

## NEXT MEETING

Monday,  
Jan. 21  
7:00 p.m.

Fort Stephenson  
House  
600 W. State St.  
Fremont

### Inside Stories

*New Victims of the  
Mortgage Mess*

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## HAPPY HOLIDAYS!!!



We're planning a Christmas potluck dinner and an informal "getting to know you" meeting for December 17<sup>th</sup> – to be held in the basement of Fort Stephenson House, 600 W. State St., Fremont at 6:00 p.m. (**NOTE time change**).

SCAREIA will provide the main course and beverages, along with all tableware.

We'd like you to bring a covered dish to share – and a guest – a friend or family member, or someone who might be interested in what we have to offer through our group. Let's all help build our membership and keep this valuable resource going!!

Any tips or tricks of the trade that you want to pass along to our members would be greatly appreciated as well.

Meet and Mingle with everyone – you just never know who might have insight into a project you're interested in – or who might be able to assist you in a problem you are having.

Please **RSVP** before Dec. 12<sup>th</sup> by calling or emailing Mary Methner (419-637-7631) or [mary\\_methner@hotmail.com](mailto:mary_methner@hotmail.com).

## **New Victims of the Mortgage Mess**

The mortgage mess is claiming a new group of victims: renters. As more landlords fall behind on their mortgage payments and banks take control of their buildings, many tenants find themselves being forced out of their homes.

Across the country, a rising number of landlords are falling behind on mortgage payments, sending their properties into foreclosure, according to legal-services attorneys, local officials and financial experts -- and in many cases, their tenants are being forced out of their homes. Often, the tenants' first inkling of trouble occurs when they get a letter from the bank directing them to leave the premises. They just don't know what to do -- they leave town, move in with their mothers, or end up in shelters.

The scope of the problem recently became clear to Judith Liben, a housing attorney at the Massachusetts Law Reform Institute, a Boston legal-services center. After hearing about tenants' evictions in Massachusetts, she asked other housing advocates across the country whether they were seeing similar problems. The response -- from Nevada, California, New York and other states -- was overwhelming, she says.

In many cases, the homes and apartments entering foreclosure are owned by investors who got low-rate teaser mortgages and intended to hold the buildings for a few years and then sell them at a profit -- before their mortgage rates rose. Now, with the housing market badly depressed in many areas, the owners can't sell the homes or afford the higher mortgage payments. Many are defaulting.

In most states, says Liben, foreclosure voids leases, and banks move quickly to get tenants out. "Depending upon the state, tenants get between three and 30 days notice," she says. A few states have laws protecting tenants from eviction in the event of foreclosure, and others are moving to give renters more notice, Liben says.

Renters' woes are beginning to attract wider attention. In October, Eric Rosengren, in his first speech as president of the Federal Reserve Bank of Boston, said that the high number of foreclosures on multifamily homes in parts of Massachusetts "highlights a potentially serious problem for tenants, who may not have known that the owner might be in a precarious financial position."

Liben summed up the problem in October testimony before the House Financial Services Committee: "It is now clear that, nationwide, tenants who did nothing wrong except to rent from a defaulting owner are suffering harsh collateral damage from the mortgage fallout." She added that foreclosing banks often refuse to pay the utility bills or make repairs on the properties.

Banks have traditionally pressed renters to leave quickly so they can resell the property, but nothing is selling right now. As a result, empty buildings end up sitting on the market and become "magnets for criminal activity." That also means there are fewer homes to rent -- even though the number of renters isn't declining.

The lack of affordable rental units is also a huge problem. People are applying now for public and subsidized housing, but the waiting lists are long and the alternatives are bleak. In the short term, the number of renters is going to rise faster than the number of available and affordable units.

## Real Estate Investors: Overcoming Fear (Beginning With A Vision)

by Steve Cook

Typically I write "how to" articles about real estate investing - particularly flipping homes.

Today is a little different. I have something important on my heart to share with you, and I hope you'll take a few moments to take it in.

For years I've wanted to write something about overcoming fear. And for years, I haven't had a clue what to write.

But today, as I was doing my daily devotion, it hit me like a brick on the side of the head. The Lord put it on my heart to immediately stop and begin writing - right then and there!

**Fear.** It's a big word. Fear is about control, or lack thereof. Fear can motivate you. It can drive you, distract you, petrify you, and ultimately completely control you, if you allow it to. There are more than a few interesting facts about fear. I believe one of them is that **FEAR is the number one reason most people walking the face of this earth will choose to settle for a life of mediocrity.**

For many, it is an insurmountable obstacle, with too many risks to even try to escape. The masses of society live through each day-to-day voluntarily bound up by the fear that enslaves them.

My experience in this life so far has taught me that most people are secretly disappointed with the lives that they live, but rarely, if ever, will admit it.

They measure themselves up against others and, in doing so, sink lower and lower into a dangerous pit. They look around and find someone not doing as well as they are (or not seeming to), and somehow, seeing them makes their own situation seem all right, even though they're still living in fear. The dominating vision I see so many people having created is to be just a little better than someone else.

Have you ever heard someone say something like, "I'm not an alcoholic; I only drink on the weekends. But John -- he goes to happy hour every day!" ...or maybe something like... "We're not doing so bad. At least I can figure out a way to get my car payment made."

These thoughts and other like them are what go through the minds of people who have settled for mediocrity.

We've all had grand visions of what we wanted out of life. We have allowed our circumstances and others around us to steal our vision for the greatness we are capable of.

Here are a few of the qualities I believe a person must possess in order to overcome mediocrity, break free from fear, and make their vision a reality. I also challenge both of us (you and me) to strive for our vision:

**Overcoming Fear** continued

1. **A good attitude.** If you are pessimistic and believe that everything is going to fall apart, why would you ever take a step toward your vision? A positive attitude gives life to a vision; a negative attitude kills it.  
**My challenge** - look at yourself and get rid of any negative thoughts. Turn them into positives and reflect on the positive thoughts when you catch yourself thinking negatively.
2. **Belief in yourself.** If you don't believe in yourself, why should anyone else believe in you?  
**My challenge** - look at the things you wish to accomplish and have confidence that you CAN do them. If you need to take steps to make your visions a reality (i.e. more knowledge or education, making better choices, etc), then start those steps today. Don't put off until tomorrow what can be done today!
3. **Willingness to grow.** The fact of the matter is that none of us are capable of carrying out our grand visions in our current state. We need to be stretched and have to allow it to happen. Stretching is oftentimes painful as we go through it; however, it makes us stronger and better.  
**My challenge** - let your desire to be better exceed your desire to avoid the painful stretching called growth. World-class athletes put themselves through excruciating pain during their workouts because they know it will pay off and they'll be better athletes for it. If they opted to avoid the pain because it hurts, they would also opt to give up their status as world-class athletes. Mediocrity is the easy way out!
4. **Focus.** To overcome your fears, you need to truly know what it is that you are pursuing. You need to have an end in mind and focus on it.  
**My challenge** - come up with a plan on how to achieve that end and muster up the determination to follow it. Following a plan isn't always easy. In fact, most things are never easy the first time we do them. However, the more we do them, the easier they get. Your plan may be difficult to get rolling, but once it starts moving, you're on your way. It's like pushing a stalled car. On a flat surface, it takes a lot of work to get the car moving. Your efforts are far greater to get it started compared to the effort needed once it's moving. On occasion you'll hit little hills, and sometimes big hills, but if you are determined enough, you will push the car over the hill and get to a point where it rolls by itself.
5. **Enthusiasm.** This is the fuel that gives energy to your vision. If you aren't excited about your vision, it's going to die.  
**My challenge** - maintain your enthusiasm by exercising all of the items above.



***FEAR is the number one reason most people walking the face of this earth will choose to settle for a life of mediocrity.***

I stated earlier that the Lord put it on my heart to write this, and to write it now. The Lord gave me the vision and with that vision He gives the tools to carry it out. When you have a vision, you will also have ALL of the tools available to you. You can either pursue your vision with a good attitude, a belief in yourself, a willingness to grow, focus and enthusiasm or choose a life of mediocrity. Which will you choose?

Blessings,  
Steve Cook

Since 1998 Steve Cook has flipped many hundreds of houses as an active Baltimore-area real estate investor. Steve's unique specialty is the "flipping homes 1-2 punch", a proven system of real estate investing that powerfully combines wholesaling and rehabbing houses. Also the founder of [www.FlippingHomes.com](http://www.FlippingHomes.com), Steve is dedicated to helping others in this thriving online community succeed through understanding and aggressively applying his time-tested, step-by-step approach to flipping real estate.

**QUICK TIPS FOR LANDLORDS**

**Automatic Agreement by No Response:**

Have you ever been frustrated because a tenant failed to return a signed copy of your notice of:

- Lease Renewal
- Rent Increase
- Lease Update - Change of Terms or another notice you needed the tenant to agree to so that important changes affecting the tenancy can commence?

Here is the clause to insert into your Notice of Rent Increase, Lease Update - Change of Terms Notice or Lease Renewal so that when you issue a notice, it will still be enforceable even if the tenants don't return a signed copy to you. Just remember it is best to serve all official notices in person or by certified return receipt mail with the proper notice period according to your lease or state landlord tenant law:

**“YOUR CONTINUED OCCUPANCY OF THE PREMISES AFTER \_\_\_\_\_, SHALL CONSTITUTE FULL AGREEMENT WITH ALL OF THE ABOVE IN ADDITION TO AND AS PART OF YOUR LEASE AGREEMENT. (PLEASE KEEP THIS NOTICE WITH YOUR LEASE DOCUMENT)”**

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**Landlord Screening:**

When screening an applicant, ask for a copy of a picture ID or drivers license. Make sure the person in front of you is the same person on the application and credit report.

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**Copy Rent Checks:**

If your tenant pays by check, make a copy of the check for your records. You may need this information for future collection efforts. In the event that a judgment is awarded in your favor, the bank account can be accessed and the money can be taken from the account.

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**Enforce Late Charges:**

With new tenants, be ready to enforce late charges the first time your tenant pays late. If you set a precedent of waiving your late charge, tenants will be offended when you want to enforce your policies in the future.



Many THANKS to our November guest speaker, Luie Garcia from Pre-Paid Legal Services and his informative talk about identity theft. Identity theft is "an absolute epidemic." It's certainly picked up in the last four or five years. It is nationwide. It affects everybody, and there is very little you can do to prevent it and, worst of all—you can't detect it until it's probably too late. In Identity-theft cases, the victim often has to prove his or her innocence. This shocks most new identity-theft victims. They naturally expect the police, the credit grantors, the credit-reporting agencies and others in high places to help them. Maybe it should be that way...but often it isn't. Give Luie a call and see what he and Pre-Paid Legal can do for you: (419) 215-7061

## 2007 S.C.A.R.E.I.A. Board Members

President: Scott Welty  
419-332-7275

Vice President: Harry Aspacher  
419-334-8846

Secretary: Cindy Gabel  
419-333-1000

Treasurer: Mary Methner  
419-637-7631

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419-547-8127

Social Director: Jerry Cantu  
419-334-8318

OPHP Cert: Tiffany Jones  
419-332-7275

Newsletter: Mary Methner

Programs: Harry Aspacher

**For further information,  
you may contact  
any of the Board  
Members at any time**

## About Our Organization...

SCAREIA was organized in October 2005. Our primary focus is to share information, to help educate and to motivate our members in their successful real estate endeavors.

Anyone interested in Real Estate Investing, whether you are just beginning or a seasoned investor, are welcome to join.

SCAREIA meets the 3rd Monday of every month at 7pm. Meetings are located in the basement of the Fort Stephenson House, 600 W. State St., Fremont, Ohio.

### What's new with SCAREIA??

**Have you looked at our website yet? [www.scareia.com](http://www.scareia.com)**

**Be sure to fill out the enclosed Member Access Form, so that you can have access to our "Members Only" section on the SCAREIA website.**

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INVESTORS ASSOCIATION  
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