

## NEXT MEETING

Monday

Feb. 21, 2011

6:30 p.m.

**FOOD**  
**AVAILABLE!!**

Fort Stephenson  
House  
600 W. State St.  
Fremont

## Inside Stories

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## What is *ECO INSULATORS*?

That is what Cory Krieger plans to tell us at the next SCAREIA meeting – **Monday, January 17<sup>th</sup> at 6:30 p.m.** at the Fort Stephenson House.

To give you a brief overview, ECO INSULATORS is your total insulation solution. They offer Icynene<sup>®</sup> foam insulation for new and existing construction.

And just what is Icynene<sup>®</sup> foam insulation? Icynene<sup>®</sup>, the leading soft foam insulation and air barrier system, is becoming the industry standard for providing maximum building envelope performance. Icynene's pour and spray formulations represent a breakthrough in the science of moisture and thermal management.

Icynene<sup>®</sup> is the leading 100% water-blown foam insulation that minimizes air leakage for increased energy efficiency, creates a healthier indoor environment, reduces airborne sounds and offers greater design freedom. Icynene<sup>®</sup> maintains its performance with no loss of R-value over time. It does not shrink, sag or settle. Icynene<sup>®</sup> adheres to most construction materials and is the perfect insulation for walls, attics, ceilings and floors.

There are several major advantages to Icynene<sup>®</sup>, as it is healthier, quieter, more energy efficient, and has many green properties. Over the years, a number of studies have confirmed that indoor air can contain a number of harmful chemicals and biological agents such as mold, allergens and volatile organic compounds.

Icynene<sup>®</sup> is 100% water-blown and contains no HCFCs, HFAs, HFCs or formaldehyde. Icynene<sup>®</sup> is a high-performance insulation and air barrier system that works to minimize the intrusion of outdoor pollen, allergens and pollution from entering the home. By reducing air leakage, Icynene<sup>®</sup> assists in controlling moisture transfer through the building envelope. This helps to minimize condensation and the potential for mold growth within the walls and ceilings. Icynene<sup>®</sup> has been tested by Texas Tech University and was found not to be a food source for mold.

Be sure to check out this new and innovative product with Cory at our upcoming meeting. We're sure you'll be amazed at what Eco Insulators might be able to do for you!



## What is a Short Sale?

You may have heard the term “short sale” and wondered what it referred to – and what kind of opportunities these types of transactions offer in the real estate market. Let’s define a short sale first.

A short sale can occur when a home owner’s debt on a property is greater than the amount for which the property can be sold. The result – lenders are sometimes willing to *accept less* than the total amount due on the house if the economic situation dictates such an action.

Here’s where the term “short sale” came from: Assume a homeowner has an unpaid loan balance of \$200,000, but the property will only sell for \$150,000. The lender accepts that \$150,000 as full payment. This is “short” of the full \$200,000 amount.

Now, naturally, no lenders in their right minds want to accept a short sale. After all, they’re not in business to lose money! Well, often, such sales can relate to hardships suffered by borrowers. These can include:

- Critical illnesses which eat up financial resources.
- Military personnel who are called up to active duty for extended periods of time and lack the income to continue mortgage payments.
- Disabling and permanent injuries
- Financial insolvency
- Convictions
- Lack of employment due to poor economic conditions, etc.

To put it mildly, lenders aren’t always crazy about short sales because, as stated above, they’re not in business to lose money. In fact, in some situations, it may actually make more financial sense for them to institute foreclosure procedures.

However, short sales can be very profitable for real estate investors under the right circumstances. But, in order to take advantage of short sales, you must be very well versed in the process because they’re a much more complicated process than usual real estate transactions. The complications come from the following sources:

- Loan mitigation policies (of the lender and third-party investors)
- Financial condition of the same
- The borrower’s financial condition
- The property’s “as-is” value
- Cost to repair the property in order to put it into saleable condition and market it, etc.
- Approval for short sale must come from the investor who actually owns the loan.
- Red tape (if the lender is a government-sponsored institution like Fannie Mae or Freddie Mac)

By reading up on this subject, you will be able to determine if a short sale is a good deal or not, as well as how to pursue one.

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## **Diversification in Real Estate**

You normally hear the term “diversification” from financial planners and stock brokers. But you don’t hear the term used so often when it comes to real estate investing. The goal of diversification, regardless of the investment, is to reduce the investor’s overall risk.

Diversification in real estate is easily achieved by purchasing income-producing properties in different markets around the country. In some cases, investors even purchase property in other countries. By creating a real estate portfolio of income-producing properties across multiple and separate markets, they reduce their exposure to risk.

Because real estate markets don’t move up and down in value at the same time, or at the same rate, investors can reduce and limit their risk through diversification.

Finally, real estate investors should also realize that diversification tends to reduce both the upside and downside potential of their portfolios. That may sound a little counter-productive but, remember, the reason investors want to diversify is to protect their real estate portfolio under a range of economic conditions. They want to avoid being committed exclusively to a single market.

## **A Couple Secrets from Successful Real Estate Investors**

1. Learn how to recognize real estate investing opportunities. Sounds simple enough but putting this into practice often requires the ability to think independently and go against the prevailing wisdom of the day. For example, tough economic times like those in the current fiscal crisis lead many to believe that real estate is a bad investment. Others see a major buying opportunity with historically low prices and the lowest interest rates in decades. Which are you?
2. Discover the advantages of using other people’s money. Contrary to popular opinion, it doesn’t take a lot of money to get started investing in real estate...in some cases it takes nearly nothing. Using other people’s money (OPM) isn’t just a good way to get started; it’s the preferred method of investing in real estate.

### ***QUOTE OF THE MONTH***

**“When a man is an island, he shouldn't burn bridges”**



**WE HOPE EVERYONE WHO ATTENDED OUR ANNUAL CHRISTMAS DINNER  
HAD AN ENJOYABLE EVENING –  
GOOD FOOD, GOOD FRIENDS, AND LOTS OF GOOD IDEAS WERE SHARED BY ALL.**

**BEST WISHES FOR THE NEW YEAR FROM ALL OF US AT S.C.A.R.E.I.A.**

## 2011 S.C.A.R.E.I.A. Board Members

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and Chuck Williams

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.

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REAL ESTATE  
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