HOW TO SUCCESSFULLY NEGOTIATE WITH HOME SELLERS **BY PHONE**

8 STEPS TO CLOSING GREAT HOUSE DEALS ON THE PHONE

1 Know Your Goals
Know your goal before getting on the phone. If this a fast cash play? A long-term cash flow property? Or will you use the property yourself?

2 Be Prepared
Be ready to take notes, and have a calculator handy.

3 Warm the Seller Up
Start the call with general conversation to build rapport and trust. Get to know them, and let them get to know you.

4 Test the Seller's Motivation
Find out how motivated they are and how serious they are about taking action, while finding key leverage points to use in your negotiation. Ask why they are considering selling, where they will move, what their plans are, etc.

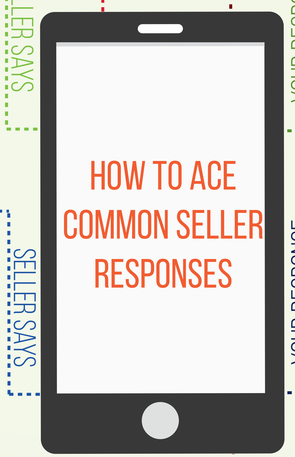
5 Get the Property Details
Ask about repairs that need to be made, and how much they estimate those costs will be. Confirm the property details; often the reality may be different than what is online. Check the square footage. Ask about additions or updates and the number of bedrooms and bathrooms.

6 Determine the Cash Flow Potential
If this will be a rental property, ask how much they think it will rent for, and what they are basing that number on. If there is a current tenant, find out the details of the lease, deposit amounts, and how well they've been performing.

7 Get the Financial Details
If the seller appears motivated and the numbers look as if they may work for you – start collecting key financial information. Ask how much they think they want for the property, if there are existing mortgages, liens, or past due taxes. Get details of existing debt, such as mortgage payments, balances, number of payments behind, whether it is a fixed or ARM loan, and when it is due.

8 Move into the Close
Move directly into the close.
Ask: "So, if I can get you _____ and close by _____ date, is that something we can do?" If they need to speak with a spouse or partner, ask: "when is the time to call back and reach both of you? "Get an agreement on how quickly they can get a signed contract back to you: "If I can get you this offer by this evening, can you respond tonight?" Do not get off the phone until you have agreed on some type of next step, with a specific time and date.

HOW TO ACE COMMON **SELLER RESPONSES**



SELLER SAYS: "I can no longer afford the property."

YOUR RESPONSE: "I can give you a quick solution, so you don't have to worry about that debt or expense anymore."

SELLER SAYS: "I Just Want All My Money At Closing."

YOUR RESPONSE: "I completely understand that you want your money at closing; many people do right up until they realize the most likely the IRS will want a significant amount of that cash right now.

What if I can show you how to get more money for your property while at the same time minimizing the amount of taxes you will have to pay on the sale?

SELLER SAYS: "I might consider seller financing if you put 50% down."

YOUR RESPONSE: "That wouldn't be smart for anyone to do right now. There are so many properties which require less down. Banks are making loans with low down payments now.

I could use that amount of money to go buy half a dozen other properties. Though I may be able to help you sell all or part of the note at closing, and make even more money, how would you like that?"

SELLER SAYS: "I'm not sure I trust you enough to give you seller financing. Why don't you just get a loan from the bank?"

YOUR RESPONSE: I could get a loan from the bank; however, they would hit me with several thousand dollars in closing costs which are a profit center for them. Because of that, I would not be able to pay you as much for your house.

Second, if I go to a bank, your house will have to qualify for financing which means it will need to pass a rigorous inspection and appraise for the price we agree upon for the bank to make a loan.

I understand that me failing to make payments to you for your equity is a concern. How would you feel if we structured the sale in a way that will allow you to reclaim your house if I did not pay on time?

CASH FLOW GUYS
LEARN TO EARN

HOW TO STRUCTURE THE DEAL

USE THIS INFOGRAPHIC TO FIND THE RIGHT WAY TO STRUCTURE THE DEAL AND OFFER, DEPENDING ON THE SELLER'S TOP CONCERN.

Needs cash at closing	• Make a low cash offer
Can't afford the monthly payment	• Seller financing, lease option, or subject-to
Doesn't have the money to maintain the property	• Seller financing or subject-to
Seller is moving	• Seller finance, lease option, or subject-to
Monthly income or avoiding taxes	• Seller financing

Find out more about structuring creative finance deals at CashFlowGuys.com