



**“How To Get More Of Your Short-Sales Accepted and Put More Money In Your Pocket By Following short sales edu’s Proven, Insider Short-Sale Secrets!”**

Short Sales EDU LLC. 675 VFW PKWY. STE 268 Chestnut Hill, MA 02467 Phone: 800-884-7439 FAX: 800-884-7439

[www.Shortsalesedu.info](http://www.Shortsalesedu.info)

[www.masseigroup.com](http://www.masseigroup.com)

## Happy Thanksgiving!

This is the time of the year most people spend getting ready to give thanks for all the blessings in their lives. The season is usually spent hanging out with friends and family. Celebrating family traditions. Having parties. Enjoying delicious foods.

We all count our blessings (hopefully everyday) whether it's being thankful for our health, our daily food, or our families.

You have lots of reasons to be thankful – and so do I. In fact, I want you to know...

### **I'm Thankful For You!**

And, I wanted to show you how much I appreciate you by giving you this FREE gift that will help you close more Short-Sales and put more money in your pocket right now!

This is VERY powerful insider information from Claude "The Professor" himself.

We have negotiated over 3 Million dollars worth of debt, so I know a thing or two About Short-Sales. This special report that we've put together for you will let you peek inside My mind brain and walk away with tons of valuable tips you can use immediately. I know you'll get tremendous value from it!

Take Care,

*Winder Alexandre*

## **The nine elements of a short sale**

When I talk about the “nine elements of a Short-Sale package”, I’m talking about the Nine pieces you absolutely must have in your Short-Sale package in order to get it Accepted.

Again, the “Short-Sale” simply means we are going to get the lender to DISCOUNT the loan. That’s how we create equity out of thin air, that’s what allows us to make so much money, and that’s our specialty.

Anyway, when you do this, and you put these nine pieces together correctly in the order I advise you to put them in, (don’t even change the order...put them in the proper order), you’re going to be sending the bank what they want to see, not what you think is right, but what they think is right and what they want to see...and you will see your Short-Sale approvals go through the roof exponentially.

Before I get into the nine elements, let me clear up a couple of misconceptions that are commonly out there that I have been hearing a lot lately.

### **Common Misconceptions...**

I’ve heard people and teachers running around the country teaching that Short-Sales don’t work. It’s kind of wild hearing anybody say that because let me tell you, unequivocally, Short-Sales absolutely do work...all day, every day, in every market, in every state in the country.

Why I can say that,

Well simply because this is what I do, we do short sales here on a continuous basis, from different states around the country, it does not matter if you are in California or in Vermont.

Short sales EDU system will work wonders in your area

The Key is

You have to know how to do this correctly or it’s not going to work for you. I just wanted to clear that misconception that Short-Sales don’t work and banks won’t give you discounts.

They most certainly will...in fact, once you can prove to them that you actually are a real “player” and you know what you’re doing, they will be eager to work with you and get this non-performing asset off their books as quickly as possible.

### **That brings me to another common misconception.**

There are people out there who don’t understand what we do, and they basically accuse us of stealing from the lenders. They ask, “*Aren’t you basically screwing the lender by doing a Short-Sale and giving them less money?*”

The answer is NO.  
Absolutely not.

### **Lenders don’t hate us.**

People think that lenders hate us because we’re Short-Selling and discounting these debts.  
Absolutely not.

You see, these lenders are hurting and as everyone knows, in this business, this industry, grows and there are more and more and more foreclosures every day it’s not just growing by the month, it’s growing by the day and as it’s happening, more and more banks are going under.

Every bank out there is hurting. ..

There’s not a bank out there right now that’s not hurting because of the sheer, immense amount of bad debt they have on their books.

The point is, **they’re foreclosing on these homes.** If they take this thing all the way and they run this foreclosure through the whole process and they end up at a courthouse selling the house...understand, (and this is a real statistic for you...it comes from the Mortgage Association of America.)

### **Only about 5% of the homes that end up at the courthouse steps being auctioned ever are sold to the general public.**

The converse of that says that 95% of those homes are being taken back by the first mortgage holder, or whoever is foreclosing, and being sold as an REO or Real Estate Owned.

So, understand these banks aren’t getting rid of all these houses at the courthouse steps.

What’s happening is they’re having to take them back and sit on them, and if they are in a state where there is a redemption period, they have to go through the entire redemption period. In tough markets, (especially in today’s market, where you’ll have a house sit six Months and more on the market) it’s important to understand the bank has to wait that same amount of time as well.

In reality, at this point and time, they’ve got a house in foreclosure right?

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**It doesn't matter what is owed on it.**

It doesn't matter what the principle balance is. It's almost irrelevant because what matters is what that house is worth today in that market. So they may have loaned \$400,000 on a house, but *it may only be worth \$250,000 in that market at that particular point in time.*

That's the number that means something. Think about this, if it's only worth \$250 thousand, and they take it back and sell it for \$250 thousand, by the time they even get to that sale, they have months and months – sometimes up to a year of holding time where they have not received one dime in payment!

They have all these late fees, interest and on and on -- just all these holding costs. They have to pay insurance, taxes, all that stuff on that home while they are holding it.

All those costs add up and reduce the amount they actually get for the house. People are saying we're cheating the bank but no, in reality, when we come along we're showing the bank in black and white figures what they can realistically expect to make. One of the nine elements that I'm going to show you is something we call **REO, or Foreclosure Factor** which is a simple spreadsheet that simply shows the bank that, look if you take this property back this is what is going to happen, this is how an REO sale is going to look when you break down the numbers.

It's not supposition or assumption; we're showing them real facts and numbers.

We're showing them that if they take this house back as an REO, (based on what is happening in this market that the home is in, compared to others of its size and other comparables of this house,) we show them what their holding time is and the what it's going to cost them to hold it, and this is how much they can expect to possibly net at the end of an REO sale, whenever it takes place.

**Then we show them and we are going to offer them MORE than that RIGHT NOW.**

So when you look at that, it simply makes sense for a lender to say yes.

Some of them don't, but most of them do because it simply makes sense.

We're giving them more money now as opposed to less money down the road.

As investors, we are such a vital part of this industry and the whole discounting process, which is what a short-sale is.

Most people have heard of a short-sale they just don't know how to do one. A short sale, just to re-cap, is simply a discount on the debt.

## **Proper Negotiation is the key to short sales success:**

It is fair to say the negotiation process starts with your package; most negotiation when it comes to short sales is done through the packages and your offer.

### **When we do it we actually help the lender.**

They mitigate their debt and get out of this whole situation, scathed less and walk away with MORE money than they would have had we not come along.

So we create a win situation for the lender. They WILL want to work with you once you show them they make MORE money by working with you

## **Okay let's jump to the Nine Critical Factors of a short sale:**

Here we go...

**1. Short Sale Cover Letter**, not to make a pun here but a short sale cover letter needs to be short and to the point.

Usually it is one page long, very simple, right to the point.

You'll explain who you are and that your intention is to buy "x" property and "x" address at the earliest date possible (music to their ears) – contingent upon getting a discount on the mortgage from them.

Then you'll bullet out what they are going to see in the package: *"Enclosed in this package you will find" the other 8 elements that we're going to talk about here..."*

Once you go over all this, and you talk about the simple repairs, it's time to say "based on this, my short sale offer to you on this is "X" amount of dollars to be paid in certified funds, at the close of transaction with my title company (or closing attorney)."

This is said all in very concise, legal sounding language.

Keep it short. One page.

**2. Purchase and Sales Agreement** - You need a purchase and sales agreement because you're going to the lender saying you want to buy this house so they need to see a legal agreement that says the seller is willing to sell it to you. .

**3. HUD 1 Settlement Statement** – The United States Department of Housing and Urban Development.

We use the HUD 1 because it is the accepted settlement statement all over the country used in almost every real estate closing that takes place, in every state all over the country. If the bank ever says they want a “net sheet”, this is what they are looking for.

NOTE: It’s important that these first three items in that exact order.

Loss mitigators are very busy, and they need to see these packages in the way that makes it easiest and faster for them to process.

NEXT...

**4. REO spreadsheet** -That simple spreadsheet is a spreadsheet based on real facts and figures that we have access to because it’s public record. Real facts and figures, we’re going to show them what they are going to get.

So that’s number four.

Onward...

**5. Hardship Letter** - We’re going to get a hardship letter from the seller.

Very important.

What is a hardship letter? The best one you’re going to get is one the seller hand writes. They take pen in hand and on a piece of paper they write what is wrong and WHY they are in financial crisis.

Whether it is divorce, unforeseen medical bills, loss of a job, whatever it is have them put what the real problem is, why they are in the shape they are in, why their home is being foreclosed, why they cannot catch it up, and then have them sign it.

That is a hard ship letter.

March on ...

**6. Seller Financials** – By seller financials, they may want w-2 forms, they may want 2 paycheck stubs, two most recent bank statement. The most important though is a simple little sheet they will usually send you to fill out that will have the seller’s income on one side and all of their expenses on the other side.

You do include the house that is in foreclosure in their expenses because the point is they need to see why these people can’t pay for this house.

The lender has to be satisfied that they cannot work with the seller because their financial situation is beyond hope. Then they’ll agree to work with you.

**7. MLS Comps** (Multi-listing Sales Comparables) - In a nutshell there is a multi-listing service out there where realtors list all their homes. After the homes are sold they are still listed as what they sold for and how long it took them to sell.

So a comparable that is pulled off the MLS is the best comparables that you are going to get anywhere in the country. You need Multi-listing Sales Comps and if you are a real estate agent you can get them yourself. If not, then you'll have to develop a relationship with a realtor so you can get them. It doesn't cost them anything to get them; you just have to get them to pull them for you.

Comparables is showing what the home is worth because remember in the beginning I said the balance on the house is irrelevant here.

What matters is what the house is worth today in that market.

So how are we going to determine that?

By what other homes in that market are selling for that are comparable to the house we are looking at.

You need at least 3 MSL comps for the bank to want to use them and it needs to be a sale within the last 6 months and within a two mile radius of the subject property.

(Instead of getting three comps I suggest you have an agent get you a CMA "Comparative market Analysis" it has more depth than 3 comps and is more professional)

**8. Repair estimates with digital photographs.** You absolutely need repair estimates. And you are going to go into detail. Send them digital photographs of the repairs. If you say there is a hole in the wall, take a picture of the hole in the wall. Get repair estimates from a real contractor with a real phone number they can call if they so chose.

Next one is...

**9. A proof of fund, or a Loan Pre-approval letter.** A proof of fund is much better than a pre-qual, because the bank gets happier when you're buying these properties with CASH.

Understand some conventional mortgage will not work for some of those properties because of the rehab it might need and so on.

**That's the end of the elements. Make sure you put your short -sales package together in this EXACT order and send it in and I can guarantee that you will see your short sales ratios of acceptances go up and you will be getting better discounts and short-sales. It just simply works when you do it correctly!**

# “This Is What Can Happen If You Just Follow Short Sales EDU’s Pre-Foreclosure System!”

Let’s say you did a deal and make **\$11, 542.15** in about 40 days.

Would you like that? Or is it not something for you?

Okay I want you to pay attention to the date on the two Hud-1 and the check.

118.		518.	
119.		519.	
120. Total Paid by/for Borrower	\$300.00	520. Total Reduction Amount Due Seller	\$75,000.00
100. Cash at Settlement from/to Borrower		600. Cash at Settlement to/from Seller	
101. Gross amount due from borrower (Line 120)	\$81,011.23	601. Gross amount due to seller (Line 420)	\$75,000.00
102. Less amount paid by/for borrower (Line 220)	\$300.00	602. Less reductions in amount due seller (Line 520)	\$75,000.00
103. CASH ( From/To ) Borrower	\$80,711.23	603. CASH ( From/To ) Seller	

i.e, the undersigned, identified in Section D hereof and Seller in Section E hereof, hereby acknowledge receipt of this completed Settlement Statement on **June 15, 2010.**

118		418			
120	GROSS AMOUNT DUE FROM BORROWER	\$98,034.47	420. GROSS AMOUNT DUE TO SELLER	\$95,000.00	
200. AMOUNTS PAID BY/ON BEHALF OF BORROWER			400. REDUCTIONS IN AMOUNT DUE TO SELLER		
201.	Deposit or earnest money	\$1,000.00	501.	Excess deposit (see instructions)	\$1,000.00
202.	Principal amount of new loan(s)		502.	Settlement charges to seller (line 1400)	\$583.20
203.	Existing loan(s) taken subject to		503.	Existing loan(s) taken subject to	
204.			504.	Payoff of first mortgage to Nikolay Lipetskar,	\$82,413.25
205.			505.	Payoff of second mortgage	
206.			506.	Legal Fee to Boris B. Malden, Esq.	\$125.00
207.			507.	July Condo Fee to 27-29 Elm Street Condo	\$150.00
208.			508.		
209.			509.		
Adjustments for items unpaid by seller			Adjustments for items unpaid by seller		
210	City/town taxes 07/01/10 to 07/30/10	\$186.40	510.	City/town taxes 07/01/10 to 07/30/10	\$186.40
211	County taxes to		511.	County taxes to	
212	Assessments to		512.	Assessments to	
213.			513.		
214.			514.		
215.			515.		
216.			516.		
217.			517.		
218.			518.		
219.			519.		
220.	TOTAL PAID BY/FOR BORROWER	\$1,186.40	520.	TOTAL REDUCTION AMOUNT DUE SELLER	\$84,457.85
300. CASH/AT SETTLEMENT FROM/FOR BORROWER			600. CASH/AT SETTLEMENT TO/FROM SELLER		
301.	Gross amount due from borrower (line 120)	\$98,034.47	601.	Gross amount due to seller (line 420)	\$95,000.00
302.	Less amounts paid by/for borrower (line 220)	\$1,186.40	602.	Less reductions in amount due seller (line 520)	\$84,457.85
303.	CASH ( X FROM ) ( TO ) BORROWER	\$96,848.07	603.	CASH ( FROM ) ( X TO ) SELLER	\$10,542.15

SUBSTITUTE FORM 1099 Seller Statement: For information contained in Blocks E,G,H and I on Line 401 and Buyer's part of real estate (lines 406-408). This is important tax information and is being furnished to the Internal Revenue service if you are required to file a return, a negligence penalty or other sanctions may be imposed on you if this item is required to be reported and the IRS determines that has not been reported.

Total of \$11,542.15 was made in this deal in about 45 days, maybe you could have use this for a vacation, or maybe do some small renovation around the house.



The story of this deal is an interesting one.

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The mortgage on it was for \$268,000.00 this is just principal, because we do not care about past due balance, the market value of it after repairs was around \$165-\$195,000.00.

After doing our due diligence we thought, we can get it at \$75,000.00. We ended up getting it at that price, and we also make the bank pay for back taxes, and so on.

The beauty is we wholesale this to a rehabber in a matter of days, but it took a little longer to close on it, but I still think \$11,542.15 in 45 days is not a bad deal.

Imagine making a few of these on a constant basis.

Here is a recent Example of an assignment

We teach how to control a property.

**Strategy 1: All you have to do is Control a property in order to make money on it.**

The way it works:

James caught the real estate investment bug during his junior year in college, he was just a student with a strong desire to invest in Real estate. So, he went on to purchase a rundown property in Springfield MA for the Price of \$10,000.00 the property was being sold by the owner for the amount of the back taxes. James was happy with the deal. After all, it's always good to get a low price on a deal. The cost was so low for a reason, James brought a contractor to take a look at the property to get an estimates of the repairs needed to make the home sellable. Cost of repairs on the home turn out to be around \$65,000. That price was much more than this newbie bargain in for. James felt he was over his head.

He did what He was taught to do,

He placed an ad on the Republican News paper, and on Craiglist, selling the property for 20K.

He received an offer on the property for 15K, which he accepted. At the end of the transaction, he made \$5,000 in as little as 10 days.

So, the Bottom line is, James did not spend a dime to make the \$5000. He didn't have to pay closing cost, pay taxes or anything of that sort, he had no risk in the deal. If he was unable to buy the property all that would happen is he would have to evoke one of his clauses, "Unable to acquire financing", or use his inspection clause. This would have canceled his rights to buy the property and free him from the contract.

This is a true Zero money down deal, all you need is proper motivation to take action.

That is exactly what we teach.

Visit us at [www.shortsalesedu.org](http://www.shortsalesedu.org) to experience more discounts.

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I am thankful that you let me make an impact in your life, whether big or small, enjoy your Thanksgiving, and happy investing.

*Winder Alexandre*

Short Sales MVP

P.S. I will be releasing a book on how to profits in real estate using different Strategies, from controlling the property, to rehabbing a property. We expect the book to be done and published by the end of February, so be on the lookout for that.