TOP 10

SECRETS OF REAL ESTATE FINANCING

HOW TO GROW YOUR PORTFOLIO FASTER

WRITTEN BY:

BILLY EPPERHART

INTRODUCTION

If you want to succeed in any business, especially the real estate business, you must know a thing or two about financing. Financing is what keeps many people from getting started in real estate, and it's also the thing that prevents many from scaling their portfolios. Investors commonly often overpay for properties and lack knowledge on how to go to the next level. However, that's not going to be you! After reading this short book, you will know how much money you'll need to buy an investment property, as well as multiple options to get the funds. You will learn how to purchase a property for less than it's worth, creative strategies for raising a down payment, and so much more.

Real estate investing remains one of the best ways to reach financial freedom and build generational wealth. Thankfully, the opportunity for the average person to get loans to invest in real estate is better than ever. In the early 1990s, the mortgage industry went to computerized lending. Direct underwriting, the ability to underwrite loans digitally rather than manually, dramatically increased the speed at which loans could be disseminated. In turn, became much more liquid than it was in the previous 100 years.

A lot of investors get hung up on the lack of knowledge when it comes to loans and how they work. Many people have talked about creative financing techniques, but the truth of the matter is: creative financing usually requires tighter property management and closer attention to cash flow by the investor to do a true, nothing-down deal.

You can work with individual sellers and arrange for creative financing in different ways, however, the quickest and the most efficient way to buy real estate is to have a good credit score and a little bit of cash to get started. In order to get a loan or to buy real estate, you have to understand how to get the financing that's necessary. Now, let's get into the top ten secrets that every investor should know about real estate loans.

SECRET 1: KNOW HOW LENDING MARKETS WORK

This is the golden age of the real estate investor. You should be buying real estate now, and I'll tell you why: liquidity. There is an abundance of funds out there. The modern real estate investor has access to a multitude of loan products that can advance their unique goals. The first step to getting access to them is to know how lending markets work.

Mortgages exist in a three-phase lending market. The first market is the retail lending market. If you've purchased a personal home, you are probably familiar with this one. Simply put, the retail lending market is the place where mortgage brokers and banks intersect with the retail buyer or investor, as well as any home buyer who is looking to get a loan.

Then, the lenders underwrite the loan to determine the applicant's creditworthiness based on criteria like bank statements, proof of income, assets, and credit score. (Hence the mountain of paperwork.) Then, lenders actually sell those loans to the secondary lending market. That's important to understand as an investor because those loans must meet certain underwriting guidelines to be sold.

Occasionally, you will find a lender that does not sell loans to the secondary market. Instead, they hold loans within their portfolio as their own investments. Naturally, this is called portfolio lending. Local banks will do this with you if you set up a good relationship, which can help you close faster and with fewer underwriting requirements. On the downside, portfolio loans typically come with higher interest rates and downpayments.

The secondary lending market is where the quasi-government mortgage banks and a large number of private sector mortgage banks purchase pools of loans that come from the retail lending market. They put them together and then repackage them in larger pools to sell to investors in the equities lending market. So, we have the retail lending market, which is where investors primarily interface. The secondary lending market is where government agencies and some large private sector mortgage banks purchase these pools of loans. That's where pension funds, insurance companies, mutual funds, and foreign investments are purchased as packages of loans as mortgage securities, similar to stock. That's why we call it the equities lending market.

The key thing to know here is what keeps the mortgage lending industry liquid. In the foreseeable future, the lending market is going to be very liquid for real estate. Because of computerized lending, we now have three phases of the lending market: the retail lending market, the secondary lending market, and the equities lending market. The good news is that there are many investor products that are out there in this three-phase market in order for investors to get loans.

SECRET 2: MORTGAGE BANKERS VERSUS MORTGAGE BROKERS

The second secret is that mortgage bankers and mortgage brokers offer different advantages depending on your needs. For example, a mortgage banker usually sells their own products. Here are the pros: they can typically close faster, and sometimes they give the customer a low-interest rate or a lower cost. The cons? The loan products they offer can be limited, which means they are unable to offer loans as often as mortgage brokers.

A good way to understand the function of a mortgage banker is to look at a business model like Sears. Sears had all of its products with the Sears name brand on them rather than offering products from other sellers like, say, Amazon does. In other words, a mortgage banker is someone who sells their own products and originates loans for larger banks.

In short, mortgage bankers are good because they can close quickly, but it's absolutely imperative that you understand their products are extremely limited. They could turn you down, but you could go across the street to a mortgage broker and they would give you four different products to choose from.

Mortgage brokers typically work in what we call a broker shop. The normal broker shop has less than 10 loan officers working for it. But a broker is exactly that—they broker loans. In most cases, they represent an array of lenders. An experienced, knowledgeable mortgage broker can meet or sometimes beat the offer of a mortgage banker as well as get the loan funded because they have so many lenders available.

Not all mortgage brokers are made equal. A lot of broker shops will only use two to three lenders from the secondary market to buy or fund their loans. This is because the more loans they do for an individual lender, the better deals they get as a broker shop. That being said, you need to find a mortgage broker who is experienced in working with investors. If you become a fairly determined investor, you should have two or three mortgage brokers that work with you.

Whenever you're making an offer on a property, make sure to have a pre-qualification letter, and in some cases, a pre-approval letter. Pre-qualification means the broker or the banker has run it through their underwriting program. As long as your loan application looks good, they will give you a pre-qualification letter. A pre-approval letter is when the processing officer and the loan officer go through your application, verify everything, and then run it through an underwriting program. Pre-approval gives you a little bit more credibility when you are negotiating than- pre-qualification, but in most cases, a pre-qualification letter is good enough.

SECRET 3: PURCHASE A PROPERTY FOR LESS THAN IT'S WORTH

You make money when you buy in real estate, not when you sell. Your goal should be to buy a property at the best possible price so that when you sell it, you can make a higher profit margin (plus any equity if you've held onto it for a while.) The approach I take in buying real estate is to purchase the property at eighty cents on the dollar. That's 80% of the real value of the property, even after the repairs. Here's why: having at least 20% equity in a property puts you in really good shape to refinance or take a HELOC out of it for additional financing options.

The safest and most efficient way to purchase a property for less than it's worth is to use some of your own money for a down payment. Your negotiating power is much higher when the seller knows you have the money to buy their property. In addition, you don't have to spend all of your time trying to come up with creative financing. You can simply go in, make the offer, negotiate the value, and try to get the best price for the property.

As an investor, you will have to use an investor purchase mortgage. You'll have to offer a downpayment between 10-25%, though I recommend purchasing your first several properties with 10% down if possible. (The caveat is if you are buying a multifamily home where you are living in one unit and renting out the other(s). Then, you can use FHA or conventional loans and put down as little as 3-5%).

In addition, most lenders want to see that you have six-months cash reserves for the mortgage payments, which includes principal, interest, taxes, and insurance. For example, if your mortgage payment is $2,000 a month, lenders like to see $12,000 liquid in the bank plus whatever down payment you've arranged. In this example situation, let's say the downpayment is 10% on a $200,000 house. So, you would need $20,000 for your down payment plus an additional $12,000 for your reserves. In your first several purchases, the additional cash beyond the down payment may not be necessary– still, it's better to be prepared!

SECRET 4: RAISING A DOWN PAYMENT

Now that you know the chunk of change you'll need for a down payment, the question becomes: how do you get that kind of money? If you are a homeowner, a great place to start is your home equity.

HOME EQUITY

Home equity is one of the most stagnant assets in America today. Your home equity is the value of the home minus the amount owed on any mortgages or liens. As you understand how to invest in real estate, you can pull money from the equity you have in your home. You can do this through a cash out refinance loan, home equity loan, or home equity line of credit.

A cash-out refinance allows you to replace your current mortgage with a larger loan and receive the difference in cash. You typically need at least 20% equity in your property to qualify. To start, an appraiser will come to your property and assign it a new value based on any appreciation and repairs. Then, you can borrow 80% of the loan-to-value ratio (the value of your home divided by the amount you're borrowing.)

Home equity lines of credit (HELOC) and home equity loans are also options. You'll need 15-20% equity in your home for these opportunities. Whereas a cash-out refinance adds to your current mortgage, HELOCs and home equity loans are separate payments (sometimes referred to as second mortgages). Here's how they differ: a home equity loan offers borrowers a lump sum with a fixed interest rate that is typically higher. You'll make payments immediately. HELOCs offer access to cash on an as-needed basis, but often come with an interest rate that can fluctuate. There is a draw period where you can access the funds followed by a payback period.

RETIREMENT ACCOUNTS

Another way to raise a down payment is through retirement accounts. A lot of people don't know this, but you can now use your self-directed IRA or a simplified employee pension plan (SEP) to purchase a second home or investment properties. In some cases, you can actually use a tax-deferred pension plan (Keogh plan). Instead of using the money out of the retirement account to purchase real estate, you can also just borrow against your plan. Then you don't have as many restrictions.

LINES OF CREDIT

My favorite way to raise a down payment is to use lines of credit from local banks. There are two kinds of lines of credits. One is a true line of credit where you can write a check for anything you want. You can go buy a pair of shoes or buy a house. I have used those for rehabbing properties quite often. The second way to raise money is when a property is connected to what you are borrowing. The bank will give you the preapproval letter, but they have certain ratios. Typically, a bank will not loan more than 80% of the value of the house, and that includes rehab. That means if you paid \$0.70 on the dollar for the property, the bank would loan you 100% of the 70%. Then you could use the \$0.10, which would take you up to \$0.80 on the dollar.

With an 80% loan-to-value, the bank would loan you that extra 10% in order to do the rehab. Some banks don't require you to put any of your own money in that deal. Don't be concerned about having to talk to a lot of banks. Look around for community-type banks and local banks. They typically loan to builders. You can get lines of credit that are connected to the property itself, which gives you tremendous leverage in acquiring the property. Most of those loans last for six to 12 months. I get mine for 12 months, and then I refinance that loan when it starts coming out.

Because there is no seasoning requirement by local banks, you can refinance that loan in 60 days and get 100% of your money back in your pocket. I refinance most properties that I've purchased with banks in 60 to 90 days. I will put anywhere from $5,000 to $25,000 in my pocket and continue to make a positive cash flow on that property. Again, the key is that you make money in real estate when you buy, not when you sell. If you bought the property at a low enough loan-to-value on the dollar, you can do that every time with a property!

CREDIT CARDS

Another way to raise a down payment is credit cards. Obviously, I'm not a big fan of this, but I'll tell you about it anyway. You can get cash advances on your credit card depending on your interest rate and the type card you have. I've personally never done this, but I've known other investors who were wise enough to know how to work that plan. My opinion is that if you spend enough time establishing relationships with local banks, you don't have to go the risky route of using your credit cards for cash advances.

PARTNERS

Another way you can raise a down payment is with partners. I think a lot of real estate investors miss this one. Typically, the partner will put up the money and you will do the work and put the mortgage in your name. You bring the deal, you do the rehab, you set up the management if you're going to buy and hold, or you put the property up for sale with a realtor. Then, whenever the property is sold, you and your partner split the profits 50/50. It's an easier way to raise a down payment when you want to spend your time actively investing in real estate.

GET THE DOWNPAYMENT FROM THE SELLER

You can also get a down payment from the seller. This is creative, but it's not overly difficult. You can find sellers who are willing to carry back from 10-30% of the purchase price as a down payment. When a lender does a first mortgage on a house, that lender won't lend any more than 80%. They're willing to loan 80%

on any home based on the purchase price as long as the appraisal backs up the purchase price. Sometimes they will do what is called a desk review appraisal where they actually look up the property through some different websites and check to see what the value of the property is.

As long as the appraisal is there, they will own 80%. As long as you can afford a full doc loan or a stated loan, you can find a lot of lenders who will lend you 80% on that. The seller is happy because they got their money back, and you're happy because you essentially bought a property for no money down! If you put the loan in your name, you can refinance it in 12-36 months and take the seller out of the deal.

Finally, you can always raise a down payment the old fashioned way– by earning and saving your pay-check. However, this is not the most efficient way to get started! In addition, you can raise money from your own liquid assets. You can use or borrow against the cash, stocks, bonds, insurance policies, etc., that you already have and use that for a down payment to get started in real estate.

SECRET 5: KNOW AND MANAGE YOUR CREDIT SCORE

In the 1990s, the mortgage market drastically improved due to two reasons. First, it became computerized. Secondly, the FICO credit score was invented. This enabled lenders to quickly and easily assess how risky it was to lend to investors. Now, many loans can get approved in a matter of minutes.

The FICO credit score is named after the company who designed the model for credit scoring: Fair, Isaac and Company. There are three credit bureaus: Experian, TransUnion, and Equifax. When a mortgage lender looks at your loan application and pulls your credit for review, they will consider scores from all three of the bureaus. Then, they will take the middle score from those three companies to determine your credit score.

At the time of this writing, many lenders have their own exclusive credit score modeling that they use. However, the FICO score is still the standard. They use a proprietary model for scoring that is not made public. In other words, they don't tell you how they score. Still, we know the five major factors that generally make up your score.

PAYMENT HISTORY: 35%

The biggest chunk of your credit score comes from the regularity in which you pay your other debts. If you have a low credit score, raising it starts with paying your bills on time. Missing loan payments or paying them late is a surefire way to kill your score.

OUTSTANDING CREDIT BALANCES: 30%

You should never owe more than 50% of your credit limit. For example, if your credit limit is $10,000, then never owe more than $5,000 on that card. If you really want to keep this portion of your score impeccable, never owe on more than a third. So, with a credit line of $10,000, you would never charge more than $3,300.

Creditors want to see that you are able to make your monthly payment. However, it doesn't build your credit to pay off the balance every month. In fact, I encourage you to keep your balances down but occasionally just pay the minimum payment on the card. That reflects very well on your payment history. And since this is a real estate investing book, don't worry–mortgage debt does not weigh against you as badly as credit cards or installments.

CREDIT HISTORY: 15%

The longer your credit history, the better. This shows lenders that you have experience paying down debt and are more reliable than someone with a shorter credit history.

NUMBER OF INQUIRIES: 10%

Whenever there is a request to review your credit history, either by you or a lender, it counts as a credit inquiry. Credit inquiries draw on your credit report and show your history of missing payments and the total amount of debt you are using. There are hard inquiries and soft inquiries, but only hard inquiries affect your credit score (hard inquiries are made whenever you apply for credit, such as getting a car loan or mortgage.)

Whereas it is wise to limit the number of credit inquiries, this has a minimal effect on your score. A good rule of thumb is to only pull them when you are serious about taking out credit for something.

CREDIT MIX: 10%

Your score can increase if you use different types of credit responsibly. For example, lenders like to see a good mix of revolving debt (debt without a fixed number of payments, such as a line of credit) and installment loans (debt with regular, fixed payments).

So, why does any of this matter to you? Typically, it is because the higher your credit score, the lower your interest rate. The best credit score for a real estate investor is anything above 760. Even though the highest score is in the 850 range, anything above a 760 will give you access to similar loan products. A score of this caliber is worth about $250,000 to you.

A good credit score for a real estate investor is anything 680 or above. If you are below 660, I encourage you to take a year to improve your credit score. The next section will show you how to do just that.

HOW TO MANAGE YOUR CREDIT SCORE AS A REAL ESTATE INVESTOR

The first step to improving your credit score is making small gains in the five areas that comprise your score. Take a look at your credit report on all three credit reporting agencies: www.Experian.com, www.TransUnion.com, and www.Equifax.com. Normally, it costs about $15, but you get the report and your score. Be sure to request both. Then, as you analyze your credit report, look for errors.

Bankrate.com tells us that:
- 25% of all credit reports contain errors that may result in being denied loans
- 79% of all credit reports contain mistakes of some kind
- 54% contain incorrect personal information, which can affect you as well
- 30% contain closed accounts listed as open

To dispute errors on a credit report, you can do something called a mail-in dispute in 30 to 45 days and try to get it resolved. You can typically do an online dispute, and they'll correct it within 30 days. If you've been denied credit because of your score, your lender can do what's called a quick score or rush corrections for you.

As you get in the game, there are a few tactics you can use to continually manage your score. If you are a serious investor, form a corporation and have your autos and lines of credit put in the corporation's name without a personal guarantee. You can also do lines of credit after you've established a reputation and put it in the corporation's name. These loans will not reflect on your credit report because you do not personally owe them money. This is part of why the government has allowed us to establish companies. In these processes, your company acts as a third person for liability and debt reasons. Therefore, you're able to get loans, and it doesn't show up on your credit report. That's a way to manage your credit report long term.

In addition, refinancing can take a hit on your credit score. Once you refinance one property, you want to make about 90 days of payments before you try to refinance another property or a group of properties. If you refinance several properties at a time, your credit score can take a 20-point hit even if you're doing everything right. Allow three months of mortgage payments, and that 20 points will come back up. Then, you can refinance another property.

SECRET 6: KNOW WHAT MATTERS TO AN UNDERWRITER

Knowing what matters to an underwriter will help you secure the best financing options. There are four main categories an underwriter considers: credit score, capacity, collateral, and credit. We just went over credit scores and established that a 760 credit score and up is worth about $250,000.

For example, one of the formulas I teach is to own 30 single family homes with at least a $300 positive cash flow per month after principal, interest, taxes, insurance, and management fee. You literally can get yourself into making $100,000 a year tax-free with that kind of setup. However, this kind of strategy is only possible with a high credit score.

CAPACITY

The next thing an underwriter or an underwriting program looks at is your capacity. In other words, they look at your debt-to-income ratio. Underwriters always factor in ratios, which displays your income capacity to repay the loan. The standard guideline is no more than 28% of your monthly gross income for your mortgage payment and no more than 36% of your gross monthly income for all debts including your mortgage payment. However, this is where the credit score comes in again. Many lenders allow higher debt ratios, especially if your credit score is high.

Depending on the type of loan you apply for, underwriters will look at a number of other factors to determine your capacity. The first loan that investors could start with is what's called the full doc loan or a full documentation loan. On this particular loan, they will ask you for documents like your past two years of tax returns and your past two months' of pay stubs or checking account statements. They will also do a verification of employment (VOE) and or verification of your assets (VOA). They're looking for "seasoned funds," which are the funds that would be used for your down payment and six months of mortgage payments. They want to see these funds "seasoned" or have been at that particular balance in your name for the past 60 days. Sometimes, they will do what's called an average balance to determine that the funds have been sitting there for at least 60 days.

After a real estate investor has purchased five to 10 properties in his or her name, it's wiser to go from a full doc loan to a stated income loan. (If you're self-employed or a business owner, you may go with a stated income loan to begin with). Self-employed and business owners receive a 1099 for their income. Most of the time, stated income is not accepted if you are not a business owner or self-employed. If you're a beginning investor, you need to be careful about how your income is stated.

If you're more sophisticated with multiple properties, lenders will allow you to state your income at whatever it needs to be so the debt-to-income ratio is satisfied based on all your debts. Again, this is only a possibility if you have a good credit score.

COLLATERAL

The third thing underwriters look at is collateral. They're looking at the property itself and what's called the loan-to-value ratio (LTV). The loan-to-value ratio is determined by an appraisal. Lenders who loan the first mortgage won't loan more than 80% loan-to-value on a property. If you go to 90% loan-to-value, they will require mortgage insurance on the property. What people don't realize is when you purchase mortgage insurance, you have to go through another underwriting program just like getting a second mortgage.

Piggyback Loan Options:

Many times, the cost of the mortgage insurance is more than just getting a second mortgage on the property, so the lender is able to do what's called an 80-10-10 loan. They loan 80% on the first mortgage and 10% on the second mortgage, which is typically at a much higher rate than the first. You then put 10% down. It's called an 80-10-10 loan. In other words, 80% first mortgage, 10% second mortgage that equals 90% LTV (loan-to-value). Then you put 10% down of your own funds. There are higher loan-to-value ratios.

You can do a 95% loan that typically is done in an 80-15 type loan and then 5% of your own funds. That would be 80% on the first mortgage, 15% on the second LTV, and you put 5% yourself. If your credit score is good, there are actually 100% loans in the private sector market available. For example, lenders will do a 75% first and a 25% second, or in some cases, they will do an 80% first and a 20% second for a 100% loan. You would pay a much higher interest rate on that second mortgage, but when you combine the two interest rates, you could be left with a pretty good cash flow.

The exciting thing about collateral on a loan itself is that if you purchase a property correctly, you can refinance in six to 12 months and get all of your money back, put money in your pocket, buy another property, and still collect cash flow on the previous property.

CHARACTER

The next thing that underwriters look at is your character, and they determine that in a few different ways. For example, they want to see that a person has worked at least two years on their Verification of Employment. Underwriters also like to see that you have lived at your current residence for at least two years. Occasionally, that can have an affect on their decision even if you're moving to a new home.

Underwriters also consider your age. Age 50 truly is better than age 30. So, for those of you who are in the baby boomer generation and feeling a little older, you actually have a leg up. That doesn't mean those of you who are 25 and 30 will be overly penalized, but they do take it into consideration.

SECRET 7: KNOW WHAT TYPES OF LOAN PRODUCTS ARE AVAILABLE

The first type of loan I want to discuss are fixed-rate loans, which come in 30-year and 15-year intervals. If you do a fixed rate as a real estate investor, I strongly encourage you to do a 30-year fixed rate. This helps you maximize your cash flow so you can stay in the game.

If you know you will only keep a property for five years or so, adjustable rate mortgages have what's called a 3-1 product. It means that the interest rate is locked in for three years and is an adjustable rate. You will pay principal and interest for those three years. At the end of the three years, the interest rate can adjust every year thereafter connected to a particular index. There is a 5-1 loan where the interest rate is locked for five years, and then every year thereafter, it changes. Then there is a 10-1 adjustable rate mortgage where the rate is then fixed for 10 years. You need to compare these different interest rates to see which one is best for you.

There are also government loans and federal housing administration (FHA) loans. These are good especially for first-time home buyers who are required to put down only 3% of the purchase price. As an investor, government programs tend to have a difficult qualification process. This is the reason you need an experienced broker or loan officer on your team who

a) Invests in real estate themselves and

b) Knows all about the various loan products that are available.

SECRET 8: EXPECT TURBULENCE

I fly on airplanes fairly often, and there's one thing I've come to expect: turbulence. You can be enjoying a smooth flight when all the sudden, the plane starts to bump and shake. Likewise, you can encounter turbulence during the loan process. Just like certain atmospheric pressures trigger airplane turbulence, there are certain things to be mindful of that could shake up the process of obtaining real estate financing.

First of all, turbulence can happen if you don't tell the truth on your loan application. A lot of people lie about their debt-to-income ratio. Here's a nugget: not all your indebtedness has to be against you personally; it can be against your business. This way, it doesn't report against you on a personal loan. In a mortgage loan, you're not lying if you withhold that information because your business actually is 100% responsible. You are not personally responsible. However, you must always be 100% honest.

Again, turbulence can occur if you have late payments on your credit report. So, always stay up to date on your credit report to watch any loans you have and make sure they're paid.

Whenever you are in the process of obtaining a loan, it's important to abstain from applying for other debt. If the loan officer or the mortgage broker finds out about additional debt after the loan application, you could hit some serious turbulence. In addition, it's critical to not change jobs during this time. Lenders want to ensure that your income is consistent. So, as a real estate investor, you need to have the signed leases that show what your income is on your properties.

Otherwise, your debt-to-income ratio will be severely affected.

Here are a few more turbulent situations to be mindful of:

- Bankruptcy
- Not having enough money at closing
- Not completing agreed upon repairs by the closing date
- Mistakes on the appraisal

There are over 100 turbulent situations, and here I just listed a few. The point is to expect things to go wrong and know how to fix them (or know the people who do)!

SECRET 9: NEGOTIATE THE COST OF A LOAN

Don't settle for the first mortgage rate you see. Instead, take the time to shop around for the best rates, as this will make you more money in the short and long-term. Then, before you close on a property, pay careful attention to everything that contributes to the cost of the loan. Many investors and buyers don't know that they can negotiate their closing costs. In fact, a good rule of thumb is the closing costs should be well less than 1% of the loan. You also want to look at what's called your good faith estimate or the settlement statement. That's the list of all the costs to the buyer and seller. On there, you want to look for junk fees like administration fees and doc prep fees. You can ask for those to be removed.

Many loans have an origination fee that goes directly to the broker shop, and then they do a commission split with their loan officer. That origination fee should be no more than 1% unless the broker is not making anything on the backside of the loan, which is called a yield spread.

SECRET 10: KNOW THE DIFFERENCE BETWEEN A PURCHASE MORTGAGE AND A REFINANCE MORTGAGE

Getting a purchase mortgage and refinancing your mortgage are two very different things. A purchase mortgage is what you get when financing a new property. A refinance mortgage replaces the debt of one loan with another under potentially better terms. A cash-out refinance can be a great strategy for scaling your portfolio quickly. This allows you to replace your current mortgage with a larger loan and receive the difference in cash. In order to refinance your mortgage, the property must be in your name for six to 12 months. (This process is called seasoning.)

IN CLOSING

We hope this mini book has helped you understand financing keys to starting and scaling your real estate portfolio. With real estate investing, I always say that each property is like an apple tree. Why? You don't have to "cut it down" (sell the property) to eat its fruit. Your goal is to create an orchard of trees. As each tree in your orchard provides positive cash flow monthly, you will amass the amount of passive income you need to reach financial freedom. You will have an abundance of time, talent, and treasure to put towards God's plans and purposes for your life. To learn more about how to build wealth from real estate investing, check out the following resources:

STRATEGIC REAL ESTATE INVESTING BOOK

If you are tired of the 9-5 workday rat race, want to build generational wealth, or need a passive income stream to fund other dreams, look no further than Strategic Real Estate Investing by Billy Epperhart. In this book, Billy is sharing his experience as a 30+ year real estate entrepreneur to help you analyze, identify, and secure profitable investment properties.

Scan me!

THE REAL ESTATE INVESTING 101 MASTERCLASS

Take the next step in your real estate investing journey. This Masterclass includes 10 courses, 52 lessons, and over 8.5 hours of content to help you learn how to use leverage and build wealth through real estate investing. Perfect for beginner or intermediate investors.

Scan me!

WEALTHBUILDERS REAL ESTATE COACHING

This program will give you all of the tools you need to build your real estate portfolio better and faster than you could on your own. You will gain access to a network of experienced real estate coaches who are eager to help you reach your individual goals. In this one-year, hands-on program, you will build and begin to implement a strategic plan for your portfolio. Scan the QR code to learn more about what this program entails.

Scan me!

BILLY EPPERHART

Founder of WealthBuilders & CEO of Andrew Wommack Ministries and Charis Bible College

Real estate investing remains one of the best ways to reach financial freedom and build generational wealth. Today, the opportunity for the average person to get loans to invest in real estate is better than ever. Don't get hung up on your lack of knowledge when it comes to loans and how they work. After reading this short book, you will know how much money you'll need to buy an investment property, multiple options to get the funds, how to purchase a property for less than it's worth, creative strategies for raising a down payment, and so much more.

As a CEO and Founder of his own real estate company, Billy owned and supervised a multi-million-dollar real estate portfolio located in five different real estate markets. In addition, Billy is a public speaker who has authored seven books. In his spare time, Billy enjoys fly-fishing and traveling around the world with his wife Becky and four grandsons.