (time it takes to get there).
- Referrals (that you'll be asking).
- Next Deal (their goal).

## Example: How to Stay in Control

### Give a Date and Time for Everything:

*(Monday) Mr. Smith, I just emailed you the loan package. I need the application filled out with your bank statements to*



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*me by Tuesday, 5pm. Once received, I will order the appraisal. I will need you to pay for the appraisal by Wednesday, 5pm. I will need everything on the checklist by Friday, 5pm. If I don't receive everything by Friday at 5pm, then I will have to withdraw your file on Monday.*



## Dealing with an Unhappy Client

- Tell them you understand how they feel.
- Listen all the way out. Don't interrupt.
- Never argue or get angry.
- Take notes and confirm back everything that has been covered.
- Tell the client you will personally handle it.
- Don't blame others – Take the responsibility for correcting it.
- Don't pass the buck.
- Figure out, communicate, and agree upon a solution or a resolution. Tell them what you plan to do and do it!
- Make a follow up call after the situation is resolved.

## Rate/Terms/Fees

- Cannot be determined until value, borrower and deal fully understood.
- Perceived risk: strength of the deal vs. guarantor finances & experience.
- Be creative: alternate deal structures
- Rational exit strategy

## Cash/Credit

- Amount already invested.
- Amount to close.
- Amount to service the debt.

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- FICO (use middle of 3).
- Poor credit does not mean no deal!!!

## Is it the Real Deal?

- How long have they been looking for money?
- Why is it not funded yet?
- Do they have executed documents?
- Do they have verified money?
- What is their experience and expectations?

## Keys to a Successful Submission

- Follow the checklist (get this from your lender)
- Make sure all information is ordered
- Make sure all information is complete
- \_\_\_\_\_
- Make sure all information is accurate.
- Make sure the copies & faxes are readable.
- Submit everything within 48 hours of the borrower's request.



## Keys to a Successful Closing

- Read your approvals completely.
- Make sure all underwriter stipulations are met.
- Complete and make sure information is accurate.
- Make sure package is in processing within 48 hours of approval.

## Keys to a Successful Follow Up

- Send thank-you cards, letters, or make a phone call.
- Build your company.

# THE BORROWER, THE LENDER, THE BROKER: KNOW YOUR ROLE

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- Build a bank of loyal enthusiastic lifetime borrowers and lenders.
- Find the next “yes” within your customer base (use repeat borrowers and lenders).
- Get Referrals.

## For Success, Remember This...

- Live up to your commitments.
  - Set the expectation.
  - Walk them through the process step-by-step.
  - Follow up with a phone call after the closing.
  - Send a thank-you card!
  - Your customer is your paycheck!!
  - The more you work for the customer’s success, the more you will earn.
  - Recognize that the customer feeds your family.
  - Your business is worthless, and your wallet is empty without funds provided by your customers.
- 
- Customers call, contact, or visit for one reason  
\_\_\_\_\_!
  - Treat every customer as though they were your favorite celebrity, hero, friend, neighbor, or your grandma.
  - Your friendliness and willingness to help is in direct proportion to your success.

Loyalty is the most difficult of the customer service goals to achieve. Once you have it, you have something your competition will never have...

\_\_\_\_\_!

# THE BORROWER, THE LENDER, THE BROKER: KNOW YOUR ROLE

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*We judge ourselves by our intentions....*

*others judge us by our actions....*

## Intentions vs. Actions

- Arrive 10 minutes early.
- Plan your day ahead of time.
- Plan your week by Saturday.
- Return all calls the day they came in.
- Ask everyone to close **now!**
- Listen actively with the intent to understand.
- Schedule yourself to be



\_\_\_\_\_ rather than busy.

## Follow Up and Follow Through

- Know your products
- Review your commitments
- Follow up daily with clients
- Follow up with funded loans
- Turn down files that don't fit yours or the lender's criteria (don't waste your time on \_\_\_\_\_)



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# PROSPECTING AND NETWORKING FOR LEADS







# PROSPECTING AND NETWORKING FOR LEADS

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## If Your Phone's Not Ringing...

...neither is your cash register!!!  
How do we get the phone to ring?

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## Why Do We Market?

- Lead Generation
- Clients
- Business Partners
- Business Branding
- Increased Profit Potential
- Create Market Separation
- Create Demand for Products & Services
- To Gain Market Knowledge (Important)

## Targeted Marketing Plan:

### Shotgun vs. Rifle

\_\_\_\_\_ : Focuses on Groups with  
Common Interests

- Fan pages
- Networking Meetings
- R.E.I. Groups
- Associations
- Linked In

\_\_\_\_\_ : Focuses on Specific  
Individuals with Narrow Interests

- Direct Mail
- Direct Calls



# PROSPECTING AND NETWORKING FOR LEADS

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## Tip #1: Target Your Market

You've heard the saying "You can't be everything to everyone" same goes for this business...

### Targeting = Higher Success

Working with businesses with similar interests, is your best source of \_\_\_\_\_

- Real Estate Agents
- Real Estate Investors
- Private Lenders
- Mortgage Brokers
- Real Estate Attorneys
- Title Companies
- Handymen/ Contractors



## Create Marketing to Gather a Steady Flow of Leads

### What constitutes a Lead?

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

### Online

- Craig's List
- Backpage
- Facebook
- Linked In
- Opt Ins (Website or squeeze pages)

### Offline

- Direct Mail
- Phone Calls
- Trade Publications
- R.E.I. Meetings / Networking Meetings

# PROSPECTING AND NETWORKING FOR LEADS

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**Lead Magnets** - getting people to give you their information:

1. Offer free gifts (subscription to a newsletter, e-zine, report, e-book).
2. Hold free online classes (webinars), which will brand your company and position you as an expert.
3. Offer free consulting: positions you as an expert and generates a warm call.
4. Give away a free membership.
5. Make sure your content is dynamic and up-to-date.

## Free to Less Expensive Marketing Examples

- Craigslist
- Newspaper
- Penny Saver / Nickel Nick's
- Door knocking
- Cold calling
- Word of mouth
- Flyers
- Attending R.E.I.A. clubs
- Networking
- Getting written up in local newspaper
- Guest on local radio and T.V. Shows

## Use the Social Hammer!

- 3 of the world's top sites are social media. (Facebook, YouTube & Wikipedia)
- Over 120 billion minutes spent getting social
- Half of the world is under 30 years old!
- Over 30% of all online traffic is social
- 3/4 of the world connects to social media



# PROSPECTING AND NETWORKING FOR LEADS

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- **Possible Social Media Ads:**

**I have more money than deals!**

Direct Private Lender  
Quick closings commercial and investment  
properties only!  
Bad credit no problem  
Asset based lending.

[Enter your website link HERE]

**MONEY!**

**Do you need money for investment properties?**

If you need funds for investment property flips call us first.

Quick funding  
Poor credit ok if the deal is strong!  
Investment properties only

[Enter your website link HERE]

**Money to Buy Fix/Flip Investment Properties**

I have money to lend on Investment property flips  
Quick, short-term money  
Bad credit OK!  
Equity and asset-based loan.  
Cash out possible.

[Enter your website link HERE]



**Less Expensive to Small Investment Examples**

- Direct mail!
- Purchasing leads

# PROSPECTING AND NETWORKING FOR LEADS

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- Running ad campaigns on radio
- Marketing and conducting your own seminars
- Newspaper placement ads 1/4, 1/2 pg. ads

## “Sky’s the Limit” Marketing

- Google pay-per-click campaigns
- Google cost per acquisition\*\*
- Running spots on television
- Sponsoring events (golf tournaments, charity drives, etc.)
- Billboards on major freeways
- Advertisements on movie screens

## Tip #2: Mine Your Current Contacts

- Pull out your “black book”
- Look through the rolodex
- Review your friends and family on Facebook
- Talk to co-workers and business associates
- Reach out to friends of friends
- Talk to neighbors



**Your reach is long if you think about  
all the possibilities!**

**Talk to EVERYONE you see! You never know what  
investors they might know!**

## List Making (exercise)

\_\_\_\_\_ (Write down 5  
people you know in this category)

- Close friends,
- Family,
- Co-workers

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

# PROSPECTING AND NETWORKING FOR LEADS

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1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

\_\_\_\_\_ (Write down 5 people you know in this category)

- People you know well,
- Facebook,
- LinkedIn,
- e-mail

5. \_\_\_\_\_

\_\_\_\_\_ (Write down 5 ways you can get people in this market) Categories of people you don't know at all (Share this list with someone you did not come to the training with!)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

## Tip #3: Set Aside Prospecting Time

**Biggest (and lamest) excuse I get from clients who are not prospecting is... Time**

- Most Americans spend 23 hours a week watching TV. Invest two of those hours each day into identifying Lenders and Borrowers (which still leaves you 9 hours for TV.)
- Put ads on Craigslist, Backpage, or newspaper
- Blog
- Talk about it on Facebook or Linked In
- Visit Local Real Estate or Networking Meetings



## The Rule of 54: Your Guaranteed Formula to Success

$$\begin{aligned}
 &25 \text{ _____ a wk. to investors (1300/yr.)} \\
 &+ 25 \text{ _____ a wk. to investors (1300/yr.)} \\
 &+ 2 \text{ _____ attended (104/yr.)} \\
 &+ 2 \text{ _____ submitted a wk. (104/yr.)}
 \end{aligned}$$

**= Broker Success**

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# PROSPECTING AND NETWORKING FOR LEADS

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## Horrors! What If They Ask What I Do?

- According to studies, you have about 30 seconds to tell someone what you do...before they lose interest and want to get away.
- According to those same studies, your listener will decide in the first 8 seconds if they care enough to continue listening.
- How will you answer them?

## Your Elevator Pitch

- “An elevator pitch is a short verbal introduction that explains what your business does and how it benefits your customer. This pitch is crafted and delivered to pique curiosity in the customer’s mind.”
- A great elevator pitch includes brevity, clarity and at least one benefit statement that is important to the customer.
- So... design the first 8 seconds to catch their attention to listen to the rest.
- Design the rest of those 30 seconds to get your point across clearly and succinctly about why they should want to work with you.
- Talk benefits, what’s in it for them, not features.



## Your Elevator Pitch (exercise)

- Having a great elevator pitch is a necessary tool to engage the “Cold Market.”
- Spend the next few minutes crafting your elevator pitch in the margin of your manual.
- Be prepared to share with the group.

# PROSPECTING AND NETWORKING FOR LEADS

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## Networking Opportunity

### Building your Network

- Building a network of contacts is critical to your business!

### Your Power Team May Be in this Room... Let's See...

- What is your name (and/or A.K.A.)?
- Where are you from?
- One thing that would make this training a 10+ for you?



**Power Team**





# PROSPECTING AND NETWORKING FOR LEADS

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

48 | Page



**TURN YOUR CLASSROOM  
KNOWLEDGE INTO REAL  
WORLD DOLLARS**





# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

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## Disclaimer

- What you're about to learn may hurt your feelings.
- If it does, you probably need hear it.
- Discomfort is the Mother of All Action.

## Let's Get You **ACTING!**

*"Be willing to be uncomfortable. Be comfortable being uncomfortable. It may get tough, but it's a small price to pay for living a dream."*

- Peter McWilliams

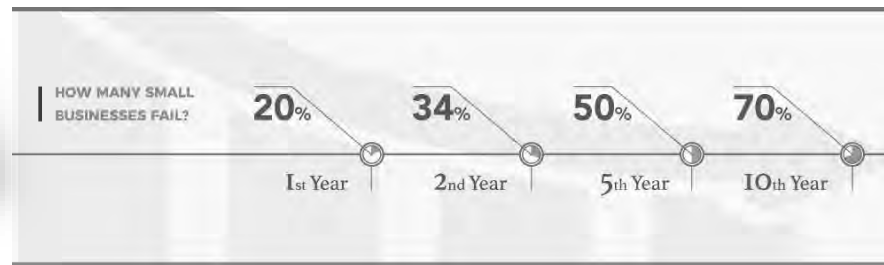
## First... ARE YOU ORDINARY?



# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

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## Where Will You Be?



## Are You Ordinary? Or Are You Extraordinary?

### Right Now... You Are Most Likely Feeling...

- Excited about all this new information you're getting here during these 4 days we have together
- Anxious to get home and start implementing this hard-won knowledge
- Gung-ho about your upcoming business actions and prospects
- Optimistic about your future success and income potential

**GOOD...**

**I WANT YOU TO TAKE HOLD OF THOSE  
FEELINGS AND HANG ON TIGHT  
BECAUSE...**

### In The Days, Weeks, or Months to Come...

- Those feelings of excitement and optimism will begin to fade.

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

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- You'll return back to your same life, same demands, same challenges.
- You'll face challenges and hiccups implementing this new business opportunity we've given you.
- You'll have time crunches, number crunches, and motivational challenges.
- In short, you'll face what every single business owner faces.

## The Five Reasons We've Seen Why People Lose Their Excitement and Motivation After An Event

- Stuck on the \_\_\_\_\_:  
Some people don't know how to do some of the simplest tasks in their business. Like getting their financials in order, putting together an email blast, writing a sales script, meeting with an employee, etc. Not knowing how to do something is a huge motivational killer.
- Don't know where to \_\_\_\_\_:  
Not knowing where to start will often stop people from ever starting at all.
- Overwhelmed with \_\_\_\_\_:  
Many people get bogged down in the details. It's called analysis paralysis and it kills even the most motivated entrepreneur's best intentions.
- Lack of \_\_\_\_\_:  
If someone doesn't understand the value of doing something, they just won't do it. Making calls, turning in documents, networking... all have reasons, but if you don't know what they are, you'll never do them.

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

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## EXAMPLE of Not Understanding Value...

Remember the Movie: Karate Kid?

Young Danielson didn't see any value in "wax on, wax off." He expected to learn karate, not do manual labor for Mr. Miyagi. He was very frustrated with the entire experience and wanted to quit.



**It Wasn't Until He Understood the Value of  
His Hard Work Did His Motivation Kick In...**

- No \_\_\_\_\_:

This is one of the ROOT causes we hear a lot. When I work with people, I always look for ways to fine tune their schedule. Reason being is that this is often the first excuse... "I didn't have enough time". For them, the lack of time is a real thing... but a poor excuse. (we'll talk about this more in a minute)

**We Want To Help You  
Which is Why We're All Here today.**

## Now I Can't Instill Motivation

- **Motivation is desire.** It is the "fire" that fuels great performances, outstanding victories, persistence, perseverance, determination and drive.



# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

- It is the explanation for why some entrepreneurs have a winning \_\_\_\_\_
- It is the rationale behind \_\_\_\_\_
- It is the \_\_\_\_\_ that allows entrepreneurs to overcome adversity, setbacks, disappointments, and failures.

**So, Right NOW, You have decide that you're motivated to earn huge income checks by helping others succeed in real estate.**

Raise Your Hand If You're Ready To Be The  
**EXTRAORDINARY ENTREPRENEUR!**

**Then Let's Begin**

**Let Me Ask You... When was the Last Time You Cashed a Check for \$4,410 Just for Helping a Real Estate Investor?**

Would You like to learn how to do that over and over again?

- Like Tyon Robinson...

ARV Purchase  
Loan Amount: \$147,000  
Broker Fee: \$4,410



808. Subordination Fee to Cogo Capital LLC ISAOA		
809. Condo Questionnaire to Cogo Capital LLC ISAOA		
810. 3% Broker Fee to Investors Capital	\$4,410.00	
811. Consulting Fee to Cogo Capital LLC ISAOA	\$997.00	
812. Servicing Setup Fee to Lake City Servicing	\$200.00	
813. Loan Servicing Fee to Lake City Servicing	\$180.00	

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS



- **Another One**

ARV Purchase  
Loan Amount: \$115,500  
Broker Fee: \$1,155



816. Broker Processing Fee to Investors Capital		\$1,155.00
<b>900. Items Required by Lender to Be Paid in Advance</b>		
901. Daily interest charges from 01/12/18 to 02/01/18 @ 41.71/day Lake City Servicing	(from GFE #10)	\$834.20
902. Mortgage Insurance Premium	(from GFE #3)	

- **And Yet Another One!**

ARV Purchase  
Loan Amount: \$120,400  
Broker Fee: \$1,460.59



807. Assumption Fee	to	
808. Broker Fee	Investors Capital	1,460.59
809. Consulting Fee	COGO Capital, LLC	997.00
810. Servicing Setup Fee	Lake City Servicing	200.00

## What is Tyon Doing?

### He's Using Our 6 Simple Ingredients to Succeed

- \_\_\_\_\_
- \_\_\_\_\_  
(It's Who You Know That Counts)
- Quality Product: \_\_\_\_\_
- Marketing

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

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- Education
- Time Management

## 1. S.Y.S.T.E.M.

S \_\_\_\_\_  
Y \_\_\_\_\_  
S \_\_\_\_\_  
T \_\_\_\_\_  
E \_\_\_\_\_ and  
M \_\_\_\_\_



## 1. Systems

**Contact Management System** – Every business needs a great contact management system. Your contacts are your business – especially since brokering is a relationship driven business. If you've ever missed out on an opportunity because you didn't follow up or didn't have someone important on your radar, you probably don't have a good system in place- or you aren't using it.

**Calendar** – A calendar is a must! If it isn't in your calendar, it isn't going to happen! Piles of Post-its are not great system, nor is committing appointments to memory. Have a planner that you write in every day (all your appointments and income-generating activities) and use a Google or Outlook Calendar to remind you of calls and appointments you have each day.

**Financial** – You've GOT to know what's going on with your money if you're going to grow your business. If you're running a solo show, consider QuickBooks Self-Employed or other financial platforms.

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

## 2. Network of Strategic Contacts and Partners

Brokering is a Relationship Business

- You need to have a list of lenders
- You need to have a list of borrowers

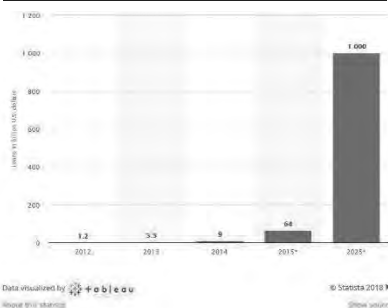
### Where to Network with Borrowers

- Call Other Investors From Their Marketing Efforts (Bandit Signs, Ads)
- Attend Real Estate Investment Associations (REIAs)
- Craig's List and/or Newspaper Ads
- Foreclosure Auctions (Cash Buyers!)
- Real Estate Seminars and Events
- Mortgage Brokers
- Online Real Estate Forums
- Referrals From Other Investors

### Where to Network with Lenders

- Private Lenders are Everywhere – They are You and Me!
- Anyone with Cash in the Bank, Money in an IRA, 401k, Equity Line in Personal Real Estate, Etc, is a Potential Money Lender
- Private Money is Secured in First Trust Deed Position Against Real Property and is Insured Against Loss. Money in Private Money Deals is Very Secure
- The Current Rate for a CD is 1.35%. The Current Average Rate for a Private Money Loan is 8 -12%
- Most People Would Like to be a Private Money Lender but Don't Know How, and Don't Know Where to Get Deals
- That's Where You Come In!

**Value of global peer to peer lending from 2012 to 2025 (in billion U.S. dollars)**



## 3. A Great Product... Money

is Changing the Financial Landscape

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

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## What is Peer-to-Peer Lending?

- Peer-to-peer (P2P) lending is a type of “sharing economy”. P2P lending platforms help connect investors with borrowers without the bank acting as an intermediary. It’s what Cogo Capital does and what you will help facilitate too.
- In the United States, 26 percent of people admitted that they have used peer-to-peer payments.
- Total Transaction Value in the Alternative Lending segment amounts to \$54,704 million in 2018.

## 4. Marketing

**60% of new ventures fail because of bad marketing decisions. For instance...**

- During tough times, cutting marketing dollars (They are the muscle of your business, not the fat.)
- Not doing market research.
- Not spending time and money on learning new marketing techniques and strategies.
  - Avoiding social media.
- Not venturing into the Internet realm (no website, no email marketing platform).
- Being the hard-selling, free-wheeling used-car salesman. Authenticity goes a long way in marketing.
- Personality, graciousness, and good listening skills will earn you more sales and loyal customers.
- If you want to grow your business this year, you need to market it! Make a plan and stick to it.
- Is networking part of your marketing strategy? Make sure you go to the right events and then schedule time to follow up (the right CRM will help).
- If social media is on your radar, make sure you have a plan that helps maintain consistency.
- Get this marketing book *Get Clients Now*. It’s perfect for every service-based business owner.

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

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## 5. Education

- A Wells Fargo study of small business owners revealed a need for business knowledge and information.
- Only 31% of small business owners surveyed started with business plans.
- 49% say they would have had an easier time had they asked for more advice from experienced business owners.
- 39% indicated a better understanding of financial management would have been an asset.

### What is the Cost of Higher Education?

- Although the cost of an MBA degree can vary, the average tuition for a two-year MBA program exceeds \$60,000.
- If you attend one of the top business schools in the U.S., you can expect to pay as much as \$100,000 or more in tuition and fees.
- In fact, getting an MBA has associated tuition expenses along with rent and book costs that can accumulate between \$100,000 - \$200,000 in debt and expenses in just over a two-year period!!!

## 6. Time

- Get control of your time by making lists.
- Break down tasks on your list by categories. The first is money making activities (represented by a \$ sign), the second is client relationship activities (represented by a smiley face) and the third is just "stuff" (represented by a question mark).
- Money making activities are first, followed by client relationship activities and then finally all other "stuff".

### Speaking of Time... Have You Heard of the 10,000 Hour Rule?

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

## It Goes Like This...

- The key to success in any field is, to a large extent, a matter of practicing a specific task for a total of around \_\_\_\_\_  
(That's about 3 hours a day for 10 years.)
- **Example:** Someone like Bill Gates had a passion for computers, but he also had the opportunity to put in 10,000 hours of programming on a state of the art computer early in his teens.
- Without that opportunity, he probably would not be who he is today. Those 10,000 hours allowed him to take advantage of another opportunity, which was starting Microsoft when the time was right.



**We've Been Brokering For More than 10,000 Hours So We Have it Down Pat**

**In a moment... I'm going to show how YOU can limit the cost and shorten the 10,000-hour time frame to earning more... MORE OFTEN!**

## It's What Master Broker Sheila Wakeman Does

Master Broker  
ARV Purchase  
Loan Amount: \$147,000  
Broker Fee: \$2,961



	Loan Charges to Residential Gems Capital Funding, LLC		
	Broker Fee	2,961.00	

**"The training was targeted, responsive, and aimed at making each of us successful."**



**Sheila Wakeman**  
Master Broker

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS



Sheila Wakeman  
Master Broker  
ARV Purchase  
Loan Amount: \$147,000  
Broker Fee: \$4,410



809. Broker Fee	to Residential Gems Capital	POC:Borrower	4,410.00	
810. Consulting Fee	to Cogo Capital			997.00
811. Servicing Setup Fee	to Lake City Servicing			200.00
812. Loan Servicing Fee	to Lake City Servicing			180.00
813. "Supplemental Summary"	to			6,005.54
900. Items Required by Lender to Be Paid in Advance				

## It's What Master Broker John Bockhold Does

"With the guidance and training provided, I will set up my own broker business with growth potential in the next 12 months!"

- John Bockhold



Broker Fee: \$ 2,250



# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

AND ANOTHER ONE!

808. Broker Fee	to BSIP	(from GFE #3)	\$3,349.13
-----------------	---------	---------------	------------

Broker Fee: \$ 3,349.13

AND ANOTHER ONE!



Broker Fee: \$ 3,465



807. Flood certification	(from GFE #3)		
808. Broker Fee to BSIP Capital	(from GFE #3)	3,465.00	
809. Consulting Fee to Cogo Capital, LLC	(from GFE #3)	997.00	
810. Servicing Setup Fee to Lake City Servicing	(from GFE #3)	200.00	
811. Loan Servicing Fee to Lake City Servicing	(from GFE #3)	180.00	
900. Items Required By Lender To Be Paid In Advance			
901. Daily interest charges from 5/30/2017 to 6/1/2017 @ \$41.71/day	(from GFE #10)	83.42	
902. Mortgage insurance premium for 6 months to	(from GFE #3)		

## 7 Basic Steps to Setting Up Your Broker Business

Step 1 Meet with a lawyer to \_\_\_\_\_

\_\_\_\_\_ of  
your private money broker business. Your attorney should be  
experienced in business and real estate. Discuss with your  
attorney the appropriate state of incorporation, entity type,

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

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tax issues, licensing and the different legal issues concerning residential & commercial lending.

**Step 2** Once you have chosen the appropriate entity,

\_\_\_\_\_. Once you have selected a name, form the company either with the assistance of your attorney or directly with the appropriate state agency in the state you wish to incorporate in. Obtain your employer identification number with the I.R.S.

**Step 3** \_\_\_\_\_.

Perhaps you have expertise in residential or small apartment buildings. You will want to focus on what you know and learn what the markets are doing in your space...

...For instance, if you are investing in apartment buildings, you need to know the rents in the area, property values, comps (values of similar properties nearby), business environment and other factors that affect the current and future value of the property and the ability of the borrower to repay.

**Step 4** \_\_\_\_\_ that match your loan-to-value (L.T.V.) parameters, minimum and maximum investment amounts, interest rates charged, payback periods, and property types such as non-owner-occupied residential, office buildings, strip malls or apartment buildings.

**Step 5** \_\_\_\_\_.

Understand your projected monthly and annual income based on points charged, monthly expenses, legal costs and other expenses. Develop a balance sheet, income and cash flow statements, and a profit and loss statement.

**Step 6** Buy your domain name, \_\_\_\_\_

\_\_\_\_\_ and launch your business. Have the website professionally done. Put an intake form on the site so you can pre-qualify projects online. Make certain to request information such as project type, loan

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

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requested, length of loan, value of property, location, and other important factors based on your lending criteria.

**Step 7** \_\_\_\_\_. Having a network of real estate brokers will help bring you a great deal of business. Finding projects that are undergoing the pre-funding due diligence process, including seeking capital, can provide you possible deals that will attract investors.

**Do You Want Me To Teach You  
How To Do This And Be Our *Fiercest* Competition Yet!**



## The demand for private money is on the rise!

- Home flipping has best year in a decade!
- “Lenders say the volume of financed flips has been rising.”
- “With home sales and prices rising, more people have jumped into the game of home flipping, according to Attom Data Solutions, which tracks sales activity in roughly 80 percent of the U.S. markets.”



# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

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## Meaning...

- There are not enough competent, trained brokers in the nation.
- There are even fewer competent, trained, “certified” private money brokers.
- Less Competition + HUGE Demand = Abundant Earning Potential!

## Which is Why We Are We Training You to be Our Competition!

- We want more competent, educated people to make more money with. (We want to work with hundreds, even thousands, of smart, profitable brokers.)
- We have the lender relationships (LOTS OF THEM).
- We have the Fund, and infrastructure to support you.
- We can service your client’s loans.
- We can take the package all the way to closing and ensure you’re paid...

## But... We’ll train you to do this with ANYONE

## Why We Broker...

- To help investors build up stronger and healthier portfolios.
- To help people minimize risk and maximize the returns on their investment.
- Create a community of lenders and borrowers who can safely and efficiently benefit from each other!

## Our Track Record:

- We’ve brokered thousands of private money loans.
- We’ve worked deals with brokers all across the country and made INCREDIBLE money together.

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

## This is What We Make

Payee	Memo	Amount
First Community Bank	Funding Figure	\$7,294.07
Cogo Capital	Origination Fees	\$10,960.00
Cogo Capital	Consulting Fees	\$2,265.00
Lake City Servicing	Servicing Setup Fees	\$200.00
Lake City Servicing	Loan Servicing Fees	\$90.00
Lake City Servicing	Interim Interest	\$1,233.00

Total Amount = \$13,225

Central Land Agency LLC	Funding Figure	\$128,659.36
Cogo Capital	Origination Fees	\$6,987.50
Cogo Capital	Consulting Fees	\$2,265.00
Lake City Servicing	Servicing Setup Fees	\$200.00
Lake City Servicing	Loan Servicing Fees	\$90.00
Lake City Servicing	Interim Interest	\$1,048.14
Secured Asset Recovery LLC	Draw Processing Fee	n/a

Total Amount = \$9,252.50

Payee	Memo	Amount
First American Title	Funding Figure	\$128,314.91
Cogo Capital, LLC	Origination Fees	\$4,095.00
Cogo Capital, LLC	Consulting Fees	\$2,265.00
Lake City Servicing	Servicing Fees	\$90.00
Lake City Servicing	Loan Setup Fees	\$200.00
Lake City Servicing	Interim Interest	\$1,035.09
Secured Investment Corp	Funding Fee	\$300.00
CLM Closing Services, LLC	Doc Prep Fee	\$200.00

Total Amount = \$6,360

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

Max Abstract & Settlement LLC	Funding Figure	\$33,792.34
Cogo Capital	Origination Fee	\$2,175.00
Cogo Capital	Consulting Fees	\$2,265.00
Lake City Servicing	Servicing Setup Fee	\$200.00
Lake City Servicing	Loan Servicing Fee	\$90.00
Lake City Servicing	Interest Payment	\$217.32
Lake City Servicing	Performance Guaranty	\$1,000.00
Panhandle Escrow Co. Inc.	Funding Fee	\$300.00
CLM Closing Services	Closing Services	\$200.00

Total Amount = \$4,440

Payee	Memo	Amount
Jerry M Wright, Attorney	Funding Figure	\$40,443.78
Cogo Capital, LLC	Origination Fees	\$2,375.00
Cogo Capital, LLC	Consulting Fees	\$2,265.00
Lake City Servicing	Servicing Fees	\$360.00
Lake City Servicing	Loan Setup Fees	\$200.00
Lake City Servicing	Interim Interest	\$356.22
Secured Investment Corp	Funding Fee	\$300.00
CLM Closing Services, LLC	Doc Prep Fee	\$200.00
Lake City Servicing	Performance Guaranty	\$1,000.00

Total Amount = \$4,640

7896

HATCHER TITLE & ESCROW AGENCY, INC.  
ESCROW ACCOUNT  
1418 MOBILE AVE.  
CHATTANOOGA, TN 37418  
PH: 423-266-5207

SUNTRUST  
214-6-642

15-284

Repaid Origination Fee-\$1640

Two Thousand Three Hundred Forty and 00/100

DATE  
September 3, 2015

AMOUNT  
\$ \*\*\*\*\*3,340.00

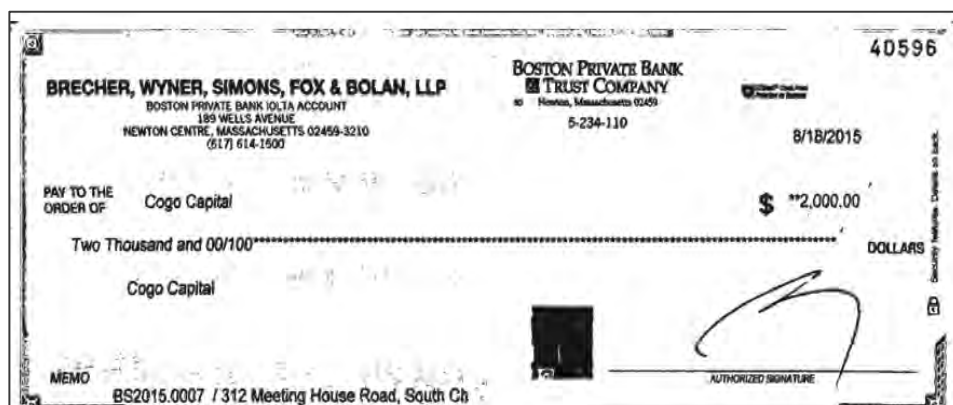
PAY TO THE ORDER OF Cogo Capital, LLC

*Carm M. Farley*  
ATTEST SIGNATURE

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

Payee	Memo	Amount
Access Abstract Corporation	Funding Figure	\$97,636.19
Cogo Capital	Origination Fees	\$2,687.50
Cogo Capital	Consulting Fees	\$2,265.00
Lake City Servicing	Servicing Setup Fees	\$200.00
Lake City Servicing	Loan Servicing Fees	\$180.00
Lake City Servicing	Interim Interest	\$671.94
Secured Asset Recovery LLC	Draw Processing Fee	n/a

Total Amount = \$4,952.50



Payee	Memo	Amount
Title America	Funding Figure	\$16,512.59
Cogo Capital	Origination Fees	\$1,300.00
Cogo Capital	Consulting Fees	\$2,265.00
Lake City Servicing	Servicing Setup Fees	\$200.00
Lake City Servicing	Loan Servicing Fees	\$180.00
Lake City Servicing	Interim Interest	\$292.41

Total Amount = \$3,565

**Would Anyone Here Like to Earn Those Kinds of Checks  
Too?**

**Would You Like to Jump the 10,000 Hour Gap and  
Becoming a Master Broker?**

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

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Write These Dates Down...

\_\_\_\_\_  
Corporate Office, Coeur d'Alene Idaho

HOW to MAKE MORE  
**Money** in Less Time

## Master Broker 4 Day Training

### Monday:

- Time with Lee's Staff going over dozens of money generating marketing strategies that will bring in more clients, more often.
- Review your current marketing plan.
- Teach you how to position, posture, and communicate yourself as a leader and expert in your industry.
- Launch into development of your Business Success Plan.
- Discover how to manage your leads and qualify them to insure the highest return on your time invested.
- Tour SIC Corporate Offices, meet all the players.

### Tuesday:

- Customize your Broker Fee Agreement and Loan Application as you set up docs for mailing out.
- Find out how to "Train your clients" to bring you the best deals.
- Join an actual Lender Committee meeting and learn how to get them on your side!
- Learn how to vet your clients as you participate case studies and vetting role-plays.
- Sit in our studio for your professional photo.



### Normand Richard Master Broker

ARV Purchase, Loan Amount: \$111,000, Broker Fee: \$3,330

"Are you kidding me!!! We've been to all these real estate gurus, Marco Kozlowski, Elite, Terry with self storage... You guys have it down pat. 3 months with you and we're way past 2.5 years with all the others."



# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

## Normand Richard Master Broker – Again!

ARV Purchase  
Loan Amount: \$339,500  
Broker Fee: \$3,395



	<b>Loan Charges</b>	
	Loan Charges to Secured Investment Corp.	
	Prepaid Interest to Lake City Servicing 09/21/18 to 10/01/18 @ \$122.600000/day	1,226.00
	Broker Fee to Nationwide Capital, Inc.	3,395.00
	Origination Fee to Cap Capital	10,185.00

## We'll Create Your Squeeze Page

### At the event you'll receive:

- A Professional Headshot
- Professional Scripting
- Professional Video
- Professional Landing Page
- You can edit your logo and contact information through the back-office landing page portal.



## You'll Take Advantage of Our Professional Recording Studio



# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS



## You'll Get in Depth Back Office Reporting



### You'll be able to see:

- Visits
- Unique Visitors
- Applications Submitted
- Lead Count
- Applications in Processing
- Total Funded Loans

## Master Broker 4 Day Training

### Wednesday:

- Understanding the Funding Process (Building ongoing reputational capital with Lenders).
- Continue your Success Plan development.
- Practice filling out the Loan Cost Worksheet.
- Explore the national lenders list and discover lenders for all types of loans.
- Hands on lab time with our own I.T. department mastering the Back Office, Craigslist, LinkedIn, Facebook, Meetup and more.

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

## Brandon Martinez, Master Broker

ARV Purchase

Loan Amount: \$182,000

Broker Fee: \$5,460

Credit Report to Cogo Capital	60.50
Broker Fee to Legacy Frontline Capital, Inc.	5,460.00
Consulting Fee to Cogo Capital	997.00
Servicing Setup Fee to Lake City Servicing	200.00
Loan Servicing Fee to Lake City Servicing	180.00



*"I will recommend Lee Arnold to anybody who wants to learn."*

## Terri Wickman-Whalen, Master Broker

ARV Purchase

Loan Amount: \$109,000

Broker Fee: \$3,270

3% Broker Fee to Rescom Capital Funding LLC	3,270.00
Consulting Fee to Cogo Capital	997.00
Escrow Holdback Fee to Panhandle Escrow Company, Inc.	150.00
Loan Servicing Fee to Lake City Servicing	180.00



*"Lee's programs have taken our business from dreams to realities. I am now reaching higher and further than I ever expected."*

## Master Broker 4 Day Training

### Thursday:

- Dialing for Dollars Training with COGO Staff
  - Listen as Loan Officers and Processors make & receive phone calls.

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

- Strategic tips to handle objections and questions
- Positioning the close at the start of the call
- Setting expectations for ongoing relationship management.
- Call our leads and work deals!
- Record you professional marketing video.
- Professional feedback on Success Plan, plus Mastermind!



## What Kind of Disposable Income Will You Make?

### Like Tyrone Brewington, Master Broker

ARV Purchase

Loan Amount: \$159,600

Broker Fee: \$3,192

Other Loan Charges			
2% BROKER FEE to BREWINGTON CAPITAL	LR	\$3,192.00	
CONSULTING FEE to COGO CAPITAL, LLC	LR	\$997.00	
DOC PREP to CLM CLOSING SERVICES, LLC	LR	\$200.00	
DRAW PROCESSING FEE to LAKE CITY SERVICING	LR	\$400.00	
ESCROW HOLD BACK FEE to PANHANDLE ESCROW COMPANY, INC	LR	\$150.00	



*"Thank you for pushing us all just hard enough to reach and identify new personal and business goals."*



### Raymond Cox, Master Broker

ARV Purchase

Loan Amount: \$122,500

Broker Fee: \$3,675

LLC	
3% Broker Fee to DMCh & Jones Financial Group, LLC.	3,675.00
Consulting Fee to Cogo Capital, LLC	997.00
Document Preparation to CLM Closing Services, LLC	200.00
Draw Processing Fee to Lake City Servicing	600.00
Escrow Holdback Fee to Panhandle Escrow	150.00

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

## Eric Clowers, Master Broker

ARV Refinance, Loan Amount: \$46,900, Broker Fee: \$1,407

802. Broker Fee	3%	to Southwest Capital Funding, LLC	\$1,407.00
803. Consulting Fee		to Cogo Capital, LLC	\$997.00
804. Servicing Fee		to Lake City Servicing	\$200.00
805. Loan Servicing Fee		to Lake City Servicing	\$180.00
806. Escrow Holdback Fee		to Panhandle Escrow Company, Inc.	\$150.00
807. Funding Fee		to Panhandle Escrow Company, Inc.	\$300.00



*"The work we had to do was a necessary part to set up a business that will grow and profit. We were forced to face the challenges of goal setting, vision, marketing and given the resources needed to get it done."*



## Robert Rodgers, Master Broker

ARV Purchase, Loan Amount: \$117,000  
Broker Fee: \$3,510

805. Credit report to Background Check	Cogo Capital, LLC	(from GFE #3)	60.50
806. Rehab Escrow Funds	Panhandle Escrow Company	(from GFE #3)	44,236.50
807. Flood certification		(from GFE #3)	
808. Broker Fee	Busters Capital LLC	(from GFE #3)	3,510.00
809. 802 Consulting Fee	Southwest Capital Funding, LLC	(from GFE #3)	1,407.00

*"Out of all the events that I have been to with your company over the years, this is the most friendly to network with. Had a Blast!"*

## Michelle Johnson, Master Broker

ARV Purchase, Loan Amount: \$240,500, Broker Fee: \$4,810

802. Loan Discount	2.0000 %	to Exodus Funding Solutions, LLC	4,810.00
803. Consulting Fee		to Cogo Capital	997.00
804. Servicing Setup Fee		to Lake City Servicing	200.00
805. Loan Servicing Fee		to Lake City Servicing	180.00

*"The more education I receive through the Lee Arnold System of Real Estate Investing, the better I can see how it all builds on each other and develops students as investors."*



# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

## Luther Williams, Master Broker

Refinance

Loan Amount: \$53,500

Broker Fee: \$1,070

<b>Disbursements Paid:</b>	
Broker Fee to Lujan Capital LLC	1,070.00
Servicing Set up Fee to Lake City Servicing	200.00
Loan Servicing Fee to Lake City Servicing	180.00
Funding Fee to Panhandle Escrow Company, Inc	300.00
Closing Services Fee to CLM Closing Services, LLC	300.00



*"Lee Arnold System promised a lot – I am happy to say that they over delivered – Great job!"*

## The Master Broker Advantage

- You'll jumpstart your success as an Independent Private Money Broker!
- You'll have the marketing systems **in place** to generate more borrowers and lenders... and more importantly... **MORE REPEAT** borrowers and lenders.
- You'll understand the loan business inside and out.
- You can charge 3 points on every deal you submit to Cogo Capital.
- You will receive your professional head shot.
- You will receive your professional video clip.
- Lab time with experts, role-playing, Success Plan feedback, case study exercises, eavesdropping on loan officers talking to actual clients, etc.

**EXPERIENCE brokering! Don't just hear and read about it!**

## We'll Even Share the Wealth!

As a Master Broker, we share the points with you.

**What does that mean?**

# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

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- We're taking a bath on the points by splitting what we charge with you, to make sure you stay competitive with other brokers.
- This allows you to close more deals and get paid more often from repeat customers!
- If that is not enough, you are still free to add points on top to be paid outside of closing.

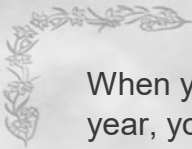
**So, What Would You Pay to Ensure a 6 Figure Income  
in 2019?**

30,000?...

40,000?...

**50,000?**

**What if We Paid for Your Tuition?**




When you complete 20 Brokered deals within ONE (1) year, you will receive a reimbursement of your tuition.\*

Deals MUST BE completed in the year following the workshop; you MUST use Cogo financing; And you MUST provide us with Hud Statements, pictures of your profit checks, and a TESTIMONIAL.\*

Broker may not be a guarantor on the loan.\*



\*See Event Agreement for full details!



# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

## Rebecca Lin's Tuition Was Paid For



## Sheila Wakeman's Master Class Was Reimbursed Too!





# TURN YOUR CLASSROOM KNOWLEDGE INTO REAL WORLD DOLLARS

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**We'll Pay For You to Get a Full Education in 4  
Days! (What MBA Offers a Tuition  
Reimbursement Program???)**



**Get with your Business Development  
Consultant in the back of the room to  
reserve one of the final spots today!**

[illegible]



# VETTING YOUR LENDERS





# VETTING YOUR LENDERS

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## What to Know About Your Lenders

Every Good Broker needs 4 or 5 good lenders in their pocket. COGO Capital should be one of these lenders. As in any other business relationship, it is important to vet your lenders. Here are a few things you should know:

- What is their policy about working with Brokers?  
Many lenders will have a formula for capping what a broker can earn from the H.U.D. Statement.
- Rates and Terms. You should be able to get a range of what the lender charges.
- Deal Qualifications & Borrower Qualifications.
- Loan documentation requirements.
- What amount of funds do they have under management?
- How long does it take to access funds?
- What are their typical closing time needs?
- What is the amount of JUNK fees charged?

## Here is what you need to know about COGO Capital:

### Basic Loan

- 1st Trust Deed Lending Only
- Interest Only
- Minimum Loan Amount: \_\_\_\_\_



# VETTING YOUR LENDERS

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- Maximum Loan Amount: \_\_\_\_\_
- Common Loan Length: 3 to 24 Month Terms.
- No \_\_\_\_\_ Penalty
- Financial Condition – Down Payment, Construction/Rehab Costs, Closing Costs, and 3 Months Reserves Required
- Cross-Collateralization Allowed

## General Applicant Requirements

- Applicant/Borrower Must be an Existing, Valid U.S. Business Entity (L.L.C., Corporations, Partnerships, Trusts, etc.)
- Personal Guarantor is required. Anyone with \_\_\_\_\_ Ownership of the entity, or more, is required to be a Personal Guarantor)
- U.S. Business Entities with Ownership by \_\_\_\_\_ are Permitted to Borrow

## Property Requirements

- \_\_\_\_\_ Occupancy only
- Property types – S.F.R., Duplexes, Triplexes, 4-plexes, Condos, Townhouses, M.F.H.'s
- Clear \_\_\_\_\_ is required
- 1 year of \_\_\_\_\_ paid at closing (including flood insurance, when applicable)
- A 3rd party independent appraisal by approved national company ordered internally – “As-Is” or “A.R.V.” value depending on loan, no older than 90 days

# VETTING YOUR LENDERS

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- Private utilities must be inspected and certified (well, septic, etc.).
- Property must be habitable, or funds are held in escrow - 100% of licensed contractor bid for repair and released on draws.
- Purchase Loan to Value cannot exceed \_\_\_\_\_ of the appraised value depending on training.
- Refinance Loan to Value cannot exceed \_\_\_\_\_ L.T.V. lowered to 50% if more than 10% of loan amount is received by borrower at closing
- Lease agreements required on all subject properties that are rented
- \_\_\_\_\_ bids are required on all repair work needed
- No \_\_\_\_\_ on refinances, unless acquired by gift or Quit Claim in the last 24 months - then Max L.T.V. is 50%
- Cross-collateralization – L.T.V.'s remain the same when all properties are the same transaction type. Multiple transaction types require L.T.V.'s to be calculated separately for each property.

## Quit Claim Example:

Your uncle Bob quit claims a property to you last month because you are his favorite in the family. The property has been vacant for the last 3 years and needs a lot of work. Your plan is to borrow from COGO, so you can fix it up and sell it. You have already done some due diligence and know that the A.R.V. value is \$250,000.00 if you can do a good rehab on the property. What is the most COGO Capital can loan you in this scenario?

*Write your answer in the margin of your book! ➔*

# VETTING YOUR LENDERS

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## 2 Types of Deals

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### Refinance: Business Purpose

\* All funds being used to go back into the current project or cross collateralization.

- Cogo Capital will lend up to \_\_\_\_\_.
- **IF BORROWER RECEIVES MORE THAN 10% (OF LOAN AMOUNT) CASH OUT AT CLOSING, THEN THE LOAN DEFAULTS TO A**

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### Refinance: Cash Out

Cogo Capital will fund up to \_\_\_\_\_ of the Loan to Value (L.T.V.).

### Refinance

#### Business Purpose

70% - As-Is Value - \_\_\_\_\_

#### Cash out

50% - As-Is Value

### Purchase

Cogo Capital Will Lend Up to \_\_\_\_\_ of

Purchase Price not to exceed \_\_\_\_\_ L.T.V.



# VETTING YOUR LENDERS

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## Purchase Rates (current as of 07.16.18)

Non-Master/Lee's Inner Circle	
Purchase Price / Refinance	90%
Rehab	100%
Purchase Closing Costs	0%
Not to Exceed L.T.V.	65%
Cash out is maxed at 50% L.T.V. (may include closing costs)	

Master Rehabber/Lien Abatement Specialist, 1-on-1 Student or Lee's Inner Circle	
Purchase Price / Refinance	100%
Rehab	100%
Purchase Closing Costs	100%
Not to Exceed L.T.V.	70%
Cash out is maxed at 50% L.T.V. (may include closing costs)	

## Ways to Achieve the Down if needed:

- Equity partner
- \_\_\_\_\_
- Equity in a free and clear property
- \_\_\_\_\_

# VETTING YOUR LENDERS

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- 401k or self-directed I.R.A.
- \_\_\_\_\_
- \_\_\_\_\_
- Advanced L.A.S. Training

## Compensating Factors

Credit Score	Experience	Points
720+	5+	2%
680-719	3-4	3%
620-679	1-2	4%
619 & Under	0	5%

## BUY Down of Points and Interest

Additional Cash to Close	Points	Points
5%	-1%	-1%
10%	-2%	-2%
15%	-3%	-3%

# VETTING YOUR LENDERS

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## EXAMPLES?

### Example #1

Mike has a free and clear rental property that he is looking to leverage so he can expand his rental inventory. The property has an as-is appraisal for \$66,000. Mike has reached out to Cogo Capital to see what he can borrow against it. Mike's credit score is 670. Assuming all funds go toward cross collateralization for the purchase of another property what is the most value Mike can get from the property he owns now?



### ANSWER?

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### Example #2:

Mr. Nelson has a free and clear property with an as-is appraisal for \$125,000. He is looking to pull money out, so he can pay back taxes and use the remaining funds to go shopping at the foreclosure auction. Mr. Nelson has a 735 credit score. What is the most COGO Capital lend to Mr. Nelson?

### ANSWER?

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# VETTING YOUR LENDERS

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## Example #3

Ethan is buying an investment property for \$220,000. He plans on holding this property for a rental. The as-is appraised value came in at \$260,000. The property needs no rehab. Ethan has a 625 credit score. Assuming \$10,000 in closing costs, how much will COGO Capital lend on this transaction?

**ANSWER?**

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**A.R.V.** - (After Repaired Value)

**Does Cogo Capital Lend on A.R.V.?**

**A.R.V. – Refinance or Purchase**

Cogo Capital will lend up to \_\_\_\_\_ A.R.V.

- One Loan at a time
- All Rehab funds will be held in escrow
- No Cash Out
- 6 Month Terms
- Closing Cost

# VETTING YOUR LENDERS

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**\*A.R.V. Rates (current as of 07.16.18)**

\*same as Purchase

Non-Master/Lee's Inner Circle	
Purchase Price / Refinance	90%
Rehab	100%
Purchase Closing Costs	0%
Not to Exceed L.T.V.	65%
Cash out is maxed at 50% L.T.V. (may include closing costs)	

Master Rehabber/Lien Abatement Specialist, 1-on-1 Student or Lee's Inner Circle	
Purchase Price / Refinance	100%
Rehab	100%
Purchase Closing Costs	100%
Not to Exceed L.T.V.	70%
Cash out is maxed at 50% L.T.V. (may include closing costs)	

# VETTING YOUR LENDERS

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## Example #4

Angel has contacted COGO Capital and is looking for a loan to refinance a property for repairs. The property is in Dayton, OH. Angel is looking to fix this house and sell it. She needs \$30,000 in repairs. The as-is value is \$15,000. The A.R.V. is \$80,000. Angel's credit score is 685. What is the max COGO Capital can lend to Angel?

**ANSWER?**

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## A.R.V. Loan Fees

- Underwriting, Processing, and Attorney is same as a Purchase Loan plus:
- 3 Draw Fees @ \$200 per Draw
- Draw Inspection Fees @ \$175 per inspection
- Escrow Hold Back Fee @ \$150
- Bank set up Fee @ \$300

## Example #5

Jimmy Smith has contacted COGO Capital and is looking for a loan to purchase a property in Dallas, TX. Jimmy is looking to Fix and Flip this house. The Purchase Price is \$65,000. He needs \$30,000 in repairs. The As-Is Value is \$75,000. The A.R.V. is \$150,000. How much can COGO Capital lend Mr. Smith if he has a credit score of 625 and all closing costs, including A.R.V. fees, come to \$9,500?

**ANSWER?**

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# VETTING YOUR LENDERS

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## Example #6

Roger has contacted COGO Capital and is looking for a loan to purchase a property in Orlando, FL. Roger is looking to fix this house and rent it out. The Purchase Price is \$80,000. He needs \$25,000 in repairs. The As-Is Value is \$80,000. The A.R.V. is \$180,000. How much can COGO Capital lend Roger if he has a credit score of 765 and we assume all closing costs will be \$8,500.00?

**ANSWER?**

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## Additional Requirements

- Contractor Bids, Scope of Work & Cogo Capital Draw. Schedule will be required to submit with Appraisal Request (Options for purchase).
  - 1 Rehab Project at a Time.
  - First Time Borrowers (1st loan) will need to be paid off or have

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- Detailed Item Cost Sheet Before Closing.
- Builder Resume Required from General Contractor or Manager.
- Baseline inspection, draw inspections and final inspection may be required.
- 6 Months Builders Risk / Course of Construction Insurance Required.
- Uninhabitable –
  - Property/ Building Plans approved by Engineer, Licensed Architect, or Local Jurisdiction.

# VETTING YOUR LENDERS

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- Certificate of Occupancy, Final Inspection, or Documentation Needed.
- Borrower will need to front costs for each draw and then be reimbursed from the draws – NO Closing Advance!
- No Cash Out.
- Photos or video of Work Completed (Smart Phone) may be needed.

## **\*Exceptions and Special Circumstances**

- A. Seasoning: Gift and Quit Claim Transactions will be limited to 50% L.T.V. for the first two years of ownership.
- B. Cash-Out Transactions will be limited to 50% L.T.V.
- C. The L.T.V.'s in Cook County, Illinois; Cuyahoga County, Ohio; Baltimore County, Maryland; or Wayne County, Michigan are currently capped with a maximum L.T.V. of 50% on all loan types.
- D. For loans in the amount of \$40,000 or less, the maximum loan to value shall be 50%.
- E. Loans to an I.R.A. without a personal guarantor, will be limited to 50% L.T.V.
- F. In the event of a seller carry back or second mortgage, the maximum loan will be the lesser of 65% of the purchase price or 65% of the as-is value.



## This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

[illegible]



# WORKING YOUR LEADS: CONSULTATIVE SELLING





# WORKING YOUR LEADS: CONSULTATIVE SALES

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## What's the Difference Between a Prospect and a Lead

- \_\_\_\_\_ are what you get from your website or referrals.
- \_\_\_\_\_ are what they become once you've opened the lines of communication.

**YES, you will have to talk to them!**

This business is all about developing relationships!

## Leads to Disqualify

It's okay to knock a lead off the list if they are wasting your time and energy. Only spend time on **High Probability Prospects!**

### Disqualifying Characteristics:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_ (a "maybe" turns into "no" more often then it turns into a "yes").

A large, tilted, rectangular stamp with a distressed, ink-like texture. The word "REJECTED" is written in bold, capital letters across the center of the stamp.

Only invest time with high-probability prospects. The most significant cost in a real estate professional's business isn't the advertising or marketing. It's the opportunity costs of making an investment in the wrong person and not getting paid, when you could have worked with someone who would have generated a broker fee.

The \_\_\_\_\_  
is the largest cost of all in your business.

# WORKING YOUR LEADS: CONSULTATIVE SALES

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## Got the Phone to Ring? Now What?!



- \_\_\_\_\_:  
Studies show that when someone is labeled a sales person, their chances of being well received drop dramatically. However, **consultants** are adored members of our society. Who doesn't like someone offering free advice? Be the expert they need, and they'll gratefully do business with you.
- \_\_\_\_\_:  
People are talkers and many, for the most part, enjoy talking about themselves or their 'situation.' Allowing a prospective client to talk will change your success rate. There are also many good things that can come from a great conversation with a new person. Ask questions to best answer their needs and you'll be surprised where it leads the relationship above and beyond a closed loan.
- \_\_\_\_\_:  
As exciting as it is for you to have the #1 Service in the Industry, as an **Independent Private Money Broker**, your prospect wants to know how it's going to improve his or her life or business. Speak in terms of benefits to the customer. No one likes a braggart, but everyone loves someone who can do something for them.
- \_\_\_\_\_:  
By answering a sales phone call, you are essentially taking the entire reputation of your company on your shoulders. The phone call is often your first impression and you only have one shot at that. Take it seriously.
- \_\_\_\_\_:  
Be prepared: Have a ready, effective, benefit-driven answer prepared. Do some brainstorming around likely questions.

# WORKING YOUR LEADS: CONSULTATIVE SALES

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## Tip: Listen Your Way into a Sale

- Focus on the person in front of you (not on your phone or others around you).
- Don't interrupt: Let the person finish before you begin.
- Pay special attention to key points (write them down to remember them).
- Reflect back what you think you heard.
- Watch for \_\_\_\_\_.
- Ask relevant questions.
- Respond physically: Lean in and nod when appropriate.



## Your Purpose Within Their Phone Call

- To help cure "broken."
- Identify their need.
- Identify their pain if that need is not met.
- Figure out if and how your solution will meet their need and eliminate the pain.
- If it does, articulate the benefits they will get by using your product to solve their need.
- Converse with them. Don't grill them.

## Questions for the Borrower

- In case we get disconnected, what is your best phone number?
- Is the deal under contract?
- How many deals have you done so far?
- How many deals have you done in the last year?
- What do you do for a living?
- Do you have other forms of income outside real estate?
- How much did you make on your last deal?
- Why are you buying this property?



# WORKING YOUR LEADS: CONSULTATIVE SALES

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- How much do you plan to make on this project?
- How much of your own money are you investing into this project?
- How much do you need to borrow?
- To what email address should I send the application information?
- What will the loan funds be used for?
- How quickly do you need/want to close?
- What is your purchase price?
- How much do you expect to need to spend on repairs?
- What will the property be worth when you have repaired it?
- What is the property worth today, as it stands?
- How did you determine those amounts?
- *(These are all woven into a friendly conversation, not asked sequentially without comments in between.)*
- *(See the Background Details Form for more.)*

## Time to Practice It!

Pair up with someone that you did not come with that is near you. Take turns being the client calling the broker. You each have two (2) minutes.

- P.P.=\$50k, (Purchase Price)
- C.M.V.=\$65k, (Current Market Value)
- A.R.V. =\$130k, (After Repair Value)
- Repairs=\$15k
- Loan request=\$60k for 6 months,
- Rehab & sell
- Arkansas
- C.O.E. 30 days (Close of Escrow)
- Bank balance last 2 months=\$25k

(be creative on the rest of the details)



# WORKING YOUR LEADS: CONSULTATIVE SALES

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## How Did It Go?

Talk briefly with your partner about how you did.

- What went well that you want to repeat?
- What would you do differently next time?
- Be prepared to share one point (One sentence, 15 seconds!) with the group.

## More Time to Practice It!

Pair up with someone else near you. Take turns being the client calling the broker. You each have two (2) minutes.

- P.P.=\$100k, (Purchase Price)
- C.M.V.=\$120k, (Current Market Value)
- A.R.V.=\$260k, (After Repair Value)
- Repairs=\$35k
- Loan request=\$140k for 6 months,
- Rehab & sell
- Texas
- C.O.E. 30 days, (Close of Escrow)
- Bank balance last 2 months=\$60k

(Be more creative on the rest of the details)

## How Did It Go This Time?

Talk briefly with your partner about how you did:

- What went well that you want to repeat?
- What would you do differently next time?
- Be prepared to share one point (One sentence, 15 seconds!) with the group.

# WORKING YOUR LEADS: CONSULTATIVE SALES

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## Follow Up and Follow Through

### A Typical COGO Borrower Experience

The following represents a typical transaction flow.

CHANGE HAPPENS! DO NOT TAKE IT AS CAST IN  
CONCRETE!

Verify the process with the loan officer / processor when you  
start your first deal.

### Stage 1: COGO Borrower Experience

- Borrower obtains contract on property.
- Borrower shows interest in your brokering through your landing page, email, or verbal request.
- Broker discovers need and pain in guided conversation with Borrower.
- Broker describes the value to be provided to borrower by broker.
- Borrower signs Fee Agreement.
- Broker suggests Collateral D.N.A. Property Report to better assess value, possibly save cost of full appraisal for unworkable deal.
- Broker discusses Collateral D.N.A. Report with borrower, suggests loan structure, creates preliminary L.C.W. (Loan Cost Worksheet).
- Broker explains overall process and sets expectations.
- Broker sends application package & explains application fee of \$197.
- Borrower returns completed application with fee.
- Broker contacts loan officer.
- Broker asks loan officer to order \_\_\_\_\_.
- Appraisal report received.



# WORKING YOUR LEADS: CONSULTATIVE SALES

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- Broker reviews report, adjust loan structure, rates & terms, creates tentative estimated Loan Cost Worksheet (L.C.W.)
- Broker verifies L.C.W., proposed loan structure and broker's proposed rates and terms with loan officer.
- Broker discusses proposed loan structure and estimated L.C.W. with Borrower.
- Borrower signs estimated L.C.W.
- Broker sets expectations and timelines for receiving supporting documents.

## Stage 2: COGO Borrower Experience

- Borrower orders title insurance, hazard insurance, and possibly flood insurance.
- Borrower supplies all required supporting documents to Broker.
- Broker reviews all documents CAREFULLY for completeness, all initials & signatures, fraud, consistency.
- Broker submits COMPLETE package to loan officer (L.O.), who reviews it thoroughly.
- Broker and borrower correct any issues L.O. finds.
- Broker and L.O. submit package to underwriting.

## Stage 3: COGO Borrower Experience

- Underwriting reviews Loan Package to determine if it meets S.I.C. (Secured Investment Corp) standards and may ask for additional information from the borrower.
- Underwriting approves the loan.



# WORKING YOUR LEADS: CONSULTATIVE SALES

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- Funding receives the loan and places the loan on one of the S.I.C. High Yield Funds or places the loan with the appropriate lender to fund.
- S.I.C. Closing Department creates documents for loan closing.
- S.I.C. Legal Department reviews closing documents.

## Stage 4: COGO Borrower Experience

- Closing documents are sent to closing agent.
- Lender (the H.Y.F. or private lender) wires funds for the loan to the outside escrow agent.
- Loan is funded, broker is paid @ closing.

## Stage 5: COGO Borrower Experience

- Borrower makes monthly interest-only payments to loan servicing company.
- Before loan maturity borrower pays off loan.
- Borrower rinses and repeats the process.

## How Smooth This Experience Goes = REPEAT BORROWERS

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### are the cream of the crop because:

- They already know the drill.
  - They are building up reputational capital with COGO and our Select Lenders (more deals funded faster).
  - They have proven themselves out with previous loan successes.
  - They are serious investors...not just flashes in the pan.
  - They often eventually become lenders themselves and help other borrowers (**referred to as the**
-

# WORKING YOUR LEADS: CONSULTATIVE SALES

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## Strategies for your Referral Business

### From Repeat Borrowers:

- Always follow up.
- Challenge client to repeat; encourage them.
- Receive permission to use their testimony in marketing.
- Request a list of their contacts to whom you can offer your services.

## Systemize your Follow Up

### Includes:

- A plan
- A \_\_\_\_\_  
(C.R.M.) Customer Relationship Management
- An email deliverability service, which can send emails, surveys, auto-responders.
- A website
- A blog
- Social media distribution of information.
- Any other online system to disseminate real-time information for client consumption.

## How Do You View Your Business?

### Don't View Your Business as A Commodity!

#### Commodity:

- Investopedia Definition
  1. A basic good used in commerce that is interchangeable with other commodities of the same type. Commodities are most often used as inputs in



# WORKING YOUR LEADS: CONSULTATIVE SALES

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the production of other goods or services. The quality of a given commodity may differ slightly, but it is essentially uniform across producers. When they are traded on an exchange, commodities must also meet specified minimum standards, also known as a basis grade.

2. Any good exchanged during commerce, which includes goods traded on a commodity exchange.

- Commodities are based on

- \_\_\_\_\_

- Market fluctuations

- Wall Street

- Foreign wars

- Political debates

- News reports (fake tweets have sent the markets plummeting!)



- Commodities are \_\_\_\_\_ ... not people.
- Commodities \_\_\_\_\_.
- Money can be a commodity!

**Too many brokers quote 1/8 on EVERY DEAL, which means...**

- You get paid \_\_\_\_\_
- No lender is going to pick up your loan.

**You have no business in this business if this is your vision!!!**

- We are in the \_\_\_\_\_ business with borrowers and lenders.
- This should be your goal.

# WORKING YOUR LEADS: CONSULTATIVE SALES

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## Act as the Lender and Ask Yourself These 4 Questions When Looking at a Loan

- Is the Deal Attractive to Me? Would I Lend on This Deal?
- What Would I Want to Make on This Transaction?
- Would I Trust This Borrower to Pay Me Back?
- Is This Exit Strategy Realistic?

If you can't answer yes, should you be packaging this deal?

## Act as the Borrower and Ask Yourself These 4 Questions When Looking at a Loan

- Is This an Attractive Deal?
- Is My Exit Strategy Sound and Realistic?
- Is the Purchase Amount I'm Asking Going to Give Me Enough Wiggle Room for Profit After Rehab?
- Do I Have Enough Reserves to Pay on This Loan?

If you can't answer yes, should you be packaging this deal?

- Our job is to protect the interest of our \_\_\_\_\_  
& \_\_\_\_\_
- This is your goal!
- Ultimately, Your Fiduciary Responsibility is to \_\_\_\_\_  
(provided its good business for everyone involved).
- You can get it funded \_\_\_\_\_.

\_\_\_\_\_

[illegible]





# FROM APPLICATION TO CLOSING





# FROM APPLICATION TO CLOSING

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## What We Will Cover

- The application
- Other supporting documents
- The title policy
- The appraisal
- Closing

## Your Job as Broker

- Verify the deal makes sense.
- Match borrower's needs to appropriate lender (you do their heavy lifting).
- Gather ALL the required documents.
- Cross-check and inspect the information!
- Submit a complete, organized package to the lender.

## Application Process

- While each lender will have their own process, all will be similar.
- Bottom line: What we teach will prepare you to work with any lender.

## 3 Main Components to a Complete COGO

### Capital Loan Application

- Residential Loan Application, including Authorization to Release Information & Credit Authorization
- \_\_\_\_\_
- \_\_\_\_\_

***All these forms need to be filled out correctly and signed by the borrower.***

# FROM APPLICATION TO CLOSING

## Residential Loan Application: (See, "Other Resources")



Cogo Capital Loan Application

<b>Loan Type &amp; Terms</b>					
Loan Type Applied For:	Lien Position:	Purchase Price:	Loan Amount:	Interest Rate:	Term (in months):
<input type="checkbox"/> Residential <input type="checkbox"/> Commercial	<input type="checkbox"/> 1st <input type="checkbox"/> 2nd				<input type="checkbox"/> 36 <input type="checkbox"/> 48 <input type="checkbox"/> 12 <input type="checkbox"/> 18 <input type="checkbox"/> 24
<b>Property Information &amp; Purpose</b>					
Purpose of Loan:		Property Will Be:			
<input type="checkbox"/> Purchase <input type="checkbox"/> Purchase w/Cross Collateral <input type="checkbox"/> Refinance <input type="checkbox"/> New Construction		<input type="checkbox"/> Non Owner Occupied Investment HOLD <input type="checkbox"/> ARV/Rehab 2nd <input type="checkbox"/> Non Owner Occupied Investment FLIP			
Subject Property Address: (multiple properties)		Property Type:			
Street:		<input type="checkbox"/> Single <input type="checkbox"/> Duplex <input type="checkbox"/> 4 Unit			
City:		<input type="checkbox"/> Condo <input type="checkbox"/> CMH <input type="checkbox"/> Commercial			
State:		Description: (Commercial Only)			
Zip:					
Does Property Generate Income? <input type="checkbox"/> Yes <input type="checkbox"/> No		Current Appraisal within 90 Days? <input type="checkbox"/> Yes, Value? \$:			
If Yes, Gross Monthly Rent? \$:		Amount of Existing Liens? \$:			
Complete if this is a refinance		Describe Improvements: <input type="checkbox"/> Made <input type="checkbox"/> To Be Made			
Year Acquired:		Original Cost: \$:			
Legal Description:					
The Estate or Interest in: <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold					
Source of Down Payment, Settlement Charges and/or Subordinate financing:					

### Broker Information

- PME Affiliate Name, if known
- Name of your company
- Your name
- Your best phone number
- Your best email address

### Loan Request Information

- Indicate loan type, lien position
- If Purchase – need the following:
  - Closing Date
  - Purchase Price
- Must have a Loan Amount requested.
- Length of loan term must be indicated.
- Purpose of loan must be indicated and flip or hold.
- Property Address and Type.
- Income, Appraisal and Liens.
- Whether it generates income and amount.
- If Refinance, need year acquired & original cost.
- Improvements made or to be made.
- Legal description, only if necessary.
- Fee Simple usually.
- Explain where the cash contribution is coming from (Personal funds, gap funder, equity partner, 2<sup>nd</sup> mortgage, etc.).

## Section III: Borrower & Entity Information

<b>III. Borrowing Entity Information</b>					
Entity Name:			Type of Entity: <input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Other		
Street Address:			If other, please describe:		
City:	State:	Zip:	Years in Business:	Fed EIN:	
Mailing Address: (if different)			State Registered:	Secretary of State ID:	
Street Address:			Bus. Phone:		
City:	State:	Zip:	Repeat Borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Person(s) Eligible to Bind Entity:					
Name:			Title:		
Name:			Title:		
Name:			Title:		
Name:			Title:		

# FROM APPLICATION TO CLOSING

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- Borrower is always \_\_\_\_\_.
- Complete entity name, type, years in business and address must be correct (as recorded with the Secretary of State).
- Federal EIN #
- State ID # (found on Secretary of State websites),  
Residential Loan Application: Borrower Information
- Business phone
- Repeat borrower
- Names and titles of those eligible to bind entity.

## Section IV: Entity Assets

- Space on the form for up to two bank's info on your entity
- Address and account number
- Average Balance, last 3 months
- (Details of Transaction – for internal use only)

## Section V: Details of Transaction

- This section is for internal use only. Leave it blank.

## Loan Summary Overview

- Describe in detail how the funds will be used. Make a compelling story to attract lender.
- Describe believable exit strategy to pay off loan.

## Residential Loan Application: Guarantors

- **Full legal name** and **date of birth** as found on driver's license or passport.
- Social security number is essential.
- Must provide a physical address.
- All contact information needed (email, home phone, cell phone).
- Employer information.
- **MUST** include any owners with 30% share or more
- 4 or more equal shares – include all

# FROM APPLICATION TO CLOSING

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- MAY include others whose assets are needed to complete transaction.
- Declarations: Be sure to provide explanation of “yes” answers.
- Authorization to release information, privacy act notice.
- Signature
- Check box to pull credit.
- Add additional copies of Guarantor page for more guarantors.

## **Residential Loan Application: Acknowledgement & Agreement**

- All guarantors sign and date.
- E-signatures okay (DocuSign, Adobe, etc.).
- Application is fillable and savable online via Adobe Reader or can scan (web version coming soon!).
- Additional cross-collateral.

## **Assets and Financials**

- Average balance must cover funds to close.
- 3 months reserves of all combined monthly loan payments on subject property and with the company - needed for *every* file in addition to funds required to close.
- Acceptable asset verification:



- \_\_\_\_\_  
(or 90-day printout) from any and/or all checking, savings, money market, cd, etc. accounts.
- **MUST INCLUDE ALL PAGES AND BE UNALTERED.**
- Must include financial institution name, account name, and account number.
- \_\_\_\_\_  
(stocks, bonds, mutual funds, etc.)
- \_\_\_\_\_  
(401k, 403b, annuities, etc.)

# FROM APPLICATION TO CLOSING

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- Equity partner and/or Gap Funder funds must include a letter of commitment and asset verification as outlined above

## Schedule of Real Estate Owned

- This form must be completed and signed by the guarantors on every transaction (if no property owned, have the borrower mark N/A and still sign the form). This form is used for many purposes for the loan process. It tells the underwriter and the investor key information about the borrower.
- This form can really add value to the loan. It can also help in determining possible compensating factors for the loan file that may help with the approval process. Borrower signature is required from all guarantors on the file.



## Here are some examples of information gathered from the Schedule of Real Estate Owned:

- \_\_\_\_\_  
Does the borrower own other homes that are being rehabbed or rented out?
- \_\_\_\_\_  
Does the borrower know the area they are investing in?  
Do they own other homes in that area?
- \_\_\_\_\_  
Does the borrower maintain positive cash flows from their existing properties?
- \_\_\_\_\_  
Is the borrower comfortable paying back loans? Do they use financing as part of their real estate acquisitions?

# FROM APPLICATION TO CLOSING

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## Zero Tolerance Loan Fraud Policy

- Our first line of defense for loan fraud.
- Any violations to this policy will result in being placed on the \_\_\_\_\_ with the company.
- This form requires the borrowing entity's name to be filled in, dated, and signed by the member/manager/officer/owner of entity and **all guarantors**.

## Agreements, Offers and Other Docs

### Understanding the Purchase and Sale Agreement

- **Identify the parties:** The full name of the parties must be on the contract. In a sales contract, the parties are the seller(s) and the buyer(s).
- Seller must be the person(s) or entity listed as vested owner on Title.
- If there are any real estate agents brokering the sale, they are typically listed also as the real estate brokers/agents who would earn the commission from the sale.
- **Identify the real estate (property):** At least the address, but preferably the legal description must be on the contract.
- **Identify the purchase price:** The amount of the sales price or a reasonably ascertainable figure (an appraisal to be completed at a future date) must be on the contract.



# FROM APPLICATION TO CLOSING

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- **Include signatures:** A real estate contract must be entered into voluntarily (not by force), and must be signed by the parties, to be enforceable.
- **Have a legal purpose:** The contract is void if it calls for illegal action.
- **Involve competent parties:** Mentally impaired, drugged persons, etc. cannot enter into a contract. Contracts in which at least one of the parties is a minor are voidable by the minor.

## Understanding Contingencies

- \_\_\_\_\_  
are conditions which must be met if a contract is to be performed.
- Contingencies that suspend the contract until certain events occur are known as "suspensive conditions". Contingencies that cancel the contract if a certain event occurs are known as "resolutive conditions".
- Most contracts of sale contain contingencies of some kind or another, because few people can afford to enter a real estate purchase without them. But it is possible for a real estate contract not to have any contingencies.
- Note time frames specified, if any

## Types of Contingencies

Some types of contingencies which can appear in a real estate contract include:

- \_\_\_\_\_  
Performance of the contract (purchase of the real

# FROM APPLICATION TO CLOSING

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estate) is *contingent upon* or *subject to* the buyer getting a mortgage loan for the purchase. Usually such a contingency calls for a buyer to apply for a loan within a certain period after the contract is signed. Since most people require financing to complete their purchase, mortgage contingencies are one of the most common. If the financing is not secured, the buyer may unilaterally cancel the contract by stating that his or her condition has not or will not be satisfied or allow the contract to expire by declining to waive the condition within the specified time.

- ---

Purchase of the real estate is contingent upon a satisfactory inspection of the real property revealing no significant defects. Contingencies could also be made on the satisfactory repair of a certain item associated with the real estate.
- ---

Purchase or sale of the real estate is contingent on a successful sale or purchase of another piece of real estate. The successful sale of another house may be needed to finance the purchase of a new one.
- ---

Purchase of the real estate is contingent upon the contract price being at or below a fair market value determined by an appraisal. **Lenders will often not lend more than a certain percentage (fraction) of the appraised value**, so such a contingency may be useful for a buyer.



# FROM APPLICATION TO CLOSING

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## Understanding Date of Closing

- A typical real estate contract specifies a date by which the closing must occur. The closing is the event in which the money (or other consideration) for the real estate is paid for and title (ownership) of the real estate is conveyed from the seller(s) to the buyer(s). The conveyance is done by the seller(s) signing a deed for buyer(s) or their attorneys or other agents to record the transfer of ownership. Often other paperwork is necessary at the closing.
- The date of the closing is normally also the date when possession of the real estate is transferred from the seller(s) to the buyer(s). The contract may have provisions in case the seller(s) hold over possession beyond the agreed date.

## Understanding Riders

- Riders (or addenda) are special attachments (separate sheets) that become part of the contract in certain situations.

## Understanding Addendums

- Any changes to buyer's financing contingencies, closing dates, etc. must be done through an addendum and signed by all parties.

## Understanding Earnest Money

- Although it is not absolutely required for a valid real estate offer or a contract, earnest money deposit from the buyer(s) usually accompanies an offer to buy real estate. The amount, a small fraction of the total price,

# FROM APPLICATION TO CLOSING

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is listed in the contract with remainder of the cost to be paid.

- Typically, the earnest money deposit represents "Consideration". If no other type of consideration is given, earnest money is required to fulfill this element of the contract.

## Title Policy

### Understanding Title Policy



- Title insurance is principally a product developed and sold in the United States because of an alleged comparative deficiency of the U.S. land records laws.
- \_\_\_\_\_ is meant to protect an owner's or a lender's financial interest in real property against loss due to title defects, liens or other matters.
- It will defend against a lawsuit attacking the title as it is insured or reimburse the insured for the actual monetary loss incurred, up to the dollar amount of insurance provided by the policy.

### What is Title Search

- A detailed examination of the historical records concerning the property.
- The purpose of the search is to verify the seller's right to transfer title (purchase transactions) or the borrower's vested interest in the property (refinance).

# FROM APPLICATION TO CLOSING

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- This information is gathered through county auditors, county and city treasurers, and the Federal Bankruptcy Court.

## Title Policies

- There are two types of policies - **owner** and **lender**. Just as lenders require fire insurance and other types of insurance coverage to protect their investment, nearly all institutional lenders also require title insurance [a loan policy] to protect their interest in the collateral of loans secured by real estate. Although, some mortgage lenders, especially non-institutional lenders, may not require title insurance.
- For COGO Capital, must be from one of the 8 approved National Companies.
- Buyers purchasing properties for cash or with a mortgage lender often want title insurance [an owner policy] as well. A loan policy provides no coverage or benefit for the buyer/owner and so the decision to purchase an owner policy is independent of the lender's decision to require a loan policy.

## Lender's Policy

- This is sometimes called a loan policy and it is issued only to mortgage lenders. It follows the assignment of the mortgage loan, meaning that the policy benefits the purchaser of the loan if the loan is sold. For this reason, these policies greatly facilitate the sale of mortgages into the secondary market.



# FROM APPLICATION TO CLOSING

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## Schedule A

- Covers effective date, should be within 60 days of closing.
- Type of policy to be issued
- Interest in the land
  - Fee simple
  - Leasehold
- Vested Interest – the legal owner of the property
- Legal description

## Schedules B, B1, B2, and C

- Cover general exceptions, special exceptions, and closing requirements for the title insurance company to provide the policy.
- General Exceptions:
  - Premium payment
  - Recording of deeds, both quitclaim and warranty
  - Liens, encumbrances, easements, etc. not recorded in public record
- Special Exceptions: always going to be recorded through the county auditor's office.
  - Recorded liens (taxes, mortgages, private, etc.)
  - General real estate taxes
  - Deeds of trust
  - Judgments against
  - Property restrictions
  - Covenants, Conditions, and Restrictions (CC&R's)
  - Homeowner's associations bylaws
  - Condo-owners associations bylaws
- Closing Requirements
  - Loan instruments signed and recorded
  - Surveys
  - Matters relating to the A.L.T.A. (American Land Title Association) policy have been cleared.

# FROM APPLICATION TO CLOSING

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- In general, any specific parameters that the insurance company will not cover.
- Closing protection letter also needed.

## Ordering the Appraisal: Top 12 Things We Look For

### Ordering the Appraisal

- Each lender will have their own process for this.
- A typical process will include a completed request for appraisal through the Lender.
- The Lender will order the appraisal and the appraisal company will contact the broker/borrower to schedule the time and collect payment.
- Current COGO Capital policy is to order an A.R.V. and As-Is appraisal on all rehab loans. (Scope of work and budget required to complete this!)

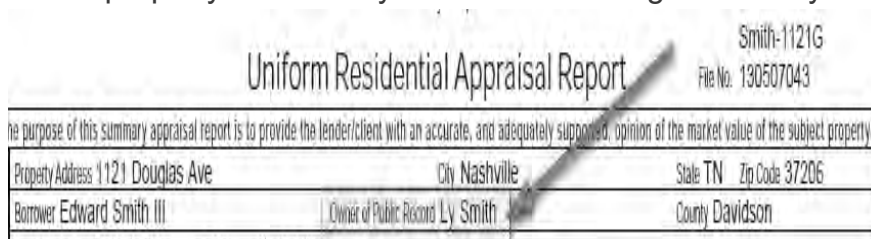
## You Are Required to Check These, Too!

### The following 12 tests can:

- Prevent time wasted on fraudulent transactions
- Anticipate needed follow-up, like flood insurance, inspections, or contractor bids

### 1. Owner of the Property

For a refinance appraisal, ensure that the owner of the property is the entity which is borrowing the money.



Uniform Residential Appraisal Report

Smith-1121G  
File No. 130507043

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address 1121 Douglas Ave	City Nashville	State TN	Zip Code 37206
Borrower Edward Smith III	Owner of Public Record Ly Smith	County Davidson	

# FROM APPLICATION TO CLOSING

## 2. Occupant

If the loan is a refinance, make sure that the “Owner” is not checked in the Occupant line.

<b>SUBJECT</b>	Assessor's Parcel #	072-13-0-418.00		
	Neighborhood Name	Shaggs & Horns		
	Occupant	<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<input checked="" type="checkbox"/> Vacant
	Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold	<input type="checkbox"/> Other
	Assignment Type	<input type="checkbox"/> Purchase Transaction	<input type="checkbox"/> Refinance Transaction	

## 3. Zoning

The “Zoning compliance” must be marked “Legal” or “Legal Nonconforming.”

Dimensions	50' x 170'	Area	8712 sf	Shape	Rectangular
Specific Zoning Classification	R-9	Zoning Description	Residential		
Zoning Compliance	<input checked="" type="checkbox"/> Legal	<input type="checkbox"/> Legal Nonconforming (Grandfathered Use)	<input type="checkbox"/> No Zoning	<input type="checkbox"/> Illegal (describe)	
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/>					

## 4. Utilities, Water, and Sewer

If water and Sanitary Sewer are marked “Other” and the description is “Private,” a water and sewer certification must be ordered.

<b>SITE</b>	Utilities	Public	Other (describe)	Water	Public	Other (describe)
	Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/> None		<input checked="" type="checkbox"/>	<input type="checkbox"/>
				Sanitary Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>



# FROM APPLICATION TO CLOSING

## 5. FEMA Special Flood Hazard Area

If this box is checked "yes" then flood insurance must be purchased.

<b>SITE</b>	Utilities	Public	Other (describe)	Public
	Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water
	Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/> None	Sanitary Sewer
	FEMA Special Flood Hazard Area		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone
Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				

## 6. Page 1 Review

Review page one for any health and safety problems that are identified in the notes and determine whether additional items will be needed before approval of the property is obtained by underwriting.

Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/> None	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley	<input type="checkbox"/> None
FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone	X	FEMA Map #	470040-0228F	FEMA Map Date
Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe:						
Are there any adverse site conditions or external factors (basements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe: None known						
or observed. Subject site based on current tax records.						

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.): C4: No updates in the prior 15 years. At the time of inspection the subject is undergoing an extensive renovation. Numerous items have been completed which include: new exterior paint, new replacement windows, new interior paint, new rear deck, and partial installation of new hardwood floors. The subject's original Kitchen has been removed in order to install new cabinets and countertops. The subject's Bathroom is also undergoing renovation and has been gutted (new bathtub installed). Additional work needed includes completion of hardwood floors. < continued in addendum >

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☒ Yes ☐ No If Yes, describe: See attached addendum. Please note this appraisal is not a home inspection. The appraiser only performed a visual observation of the accessible areas and the appraisal report cannot be relied upon to disclose conditions and/or defects in the property. Due to the subject's kitchen and bathroom undergoing renovation, the subject does suffer from functional obsolescence at present.

Does this property necessarily conform to the neighborhood functional utility, trade, condition, use, construction etc? ☒ Yes ☐ No If No, describe:

## 7. Comparison Properties

Review for distance from the subject property and the time of the transactions. Also review the appraiser's definition of neighborhood. Determine that the comparison properties accurately reflect the subject property and its value.

FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
1121 Douglas Ave Address Nashville, TN 37206		1614 Benjamin St Nashville, TN 37206	1525 Wayne Dr Nashville, TN 37206	1516 Wayne Dr Nashville, TN 37206
Proximity to Subject		0.48 miles SSE	1.51 miles E	1.46 miles E
Sale Price		\$ 119,000	\$ 140,000	\$ 148,000
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 108.08 sq. ft.	\$ 121.74 sq. ft.	\$ 139.10 sq. ft.
Data Source(s)		GNARMLS #1412462; DOM 26	GNARMLS #1422096; DOM 27	GNARMLS #1429001; DOM 39
Verification Source(s)		Doc# 201301070001539	Doc# 201303010020409	Doc# 2013042200039662
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sale or Financing	ArmlLth	ArmlLth	ArmlLth	ArmlLth
Concessions	Conv.0	FHA.0	Conv.4400	Conv.4400
Date of Sale/Time	\$12/12; c12/12	s02/13; c02/13	s04/13; c04/13	s04/13; c04/13
Location	N Dec	N Dec	N Dec	N Dec

# FROM APPLICATION TO CLOSING

## 8. This Appraisal is made...

"As is" must be marked

Most consideration given to the Sales Comparison Approach as it best indicates the value of the subject property in the marketplace. The Cost Approach was developed at the request of the client. The Income Approach was not developed for this report.

This appraisal is made ☒ "as is" ☐ subject to completion per plans and specifications on the basis of ☐ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations be made.

## 9. Appraiser's Signature

Ensure that the appraisal is signed by the licensed appraiser.

**APPRAISER**

Signature *Gary S. Wiseman*  
Name Gary S. Wiseman  
Company Name Steve Wiseman and Associates  
Company Address 4816 Hopedale Dr  
Nashville, TN 37211

## 10. Date of Appraisal

Ensure that the appraisal date falls within 90 days of submission of the loan file to underwriting.



### COMPLIANCE CERTIFICATE

Client:	Private Money Exchange
File ID:	130507043
Subject Property:	1121 Douglas Avenue, Nashville, TN 37206
Appraisal Completion Date:	5/14/2013

# FROM APPLICATION TO CLOSING

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## 11. Pictures of the Property

Review the pictures of the property to determine if there is any safety or other issues with the property.



## 12. License and Insurance

Ensure that the appraisal package submitted includes the appraiser's active license and Errors and Omissions Insurance Certificate.



# FROM APPLICATION TO CLOSING

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## Closing

### Closing Procedures

- The COGO Closer will be notified by the funding department that an investor has committed to a loan file.
- The COGO Closer will notify the Broker that the loan has been committed to, when the funds will be coming in, and when the closing can be scheduled.
- The Broker will then be required to

\_\_\_\_\_ and get closing info to the COGO Closer

- when the closing will be
- who is doing the closing.

- The COGO Closer will be verifying that any prior-to requirements have been met (quit claim deeds, hazard insurance, special info required by title company such as tax payoffs, tax certifications, water bills, etc.).
- The COGO Closer will be drawing docs, verifying all information from borrower and actually sending closing package to

\_\_\_\_\_.

- Escrow will return estimated HUD for closing to the COGO Closer.
- \_\_\_\_\_ will be reviewed to ensure that final numbers are correct for closing costs.
- Once HUD is approved, the COGO Closer will initiate the wire and release funds to closing for actual closing procedure.
- The COGO Closer will wait for \_\_\_\_\_ to come back and will verify that all documents have been signed and all info is correct and authorize the recording.
- All closing questions from closing agent need to be referred to the COGO Closer - **NOT** to the broker.

# FROM APPLICATION TO CLOSING

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# SPECIAL PRESENTATION







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# BROKERING CASES STUDIES ROUNDTABLE





# BROKERING CASE STUDIES ROUNDTABLE

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## You Are the Broker!

- Apply what you have learned about creative, logic-based lending to determine how you would proceed with each of these case studies.
- We will take them one at a time. In groups of 3 or 4 (without moving around too much) discuss them and come up with a strategy for each.
- We will randomly pick a group to share their strategy with the whole room.
- Other groups with significantly different strategies may be asked to share theirs, too.

## Answer These Questions

- First: Does the deal make sense? Is it logical? (Would you lend your own money?)
- Then: If so, how much could COGO Capital lend?
  - Explain why, if your number differs from their request.
- What rates and points would COGO charge?
- If you do not have enough information, what other questions should you ask the borrower?

## Guidelines

Master or Lee's Inner Circle		Non Master/Lee's Inner Circle	
Purchase Price	100%	Purchase Price	90%
Rehab	100%	Rehab	100%
Purchase Closing Costs	100%	Purchase Closing Costs	0%
Not to Exceed L.T.V.	70%	Not to Exceed L.T.V.	65%
Cash out is maxed at 50% L.T.V. (may include closing costs)		Cash out is maxed at 50% L.T.V. (may include closing costs)	

# BROKERING CASE STUDIES ROUNDTABLE

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Loan Pricing Chart (The lesser of the Points/Interest will qualify)

Score	Experience	Points	Interest
720+	5+	2%	12%
680-719	3-4	3%	13%
620-679	1-2	4%	14%
619 or less	0	5%	15%

Borrower points & interest buy down option

Add Cash to Close (% of Loan Amount)	Points	Interest
5%	-1%	-1%
10%	-2%	-2%
15%	-3%	-3%



# BROKERING CASE STUDIES ROUNDTABLE

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## Application #1

- Yvonne Smith (Credit Score of 630) has a duplex at 321 Oak Street, Kansas City, KS under contract to purchase at \$90,000. The appraisal gives an as-is value of \$100,000. How much can COGO Capital lend for this purchase (not A.R.V.)?

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## Application # 2

- Michelle Jones (Credit Score of 600) is buying the S.F.R. (Single Family Residence) at 1946 Kansas Street, Tulsa, OK. for \$90,000. The appraisal came back with an as-is value of \$150,000. How much can COGO Capital lend for this purchase (not A.R.V.)?

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## Application #3

- Brendon Ross (Credit Score of 680) has just completed a rehab project on a single-family residence in Hillside, IL. He comes to you to help him get a new loan to pay off his rehab loan of \$48,000. The property is currently listed for \$169,900. He will use the money from the sale to pay off the loan you help him get. He has a current, as-is appraisal at \$172,900. What is the most COGO Capital can lend as a cash-out refi?

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# BROKERING CASE STUDIES ROUNDTABLE

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## Application #4

- John Baez (Credit Score of 580) is seeking a refinance loan for his duplex at 1234 Ruffles Drive, Norfolk, VA. He says the as-is value is \$75k. He is asking for \$38k to do some renovations on another property. He is asking for the money for 24 months, since he intends to pay it off from the rents he is collecting, \$795 per month for each unit.

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## Application #5

- Mike Lipsink (Credit Score of 590) wants to purchase and rehab a single-family residence as an investment property. The property is in Pennsylvania. He has the property under contract for \$20,000. The as-is appraisal has come in at \$15,000 with an A.R.V. of \$65,000. He needs \$19,150 to rehab the property. What is the most COGO Capital can lend?

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# BROKERING CASE STUDIES ROUNDTABLE

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## Application #6

- Marco Polough (Credit Score of 750) is buying an S.F.R. in Ohio that he describes as a “very nice home in an upscale neighborhood.” Because it is so desirable, he intends to buy it for \$105,000. He is looking to rehab it and rent it. He is only requesting \$52,500. Furthermore, the seller is paying his closing costs of \$8k and carrying back a second lien of \$36,750. The A.R.V. is about \$120k, according to Mr. Polough.

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## Application #7

- Jason Harris (Credit Score of 710) has a triplex he owns free and clear that he wants to use to help him purchase a single-family residence for \$35,000 that he will hold and rent. The house is currently worth \$30,000. His triplex was purchased in June of 2014. Its current value is \$80,000 and it currently grosses \$1,225 a month. The property he wants to buy is under contract and rent-ready. He is thinking that he will refinance the property after the two years. Jason will use his business, Jason Food Services, Inc. to complete the deal.

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# BROKERING CASE STUDIES ROUNDTABLE

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## Application #8

- Patrick O'Riley (Credit Score of 540) is purchasing an S.F.R. in Lancaster, PA for \$138k. He is buying it off the M.L.S., but he doesn't know what the as-is value is. He explains that he can get \$900/month rent. He plans to rent it and then refinance with a bank within 24 months, but since there is no prepayment penalty, that is what he is requesting, just in case. He says comps are \$190k. How much could COGO lend?

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## Application #9

- David Jones (Credit Score of 750) from Fort Collins, Co wants to take equity out of a free and clear property he owns in TN. He will use the money to finish the rehab on another investment property that he owns and use \$20,000 to pay for his daughter's school bill. The property appraised last week for \$152,000. David attended Lee's Inner Circle training in June 2014. He thinks it will take him a year to finish the rehab. When he is done he will sell the property. David is an avid investor under the L.L.C., Great Investor.

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# BROKERING CASE STUDIES ROUNDTABLE

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## Application #10

- Hendrick Himmel (Credit Score of 599) has a ratified contract on an S.F.R. in Euclid, OH, for \$60k. The seller is carrying back \$25k. Mr. Himmel is requesting \$39k for 24 months. You have an appraisal report that pegs the as-is value at \$60k. The A.R.V. will be \$120k after \$20k in repairs. How much can COGO Capital lend on this loan?

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## Application #11

- Wallis White has contacted you about a loan on an S.F.R. he has under contract in Hopewell, VA for \$107,100. He wants to rehab the property and then sell it. He estimates the current value at \$141,000. He will be purchasing the property through Superior Properties L.L.C. which he manages with his business partner Ron Upperman. The property only needs paint and minor repairs. They should have it sold well within 6 months.

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# BROKERING CASE STUDIES ROUNDTABLE

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## Application #12

- Robert Westover (Credit Score of 670) from Orlando, FL. wants to purchase a home that needs no repairs. The purchase price is \$218,000. It recently appraised for \$283,000. He will turn around and sell the property well within 12 months for \$290,000. He will use his business, Boston Mutual Real Estate Group L.L.C. for all the transactions. He is a first-time borrower, but he is very motivated because the escrow date on his contract will expire a week from this coming Monday.

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## Application #13

- Cathy Warner (Credit Score of 680) has a free and clear property that appraises at \$84,000. It currently rents for \$870 a month and has a paying renter. She wants to borrow against the property to help her purchase another property that she intends to fix and flip that is located at 501 Moore Ave., New Castle, PA 16101. She has a contract on the new property for \$30,000. She estimates that will take \$8,000 in rehab. The 3 loans that Cathy has had with COGOG have all been paid off on time. Cathy is the manager of CWT Associates L.L.C.

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# BROKERING CASE STUDIES ROUNDTABLE

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## Application #14

- Juan Ramirez (Credit Score of 595) filled in a form on your landing page that showed an S.F.R. under contract in Des Moines, IA. The purchase price was \$74,000, the A.R.V. value is \$150,000. He has no entity. He expects repairs of about \$22,000. He is requesting money to purchase and rehab the property, so he can flip it. Juan has completed 7 flips in the past 2 years.

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# BROKERING CASE STUDIES ROUNDTABLE

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# SPECIAL PRESENTATION





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# NEXT STEPS AFTER CERTIFICATION







# NEXT STEPS AFTER CERTIFICATION

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## What is Needed to Set Up Your Certified Broker Resources?

- Pass the Certification Test
- Legal Entity Information, L.L.C. Operating Agreement & Filing Documents
- ORIGINAL Electronic Logo
  - Acceptable file types: jpeg, png, tiff,
- Display Address, Phone & Email for Dedicated Landing Page.
- **DO NOT** SEND THIS INTO THE OFFICE.
- Now go to your Certified Private Money Broker Back Office, look for the “**Edit My Info**” Icon and follow the prompts to set up your landing page!



## Resources to Support YOU!

- Online Tools and Systems (Landing Page & Back Office)
- Continuing Education & Support – MONTHLY Calls/Webinars
- Online Resource Library – in your back office
- Our Dedication to Help You be Successful

## Back Office – Resources

### In utilizing the back office resources:

- Read them carefully and adapt them to your own purposes.
- Brand them with your company logo.
- Recognize these documents are provided as SAMPLES only.
- Remember: You are an independent broker.

# NEXT STEPS AFTER CERTIFICATION

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## Disclaimer applied to all documents:

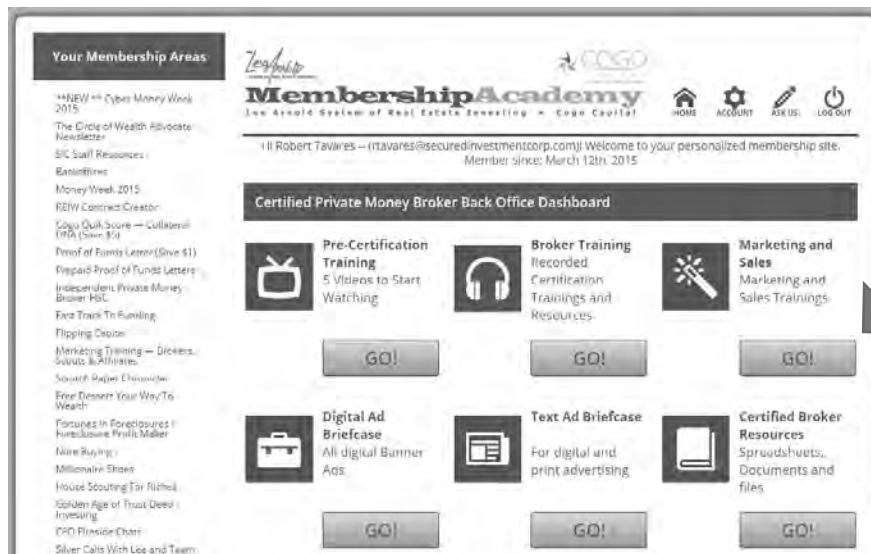
This document is provided as a **SAMPLE** only. As with any **SAMPLE** document, you should consult an attorney as to its applicability for any particular purpose and for compliance with the laws of the state in which you reside. You acknowledge that no legal advice has been provided to you nor does this **SAMPLE** document provide any legal advice.

Secured Investment Corp., COGO Capital and The Lee Arnold System of Real Estate Investing make no claims or warranties as to the **SAMPLE** document's fitness for any purpose whatsoever.

By using this **SAMPLE** document, you are specifically assuming all liability for its use and agreeing to fully indemnifying Secured Investment Corp, COGO Capital and The Lee Arnold System of Real Estate Investing from any liabilities, suits, claims, demands, causes of actions, damages, losses, costs and expenses result from your use of this **SAMPLE** document.

# NEXT STEPS AFTER CERTIFICATION

## Back Office – Resources



## Broker Fee Agreement

This document is provided as a **SAMPLE** only. As with any **SAMPLE** document, you should consult an attorney as to its applicability for any particular purpose and for compliance with the laws of the state in which you reside. You acknowledge that no legal advice has been provided to you nor is any legal advice being provided to you by way of this **SAMPLE** document being provided to you. Secured Investment Corp, Cogo Capital and The Lee Arnold System of Real Estate Investing make no claims or warranties as to the **SAMPLE** document's fitness for any particular purpose whatsoever. By using this **SAMPLE** document, you are specifically assuming all liability for its use and agreeing to fully indemnify Secured Investment Corp, Cogo Capital and The Lee Arnold System of Real Estate Investing from any liabilities, suits, claims, demands, causes of action, damages, losses, costs and expenses result from your use of this **SAMPLE** document.

**CLIENT BROKER FEE AGREEMENT**

**THIS CLIENT BROKER FEE AGREEMENT** (the "Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ ("Effective Date") by and between \_\_\_\_\_ ("Broker") and \_\_\_\_\_ (collectively, the "Client").

**RECITALS**

Client desires to obtain a real estate mortgage loan which will be secured by the Property (as defined below).

Broker, subject to the terms herein, will provide mortgage broker services to assist Client in obtaining and closing the desired real estate mortgage loan.

**AGREEMENT**

**NOW, THEREFORE**, the parties hereto, each in consideration of the covenants and agreements of the other, in consideration of the services to be performed, and for good and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, agree as follows:

# NEXT STEPS AFTER CERTIFICATION

## Sample Estimated Loan Cost Worksheet

**COGO CAPITAL**  
THE PRIVATE MONEY COMPANY

**ESTIMATED LOAN COST WORKSHEET**

Applicants: **Business Entity Name** Gary Myers  
**Owner(s)** Gary Myers  
**Property Address** [Redacted]  
**Proposed Loan:** 12 Month Balloon

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimates; the actual charges may be more or less. Your transaction may not involve a fee for every item listed.

The fees listed beside the estimates generally correspond to the fees contained in a settlement statement, which you will be receiving at settlement. The actual settlement statement will show you the actual cost for items paid at settlement.

DESCRIPTION	AMOUNT
Origination Points	\$0.00
Underwriting/Processing Fee	\$975.00
Document Preparation Fee	\$350.00
<b>Total</b>	<b>\$1,325.00</b>

## National Lenders List

Lender	Contact Details	Primary Funding	Secondary Funding	Other Funding	Programs, Definition of Funding Types and Other Information
Valley Crest Investments	3001 Van Ness, Suite 200 Newport, CA 94019 www.valleycrest.com (415) 252-4020	Commercial	Multi-Family	Private	Financing California since 1970, specializing in both residential and commercial loans, as well as trust deed purchases. We are currently seeking to provide for 2nd and 3rd trust deeds. We have made thousands of loans over the years on a variety of properties from 400,000 to more than \$2 million. Each borrower is required to have a minimum 20% down payment.
Private Funding	2005 E. Broadway, Suite 100 Alhambra, CA 91801 www.privatefunding.com (626) 999-9444	Land	Hard	Not-At-Risk	Hard Money Lending: offering short-term loans to purchase and renovate non-owner occupied residential and commercial properties throughout the United States. We are currently seeking to provide for 2nd and 3rd trust deeds. We have made thousands of loans over the years on a variety of properties from 400,000 to more than \$2 million. Each borrower is required to have a minimum 20% down payment.
Agave Hill Finance	10888 Foothill Blvd., Suite 200, Agave Hill, CA 95011 www.agavehillfinance.com (916) 391-0070	Hard	Bridge	Other	Agave Hill Finance is a private money lender. We are an equity-down private lender. We are currently seeking to provide for 2nd and 3rd trust deeds. We have made thousands of loans over the years on a variety of properties from 400,000 to more than \$2 million. Each borrower is required to have a minimum 20% down payment.
Capital Results	7777 Newport Blvd., Suite 200, Newport Beach, CA 92660 www.capitalresults.com (949) 444-2000	Commercial	Multi-Family	Private	Financing California since 1970, specializing in both residential and commercial loans, as well as trust deed purchases. We are currently seeking to provide for 2nd and 3rd trust deeds. We have made thousands of loans over the years on a variety of properties from 400,000 to more than \$2 million. Each borrower is required to have a minimum 20% down payment.
Alpha Capital Group	2005 E. Broadway, Suite 100, Alhambra, CA 91801 (626) 999-9444	Land	Hard	Not-At-Risk	Hard Money Lending: offering short-term loans to purchase and renovate non-owner occupied residential and commercial properties throughout the United States. We are currently seeking to provide for 2nd and 3rd trust deeds. We have made thousands of loans over the years on a variety of properties from 400,000 to more than \$2 million. Each borrower is required to have a minimum 20% down payment.
Capital Results	7777 Newport Blvd., Suite 200, Newport Beach, CA 92660 www.capitalresults.com (949) 444-2000	Commercial	Multi-Family	Private	Financing California since 1970, specializing in both residential and commercial loans, as well as trust deed purchases. We are currently seeking to provide for 2nd and 3rd trust deeds. We have made thousands of loans over the years on a variety of properties from 400,000 to more than \$2 million. Each borrower is required to have a minimum 20% down payment.
Freedom Capital LLC	P.O. Box 12345, Phoenix, AZ 85010-1234 www.freedomcapital.com (602) 555-1234	Commercial	Multi-Family	Private	Financing California since 1970, specializing in both residential and commercial loans, as well as trust deed purchases. We are currently seeking to provide for 2nd and 3rd trust deeds. We have made thousands of loans over the years on a variety of properties from 400,000 to more than \$2 million. Each borrower is required to have a minimum 20% down payment.
Whispering Mortgage Corp.	P.O. Box 12345, San Diego, CA 92112 www.whisperingmortgage.com (619) 555-1234	Commercial	Multi-Family	Private	Financing California since 1970, specializing in both residential and commercial loans, as well as trust deed purchases. We are currently seeking to provide for 2nd and 3rd trust deeds. We have made thousands of loans over the years on a variety of properties from 400,000 to more than \$2 million. Each borrower is required to have a minimum 20% down payment.

# NEXT STEPS AFTER CERTIFICATION

## Generic COGO Loan Application

Your Logo  
Here

Loan Application

Loan Originator Contact Info	
Loan Officer Name:	
Work Phone:	
Cell Phone:	
Fax:	
Email:	
Broker Information	
Affiliate Name:	
Broker Company:	
Broker Name:	
Broker Phone:	
Broker Email:	

I. Loan Type & Terms					
Loan Type Applied For:	Lien Position:	Purchase Price: \$	Loan Amount: \$	Interest Rate: %	Term (in months):
<input type="checkbox"/> Residential <input type="checkbox"/> Commercial	<input type="checkbox"/> 1st <input type="checkbox"/> 2nd				<input type="checkbox"/> 3 <input type="checkbox"/> 6 <input type="checkbox"/> 9 <input type="checkbox"/> 12 <input type="checkbox"/> 18 <input type="checkbox"/> 24
II. Property Information & Purpose					
Purpose of Loan: <input type="checkbox"/> Purchase <input type="checkbox"/> Purchase w/Cross Collateral <input type="checkbox"/> ARV Refinance <input type="checkbox"/> Refinance <input type="checkbox"/> New Construction <input type="checkbox"/> ARV/Rehab 2nd			Property Will Be: <input type="checkbox"/> Non Owner Occupied Investment HOLD <input type="checkbox"/> Non Owner Occupied Investment FLIP		
Subject Property Address: ( <input type="checkbox"/> multiple properties )		Property Type:		Description: (Commercial Only)	
Street:		<input type="checkbox"/> SFR <input type="checkbox"/> Duplex <input type="checkbox"/> 3-4 Unit <input type="checkbox"/> Condo <input type="checkbox"/> MFH <input type="checkbox"/> Commercial			
City:	State:	Zip:			
Does Property Generate Income? <input type="checkbox"/> Yes <input type="checkbox"/> No			Current Appraisal within 90 Days? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If Yes, Gross Monthly Rent? \$			If Yes, Value? \$		
Complete if this is a refinance			Amount of Existing Liens? \$		
Year Acquired:			Describe Improvements: <input type="checkbox"/> Made <input type="checkbox"/> To Be Made		
Original Cost: \$					
Legal Description:					

## Back Office - Text Ads

**Your Membership Areas**

- NEW•• Cyber Money Week 2015
- The Circle of Wealth Advocate Newsletter
- SIC Small Resources
- Entrepreneurs
- MoneyWeek 2015
- REIN Connect Creator
- Cogo Quik Score - Collateral
- IRA (Soon 8/4)
- Proof of Funds Letter (Soon \$1)
- Prepaid Proof of Funds Letter
- Independent Private Money Broker AGC
- First Time To Running
- Flipping Cases
- Marketing Training - Dickers
- Success & Affiliates
- Source: Super Cheapest
- Free Download Your Way To Wealth
- Forums in Foreclosures
- Foreclosure Profit Maker
- Home Buying
- Millionaire Stories
- House Scouting For Riches
- Golden Age of Trust Deeds
- Investing
- CPD Filmmaker
- Silver Calls With Life and Team

**Membership Academy**  
Lee Arnold System of Real Estate Investing • Cogo Capital

Hi Robert Tavares - (rtavares@securedinvestmentscorp.com) Welcome to your personalized membership site.  
Member since: March 12th, 2015

HOME ACCOUNT ASK US LOG OUT

Certified Private Money Broker Back Office Dashboard

**Pre-Certification Training**

5 Videos to Start Watching

GO!

**Broker Training**

Recorded Certification Trainings and Resources

GO!

**Market Sales**

Marketing and Trainings

GO!

**Digital Ad Briefcase**

All digital Banner Ads

GO!

**Text Ad Briefcase**

For digital and print advertising

GO!

**Certified Broker Resources**

Sproutsheets, Documents and files

GO!

Copy the ads from your back office, edit them to your needs and then use them in your own marketing – Craigslist, Facebook, LinkedIn, Newspaper etc...

# NEXT STEPS AFTER CERTIFICATION

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## Example:

### **If you need money for investment properties?**

I have more funds than deals.

Quick Private Money Lender

We are direct lender – Bad credit no problem

High L.T.V.'s on Investment & Commercial properties!

CALL NOW – 555-555-5554!!!!!!

## **Back Office**

- Spend some exploring on your own.
- Visit often to check for updates.
- Let us know what else would be helpful.

## **Next Steps Action Plan**

- Begin implementation of Rule of 54.
    - Marketing...marketing...marketing!!!
    - Remember that sales statistics tell us an average of 6 touches are needed for a successful transaction.
  - Write a business plan.
  - Clearly define your S.M.A.R.T. goals and the tasks needed to reach those goals.
  - Begin building your power team.
  - Set aside time to explore your back office.
  - Block out time to attend your two networking events for the first week
  - Arrange all your leads into a C.R.M. or lead system. Take notes on all follow up.
  - Practice your elevator speech and use it!
  - Go back over your notes after 2 weeks to remind yourself of things you have forgotten.
  - Block out specific times daily to make calls, write letters and renew ads for Rule of 54.
  - Attend all monthly broker webinars and bring your questions and deals.
  - TELL EVERYBODY what you are doing: family, friends, cashiers, neighbors.
  - Find an accountability partner to keep you on-track.
-

# NEXT STEPS AFTER CERTIFICATION

## Order Collateral DNA Reports!

- Estimate property value early.
- Filter out deals that do not make sense.
- Use it early in the process with the background detail form.
- Knowing property value allows you to structure the deal strategically.

## Highlights of Collateral DNA Report



## A.R.V. and Distressed Values

OWNERSHIP AND ASSESSMENTS

Owner: [REDACTED]

Public Record Last Updated: 4/7/2015

Owner Spouse:

Assessor Roll Year: 2014

Second Owner:

Property Tax Amount: \$2,071

Seller [REDACTED]

Homeowner Exemption Requested: YES

Estimated Value: \$205,000

Distressed Estimated Value: \$169,500

ASSESSMENT VALUES

Assessment Values	Land	Improvements	Total
Assessed	\$48,250	\$141,605	\$189,855
Market	\$48,250	\$141,605	\$189,855
Appraised			

\* Information derived from the local public record for this property. Not all public record offices provide all values or compute the values in a similar manner.

PROPERTY DESCRIPTION

Year Built: 2003	Stories: 1	Total Rooms: 8	Age of Appraisal (yrs): 7
Year Built Effective: 2004	NCD GLA (sqft): 2734	Bedrooms: 4	Source: Appraisal Full
Land Use: Single Family Residence	Assessor GLA (sqft): 2734	Total Bathrooms: 3	Construction Quality: Average
Manufactured House: False	Fuel: Natural Gas	Baths Full/Half: 3 / 0	Improvement Condition: Average
Attached/Detached: Detached	Fireplace: 0	Roof: Tile	Parking Covered/Off Street: 3 / 0
Pool/Spa: Pool	Style: Ranch	Cooling: Central Air	Basement (sqft): 0
Other Improvements: Patio Slab / Fence		Heating: Forced Air	Basement % Finished: 0

# NEXT STEPS AFTER CERTIFICATION

## Deal Background Detail Summary

Jerry Likes this one!

**Background Details About Their Deal**

Borrower's name		Today's date	
Borrower's best email address		Borrower's best phone number	
Complete property address	State: okay?	Under contract?	Type of property – SFR, condo, etc.
Purchase price	Closing date	Loan amount requested	Expected repair costs
Planned time to complete rehab	Planned time to market & sell or lease (if flip)	Value After Repaired (ARV) (based on what sources?)	
As-is Value – in current condition (based on what sources?)		Exit strategy – How will they pay us back?	
How much money are they putting into project?		Loan term (mos.)	FICO Score (if desired for consideration)
How many deals in last 12 months?	How many deals total?	How much profit on their last deal?	Expected profit for this deal?
Cross-collateral address (if applicable)		What rates did they budget for their cost of	

Gary Prefers this one!

Pur/ Refi	Pur/ Refi	Pur/ Refi
State	State	State
Purchase Price	Purchase Price	Purchase Price
Rehab	Rehab	Rehab
As-is Value	As-is Value	As-is Value
ARV Value	ARV Value	ARV Value
Bank	Bank	Bank
Credit	Credit	Credit
Experience	Experience	Experience
Exit	Exit	Exit

## When You Have A Deal....

- Gather all the info on Deal Background Detail Summary.
- Have borrower get COGO Capital “Quik Score Report” (Collateral DNA).
- Call or email loan officer (one you normally work with) with both to explore those details.
- You will be assigned a loan officer liaison, who will order appraisal.
- Set expectations, gather application and supporting docs, and do what we taught (see your manual).



# NEXT STEPS AFTER CERTIFICATION

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