REAL ESTATE JOURNAL SUMMER 2022



2. It All Starts With a Plan

3. NREIA Legislative Update

5. What's It All About?

6. 5 Types of Investments Not Allowed in an IRA

8. Checkbook Control & the McNulty Case

15. 6 Red Flags That Point to Fraud

16. Why Investing for Income, Instead of Appreciation, is Critical to Success

18.3 Tools for Becoming a Successful, Lazy Landlord

\$4.95

Circulated To Over 40,000 Real Estate Investors Nationwide

Vol. 7 Issue 3

RE Journal Member Spotlight



Antonio Lopez is the son of two immigrant parents who learned the real estate fundamentals of successfully selling and buying wholesale properties. He's been in the business since 2012 and is a member of BPM REIA (formerly known as BREIA), which covers Broward, Palm Bach and Miami, Florida. He's been featured on several expert panels and has had many media stories about his endeavors. Antonio is also a mentor and coach for up-and-coming real estate investors in the South Florida market as well as owning and operating a successful investment business where he has successfully closed several flips & renovation deals. In addition, Antonio has worked with the Dan Marino Foundation helping young autistic adults. Through the foundation's program, participants learn skills Continued on Page 12

y property has sustained water damage, so the question is "Now what do I do"? The first thing to do is answer these questions:

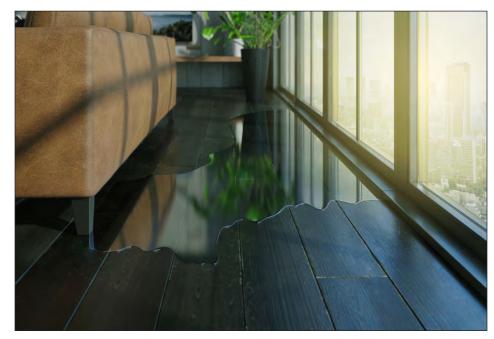
By Martha Teears

- Where did the water come from?
- What caused the water damage?
- Is the water damage covered?
- Do I have the right coverage?
- Do I have enough coverage?

These are the questions that hit us when water damage has occurred. It pays to be prepared!

The first question to address is "where did the water damage come from?" Did the water come from the outside into the property or did the water start inside the house and move out of the structure?

There are many avenues for water to sneak through, so let's examine some of them. The question of what constitutes a water claim and what



constitutes a flood claim creates a great deal of confusion among insureds. Water claims are submitted as flood claims and flood claims are submitted

My Property Has Sustained

Water Damage; Now What?

as water claims. Insured's may think "what's the difference and why should I be concerned?" There is a big difference Continued on Page 10

Outlook for North America

forecasts

By Chris Kuehl, Ph.D.

United States

ecession, Inflation and Rates - OH MY! As a good Kansas lad, I can't resist the occasional Oz reference, this one seems somewhat apt. The media has been alive with doom and gloom, economists and analysts filling the airwaves with dire forecasts. How

real are these? Should we be jumping off the ledge? There is certainly a great deal to contend with and these challenges are real enough, but there are also solid indicators and promises of better days ahead (assuming some solutions emerge to the current collection of stressors).

A few points of clarification as we listen to the latest commentary.

Are we facing imminent recession? No. Recession is two

straight quarters of negative growth. The last quarter of 2021 featured rapid growth of 6.9% but first quarter of 2022 saw a decline of 1.4%. If the second quarter numbers are also down the recession call can be made. The revised first quarter numbers will be released

Are we facing stagflation? No. To be in a stagflation situation the economy has to be facing both double-

digit inflation AND double-digit unemployment. Inflation is at 6.1% according to the Personal Consumption Expenditure data and the PCE is what the Fed looks at. The more volatile Consumer Price Index is at 8.5%. The unemployment rate is at 3.6% and that is close to record lows. The quit rate is as high as it has been in decades. There is no sign of impending

Continued on Page 2





4500 S. Lakeshore Drive, Suite Rental Housing Journal, LLC

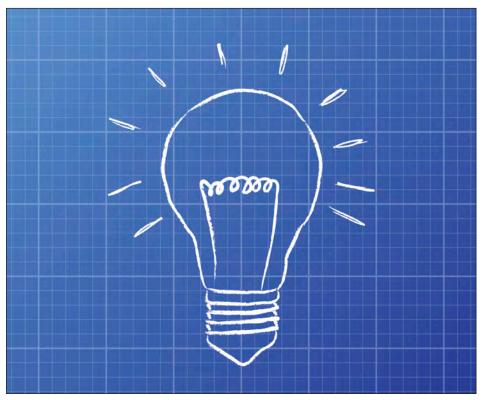
It All Starts With a Plan

By Rebecca McLean Executive Director, National REIA

s real estate investors, most of us wouldn't consider beginning a rehab or new build without a plan, in many cases a true blueprint. How will you and your team make your ideas a reality, much less attempt to guide contractors such as electricians, plumbers, and carpenters through the building process? As someone building a business, can you imagine having a plan guiding you and your team to the outcomes you want? A business plan serves to outline the choices you've made about how you will compete and win in your space, be it on price, value, cost, speed to market, location, differentiation, or some other factors such as your purpose, culture or mission.

The framework determines not only where you go but also where you won't go. It's something your team should be able to understand, align with and follow so you are working together efficiently and effectively to meet your goals.

If there's anything that last year has taught us, it's that the uncertain is certain. On a practical level it underscored the importance of having a plan or blueprint in place to cover the unexpected. For those with well-thought-out plans, although they may have had to pivot, they knew their business and their purpose well enough to be confident in decisions that needed



to be made to secure their business and move forward, even in a crisis.

Plans are meaningless if they sit in people's heads or on a shelf. You need to communicate your plans with your team. Great plans mean your team, or your family can carry on, even if you are sick or if circumstances are tough. A well-thought-out plan can provide clarity and guidance and can help you understand the direction you needed to go when facing a critical business decision.

The past few years highlight that NOW is the time to work on a sharable plan that covers any personal and professional contingencies — that covers business decisions. At National REIA we hear this loud and clear. Our own blueprint includes anticipating what our members need and building programs that meet those needs to help them thrive. With that in mind I'm pleased to announce that we are introducing Blueprint, a new program, this fall. Over the course of several sessions, Blueprint delivers a simple personalized framework that

give participants focused accountability to make thoughtful decisions as they encounter changing circumstances and environments.

Most family and private real estate investors and business owners know what they want and need to do. The idea of putting it on paper, let alone creating strategic plan, makes them shut down. Blueprint will work with one business principal at a time, meeting you where you are to develop your plan. Look for details in the Real Estate Journal, on our news site, Real Estate Investing Today, as well as in your inbox.

We are also building on our recent economic impact study. We've heard from so many investors who say the last year was the best year ever. We will learn from them and help you incorporate these learnings into your blueprints. Looking to the future, the National REIA support to our groups and their members will continue to evolve as the world continues to open up. We're excited to help you do what you do bestrun your business!

Rebecca McLean is the Executive Director of National Real Estate Investors Association

Outlook for North America ... continued from Page 1

stagflation

Will the Fed react to high inflation numbers and jack rates up? Not likely. The Fed has repeatedly reminded people that inflation is being driven by factors out of their control – energy prices and the supply chain breakdown. They will hike rates but still insist that these will be between 2.5% and 3.5% by year's end – certainly higher than they have been but not near record levels.

Meanwhile, the industrial numbers are still trending positively. The Purchasing Managers' Index is still solidly in expansion territory with a reading of 55.4 (although it was down from the 57.1 noted the month before). Capacity utilization is still not in the "normal" range between 80% and 85% but it is closer than it has been at 78.9. The latest data from Armada's Strategic Intelligence System shows a small dip in the industrial outlook but the curve is still at a three-year peak.

A great deal of attention is always focused on the housing sector and for the most obvious reasons. For the last several years there have been any number of dire predictions regarding the imminent demise of the sector. The price of housing has been escalating for years and that had been expected to slow demand but low mortgage rates managed to sustain the sector.

Now that interest rates are starting to climb there is another round of doom and gloom. It is still a little early to determine whether rates will climb radically (most predictions have rates between 2.5% and 3.5% by the end of the year) and it is early to say what will

happen to mortgages. For the moment the demand is still strong – the fact is that there is still a deficit of some 5 million homes in the U.S. There has been an 18.2% growth in residential housing year over year even as the sector has come off the peak. Construction in the commercial sector is also growing (by 8.2% year over year). This has been driven by warehousing and inventory management but even office buildings seem to making a comeback.

Canada

The Canadian economy is surging and commodity growth is the driver. The first quarter gains were impressive — 5.6%. the nation's GDP gained by 1.1% in February and that beat the estimate of 0.8%. The flash estimate for March showed another 0.5% gain and that marks the ninth month in a row for growth. The motivation for these gains will come as no shock to anyone who has been following events globally. The energy crisis and the food crisis have made Canada's commodity-based economy surge and this trend is likely to extend through the remainder of the year.

While this is good news on one level it also creates a problem for the Bank of Canada. While the U.S. is arguably hitting a downturn the Canadian economy is on the edge of overheating and that has prompted a discussion of significantly higher interest rates in order to cool things down. This means taking rates out of the neutral zone (2.0% to 3.0%) for a quarter or two and maybe longer. With per-barrel oil prices

expected to stay above \$100 to \$110 the impact on the Canadian economy will be positive but almost too positive.

The manufacturing sector is not enjoying this surge as much. Their costs are rising as logistics becomes more expensive and commodities rise. Those that are focused on the energy sector or food production are doing well enough but automotive has taken a major hit (just like in the U.S.). The unemployment rate has fallen again and to a new low of 5.2%. Inflation rates are close to 6.0% and that is a major leap from the 1.5% level struck in 2020.

Construction expansion has been taking place in Canada as well. Transportation and warehousing have been booming and will be further encouraged by the decision by Canadian Pacific to buy Kansas City Southern. This is expected to involve an additional 800,000 to 1.5 million additional containers making their way to the middle of the U.S., Canada and Mexico. Housing has also been an issue in Canada – shortages rival that in the U.S.

Mexico

As the U.S. goes, so goes Mexico. This has long been the case and nothing in the last few years has changed that situation. The Mexican economy managed a bit of growth in the first quarter — growing by 0.9%. Nearly all of this gain can be attributed to the demand for commodities (oil and food). The other three key sectors of the Mexican economy are moribund. The level of remittances from the U.S. have been declining for years as

pressure remains on immigration. The tourism business crashed during the pandemic and has shown little recovery since. Manufacturing was competing with oil as the main driver for the system but this is tightly connected to the U.S. and has not been growing as fast as would be preferred. Much of Mexican manufacturing is geared to the struggling automotive sector.

The policies of the AMLO (President Andres Manuel Lopez Obrador) continue to inhibit the recovery. COVID still rages in Mexico and cooperation with the U.S. is at a minimum. A recent high-level conference was supposed to bring the U.S. and Latin states together to work on trade issues but Mexico refused to engage unless the U.S. invited Cuba, Venezuela and Nicaragua to participate. The U.S. refused and AMLO backed out. The official unemployment rate is 4.7% but most analysts assert that the real rate is close to three times that high at between 15% and 20%. The inflation rate stands at around 7.8% and has been getting worse. It is a far cry from the record of 179% set in 1988.

Chris Kuehl, PhD., is an economist and Managing Director of Armada Corporate Intelligence. Visit www.armada-intel. com for more information.



The Fed...

Very few people have the ability to clearly look into the future. Even fewer have the humility to acknowledge that they are supposed to do so and cannot. The latter group does not hold a seat at the U.S. Federal Reserve (or foreign central banks). In fact, using history as a guide, albeit at arm's length because "things are different this time," is not necessarily a bad way of addressing reoccurring problems. However, when the fuel of political pressure is added to the fire of hubris, there will be problems. Problems may be a bit of an understatement for gas going to \$6/gallon and diesel potentially being rationed, food shortages growing with food riots already breaking out around the world. The loss of consumer confidence is somewhat inevitable as 24hour news channels hype every mole hill as a mountain and politicians looking to make gains or hold their seat pontificate ever more dramatically; it becomes difficult to determine where the real landmines are buried.

Like many financial advisors say, don't pay too close attention to the daily fluctuations, but look for the trends. Inflation is going up and housing demand is coming down; however, entry-level market rate housing is, and likely will be, in high demand due to demographic trends. So too will rentals fall into that same niche. For example, rentals are often rated in 4 categories: from Luxury A properties to D properties awaiting demolition or rehab. During the Housing Crisis of 2008-14, the B rated properties did quite well, in part because longer term market forces buoyed them. No matter the vacillation of the Fed, the right property can and will be a good buy.

Location...

Every investor has heard too often the mantra about location; however, please keep the impact of legislation in mind when buying real estate. For example, in some areas of the country, there was minimal impact due to COVID shutdowns, or none at all. In California (yes, I'm picking on the Golden State), the ability to evict a resident who hasn't paid rent since March of 2020 may be extended to sometime in mid-'23! And that's just to start the eviction process. Some municipalities will require the new property owner to cover the cost of moving the resident at lease termination, or cover the cost of the attorney through other taxes in Right to

Rent Control has been spreading, as bad ideas do, with social media hyping it as a solution, and political

causes funding the effort for their own ends. When purchasing, the whole cost of the property, not only your plans, but your exit strategy can be greatly impacted by a new law or regulatory interpretation: be sure to check with your local REIA about ongoing legislative issues. After all, thousands of New York property owners lost their life savings that had been poured into a building when Rent Control first went into effect ... and it's happening again due to the most recent New York Rent Control & Stabilization rulings, which by the way approved their highest(!) rating increase ever at 2-4% for annual leases. With inflation hitting 8% in March of this year alone, fewer people will invest in areas where a return on investment (profit) is precluded, thereby exacerbating the current supply shortage!

Themes:

Over the past several years, COVID notwithstanding, the Housing First and Housing as a Right groups have made noise about Affordable Housing: with this nebulous term, there is never enough, with some areas demanding more housing than the region has people (see LISC presentation 2017 to the Cincinnati Fed Reserve) which stated that 94,180 more housing units were needed immediately! 40K of those homes were to be completely free with government subsidy, the majority of the rest would have some subsidy. Of course, there was no funding plan for such an outrageous claim, because even they knew the claim was ridiculous. Nevertheless, they had a "study" and claimed a need, eventually their squeaky wheel gets the grease.

SIDE NOTE: We do not have a Representative Democracy; we have a Government of Squawker Response. Those who make the most noise, likes chicks in a nest, get fed the most.

As a corollary to the Affordable Housing call, there are several facets of impact that groups have focused on based upon the receptiveness of their region and they range from screening limitations to anti-eviction efforts, from Source of Income to Right-to-Counsel, from affordability carve-outs in new developments to Rent Control and full government takeover of housing as a matter of public principle vs. capitalist profiteering.

From Louisiana investors fighting back screening restrictions, to Illinois passing HB 2775 that protects the Source of Income with broadly expansive language requiring property owners to accept the government as their business partner and comply with all local

housing authority regulations, or Right to Counsel expanding in New Orleans, Detroit and Chicago, the activists are in full force. Rent Control efforts are expanding in California, Minnesota and cities across the Midwest: What you don't know could really hurt your investment!

Be sure to click on the Advocacy tab on National REIA's website (www.NationalREIA.org) and then, once there, click on "Bill Tracking" to stay up to date with state specific issues.

Administration Update:

In May the Biden Administration rolled out a new (mostly) Housing Shortage response which included a large mix of regulatory and legislative fixes. The legislative projects are pretty much D.O.A. in this political environment, so we'll save space and focus on the things that can actually impact RE investors. Regulatorily, and of great interest, there was instruction by the White House to HUD and thereby FHA and FHFA and the subsequent Fannie Mae, Freddie Mac, & Ginnie Mae organizations to consider supporting various housing finance options.

The primary focus was on Modular Housing and building a federal support mechanism for currently utilized chattel loans. As modular homes (typically trailers) are classed as personal property they have not had the benefits of standard mortgages. Banks will typically require a personal loan at a higher interest rate and have to keep the loan "on their books." Providing a federal support system could create additional appetite and support for the modular home classification as well as improve overall values as financing options increase. One caution, as the chattel loan values are quite low in contrast to most mortgages, banks may still regard them as too costly due to Dodd-Frank requirements and eschew them. However, the expansion of CRA considerations with regard to housing finance options may balance out the high cost to loan value. More to come on this as the program is developed and comments sought.

Regulations

A standing proverb to those in law-making circles: "What the Legislator gives, the Regulator takes away," may be more true now than ever. With legislative logjams in place in part due to razor-thin margins, as well as a loss of bipartisanship and the upcoming election, the *Continued on Page 9*



Find Out How You Can Avoid Capital Gains Taxes, and More!

- ✓ Monthly Income Potential
- Cash Out Refinance Defer Your Taxes & Receive Liquidity Potential
- Management Free No More Tenants, Toilets And Trash!
- ✓ All-Cash/Debt-Free Offerings
- ✓ Tenants include Amazon, FedEx, Dollar General, Walgreens, CVS, Fresenius & More
- ✓ Close Your 1031 Exchange In 2-3 Days

Get Your

DST 1031 Exchange Tool Kit

- 1031 Exchange Property Listings
- All-New 1031 DST Digest Magazine
- Introductory DST Book for Investors





Register at www.kayrhj.com



or call **1.855.875.2781**

"We feel comfortable working with both of you and would not hesitate for a minute to invest again with Kay Properties and recommend you." Maritza F. | Hialeah, FL

"...We would invest again with Kay Properties"

Wendy I. | Topanga, CA

Call Today to Also Learn About a Real Estate Fund With:

9.25% Annualized Distribution Potential*

These testimonials may not be representative of the experience of other clients. Past performance does not guarantee or indicate the likelihood of future results. These clients were not compensated for their testimonials. Please speak with your attorney and CPA before considering an investment. *The Debentures will bear non-compounded interest at the annual rate of 9.25% per annum (365-day year basis) on the outstanding principal, payable monthly on between the twentieth and twenty fifth day of the following month. An investment in the Debentures will begin accruing interest upon acceptance and closing of the Investor's Subscription Agreement. There is a risk Investors may not receive distributions, along with a risk of loss of principal invested. This material does not constitute an offer to sell nor a solicitation of an offer to buy any security. Such offers can be made only by the confidential Private Placement Memorandum (the "Memorandum"). Please read the entire Memorandum paying special attention to the risk section prior investing. IRC Section 1031, IRC Section 1033 and IRC Section 721 are complex tax codes therefore you should consult your tax or legal professional for details regarding your situation. This material is not to be construed as tax or legal advice. There are material risks associated with investing in real estate securities including illiquidity, vacancies, general market conditions and competition, lack of operating history, interest rate risks, general risks of owning/operating commercial and multifamily properties, financing risks, potential adverse tax consequences, general economic risks, development risks and long hold periods. There is a risk of loss of the entire investment principal. Past performance is not a guarantee of future results. Potential cash flow, potential returns and potential appreciation are not guaranteed. Securities offered through FNEX Capital.



Published quarterly for chapters, associated real estate investor associations, their members and guests.



Editor Brad Beckett brad@nationalreia.org

For inquiries regarding
Membership, Legislative, REIA
organization information or to
become a industry partner, call
National REIA toll free at
888-762-7342
Fax: 859-422-4916
Hours of operation: 9:00am to
6:00pm Eastern time zone
Find us online at:
info@nationalreia.org
www.NationalREIA.org

RE Journal is published by Rental Housing Journal, LLC, publishers of Rental Housing Journal www.rentalhousingjournal.com



Publisher
John Triplett
john@rentalhousingjournal.com
Editor
Linda Wienandt
linda@rentalhousingjournal.com
Advertising Manager
Terry Hokenson
terry@rentalhousingjournal.com

The articles in RE Journal written by all authors are presented to you for educational purposes only. The authors Association strongly recommend seeking the advice of your own attorney, CPA or other applicable professional before undertaking any of the advice or concepts discussed herein. The statements and representations made in advertising and news articles contained in this publication are those of the advertiser and authors and as such do not necessarily reflect the views or opinions of National REIA or Rental Housing Journal, LLC. The inclusion of advertising in this publications does not, in any way, comport an endorsement of or support for the products or services offered. To request a reprint or reprint rights contact Rental Housing Journal, LLC, 4500 S. Lakeshore Drive, Suite 300, Tempe, AZ 85282. (480) 454-2728 - (480) 720-4385. © 2022 All rights reserved.



What's It All About?

By M. Jane Garvey

Tor many (if not most) real estate **◄** investors, one of the major goals is freedom. I often hear people say, "The goal is having the freedom to do what I want, when I want." For others, it's a means to "get ahead." The goal is to have money and income sufficient to pay for the things that you are obligated to pay for and have discretionary income that allows you to enjoy the "extras" that you have dreamt about. For some, it is about having enough income in retirement to live comfortably, or to allow early retirement. If you ask your fellow investors, you will get variations on these themes from most of them.

For many, real estate requires initially sacrificing what you have now to get what you want later. You keep working your "day job" while spending extra time doing your real estate job. Many of the people around you question your decision, since you may be less available for the fun activities you enjoyed with them. It genuinely requires a commitment and encouragement from like-minded people to keep at it.

If you are good at it, the real estate job can quickly make the day job look like an abuse of valuable time. Many investors shift into working their real estate job as their primary job and keep working the extra hours like they did when it was their second job. They have changed jobs to one with less steady income and more dependence on the economy and government regulations.

We should think about these decisions before we just keep doing what we are doing because it is what we have been doing. If you are going to sacrifice the present for the future, you need to start questioning yourself. Are you enjoying your real estate pursuits enough for this to be a good decision? If not, how can you make it more enjoyable, or how can you become more efficient at it so that you still have time for the things you do find enjoyable?

In previous articles I have talked about getting your family involved. This might help not only with their understanding of

what you are doing, but it will also allow you to spend more time with them. Often children and spouses resent "the job" always being the priority, particularly when you are your own boss. After all, you were doing this so that you could do what you want when you want. How is that working out for you?

Real estate investing offers many, many different types of opportunities for an investor to choose from. Try a few and if you find you don't enjoy them, then don't choose those. For instance, if you're considering being an Affordable Housing Provider, you might realize you can't tolerate being disrespected at times and occasionally having your properties trashed. If that is the case, this might not be the right choice for you! It may be tolerable with a property manager shielding you from the day-to-day work, but it is not the only choice you might consider. Open your mind and seek the opportunities that will allow you to enjoy your life in the present, not just the one you envision for the future.

In running a Real Estate Investors Association for many years, I have provided information on the abundant alternative investing opportunities in a huge variety of real estate pursuits. Some of them might suit you better than others. For example:

- If you love rehabbing old homes then consider "flipping."
- If you love building things then consider building homes or apartments.
- If providing homes for seniors or disabled people gives you the warm fuzzies – then consider residential assisted living.
- If you are great at negotiating deals

 then wholesaling, exchanging or brokerage may be a fit for you.
- If you love vacation rentals then converting properties in vacation spots may allow you to spend time in your dream destinations and make money doing it.
- If you have reached a point where you have access to funds, love being a part of the business but not

- the day-to-day grind, you might consider hard money lending.
- If you have the financial skills and find the note business interesting create, buy, and sell notes.
- If you love variety then do the things you enjoy most.
- Note: This is not an exhaustive list of the niches that you may find fun and rewarding.

There is no one thing that is the right fit for everyone. It is important for your long-term health and happiness that you choose the things that are a good fit for you both in the present and for the future

All of us, real estate investors included, should be pursuing our dreams in the present, as well as working for the dreams of our future. I recently heard an old Harry Chapin song from 1974 that spoke to this. "Cat's In The Cradle" is worth looking up and listening to. We need balance in our lives.

Michael Gerber's books "The E-Myth" and "The E-Myth Revisited" are worth the read as well. They should help you recognize that just because it needs doing, and you are capable, doesn't mean that you should be the one doing it. Many investors get caught in this trap.

I encourage you to spend some time working on your business rather than just in it. Are there adjustments you can make that will improve your business, your outcomes and your life? Think about what you would do if you had all the free time needed and plenty of money. If you aren't currently sprinkling a little of that into your life, then there is no time like the present to start.

Jane Garvey is President of the Chicago Creative Investors Association.

5 Types of Investments Not Allowed in an IRA

By John Bowens

self-directed retirement plan – whether an IRA, Roth IRA, 401(k), or other self-directed account – is open to a wide array of investment possibilities beyond traditional stocks, bonds, and mutual funds. Potential investment options include real estate, rental properties, fix-and-flips, wholesaling, mortgage notes, private companies, cryptocurrency, oil, gas, gold, silver, and much more.

Hearing this, investors often ask, "With all the possibilities, what investments are not allowed in an IRA or retirement account? Is X, Y, or Z investment acceptable?"

The Internal Revenue Code and the IRS guidelines regarding investments in an IRA or other retirement account are exclusive rather than inclusive: we're only told what we cannot invest in, not what we can invest in. (For more information, see IRS Publication 590.)

There's a variety of investment options you can pursue and just a few options that are deemed not permitted. Here are five types of investments that the IRS says are not allowed in a retirement account.

What Your IRA Can't Invest In

1. Collectibles

Your IRA cannot invest in collectibles. That includes artwork, stamps, rugs, automobiles, alcohol, certain metals, and other items.

If you invest in an asset or otherwise use your IRA in a way that's not allowed, it's called a prohibited transaction.

According to IRS guidelines, if your IRA engages in a prohibited transaction, your IRA ceases to exist. It becomes distributed, and you may have to pay taxes and penalties upon the distribution.

2. Loan to yourself or other disqualified persons

You cannot loan money to yourself or your business. For example, if you're a real estate investor and you have an LLC or S-Corp, and you want your IRA to loan money to your business, that would be considered a prohibited transaction.

There are other people that your IRA cannot lend to beyond yourself. Your IRA cannot lend to anyone who is considered a disqualified person.

Who are disqualified persons to your IRA? Anyone up and down your family tree: parents, grandparents, children, and grandchildren. Your spouse is also a disqualified person.

Any LLC or other entity trust or partnership that is owned 50 percent or greater by disqualified persons is also considered a disqualified person, as are your real estate businesses or your other businesses. Your IRA cannot loan money to any of these disqualified persons.

3. Property that you or any other disqualified person owns

You cannot buy property that you or any other disqualified person owns.

This includes any properties owned by you, your spouse, your LLC or trusts or corporations, your children, your parents ... anyone mentioned above as a disqualified person.

One of the most common questions we receive: "I own a rental property. How can I get that into my

IRA?" It would be a prohibited transaction if you were to attempt to purchase your own rental property with your IRA.

Oftentimes, the follow-up question is: "What if I just sell that property to a third party and my IRA buys it from that individual?" That would be considered a straw-man transaction, which also would be prohibited. The IRA is tax-privileged, so you need to go out and find new investments.

4. Property/asset for personal use

You cannot own a property in your IRA that's for personal use.

per IRS rules.

Sometimes an IRA will partner with another funding source, such as a business partner, spouse, or other family member. It's possible to partner multiple IRAs or partner with disqualified as well as non-disqualified

Their IRA buys the property and pays for all repairs.

The IRA then receives any profits from the investment,

Remember: there's an entire universe of investments and strategies that is possible with an IRA or other account. The Internal Revenue Code and IRA guidelines are exclusive, not inclusive. You can invest in rentals, rehabs, and so many creative investments with your self-directed IRA. You just have to make sure that you're heading down the right path.

Special self-directed IRA offer for National REIA members only

Equity Trust Company, a leading selfdirected account custodian, is a national sponsor for the National Real Estate Investor Association (NREIA) and

> is offering NREIA members and its affiliated chapter members a special introductory self-directed account offer.

NREIA members can open an Equity Trust account for a discounted rate of \$99 and receive bonuses worth \$720 or more:

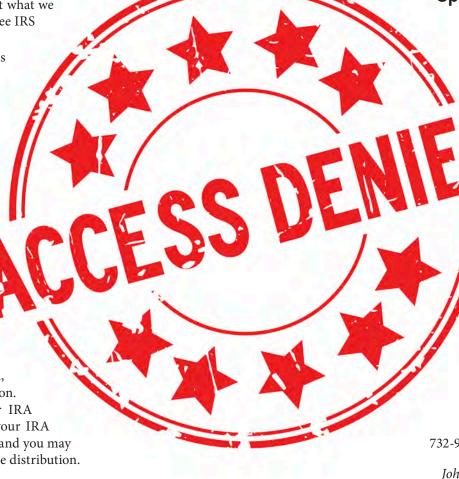
- National REIA GOLD Level membership (includes priority processing and an experienced client service team dedicated to members) for one year
- •Digital download of #1 ranked book on Amazon - Self-Directed IRAs: Building Retirement Wealth Through Alternative Investing
- More exclusive wealth-building education

Visit www.trustetc.com/nationalreia or call 844-732-9404 to learn more.

John Bowens is National Educator and Manager, Retail Sales at Equity Trust Company. Visit www. TrustETC.com for more information.

Case studies provided are for illustrative and educational purposes only. Past performance is not indicative of future results. Investing involves risk, including the possible loss of principal. Quotes and information included in the case studies and testimonials were provided by the investors and included with permission. Equity Trust Company does not independently verify all information provided by third parties.

Equity Trust Company is a directed custodian and does not provide tax, legal or investment advice. Any information communicated by Equity Trust Company is for educational purposes only, and should not be construed as tax, legal or investment advice. Whenever making an investment decision, please consult with your tax attorney or financial professional.



One of the most common examples is vacation rentals. If your IRA buys a vacation rental and you rent it out for, let's say, nine months out of the year, you can't go and stay at that property.

You'll also hear this referred to as the personal benefit rule. Your IRA can't personally benefit yourself in the here and now.

Yes, you want to benefit from the IRA. You want to generate tax-free or tax-deferred profit and put it back in the IRA, but that's for retirement. The best way to think of your IRA is as an investing vehicle. This also means you don't use your IRAs to fund yourself or your business entities.

5. A personally guaranteed loan

You cannot sign a personal guarantee on a loan that your IRA takes on.

Under the provisions of the tax code, it would be considered a prohibited transaction for you to personally guarantee the debt that your IRA is taking on

A lot of people ask, "Does this mean that I can't get a loan to buy IRA-owned properties?" Not necessarily. There are lenders – known as non-recourse lenders – that will loan to an IRA. If my IRA wants to buy a property and use the IRA as a down payment and get a loan, that loan has to be a non-recourse loan.

Generally, we don't see a lot of self-directed real estate investors taking out loans for their IRAs. Oftentimes, they're entering a real estate transaction as a cash buyer.

Exclusive National REIA Member Benefits at Equity Trust

Open a self-directed account at Equity Trust and receive:





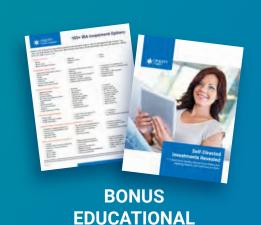






TWO FREE EXPEDITED **PROCESSING CERTIFICATES & TWO FREE WIRE** TRANSFER CERTIFICATES





MATERIALS



844-732-9404 www.TrustETC.com/NationalREIA

Equity Trust Company is a directed custodian and does not provide tax, legal or investment advice. Any information communicated by Equity Trust Company is for educational purposes only, and should not be construed as tax, legal or investment advice. Whenever making an investment decision, please consult with your tax attorney or financial professional.

Checkbook Control & the McNulty Case

By Jeffery S. Watson

Then I use the term "checkbook control," I'm referring to the arrangement in the selfdirected IRA investing world in which an accountholder has set up an IRA-owned entity, typically an LLC, and they are the manager and have checkbook direction over the funds in their IRA that were invested into the LLC. I have been discussing a Tax Court case known as "McNulty" with knowledgeable, educated individuals in the field, and I want to share with you what I believe are the current best practices involving checkbook control and some things that may need to be adjusted in your existing IRA-owned entity to better comply with how the IRS is interpreting the rules.

Let me give you an overview of the facts in the McNulty case. Mr. & Mrs. McNulty formed two separate IRA-owned LLCs and then used those LLCs to make various investments. The Tax Court case focused on investments made by Mrs. McNulty, specifically ones in which her IRA purchased a safe and then gold coins to be stored in the safe. The safe containing the coins was kept in the McNultys' primary residence. The IRS determined that the way in which she handled the money and did these transactions was a violation of the rules governing IRAs and that each time Mrs. McNulty spent money from the IRA to buy coins of which she physically took possession, it constituted a distribution as of January 1st of that year. Essentially, Mrs. McNulty destroyed her entire IRA.

The key language used by the Court was that Mrs. McNulty had "unfettered access and control" over the assets in the IRA, which is really what most people say they want when they are asking for checkbook control. They want to make the day-to-day decisions and sign checks so they can immediately pounce on a deal.

In the years since IRA-owned entities became a thing, there has been an ongoing debate about who should be the manager of an IRA-owned LLC. Certain custodians that I am affiliated with have made the decision that the accountholder should not be the manager of an IRAowned LLC based upon a careful reading of sections of the Tax Code, specifically 26 U.S.C. 4975. Instead, the manager should be an independent, non-disqualified, disinterested third party.

The manager is the person responsible for the day-to-day operations and actions of the LLC. The manager supervises the LLC's activities, the hiring and termination of the LLC's employees and independent contractors, and ultimately calls all the shots for what happens in the company. This is true whether the LLC is a small, single-member LLC with only a couple of assets in it or if it is a \$50 million company. The manager is the person ultimately in charge.

One of the things the manager has the authority to do is deal with the banking institutions with which the LLC has accounts. That means the manager has the ability to go to the bank and deposit and withdraw funds, meaning the manager pretty much has "unfettered access and control" of the LLC assets. That was the problem in the McNulty case. Mrs. McNulty had unfettered access and control of the assets bought with the money in her IRA-owned LLC. That is a huge problem in the eyes of the IRS. The best way to avoid that is for someone other than the accountholder to be the manager of the LLC.

An important practice taught to me early in law school was that when you read a court decision, always look at the legal precedents cited within the case to better understand where the court is coming from and the basis for their opinion. When we do that with the McNulty case, we find an important case cited, Ancira v. Commissioner, which was decided in 2002 (119TC135). This case held that no taxable distribution from an IRA occurred when the IRA accountholder

personally received and had possession of a check that he could not negotiate. The check was made payable to the IRA but was in the hands of the accountholder.

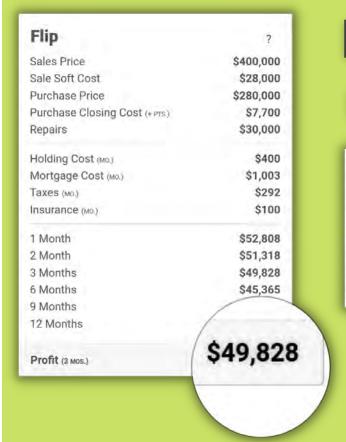
This is an important case to think about when looking at what the court meant in McNulty when it talked about "unfettered access and control." It's clear that if you choose to remain the manager of your IRA-owned entity and receive payments, wires, ACH deposits, checks, money orders, etc., that are directly payable to the IRA entity and not to you personally or in your title as manager, then your receipt and possession of those negotiable instruments is not a distribution of the assets. It remains to be seen what arguments may come as to the ability to go to the bank and withdraw cash.

In McNulty, the court further emphasized that point by talking about another case, McGaugh v. Commissioner, and how the accountholder held in his possession a stock certificate issued in the name of the IRA. The court stated that the IRA accountholder could not realize any personal benefits from the possession of that stock certificate and did not have constructive receipt of the IRA asset because the stock certificate, being a financial instrument, was titled in the name of the IRA.

I want to clarify one thing. The McNulty case applies to IRA-owned LLCs. It does not apply to solo 401(k) s. A solo 401(k) is a retirement plan adopted by a selfemployed individual or an individual who owns an entity being taxed as a corporation. That individual is required to be the trustee of their 401(k). This is completely different from my warnings about being the trustee of your IRA-owned trust. There is a significant distinction between the two.

For those of you who have solo 401(k)s wherein you handle the checkbook, this McNulty case is not bad information. It is instructive, however, to make sure

Continued on Page 9



Maximum Purchase Price (BEST OFFER)

15%

ARV

Repairs

Projected Profit (SELL) Projected Soft Cost (SELL) 7%

All Holding Cost (PERIOD) Wholesale Fee

M.P.P. Wholesale

M.P.P. Client

\$400,000

\$30,000 \$60,000

\$28,000

\$10,983

\$5,000

\$266,017 \$271,017

Property Flip or Hold

Flip vs Hold Profit Timeline 5.1 Years - \$50,251 Renting takes approx. 5.1 Years - \$50,251 to make similar profit as (3 Mo.) Flip \$49,828

Hold / RENT / BRRRR	?
Gross Income	\$2,800
Effective Gross Income	\$2,760
Operating Expenses	\$658
Net Operating Income	\$2,102
Mortgage Cost	\$1,265
1 Year	\$10,050
2 Year	\$10,555
3 Years	\$11,069
4 Years	\$11,594
5 Years	\$12,130
10 Years	\$14,972
15 Years	\$18,110
20 Years	\$21,575
25 Years	
30 Years	
Cash Flow Mo.	\$838

- Analyze from one screen
- **No Complex Calculations**
- **No Long Drawn-out Analysis**
- **Rehab Budget**
- **Income Details**
- **Operating Expenses**
- Lender Funding Letter



PropertyFlipOrHold.com

© Copyright 13-2022 Pixolini, Inc. All rights reserved. @JediPixels

Legislative Update

... continued from Page 3

the Biden Administration perceives the most expedient option to be regulatory rule making. The Department of Energy is focused on Energy Benchmarking for all real estate with residential property viewed as the low hanging fruit, and most impactful for their constituency. The Environmental Protection Agency is reviewing Lead and Radon rules with expansions of both issues already announced.

Of course, the Department of Housing and Urban Development, now that many of its political positions are filled either by confirmation or by temporary assignment, is quickly increasing review and repeal of previous administration regulations. From Flood Insurance which has had recent hearings in the House for a 2.0 version, to mandates on Internet Accessibility for all residents of federally subsidized properties – which can include Housing Choice Voucher Holders: This is a head's up to those in

Illinois that may have new requirements coming with those vouchers that must now be accepted! National REIA is tracking these Regulatory efforts and weighing in with key leaders and as part of the larger housing coalition as appropriate.

Cyber updates: Phishing ...

From the early 2000s when statesponsored cyberwarfare became publicly recognized until by China, Russia, North Korea and Iran, to the substantial increase with the most recent Russo-Ukraine war, U.S. citizens and businesses have been the target de jour. Most of us are aware of phishing efforts: that unknown name email asking for help, etc. And most of wouldn't click a link in an email if we don't know who it's from. However, the substantial increase in fake emails simulating your bank, or various business partners with invoices

to download – appearing to be PDFs – are increasingly a venue for malicious software, i.e. malware. Please make sure your virus protection software is up to date, automatically updating if possible. Additionally, even in this quick response world, if an email, invoice or otherwise, raises suspicions, pick up the phone an make a quick call. It may save your hard drive and your sanity!

Fair Housing Training: get it.

Testing...1, 2, 3...

HUD has significantly increased funding for testers and fair housing violations – please make sure you and your business (ALL employees) are up to date on ALL fair housing requirements. This is especially true for reasonable accommodation requests. The housing industry is quite familiar with the highly abused issue of companion animals (not pets!) and a mistake or misstep can cost

thousands of dollars. As the new federal administration is settling in and making adjustments, please take an updated fair housing class! Besides, with local, state and various federal programs having potential jurisdiction, not to mention all the bad advice and misinformation on the Internet, a professional in the housing industry really does need to stay up to date on these issues. Many cases are often related to misunderstandings of rights on both sides that should have been resolved early on, but personalities and stubbornness resulted in litigation rather solution seeking. Please don't let a lack of knowledge cost your company or your reputation.

Checkbook Control & the McNulty Case

... continued from Page 8

you are being very diligent and accurate regarding all the investments you make with your solo 401(k). You must keep track of the amount of contributions that go into any Roth component vs. a traditional component, the amount of the employer match going into the traditional component, and the investment results of the Roth and traditional funds together.

From these cases, we can see that dealing with financial instruments is permissible for an IRA accountholder when their IRA owns an LLC. Please remember, however, that the facts in each case depend upon the circumstances of each case. Making a decision based upon just this information would be unwise and imprudent. It's important to consult with your own legal counsel when

you have a question about IRA-owned entities, how those entities should be operated, and who should be managing them.

Jeffery S. Watson is an attorney who has had an active trial and hearing practice for more than 25 years. As a contingent fee trial lawyer, he has a unique perspective on investing and wealth protection. He has tried over

20 civil jury trials and has handled thousands of contested hearings. Jeff has changed the law in Ohio four times via litigation. Read more of his viewpoints at WatsonInvested.com.

Thank you to our MidYear 2022 Sponsors:





American Woodmark
Ashcroft Capital
CamaPlan
Houseflipping.com
Milwaukee Tools
NoteSchool
PPG Paints
Real Estate Profit Systems
REIASURE
REIFA
REIPro
Williamson Ideations LLC
Youngs Enterprises













My Property Has Sustained Water Damage; Now What? ... continued from Page 1

between the two losses. Flood claims require their own policy, whereas water claims are covered under your hazard policy.

Wind caused a tree limb to break, which in turn broke my window or punctured a hole in the roof. It was raining and water enters in through the window or the hole in the roof and soaked my flooring, ceilings, and walls. Framing around the windows has been damaged by the tree limb and water. — This is technically Wind Damage, which is normally covered under your property policy but may have a separate deductible.

I woke up to find that the storm last night had caused water to rise and come in under my door. It had been raining hard for a week, so the ground was saturated and there was already standing water. The rain continued, there was nowhere for the water to drain and now the entire neighborhood was flooded. Do I have Flood Insurance? — Flood Insurance is a separate policy. There is no coverage for flood damage under your hazard policy.



Last night our toilet over-flowed which was caused by a sewer back-up.

— Water Back Up and Sump Discharge is a coverage that is normally excluded from your property policy but can be added with an endorsement for a fee. This coverage typically has a separate

deductible and has a specified limit of coverage.

A water pipe in the wall ruptured suddenly, and the water ran throughout several rooms in my house causing damage. — Sudden and accidental water damage is typically covered by the

hazard policy.

Many forms of water damage are covered by your hazard policy. What is not covered by your hazard policy is Flood Damage. FEMA has done a good job of mapping most of the United States designating a Flood Zone for all properties. It is very difficult to keep up with this, as construction has increased substantially over time, especially in some areas prone to flooding due to the limitation of affordable land to build upon. As more concrete is poured, the natural ability for water to be absorbed by the earth is compromised. Remember that a large percentage of flood damage happens in areas that are not designated as Special Flood Hazard Areas. Do some research on the area where the property you are interested in purchasing is located. Residents in the neighborhood are a good resource tell you if there are issues with flooding in a specific neighborhood. Google is another valuable resource, as you may be able to locate stories of a neighborhood subject to flooding even though it is not listed as a flood zone by NFIP maps.

The saying in the insurance industry is if the water comes through the front door or windows, it is a flood. If water starts within the house and goes out, it is a water claim and would fall under your hazard policy. Each claim stands on its own merits and normally needs to be investigated by the adjuster, so do not hesitate to submit a claim in order to investigate whether or not it is a covered peril

Purchasing Flood Insurance in these areas subject to flooding is a lot less expensive than you would imagine. Look into purchasing Flood Insurance even if it is not required by your mortgage company. You may be very glad you did!

And as always, this information provided to you above is for informational purposes only; please read your insurance policy carefully and consult an insurance expert before buying or changing your insurance coverages.

Arcana offers members of National REIA multiple insurance products specifically designed for Investors and their tenants. Features include no underwriting or inspections, 24/7 desktop & smartphone certificate delivery system, outstanding claims management service, and a very knowledgeable & courteous staff to handle your insurance needs. For more information, please visit www. nreia.arcanainsurancehub.com.

Martha Teears is SVP – Manager, National Accounts Group of Arcana. She has over 30 years of Insurance and major account relationship experience within the insurance and financial sectors. She has focused on building expertise in risk management exposures relating to catastrophic occurrences such as fire, floods and hurricanes. She has extensive knowledge and experience in Flood Insurance.



Call us or visit our website for more information on the following:

INVESTMENT PROPERTY INSURANCE PROGRAM

DESIGNED INTELLIGENTLY.

- TENANT DISCRIMINATION PROGRAM
- TENANT RENTERS PROGRAM

TEL: (877) 744-3660 WWW.NREIA.ARCANAINSURANCEHUB.COM

Ready for a real opportunity in real estate?

Get Real Access To A Steady Stream of Buys

HomeVestors® directly connects huge numbers of homeowners motivated to sell, often before they try the MLS, to our team members. And that could be you.

Get Real Results And Better Opportunity

As America's #1 Home Buyer, we can give you access to our financial portal, accurate offers powered by our proprietary ValueChek™ software, decades of expertise to share, and more. Even during tough times, our team members have seen consistent growth.

Be The Next Real Deal In Real Estate

Only HomeVestors offers you the powerful brand, experienced personal support and marketing muscle to grow your business faster, along with flexible business opportunities that allow you to choose the one that best fits your life. Contact us today.

WE BUY UGLY HOUSES HOMEVESTORS AMERICAS 11 HOME BLYER

*Each franchise office is independently owned and operated.

Call us today or sign up for our free webinar

844-256-0860 getHVAdeals.com/NREIA

Real Estate Journal · Summer 2022

Member Spotlight - Antonio Lopez

... continued from Page 1

and behaviors for the professional work environment which helps them become functionally independent adults in society.

Please tell us a little about who you are and what you did before getting into real estate investing:

I am the first generation born American in my family. My mom is from Honduras and my dad is from Cuba. I was born and raised in Miami. When I was a year old, my dad had a serious and life-altering work accident. He was 28 at the time. My mother was both "mom" AND "dad" for most of my childhood. We had a tough time when I was much younger. The hard times had an impact on my life and my development as an adult.

I learned the power of real estate from my parents. With the little money that was given to us, my mom decided to invest in real estate. My parents came from very poor countries and thus had a high emphasis on succeeding and were new to American culture and economics.

My father came from a communist country where flipping anything is considered illegal. Can you imagine that?! Ownership of private property is a BIG DEAL for my family and myself. Some countries may come close but the United States is the best country in the world!

My mom instilled in me strong values and principles which are very common in the Latin Community. My mom gave me the motivation to stay resilient and to persevere when things don't go as planned. My parents went through torture after my dad's accident which gave me strength and conviction to succeed in any situation.

I have always been a natural entrepreneur. I can see opportunities. While I've not always been successful, I have always done my best and learned from my experiences.

I started by selling candy and supplies in elementary school.

As an example, when I was very young (7 years old) I got into trouble in the 2nd grade for selling pencils during class. I would buy them for 10¢ and sell them

during class at 25¢. It was a very lucrative business until the teacher found out and I received a detention. I was only 7 years old! I didn't realize it but that was my first flip. Sure, I know it was pencils, but



Antonio thanks his parents for their contribution to his life

they provided good returns at the time.

I moved from pencils to selling music CDs in middle school. During high school I was getting friends to take part in multi-level marketing companies. I remember, I used my dad's Social Security number to get into a multi-level marketing company because I was under 18. Let's just say the accountant had some questions for my parents at the end of that year!

While earning my minor in Business, I started a small car dealership that I used to flip cars on eBay. I LOVE cars. But my passion alone couldn't drive profits. The timing was also terrible as we were heading into the 2008 financial crisis, so, I had to close it down.

That's when I decided to finish my degree in Psychology. This was one of the proudest decisions of my life. I felt my eyes were truly opened for the first time. Majoring in Psychology gave me a very unique perspective on life. I understood myself and the world much more clearly than I had before. It increased my confidence in the world and I also graduated with an increased sense of understanding for others.

After graduating I decided to work at a top-tier call center. They offered me very good pay and world-class sales training. The training and adjustments were difficult at first. I went from being dead last in sales to being #1 in sales volume.

I left the call center and I had a choice to make: either go back to a 9-5



On vacation in Nashville visiting a close friend, Jerrod Kerr, who is also an investor.

or pursue my dream of owning and selling real estate. I chose real estate and immediately became a real estate agent with no listings! Investing in houses was always the intention. At this point, the choice was obvious. I decided to go to my local REIA and learn to become a true investor!

Where is your current market and what is your focus or area of expertise?

My focus is in my local market of Fort Lauderdale/Miami but I can buy houses anywhere in Florida. My focus area of expertise is in pre-foreclosures. My main focus is in preforeclosures without equity (short sales). I love short sales because I can help someone out of a nasty situation. Everyone is happy at the end of these transactions. To make a

difference in a family at no cost makes it a win-win situation for all of the parties involved.

How did you get started?

I got started after I left the call center. I had made those guys a lot of money. I calculated how much they were making and realized my time was worth more. It made sense to invest in myself. I wanted to reap all the rewards of my labor. I decided to go into real estate investing.

It was very difficult at first. I had no confidence in dealing with stressed out homeowners. With lots of patience and coaching from my mentors, I flipped a house for a \$90,000 profit on a wholesale deal. After that I was hooked!

Describe a typical work week

Continued on Page 13



Early in his career, Antonio was asked to be a guest on a radio show as an up-and-coming real estate investor.



Antonio was responsible for teaching some of the support classes when he was the Director at his local BPM REIA.

Member Spotlight - Antonio Lopez

... continued from Page 12

for you as a real estate investor:

My typical work week consists of door knocking, calling leads, and following up. I also am working on my short-term rental business and expanding my mentoring business.

I try to be as efficient with my time as possible. I try to only do the tasks that will produce business. It's easy getting into "busy work" since there is always something that can be done for the business. I am hungrier to succeed now than I ever have before.

How long have you been investing in real estate?

I've been investing in real estate since 2009. I bought my first rental property at the bottom of the 2009 crisis. Back then I didn't understand what was going on or how to wholesale properties. What I did know was that real estate was for me!

Tell us about your first deal:

My first deal was an unforgettable joyride. My mentors told me to let everyone know that I was buying houses ... and so I did! One of my best friends Jose told me about his front door neighbor that was in pre-foreclosure. The neighbor lived on my home street in my hometown of Miami Lakes. I immediately sprang into action. I approached the homeowner and after a few conversations she decided to work with me. We were able to buy the house for \$199k and sold it for \$299k.

How do you fund your investments?

I fund my investment by using hard money from Paul Regan from Flipper Loan. He's been in business over 30 years. Most importantly, I trust him. He has been a longtime member of the local REIA and a friend. Besides using hard money, I have used my self-directed IRA thanks to Carl Fischer. I've used life insurance investments to fund my deals thanks to Anish Dave & George Anton. I also have private capital sources where I get 100% of the funds based on my past track record.

For example, my last deal was a BRRRR. By using a loan against my life insurance, I was able to pull out the money I needed to fund the deposit for the deal. The type of loan I used was a fix and flip that gave me back the money I spent on the rehab. I only needed 10% "down" for this loan. Then I refinanced out with Paul to a 30-year fixed amortized loan. I cashed out about \$70k and kept the house. Now I am using it as an Airbnb to make passive income.

Do you have a real estate license?

I have a real estate license in case any listings fall on my lap. I also list my own renovation projects when they're done. The MLS is also a great place to put your short-term rental for increased exposure. I also use it for research purposes as well.

What projects are you currently working on?

My most exciting project/business is my short-term rental business. I see this is a huge opportunity for me to create passive income. This in turn allows me to relax and increase how much time I spend on myself. It's also exciting to start using teams to manage my business. It takes a lot of stress off my plate. Giving up responsibilities to others is great!

I'm also working closely with Francisco Mago, the owner of ReiFax.com. We are coming up with new ways of using his software to make money with virtual assistants. This is a project I am very excited about as I have been using ReiFax for years!

How much time do you put into your real estate education?

On average, I put in an hour a day of education. I am still learning EVERY day. Currently, I am cracking the Airbnb algorithm. I want to be on the first page of the results!

I'm constantly learning what's going on with the residential real estate market. I love watching the Altos Research updates on youtube.com.

Other than that, I almost always listen to books on Audible and watch numerous webinars and in person events at BPM REIA. Our REIA has great content!



"My first wholesale! With the help of the REIA, I was able to flip it for \$90,000."

Has coaching or mentoring played a part in your success?

Coaching and mentoring have been one of the key pillars to my success. If it weren't for the information that was made available to me, my growth would have been much slower or I may have exited the industry. Anish, CEO of BPM REIA has been a huge part of my success. He has been there every step of the way as a mentor and also a big brother.

What are your current and future goals?

I'm going to buy an apartment building in the next 2 years. I am also buying two more properties to add to my portfolio of short-term rentals by the end of this year. I'm also single and working on it. With so many responsibilities it's hard to get out there and meet people too!

What has been your top struggle in this business?

My top struggle has been not establishing a consistent stream of warm leads coming in. I've noticed that if I am not out knocking on doors and generating good leads, the business stops. My goal in this area is to hire door knocking/cold caller teams as well increase the number of students I have.

What do you like most about what you do?

What I like most about what I do is the flexibility of time. I can do what I want, when I want. I enjoy traveling and spending time with my family so time flexibility is very important to me.

I also enjoy the art of the deal. I like putting deals together and seeing them executed. I enjoy finding solutions to problems. Especially when I can help people out when they need it the most. People's reactions after they get out of foreclosure are priceless. I like seeing when things come together and work.

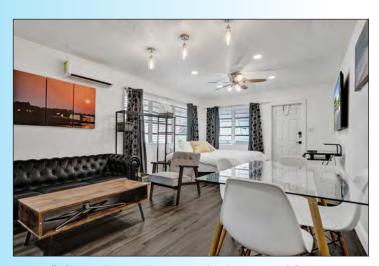
Do you have a tip or advice that you would pass along to other investors?

Yes, never quit! I must have felt like I quit a few times but you have to stay in it to win it. Take part in your local meetup groups and REIA socials. These meetings will re-energize you when you are feeling like you are failing.

Continued on Page 14



"My company's most recent acquisition. I turned this house into an STR (short-term rental)."



"This is the studio suite which is rented for no less than 30 nights and levels out cash flow."



"I was inspired by the places I have visited while traveling. I decided on a very modern look for my vacation rental home."

Real Estate Journal · Summer 2022

Member Spotlight - Antonio Lopez

... continued from Page 13

How important is joining a local REIA to a new investor?

Joining is very important because it keeps you motivated. I would feel like quitting all the time. When that happened, I would go to a REIA meeting and get re-energized by listening to the success of others.

Aside from staying motivated you will LEARN! The following example completely changed my approach with homeowners.

On the National REIA Winter cruise, the NREIA team set up games for us to play. The prizes for winning ranged from free seminars with Walter Wofford in Mississippi to a free luxury Alaska cruise and much more. These games were a test of our abilities as real estate investors. In my case I forced myself to think of new ways to deal with my fellow investors. I really wanted to win. I really wanted to go to Alaska.

I began to partner with other investors, buy others' "spot" in the game using real cash, and essentially increased my chances of winning with every move. I made it to the top three in our game! There were still groups of investors figuring out ways to get back in the game by offering money, options, and other valuables!

Not only did I win, but I won all three top prizes! I negotiated with the other top players and came to an agreement. Big shoutout to NREIA's Tim Abner who showed me an option I hadn't thought

about during that moment! The other players walked away happy and I walked away with all 3 prizes worth thousands of dollars. I took my mom on the Alaska cruise with me.

Also, on the cruise you get to meet people like Carl Fischer, founder of CamaPlan. I met him on the National REIA Winter cruise a few years ago. What I learned from him really blew my mind. Things I hadn't thought about or didn't think were possible were being shared with me. It was an exciting and eye-opening experience to learn from him on the many more cruises we've partaken in.

I have built many lasting relationships above and beyond the cruise. What I've learned through my experiences at the NREIA cruises has translated to a better managed business and has positively affected my bottom line.

Your local REIA is the incubation you need when first starting out. You will hear from other's setbacks as well as their successes. For example, I met up with a buddy Harry Diamond from the REIA and he mentioned he is having his first \$300,000 month. That's definitely inspiring!

And don't forget about the discounts! Most of the items and services I use come from the REIA. I especially like the printing discount at Office Depot! The executive team at National REIA has always done an amazing job of putting all these benefits together. We're lucky to



On the NREIA Cruise to St. Maarten

have such a great team of people working at the National REIA!

What is your favorite selfhelp or business book?

"The Power of Negotiating" by Roger Dawson is an incredible book. It was recommended by one of my partners in crime, Tarin Ward. It's an incredible book that has paid for itself several thousand times over.

Do you have any interesting hobbies or something unique that you like to do?

My favorite activity is traveling. I love to see things that I've never seen before. I like to discover places for myself. You can catch me on a double-decker convertible bus like a true tourist. I also love learning about a place's history as it enriches the experiences when traveling.

Does your business have a website?

Yes, I have two. One is for my short sale business:

https://antlopmiami.com

The other is for my Airbnb direct-booking site:

https://bit.ly/antoniobnbnreia

Social media accounts?

Instagram: @realestatecheaks_153
Facebook: https://www.facebook.com/
Antloprei



NO COLLECTION/ NO CHARGE

- Highly Rated Collection Agency
- Ability to Collect on Judgment & Non-Judgment Accounts
- Full Credit Reporting of Delinquent Accounts

Toll Free 866-431-7220

https://www.financesystemgb.com sales@fsgbcollections.com

6 Red Flags That Point to Fraud

By Gita Faust

s technology evolves, it becomes much easier to identify and even prevent workplace fraud. Unfortunately, however, the advancement of technology also makes it easier for fraudsters to do their thing, especially when you don't know the warning signs of fraud. Computers and software help a great deal, but they can only do so much when you don't even know where to start looking.

Countless red flags can indicate a fraud scheme going on right under your nose; it is vital that you educate yourself, management, and employees on the warning signs of fraud to work collectively to catch and prevent any fraud scandals. While there are thousands of different types of fraud schemes that occur, these six signs can be attributed to almost all of them:

1. Accounting inconsistencies.

If you suspect that somebody within your company is committing fraud, review your financial reports every week. Irregularities in data can manifest in simple forms, such as strange balances and unreconciled accounts, and complex forms, such as on-top entries (entries made after the books are "closed").

For example, suppose a construction company controller does not reconcile the accounts for several months. Management continuously requests that he does, but they do not push him enough, so the accounts remain unreconciled. Eventually, the company let go of the former controller and hired somebody seemingly more competent. However, when the new controller reconciled the accounts, she found that the numbers were not in agreement; upon further investigation, the new controller discovered that the former employee had been committing fraud and stealing from the company. Management should have realized early on that unreconciled accounts were abnormal; they could have prevented the whole scheme if they had taken action earlier.

However, it is not always easy to identify accounting irregularities that point to fraud. Workers who commit fraud typically know what is expected of them to keep the numbers within that expected range. As a result, sometimes investigators have to dig deeper into the data to uncover the irregularities within the books.

2. Weaknesses in control.

Control deficiencies are a major red flag for fraud. It is normal in many companies that some processes are not as secure as they should be, but when there is a significant deficiency in control procedures, it should be cause for concern.

There are several different characteristics of control weaknesses, the first being a significant lack of separation of tasks. For example, suppose just a few people or just one person has complete

authority over a specific financial sector or task. In that case, it creates several opportunities to commit fraud with little risk of being caught. For example, if one employee receives payments, records the data, makes the deposits, and reconciles the statement, they can easily conceal any fraud. However, if the work is delegated among several employees, the chance of fraud being committed is much less likely.

Several other things can indicate that there are control deficiencies within your company: when employees can easily override the limits of authority, when (again) accounts are not reconciled regularly, and when accounting records are just generally poorly maintained. Unfortunately, many companies who let control weaknesses slip also fail to look into any major issues; oftentimes, they will just ignore or fix the problem without digging deeper into the root of the issue. So, if you notice control deficiencies within your company's accounting procedures, it is definitely worth it to take a closer look.

3. Missing or incomplete information.

Accidents happen, and human error is a thing, so a lost document every once in a while does not entirely cause alarm. However, when information goes missing regularly, you should dig deeper (and even if it is not a regular occurrence, you should still do some research if the missing information is too suspicious to ignore).

Suppose that a company's bookkeeper continuously struggles to find canceled checks requested by the auditors, so the auditors rely on carbon copies alongside the general ledger detail. Unfortunately, the payees on the carbon copies were not accurate; the canceled checks were actually issued to the bookkeeper. He destroyed the canceled checks whenever the bank statement arrived and hoped that the auditors would not request copies of them.

When you notice that information goes missing, look into it. Keep an eye out for any patterns, like blocks of time, particular customers or vendors, transaction type, certain employees, and other such things. One or two missing documents is no big deal, but when it becomes frequent, and all of the documents are related, then you should definitely investigate.

4. Apparent deception.

If somebody is acting suspicious, you should be suspicious. When people try to hide information, alter documents, or generally engage in suspicious activity, it understandably raises suspicions about fraud.

An example of deception would be a claimant filing for disability insurance. Still, she does not mention her ownership interest in a business related to her current job (the job she is apparently unable to perform due to her disability). Meanwhile, a fraud investigator discovers this ownership



and becomes skeptical of the claimant, thinking that she might actually be working at the business even though she "cannot" work at her regular job. However, if the claimant is not working at the other business and therefore has nothing to hide, why would she hide it?

When people lie about little things, they are more than likely lying about bigger things. Even if they do not lie and just omit certain information (such as asset ownership, licensing, or other such facts), it still shows that they might be trying to hide something. Deception is usually not isolated, so take it as a sign of other issues; if you feel that it might be related to an instance of fraud, look into it

5. Behavioral changes.

If your employee's behavior shifts significantly, you should consider it an indicator of something shady going on. Keep an eye out for both behavioral and lifestyle changes. For example, when an employee commits fraud, he might become less cooperative, argumentative, and drastically more stressed. The employee might also suddenly display newfound signs of wealth, such as luxury purchases or vacations.

For instance, everybody at a small firm was stunned when the controller showed up to work in a brand-new luxury sports car. The controller and his wife did not make enough money to afford such an expensive purchase, but nobody said anything for fear of sounding judgmental. Then, roughly one year later, management found out that the bookkeeper had been working to defraud the company, and the fraud scheme was the source of funds used to purchase the sports car. If somebody had said something and management had investigated earlier, the firm could have saved thousands of dollars.

Of course, outlying factors aside from fraud might be causing behavioral and lifestyle changes, but these might be signs of something nefarious going on behind the curtain. Therefore, it is essential that you watch these employees and their behavior red flags carefully because there is a chance that all of these changes point to fraud.

6. Tips from employees.

Tips from employees prove to be the most effective method for detecting fraud. However, it is crucial to ensure that the tips you receive are credible. In contrast, anonymous tips might be just as helpful; employees willing to put their name behind their suggestions are typically more credible. On top of that,

tips backed by more information are more reliable.

A vague tip might sound like, "John was at his computer and was acting a bit strange." However, there are no details to back up the suspicion, and the details provided are extremely vague in and of themselves. On the other hand, if Jane reports that "John was at his computer hours after his shift was over while there were very few other employees in the office, he acted extremely shifty when anybody approached him." Not only does Jane openly express her concern to management, but she also gives several details that augment the credibility of her tip.

While all employee tips carry some weight, you should definitely investigate the more credible ones. Keep in mind that sometimes people report false information in order to cause trouble, so try to gauge the potential motivation of the employee that tips you off as well.

If you get the feeling that you might have a fraud scandal on your hands, then you should dig deeper into the details. Many companies use accounting software to track their money inflow and outflow, and some software has audit logs that you can check; QuickBooks is a good example of this.

QuickBooks is not the only software that needs to be reviewed for inconsistency. We have found discrepancies even on the free online software and paid ones, too, such as AppFolio, Buildium, and Yardi, to name a few. So always get the books reviewed by a consultant to find those inconsistencies and ensure the accuracy of your financial records. After all, we are in real estate to build our wealth!

One of the most important things to keep in mind is that your sense of intuition is invaluable; investigate if you feel that somebody might be committing fraud in the workplace. If you investigate and there is no fraud occurring, then at least you took precautions; if you choose to ignore your hunch and one of your employees is committing fraud, then you could lose thousands. So, trust your instincts and know the signs of fraud, so you can learn how to catch it and even prevent it in the first place.

Gita Faust is the founder & CEO of HammerZen, which helps businesses save time & money by keeping track of The Home Depot purchases and efficiently importing receipts and statements into QuickBooks. National REIA members receive discounts on QuickBooks services and software. Learn more by visiting www.hammerzen.com/nreia.

Why Investing for Income, Instead of Appreciation, is Critical to Success

By Daniel Hart

rowth, also known pappreciation, should always be considered "icing on the cake." What I mean when I say that is: Do not expect it, but be grateful if you receive it. Do not invest for growth only, unless you have a strong and stable high-income career guaranteed for life, and you can afford to pay the bills associated with that speculative gamble for years to come. If you are a doctor, a lawyer, or some other high paid professional, this may be ok, but I would still advise against it. Why hope for income years in the future when you can get guaranteed income now? I would rather know that I have a deal today, than to possibly have a deal

Let's say you purchase 123 Sycamore Street for \$100,000, because it is in a hot neighborhood (Let's call it a "B-" neighborhood, but it is changing rapidly for the better), and you anticipate in 10 years that it is going to be worth \$150,000. We will assume that you rent out Sycamore and that you break even each year, with neither income nor loss. It is usually hard to achieve positive cash flow in hot neighborhoods, since the prices are inflated by owner-occupant buyers and speculators, so a break-even rental property is often the best reality for the speculative investor. In fact, it is all too often that they are losing money



every year, even if they think they are breaking even.

Now let's say that in 10 years you are correct, and you sell Sycamore for \$150,000, earning \$50,000. Now, that result is only if you are correct. Over those 10 years you will be hoping that you were correct. That is a long time to hope. Wouldn't it be better to be guaranteed that you are correct? Of course it is.

Consider this: Instead of your speculative purchase of Sycamore you purchase a rental property in a "C" quality neighborhood that earns you \$5,000 a year after all of your expenses. Not only will you have earned \$50,000 after 10 years, but you will have received some of your earnings each year, allowing you to reinvest earlier and compound your earnings. When you buy this alternative property, you know it will earn you \$50,000 in 10 years, so

why gamble on a property where you might earn \$50,000 in 10 years. Plus, the alternative property may experience growth as well, pushing your profit even higher than \$50,000.

I have seen many growth investors, also known as speculators, purchase property as an "investment" with their only strategy being to resell it for more when it increases in value. They often give no consideration to the holding cost, because they think the value increase will occur much more rapidly than it actually does, if it does at all. Very often those holding costs cannot cover the mortgage, taxes, and insurance, and eventually they cannot keep up with the payments, causing the speculator to lose the property to foreclosure.

Sometimes the speculator does at least consider the rental income, and they figure it will cover their expenses, but they still often fail to properly calculate the true cost of ownership and an accurate estimate of their net rental income. When they cannot sell the property, which happens a lot, they may be stuck with the property for many years, and it is no fun to own property that produces no income, especially if it loses money each year.

The reality is that over time there will likely be growth in value, but we cannot count on it. Obviously, market cycles will take place, and the value of the property may go up and down many times, but over the long run it is highly likely that you will see an increase, but it is never guaranteed. At a minimum, you should see growth in the value of your property at the same pace as inflation. Even that level of growth is great, because if you financed your property, you were able to use someone else's money, and maybe just a few thousand dollars (or none!) of your own, to benefit from the growth of the entire value of the property. Plus, that original loan amount, or the remaining balance owed, looks pretty small when you are dealing with tomorrow's inflated (devalued) dollars.

Of course, if the value goes down, you would get all the loss as well, but history tells us that our property values should at least keep pace with inflation over the long term. In fact, owning real estate is one of the greatest hedges against inflation. As the dollar weakens over time, let's say over 20 years, and a Coca-Cola goes from \$1, to \$5, to \$20, our real estate values also go up accordingly. If we had our money in a savings account instead, even if the numeric balance increased over the years, it actually will have gone down in value because its

purchasing power will have decreased. Owning real estate will ensure that our wealth is not devalued over time.

Income is my favorite benefit of rental property. Cash flow is king. Say it three times. It is that important. When I denounce speculation, I am actually advocating for a purchase based primarily on the income that a property produces. If you purchase a property, and the total rents exceed the total expenses, you will have positive cash flow. If appreciation occurs, that is great, but if it does not, cash flow will carry you on happily for years to come.

However, most people do not measure all of the expenses, and so they think they have positive cash flow. Most expenses are going to fall into one of these categories: debt service, property taxes, insurance, vacancy, maintenance, and management. Of all these expenses, the easiest to measure is debt service (your mortgage payment), your taxes, and your insurance.

Where investors fail to measure their expenses properly is in the categories of vacancy and maintenance. Most investors severely underestimate these expenses, if they even estimate them at all. Most investors look at their gross rent, perhaps it is \$1,000, subtract their mortgage, which usually includes the taxes and insurance, perhaps a total of \$800, and they tell people that they earn \$200 a month. Guess what? They do not earn \$200 a month. In reality, they barely break even and they might even have a loss at the end of each year.

Savvy investors are purchasing properties that produce substantial positive cash flow after all expenses, and that income can be very powerful. It can be used to accelerate the pay down of the debt used to purchase the property, or to invest in more income producing properties, increasing their income exponentially. Rental income comes in every month, and it can come in for the rest of your life, if you purchase properly.

Rental income can set you free. It is wonderful to wholesale a property and collect a big check, and it is nice to renovate a house to sell for a large profit, but those activities require your constant involvement. They are active businesses. Rental income is essentially passive income, and it requires very little time, and if you hire competent property managers it requires about as much time as checking a stock portfolio online. If you want big pay days, you should wholesale or renovate houses for resale. If you want to take back your time, buy income producing rental properties.

Daniel Hart, Owner of Hart Homes and author of The Real Estate Roadmap (available on Amazon) has been investing in New Jersey and North Carolina real estate since 2004, and has purchased over 100 properties, almost all using creative financing strategies to create passive income. He is a former board member of the Metrolina REIA in Charlotte, NC.

Make Your Own Land Trusts

Download a Complete Guide & Forms for Creating Your Real Estate Land Trusts

Receive Your FREE COPY of "Reasons to Use a Land Trust" at: LandTrustsMadeSimple.com

Mr. Land Trust® Randy Hughes



- Make bigger profits when selling on an installment contract
- Eliminate the risk of selling on a note
- Make more money when selling on a lease option
- Eliminate confrontations with
- **Combine** this one essential step with LLCs for *dy-no-mite* asset protection
- Avoid due-on-sale, transfer taxes, reassessment upon sale and seasoning issues
- Obtain **privacy of ownership** and avoid frivolous lawsuits

For more information, contact Randy at:

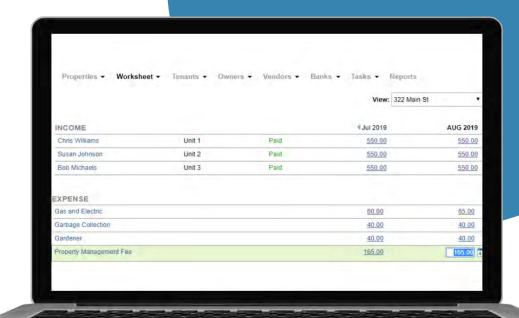
217.355.1281

Randy@MrLandTrust.net

LandTr adeSimple.com/NREIA



All-In-One Software Solution



50% OFF for NREIA Members

INTUITIVE DESIGN

Popular features include tracking income and expenses, tenant and lease management, online payments, tenant screening, e-sign, portals, maintenance and more.

GREAT BENEFITS

Automation and sophisticated reporting saves you countless hours. Schedule E's are automatically generated for taxes and your rental business is organized in one safe and secure system.

AMAZING SUPPORT

With free onboarding and free live phone and email support, SimplifyEm will help take your business to the next level.

Join 150,000+ Happy Customers

Call us today or sign up for a FREE Demo
bit.ly/nreia-simp simplifyem.com

(510) 790 - 9066

Real Estate Journal · Summer 2022

Three Tools for Becoming a Successful, Lazy Landlord

By Scot Aubrey

n my first trip to the doctors office this year I went through that painful experience that we all must endure: updating my personal and health information. My brain immediately goes into shut-down mode as I am trying to conserve the calories that my mind is going to consume filling out paperwork. I profess to the receptionist that nothing has changed but she insists they need it for "their files." Reluctantly, I sit down with the plastic clipboard and begin to slog through the same questions I filled out last year. Name, date of birth, insurance Info (didn't you just take a copy of my insurance card?) and a complete health history later, I flip the paper over and realize they want all this information again on the next page. My pace quickens and my handwriting worsens as I go into the "power through it" mode. Finally, with the completed packet in hand I return the information to the front desk and sit down waiting for my name to be called. It's enough to make me forget why I am even there in the first place. It reinforces this truth: when you don't like to do something, you don't do it right.

Then my mind starts thinking, there must be a better system, a better way, to make this process less painful and feed my need to thrive and not just survive. Let's face it, most of us want to take the easy or lazy way when it comes to moments like this. Then when I step back and look at how we as landlords handle our own paperwork and process, I see some of the same stumbling blocks in the way we do things. The big difference is, I know there is a better way because I use Rent Perfect every day.

There are three major tools that every landlord can implement starting today to begin the process of transforming their management style to that of the "successful lazy landlord."

Tool #1 - Check your checks

At a bare minimum, every application you receive for a potential tenant should include a thorough check of each applicant's identity, credit, criminal, and eviction history. Just like your favorite weatherman, we forecast the future by examining the past.

- Identity How sure are you of the identity of the person applying for your property? It's easier than ever to fabricate your identity, create fake Social Security cards and identification documents. If you don't really know who is applying, how could you possibly trust the results of any future behavior?
- Credit The financial past of your applicant is usually indicative of their future behavior. Few things impact a person's decisions more than their financial strains, so knowing how your applicant has behaved in the past is a great indicator of how they will honor their commitments to you moving forward.
- Criminal While the courts across the country

continue to soften their stance on criminal behavior, does that mean you should do the same for your applicants? Statistics show that over 90% of offenders have repeatable criminal habits that don't go away. And guess what — criminals tend to hang out with others who are involved in criminal behavior. Actively protecting your investment property should always include a criminal background check of EVERY applicant on the lease.

• Eviction - Although the courts have tried to make this more difficult, there are still ways to see if your applicant has a history of leaving their landlord high and dry. An applicant with more than one eviction should be a red flag to you to exercise great caution when considering them as a tenant.

The more you can know about the past, the better decision you can make to find success in the future.

Tool #2 - Throw away the manila folder!

And while you're at it, toss that big metal filing cabinet ,too. Gone are the days of processing paper applications and leases. It's time to embrace the digital world in regard to being a "successful, lazy landlord" as you can now manage everything right from your favorite device.

- Online applications In the past, I would collect a paper application from an applicant and then go to my office and spend hours taking their written information and re-entering it into a word-processing program. I was operating more like a data entry employee than a landlord. Programs today allow the applicant to login, supply the required information, and complete the application process all on their own. All I have to do is go and review their supplied info.
- Lease After you have collected all their information digitally, it is simple to take that information and add it to your leasing documents, with many programs being able to automatically generate a lease at the click of a button. Again, not having to re-enter all of this information is a huge time and energy saver.
- Move-In Inspection Process/Pictures With a digital move-in inspection process, your tenant can document the condition of the property exactly as it was at time of possession. No more guessing or relying on memories at the end of a lease; you have it fully documented and stored for easy access and comparison.

The days of gathering and keeping track of paper throughout the entire rental process are over. Toss that manilla folder and embrace technology in your quest of becoming a "successful, lazy landlord."

Tool #3 - Make Collecting Rent Easy

There's nothing a landlord loves more than seeing the rent paid in-full and on-time every month. Technology has made it easier than ever to make this process seamless for the landlord. Find the right technology partner that can help you in the following ways:

- Send upcoming rent notices Your rental collection program must be able to begin notifying your tenant of rent due at least five days in advance. Ideally, they should receive a reminder that your rent is due in five day... your rent is due in four dayetc. Take away the excuse from your tenant that they "didn't know" ever again.
- Receive rent right into your bank account Rid yourself of running to the mailbox in hopes of finding that rent check. Have the funds directly deposited into your account.
- Automatically track late fees and payments

 No one wants to be the nag when it comes to getting paid. The right program will track late fees, send "late rent' notices automatically, which frees you up to do other things. Collect and track payments to ensure you are getting the rent and late fees paid in full.

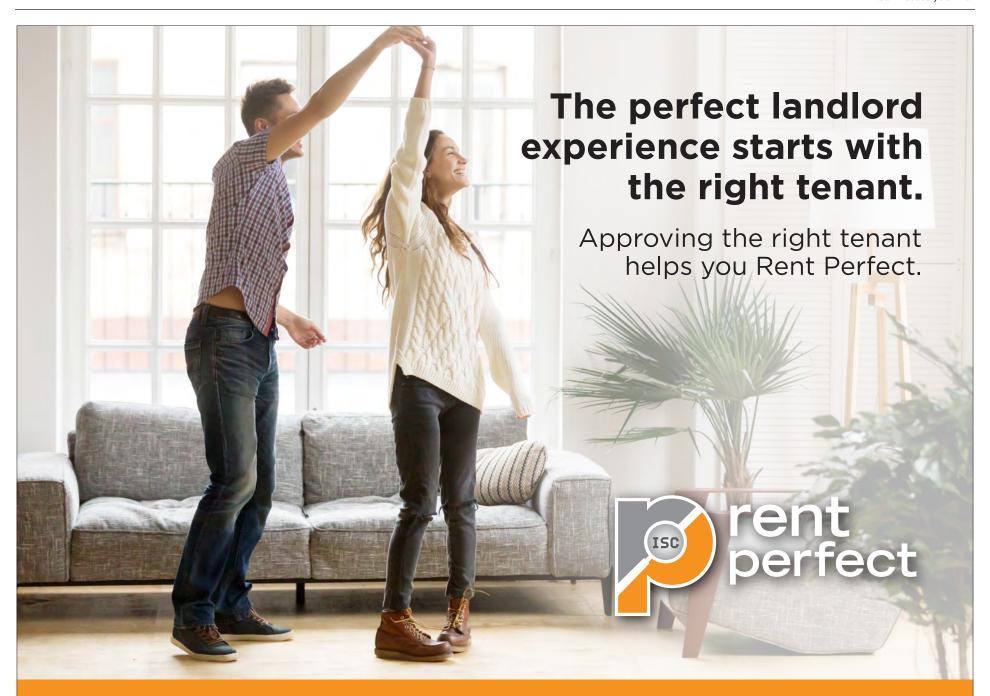
This step in becoming a "successful, lazy landlord" might be the most critical as you collect rent 12, 24, 36 or more times every month for the term of the lease.

I invite you to step back and look at your current practices from both the landlord and tenant perspective. Are there tweaks you can make that will benefit both you and your tenants in terms of making the process a little less painful for both of you? Nobody wants to just survive as a landlord, and by putting some of these tools into practice, you'll see your business (and you personally) thriving in no time.

Scot Aubrey is vice president of Rent Perfect, a private investigator, and a fellow landlord who manages short-term rentals. Subscribe to the weekly Rent Perfect podcast (available on YouTube, Spotify, and Apple Podcasts) to stay up to date on the latest industry news and for expert tips on how to manage your properties.

Members of National REIA can take advantage of special pricing from RentPerfect; the solution for rental property owners and managers for screening & managing tenants. Learn more by visiting www.rentperfect.com or calling 1-877-922-2547.





Start Renting Perfect With...

THE RIGHT PROCESS

On-boarding tenants
through your personal
online portal is just the start.
Designed by landlords, our
process helps solve common
landlord challenges.

THE RIGHT SCREENING

There's more to finding the right tenant than just "can they pay their rent." Our thorough background checks discover the truth about your applicant every time.

THE RIGHT FORMS

Professional forms you can customize to fit your exact needs. From creating a lease to managing the move-in, move-out process, we have you covered.

Special Offer for REIA Members Lifetime Membership Only .95 Cents!





(877) 922-2547 • RentPerfect.com

GO DIRECTLY TO THE REIA REGISTRATION PAGE BY SCANNING THIS QR CODE:

If you don't have a QR Code Scanner on your phone, please contact your local REIA Chapter for the discount link.



NREIA MEMBERS EARN 2% CASH BACK* ON EVERY PURCHASE



HOW DOERS GET MORE DONE

The Home Depot has the tools to help you get more done faster. With convenient shopping, delivery how you need it, dedicated Pro support and a cash-back rebate program*, we help you reach your business goals. Plus, NREIA members receive Gold Tier Paint Rewards with 20% off paints, stains and primers every day.

Reach out to NREIA or your local chapter to learn how you can start earning cash back today.



Learn more at homedepot.com/c/Pro_Xtra.

*Participating members with semiannual net purchases of more than \$5,000 receive a 2% rebate from The Home Depot based on spend on registered forms of payment in Pro Xtra and tied to the NREIA program. Rebate periods are January 1- June 30 and July 1 - December 31. Rebate checks are issued 60 days after the rebate period ends. Restrictions apply. Please call 1-866-333-3551 or homedepot.nationalreia.org for further details. Pro Xtra Paint Rewards is a sub-program of the Pro Xtra Program. Pro Xtra Paint Rewards Qualifying Purchases will be tracked during the Program Period and include select The Home Depot Paint department in-store purchases and online purchases from The Home Depot websites, see https://www.homedepot.com/c/ProXtra_TermsandConditions for details.

20