

## NEXT MEETING

Monday,  
June 21, 2010  
6:30 p.m.  
**FOOD**  
**AVAILABLE!!**  
Fort Stephenson  
House  
600 W. State St.  
Fremont



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## NEED HELP WITH MANAGING YOUR BUSINESS FINANCES??

This is the topic for our next SCAREIA meeting –

on Monday, May 17<sup>th</sup> at 6:30 p.m. at the Fort Stephenson House

The J. Conklin Company helps small to medium sized business to fully utilize their resources by providing management and accounting support services. We specialize in integrating QuickBooks, as well as other business solutions, that will give your business a full range of management tools. By reducing time spent performing repetitive tasks, it will allow your management team to more effectively and efficiently manage the business. By knowing where your money is at all times, we can help you become more profitable. We look forward to meeting with you and learning more about how the J. Conklin Company can “make the complex, simple” for your organization.

Jason Conklin attended Terra State Community College where he graduated with an Associate of Applied Science in Architectural/Construction Engineering and an Associate of Applied Business in Business Management. He also holds Bachelor Degrees in both Business Management and Accounting from Tiffin University where in graduated Magna Cum Laude. At both Terra State Community College and Tiffin University, he became a member of each institution's scholastic honor society, Phi Delta Kappa and Delta Mu Delta.

Jason says, “Having worked in small to large businesses, I have witnessed the far reaching negative impacts the lack of organization, inefficient processes, and inconsistent policies can have, if ignored. Given the current state of the economy, it is critical that businesses improve and simplify their operations to ensure long-term sustainability and success.”

He resides, with his wife, just outside of Lindsey, Ohio, where he is very active as a member of the Lindsey Volunteer Fire Department and in the community. Jason enjoys golfing, boating, and biking in his free time.



## BUSINESS MILESTONES

Actually noticing the key milestones in your business that are in their own way landmarks of your business's growth indicate you've taken an important success step with your business.

1. Your first sale. Proves that someone will buy!
  2. Your 5th Sale. Proves it wasn't a fluke.
  3. The first major fulfillment mistake you make, and what it taught you.
  4. The date you realized you really did have something of value to offer (and that your prices just might be too low.)
  5. Your first sale that comes from your system, not from you.
  6. Your 5th sale that comes from your system, not you.
  7. The moment when you have a workable bookkeeping system that doesn't revolve around you (but with smart controls in place to protect against bad behaviors). It gives you weekly A/R reporting, weekly sales reports, and monthly financial statements.
  8. The first time you look at your product or service and realize that, *"Hey, this is a really clear and repeatable value for people."*
  9. The date you realize that your business is going to make it!
  10. Your first key hire.
  11. The day you write yourself your first "Oh my god, is this really happening" owners check.
  12. The day you realize your business has a life beyond just you.
  13. The day you return from an extended vacation and you realize that your company did better without you there for that time.
  14. The first time you realize that if you were to get hit by a bus, your business would still thrive.
  15. The day you start missing the good old days when you were needed to run every area of your company and you look back nostalgically.
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## How To Find Underpriced Real Estate Deals

In real estate, there is a saying that you don't make your money when you sell, you make your money when you buy. The name of the game is finding amazing deals and then either keeping them for the long term or turning around and flipping for a handsome profit.

Of course, if great deals were that easy to find, everybody would be doing it. The forces of supply and demand would inflate the price of properties to the point that there would be no deals left!

Naysayers claim that this is true of today's housing market. But in reality, there are endless deals to be found almost anywhere at almost anytime. Finding these deals takes experience and talent, but this is a head start for novice investors – or a refresher course for old pros.

### **Distressed Owners Make for Distressed Properties...**

...and vice versa. What is a great deal? Quite simply, it's when you buy a property for well below its actual value and/or with favorable terms. The only way this can happen is for the seller to be ignorant of the market, completely uninterested in profit motives, or extremely motivated to sell.

Your chances of making a career out of finding homes owned by people who don't know any better or who don't care are slim, so it's best to concentrate on identifying motivated or "distressed" sellers.

After all, only someone who absolutely needs to sell is going to price his or her home well below market value and/or accept unusual financing arrangements. These are the ingredients of a great deal!

So, what makes a person a motivated seller? Divorce, death of a relative, job transfer, and serious financial distress are the items that top the list. While you might feel guilty for "taking advantage" of people in such a situation, you shouldn't. After all, they need to sell—you are helping them!

You and the seller are finding a mutually agreeable price point and terms. You are getting a great deal, and they are unloading a headache. It's a win-win situation.

### **How to Find Distressed Sellers**

The first place to look is the newspaper. Don't bother searching through the fancy ads with pictures placed by real estate agents; go right to the Classifieds instead.

Look for listings with "for sale by owner" in the text or that appear as though they are being sold without an agent. Technically, real estate agents must state that they are agents in all advertising materials, but the less scrupulous ones frequently disobey this rule.

Look for key phrases such as "must sell," "fix-up," "needs work," "vacant," and of course, "motivated sellers." (Although, agents often advertise "motivated seller" when in fact their client isn't all that motivated!.)

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## How To Find Underpriced Real Estate Deals (continued)

### **An Army of Agents Working for You**

Instead, draft a letter on professional letterhead and fax it to all of the real estate offices in your area. Explain that you are a real estate investor looking for distressed properties and that you can close quickly if the price is right. This way, you can have an entire army of real estate agents working for you, free of charge.

If one of them finds a property for you, the seller of the home will pay the agent's commission. You owe them nothing; it comes off the seller's side.

### **Target the Reluctant Landlords**

Another idea is to call the owners of rental properties and offer to buy. Many income property owners are reluctant landlords and will certainly entertain the offer. If they say no, leave them your name and phone number and tell them to call you if they're ever interested in selling.

### **Advertise to Get the Phone Ringing**

Finally, you can place your own classified ad. A simple headline like "We Buy Houses for Cash" works best. Don't worry that other investors use the same ads; it's a numbers game. Sometimes people will sell to you because they like the way you sound or they trust you over your competitor.

How many advertisements do you see in the paper for mortgage companies, car dealers, and retail stores selling the same product? There's enough business to go around, and as long as you get the phone ringing, you'll learn to get good at converting them into deals.

By knowing what you're looking for (distressed owners) and following these strategies, you will already be way ahead of most beginning real estate investors. It takes work, and lots of it, but the rewards are worth it.

## **Quote of the Month**

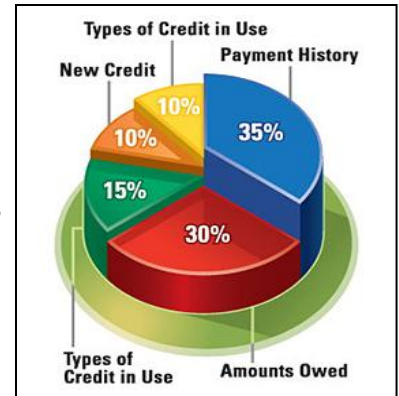
*"Don't let what you can't do interfere with what you can do."*

## What's in your FICO Credit Score

FICO Scores are calculated from a lot of different credit data in your credit report. This data can be grouped into five categories as outlined below. The percentages in the chart reflect how important each of the categories are in determining your FICO score.

These percentages are based on the importance of the five categories for the general population.

- **Payment History**
- **Amounts Owed**
- **Length of Credit History**
- **New Credit**
- **Types of Credit Used**



The importance of these categories may be somewhat different for particular groups. For example, people with new credit or those who have not been using credit for very long

**A FICO score takes into consideration all these categories of information, not just one or two.** No one piece of information or factor alone will determine your score. The importance of any factor depends on the overall information in your credit report. For some people, a given factor may be more important than for someone else with a different credit history. In addition, as the information in your credit report changes, so does the importance of any factor in determining your FICO score. Thus, it's impossible to say exactly how important any single factor is in determining your score – even the levels of importance shown here are for the general population, and will be different for different credit profiles. What's important is the mix of information, which varies from person to person, and for any one person over time.

**Your FICO score only looks at information in your credit report.** However, lenders look at many things when making a credit decision including your income, how long you have worked at your present job and the kind of credit you are requesting.

**Your score considers both positive and negative information in your credit report.** Late payments will lower your score, but establishing or re-establishing a good track record of making payments on time will raise your FICO credit score.



### **THANK YOU TO OUR MARCH GUEST SPEAKER:**

Thank you to our newest member, Tom Johnson, for his informative talk about the changes in the laws for lead based paint. Although this does not make our job any easier, feigning ignorance does not allow you to bypass these laws either...

And also - special thanks to Ken Humbard and Kathy Burkin-Humbard for providing the food for the March meeting.

## 2010 S.C.A.R.E.I.A. Board Members

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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.

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