

WELCOME TO REAL ESTATE INVESTING MASTERMIND: LEVEL 1

With Expert Real Estate Investor and Mortgage Broker
Athena Paquette, M.A.



FOOD FOR THOUGHT

*Take the “numb” out of
numbers.*

-Kim Kiyosaki

*Education is not the filling
of a bucket, but the
lighting of a fire.*

-William Butler Yeats.

*No man becomes rich
unless he enriches others.*

-Andrew Carnegie

*A single conversation
across the table with a wise
man is worth a month's
study of books.*

-Chinese proverb

ABOUT ATHENA

- In the Mortgage Industry Since 1990
- Millionaire @30 years old
 - Real Estate & Stock investor
- Owns Multi-family Apartment, Condo, Rental Real Estate, Invested in notes. Actual experience
- Former Government loan underwriter
- MA Master's degree in Psychology
- Financial Advisor - Series 7 and 66 Life and Health insurance licenses. Certified Retirement Planning Counselor*



OVERVIEW

- Introduction
- Why Real Estate
- Different types of real estate investments
- Real Estate vs. Other Investments
- No Money: Where to find the money
- Small Money Investments
- Big Money Investments
- No units – just land
- Be the bank

WAYS TO BE “IN THE GAME”

Real Estate investing can mean many things

- House, Units, Mobile Home Parks
- Building, converting
- Vacant Land
- Tax liens, REITs,
- Residential vs. commercial vs. industrial
- Flipping versus holding
- Being the bank = high interest w collateral
- Being the “bird dog” you find the deals = \$\$/Wholesaling
- Bulk purchases
- Investing out-of-state

WHY REAL ESTATE?

- Real Estate is a Long Term Tangible Investment
- **Leverage** – you don't have to pay 100% of the price in cash you can control the asset with just 3.5% down. Veterans can do 0 down.
- Stocks in general must be bought 100% cash unless on margin which is callable
- **Tax benefits** to real estate that stocks investors do not get because the corporations they invest in took those benefits (1031 exchange, profits inside LLCs, etc) – cash out on refinance not taxable
- **Ability to borrow** at cheap rates and high LTV

TAX BENEFITS OF RE OWNERSHIP

- Tax preferred investment
- An Investor is a Non-Owner occupant
 - You Pay taxes on Income after deductible expenses
 - DEDUCTABLE EXPENSES:
 - **Depreciation (27.5 Years)**
 - Interest, Real Estate Taxes, PMI, Insurance, HOA
 - Maintenance, Repairs, Education, Tax Preparation
 - 1031 Exchange for another income producing Capital Gains treatment when sold (less taxes)
 - OWN Real Estate in an IRA? YES!

STOCK MARKET VS RE

- Stock Market has many Sudden Ups and Downs
- Market might not be right when you need the money
- Stock Market is Emotion driven (Deficit , European Banking)
- Stock ownership is passive therefore results are more unpredictable (High speed computer trading)
- Stock – Rare to find INCOME & HUGE APPRECIATION (large cap dividend funds versus small to mid cap funds)
- S&P is just now recovering from 10 years of net flat growth while Real Estate is up

NO MONEY DEALS

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VA LOAN UP TO \$,,,

- The eligible veteran is the person who can buy a home or units and get cash flow.
- They can actually get into a home with ZERO down and ZERO closing costs.
- A veteran must have 2 years of active service or 90 days or combat service and be honorably discharged.
- The widow of a veteran who died of service related injury or illness may also qualify.
- The lending parameters are easier than the conventional type loans. To see if you or a friend or family member qualifies you can go to my website <http://athenapaquette.com/veterans-faq/>

WHOLESALING

- Wholesaling means you know people with money but maybe they have no time to research to invest.

WHERE TO FIND THE MONEY

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BUY REAL ESTATE IN YOUR IRA

- Over the last 10 years this has become more popular
- Tax free growth
- Taxable income when it comes out
- Appreciation through flipping land property note income and rents are all growing tax deferred
- **CAVEAT:** loans difficult to get in IRAs name (hard money mostly)
- RMDs could make distributions tricky as government will include value of assets in the RMD calculation.

WHERE TO FIND THE MONEY

- Old 401k rollover to self-directed IRA
- Loan against current 401k
- Credit Cards
- Other assests—doodads?



SMALL MONEY

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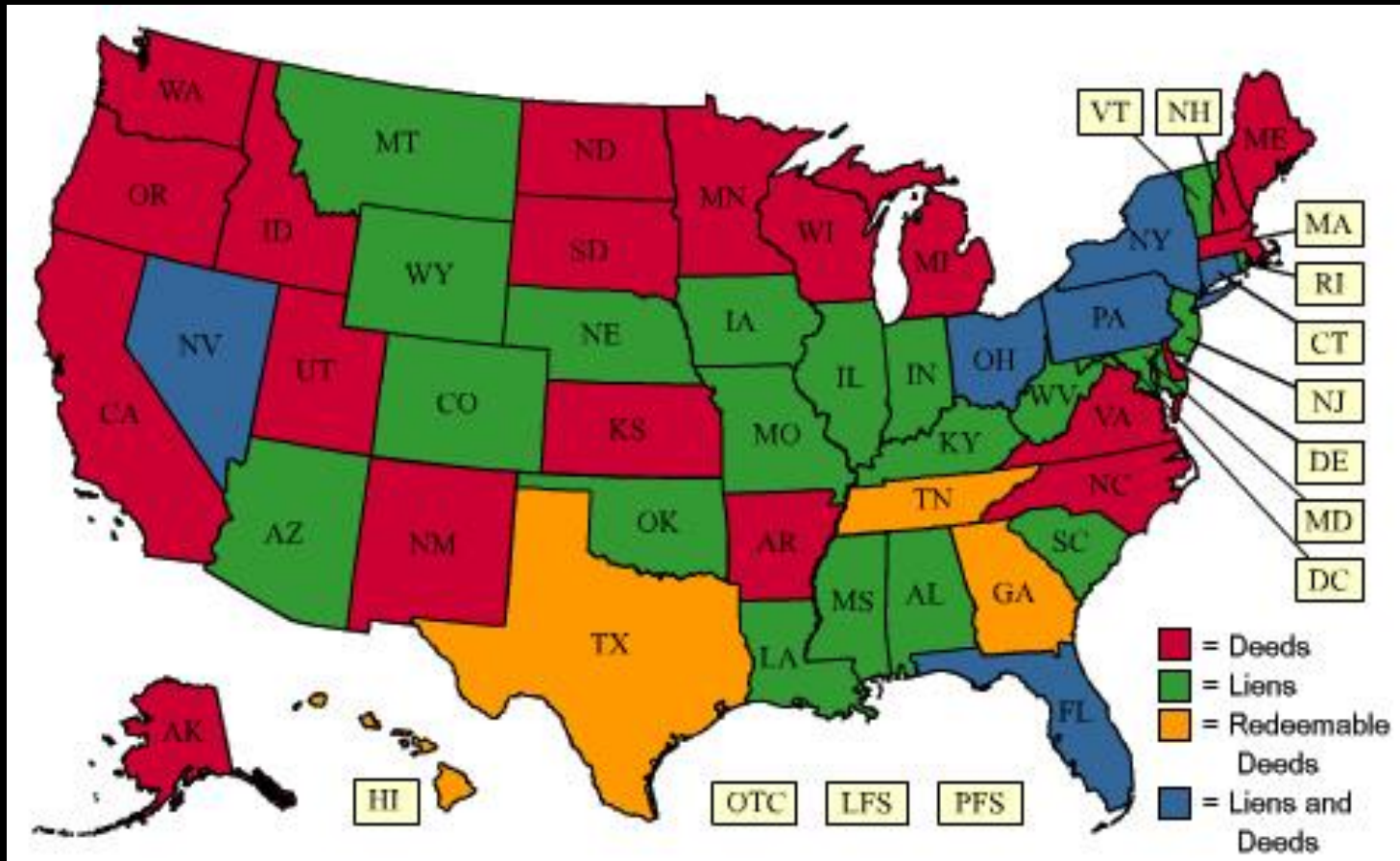
TAX LIENS

- Here you are the bank to the government
- Governments cannot run without tax money
- You “buy” the delinquent tax lien from the government agency (ex. county)
- They pay you interest that is collected on delinquent tax until it's paid
- Homeowner has the right to reinstate for a period called redemption period.

INVESTING IN TAX LIENS

- Homeowner has the right to reinstate for a period called redemption period.
- If homeowner doesn't pay you can foreclose (extra cost around \$750-1500)
- Rate of return is 6-18%+ as high as 50% returns
- You can do it yourself or buy from a third party like taxlientutor.com
- Or learn on your own at ustaxlienassociation.com

TAX LIEN MAP



OTHER

- Smaller investments, more due diligence
- Government entity foreclosures in particular, HUD home
- Older mobile homes
- 2-4 Units under 520k, owner occupied 3.5%

WEDNESDAY, DECEMBER 02, 2015

HUD.GOV

U.S. Department of Housing and Urban Development
Secretary Julián Castro

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HUD at 50

This year marks the 50th anniversary of HUD. Since 1965, HUD has also been at work in communities across America.

LEARN MORE

HUD Invests in Your Area

HUD is the Department of Opportunity. True to its mission, HUD is working closely with state and local leaders to promote homeownership, support community development, and increase access to affordable housing, free from discrimination.

Ginnie Mae

Helping to make affordable housing a reality for millions of low and moderate-income households across America

LEARN MORE

Making Home Affordable

MAKING HOME AFFORDABLE.gov
Help for America's Homeowners

LEARN MORE

I Want to

- ▶ Buy a Home
- ▶ Find Rental Assistance
- ▶ File a Discrimination Complaint
- ▶ Learn about the Housing Choice Voucher Program
- ▶ Access the Real Estate Assessment Center (REAC) System
- ▶ Access the Limited Denials of Participation List
- ▶ Find My Local Public Housing Agency (PHA)

Featured News

Friday, November 20, 2015
HUD Proposes Rule Ensuring Equal Access to Housing, Services in Accordance With Gender Identity

Thursday, November 19, 2015
HUD Reports Homelessness Continues to Decline Nationally

Thursday, November 12, 2015
HUD Secretary Castro Announces New Rule Making Public Housing Smoke-Free

The HUDDle

Wednesday, November 18, 2015

Measuring Progress in the Housing Market

Written by: [Katherine O'Regan](#)

Our latest housing scorecard gives us a closer look at our nation's housing market recovery, the performance of the Administration's foreclosure mitigation programs, and areas for improvement. As we look back on October, we saw continued progress in our nation's housing recovery. The latest data show progress among key indicators, including growing strength in existing home sales and a continued upward trend in home values.

[Read this blog post](#)

In Focus

- ▶ FACT SHEET: HUD's Commitment to Serving Homeless and Housing-Unstable Youth and Families
- ▶ 2015 FEVS Message
- ▶ 2015 FEVS Results
- ▶ Letter from President Obama on HUD's 50th Anniversary
- ▶ Reflections from HUD's Secretaries
- ▶ Connect with Secretary Castro on Twitter
- ▶ FY2016 Congressional Justifications
- ▶ FY2015 President's Budget
- ▶ FY 2015 Agency Financial Report
- ▶ FY 2016 Annual Performance Plan & 2014 Annual Performance Report
- ▶ FY 2014-2018 HUD Strategic Plan

Tweets

HUDgov @HUDgov
See how couple quit smoking after a public housing authority implemented a smoke free policy [ow.ly/VoHNw](#) [pic.twitter.com/yQe9Q35Dv5](#)

THIS IS A SMOKE FREE COMMUNITY

Expand

BIG MONEY

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UNITS

- 1-4 Units 20-25% down
- 5 or more units 25-30% down

COMMERCIAL AND MOBILE HOME PARKS

- Commercial buildings require a little more downpayment than the residential commercial (multifamily) but they are lower management and maintenance.
- Mobile home parks are like owning a multifamily building but very low management because they own their home you own the land.

LAND

- Yes, the very essence of real estate is land
- One of the cheapest ways to invest
- Family inheritance or tax delinquent properties
- You can own it and develop
- You can own it and rent it to someone
- You can own and resell
- You can own and resell and finance it.

BE THE BANK

- Notes - No tenants, toilets or termites
- Hard money, private lending
- 10-12% and “points up front”
- Secured by real estate
- Usually for shorter terms (1-3 years)
- Worse case you have to foreclose to get your money back
- Let me know if you want to be on the list!

HOW I CAN HELP

- **Teacher** – expose you to the ideas
- **Coach** – remind you and walk you through the numbers and process before and after you find the deal
- Help you *MOVE* from learning and analysis, to *ACTION*
- **Lender** - Find you the best funding and investment focused realtor
- Help you with the steps and building your investment advisory team (management, insurance, CPA, handymen, contractor, etc.) after the close of escrow

STRATIS FINANCIAL: WE ARE BOTH A BROKER AND BANKER GETTING THE MONEY IS EVERYTHING

- We lend directly AND act as a broker
- We work for YOU not the bank:
 - Advisor in Mortgage finances and real estate strategy
 - Packager (Credit, Income, Appraisal)
 - Overseer all the details
- Access to 100's of Lenders
 - Chase Bank
 - Wells Fargo Bank
 - US Bank
 - Mortgage Banks, Niche Credit Unions
- When one lender is in trouble or has better rates, we can shift to another lender as we are not vested in only one lender.

TRAIN YOUR BRAIN UPCOMING CLASSES

- Next week we'll do a risk assessment and crunch the numbers! Don't worry, I've made it easy for you.
- Stay tuned for Real Estate Mastermind Level 2 & 3.
- CASH FLOW 101
- Go to [meetup.com/investors-corner](https://www.meetup.com/investors-corner)
- Questions? Email me at Athena@AthenaPaquette.com

REAL ESTATE INVESTMENT PROPERTY TELEWORKSHOP



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