

Overview –

Surplus Funds From Home Program – MORE IN DEPTH

First, let's address the elephant in the room: I have repeatedly said you can't work other states from home, because you have to be able to research judgments against the person, not just debt (mortgages, liens, equity liens, etc) against the house. So what has changed?

After testing TLO (also known as TLO XP) platform, we are confident in its accuracy with in determining whether or not there is an outstanding judgment against claimants. For info on their system, Google™ TLO or TLO XP.

So – as long as you can research the land records aka register of deeds information showing deed ownership and mortgages – TLO fills the gap with judgment research. The reason you had to go into the courthouse locally in most States, up to now, is that you could not access judgments online, and there was no dependable, accurate system to check on judgments.

As a result, there was no way to tell whether or not the claimant had a priority (first in line) claim to the money.

HOWEVER, we had a lot of folks get the game changer program and then Not get realtytrac, or bail out on the expense involved. So, WE WILL GIVE YOU THE OPTION OF COUNTING ON US TO RUN TLO'S REGARDING JUDGMENTS. All you have to do is check for deed transfers and mortgages/liens against the property and then you can either send that research into us, and we check judgments with TLO, or you can check the TLO and make a higher commission.

We will also mail to - and call - the folks, hire the attorney, make the deal, hire the notary, and pay you a great commission when we get the payment.

So, to quote the movie Office Space, 'what exactly is it that YOU do here?'

You have four responsibilities:

1. You find counties that give you access to online register of deeds (also known as land records) information online – deeds, deeds of trust/mortgages, liens.
2. You **get a list** from a County of tax or mortgage overages – from a county that gives you the online access listed in #1 above.
3. You pick overage cases to work (we work cases where there is a minimum of \$10,000 being held), make sure that we do not already have the file (we update a list daily), and then research the debt against the property – mortgages, liens, equity lines, etc – online. It is easy, and you can do this from home. You enter that info onto our title worksheet, and include a print out of any unsatisfied mortgages that were in place at the time of the foreclosure (so of course check this when you do #1). All this info is online and we have video training with the program.

4. You then doublecheck the funds are being held and you send that in to us. Or, if you want to maximize your pay, you can also use TLO to check and see if there are judgments against the folks who were on the deed prior to the foreclosure or tax sale. That is also easy, and costs – depending on the search – under \$2 per case.

So the obvious questions at this point are – **what do you, the researcher, get paid?**

We will pay you 12% if you include the TLO report with your file submission (and it is the right TLO report – in other words the foreclosure address matches one of the archived addresses listed on the TLO report), 8% if you send the researched file in without TLO'ing it. The minimum overage we will go after is \$10,000. The average overage, in our experience, is \$25,000. Note – the initial TLO report covers the whether or not there is a judgment against the person. If it says none, you don't have to pull any additional report. Of course, we will expect to have a copy of your TLO for each deed holder, IF you want to get the 12%.

THIS IS WHY WE ARE GOING TO RAISE THE PRICE DOWN THE ROAD. FOLKS THAT GET IN NOW WOULD BE ABLE TO 'CHERRY PICK' THE HIGH CASES FROM MULTIPLE COURTS. FIRST ONE THAT SUBMITS THE FILE CORRECTLY IS ASSIGNED TO THAT FILE.

We do anticipate an average 3 month payout from time of file submission, and a conversion rate of between 5% and 10%. The conversion rate is lower for States that have a net population loss. In highly transient States, the conversion rate will be lower because, especially at first, the ex-owner is 'in the wind', often living in friends' - or family members' – homes while they get back on their feet.

So let's do the math on that. Let's assume that because you have no real limitations – if the County allows you online access to land records (most do!) – you can work a ton of Counties.

Let's say that you research 50 files, and find that 30 of them are unencumbered – there is no additional mortgage debt against the property. It takes you 15 minutes to research the files (for first 5 files or so, if you've never checked title and deed transfers before, it will take you 30 minutes).

So you have 12.5 hours into the research. Let's say it is in a low conversion State, so 5% would be 2.5 files. Only 20% of the files will have judgments against them, and you let us look that up. So 2.5 files (obviously this is an average, you can't do a ½ file) would result in 2 files under contract and you getting paid on them.

Let's say you cherry picked \$25K and up files (we will take as low as \$10K), so the average file you researched was actually \$40K. And, let's say you don't doublecheck the judgments using TLO, so we pay you 8%. 8% on \$40K is \$3,200. Two of these = \$6,400 for 12.5 hours of work.

Now, let's really put the worst case in here. Let's say you have a dial up connection, and you – 'Murphy's Law' - come across harder to research cases at first. You take 30 minutes, instead, to research the file. Worst case 5% of your researched files will go under contract.

Okay, so worst case, you put in 10 hours to send us 20 files. Let's go a step further. Let's say it takes you 15 hours, because you find a ton of files where the owner isn't due the money. So you had to research 30 to get 20 accepted. One goes under contract. You cherry pick the files and your average file you send in is \$40,000.

You decide you don't want to TLO the file, so you get 8% of the \$40K - \$3,200 for 15 hours worth of work, WORST CASE. Guys, some of my attorneys don't make that kind of hourly.

Using these worst case numbers, and assuming you work 30 hours per month, that's \$6,400/month, part time. Now, to meet the criteria of the FCC, etc, I have to say these numbers are representative of our experience. If you don't follow our directions and/or turn in files that are not researched, the conversion rate is going to be far lower. If you have the proverbial 'black cloud', the conversion percent is going to be lower. We have had folks turn in 6 files and get 4 under contract. We have had folks turn in 300+ files and get none. Our conversion percent of 5-10% is overall.

Now let's talk about why this is such a phenomenal deal, versus you becoming just a finder. Because, in some states, you can make 10% as a licensed finder. Some go as high as 25%, but you also have a dollar cap, so for instance you could go after a \$50,000 overage, but the finder cap is 25% or \$2,500 whichever is lower. In that instance, you would actually make 5% (\$2,500 on \$50K).

So why buy the program, when you can, in many States, make 10% without us. There are 4 reasons that partnering up and taking 8-12% actually makes sense.

1. In States that require you to register as a finder, there are often **other requirements** like you having to be a private investigator or CPA or attorney.
2. We buy these folks out. So if someone is due \$30K, we will pay them \$3K to \$5K upfront, and the rest of the buyout split agreed to when we successfully retrieve the rest. If we compete with a finder that just works out a split, and often doesn't hire an attorney, we will win. **We get deals together in highly competitive areas.**
3. If you're a finder, you will have to 'eat' the cost – calls, mailings, attorney costs, mobile notaries, etc. **When we tell you we are paying 8 or 12%, that's of the gross amount retrieved.** Other than list costs – which can be \$5-\$20 on average – you only have cost of printing or copying docs online, and the time you put in to research. Of course, if you TLO the person to check judgments, you have a couple more bucks in, per file. On your own, you will probably really make 5% as a finder without us.
4. In some States, regardless of how the claim is made (we always use an attorney), the court will only cut the check in the name of the claimant. **You can't cash that check.** We can.

Why get in on initial limited offering?

That's easy. First, we don't know how often we will offer this course. If you miss it, there are no excuses, no rainchecks. The early birds to this will of course cherry pick the higher overage cases. The first person that turns in the file is the assigned researcher, and is the one that will get paid. Because we don't know how hard that you will work the course, we will limit the initial run.

How are we going to protect our past buyers of State specific programs?

We are, of course, going to protect those folks. Florida, Tennessee, and North Carolina will be off limits, because we have folks working those hard. A few other States will be off limits because we either want only court researched files from those States, or there isn't online access to the information.

So other States that are not going to be okay to work are: Washington State, Ohio, Oregon. Of course, as stated above, if you can't get access to mortgage and deed transfer information online, you wouldn't be able to work that County. That still leaves at least 2000 Counties you can work.

What about protecting the Hybrid Program Users?

The simple answer is that the hybrid program users don't need any protection. There will be no overlap, and the bankruptcy court trustees have priority over owner claims. Of course, if there was a bankruptcy, and that bankruptcy court has a priority claim, the only reason that they have a claim is that there would have been debt against the owner that would have had a priority claim to the funds anyway. In other words, you wouldn't have attempted to work those cases. Only the hybrid course users could effectively work those, consistently.

What about where a mortgage, or equity loan, has a priority claim?

If a bank is owed from a mortgage or equity line (or HELOC), we don't want it.

What about where a judgment has the priority claim?

We will take it where there is a judgment with a priority claim if that judgment is not from a municipality, or IRS lien, or condo lien, or code enforcement lien. Bottom line, if the judgment is from a County, State or Federal entity, we won't be able to put that deal together.

Finally, where will you be able to buy this program?

When it is offered, we will be sending out an email to everyone who attended the webinar on 4/14/2016. Once those folks have been given 2 days to purchase before anyone else, we will then offer to others on our email list and through our facebook page. If we sell it to the attendees, then we will not offer it to others. Our gotowebinar account records who actually logs on and for how long, so just signing up will not give someone first shot.

The webinar sign-in is accessible from our surplusfundsriches.com account – go there, click on the facebook link to the company facebook page, and there are numerous posts with the link there.

When will this be offered?

We are expecting this program to be ready to go between 4/30/2016 and 5/7/2016. We will give attendees of the gotowebinar on 4/14/2016 first crack at it.