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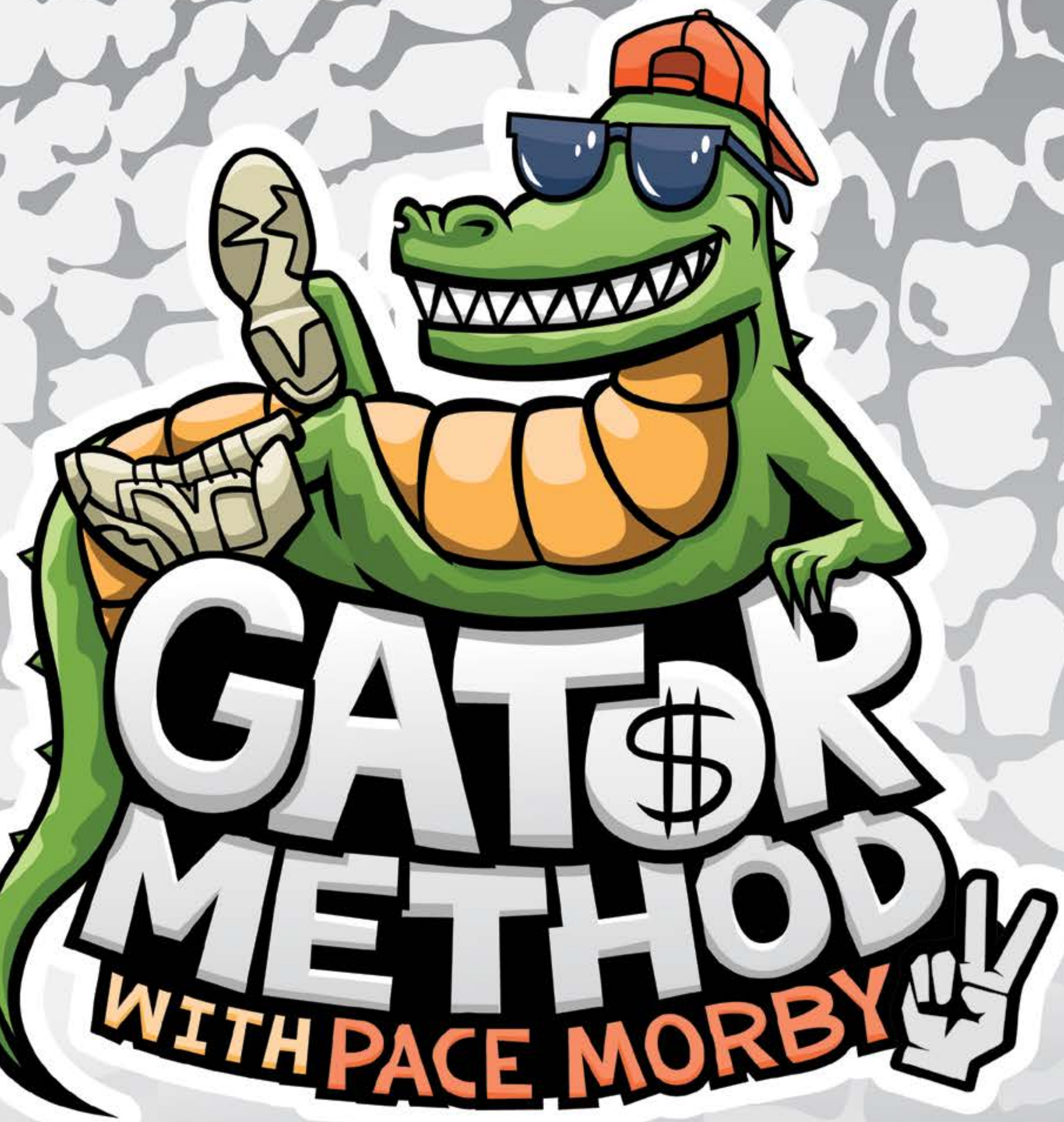

TRAINING 4.0 WORKBOOK: JV + EMD - CHECK YOUR RISK

ANSWER KEY

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4.1. What the Heck are Usury Laws?

Usury laws prohibit lenders from charging borrowers excessively high rates of interest on loans. Hard money and private money lenders charge interest…**how do Gators avoid a run in with the law?**

Gators are different. As a Gator, you will do a joint venture where you bring a resource to the table. In return, you will be rewarded a portion of the profit of the deal. This is why we have a joint venture agreement.

Usury laws are based on interest. We are not charging interest.

We are taking chunks based on a joint venture agreement partnership with the person we are doing the deal with.

You are technically NOT doing a loan. You are joint venturing on the deal.

What you bring to the table as a Gator is a RESOURCE. Your contribution to the deal is a resource and you then get to participate as a joint venture partner on the deal.

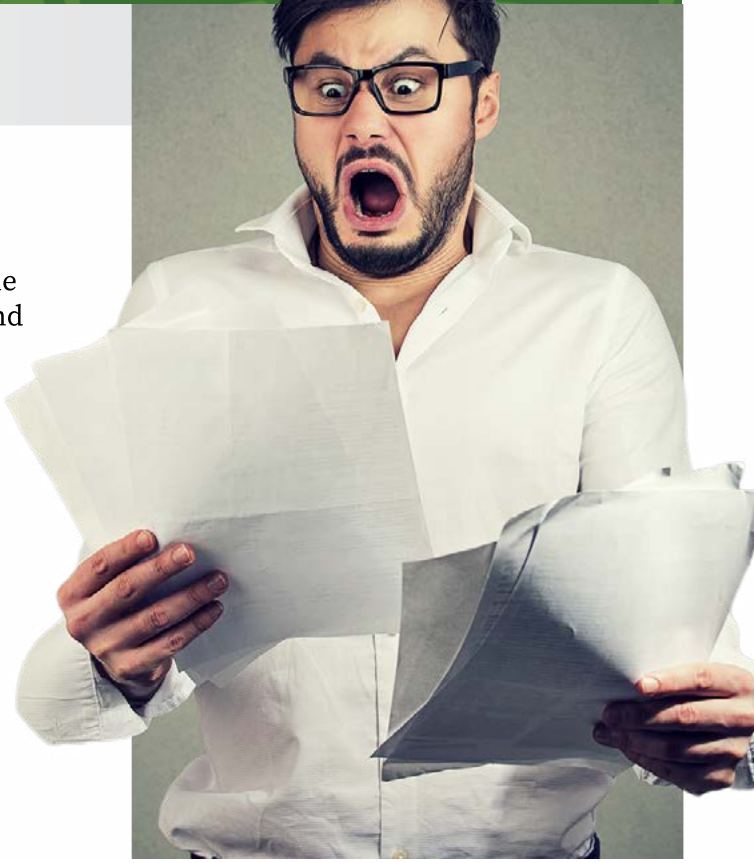
True or False?

TRUE **Hard money and private money lenders charge interest.**

TRUE **We are NOT hard money or private money lenders.**

FALSE **Gators charge interest.**

4.2. Help! Wholesaler Used Wrong Contract What do I do?



Fill in the blanks as you read these notes from the video:

Step 1:

Review the contract.

The **contract** you use should give you the ability to get the earnest money back in the event that wholesaler can't find a buyer in their 1st 10 days. (Sometimes this number of days is greater than 10 or less than 10. But a standard inspection period is 10 days.)

Step 2:

Understand State law.

Are you Joint Venturing in a mutual release state? Does the **seller** have to give permission to release your **EMD**?

If you're in a state like Arizona, don't worry about it- NOT a mutual release state.
If you're in a state like Texas, BE CAREFUL-IS a mutual release state!

Regardless of the state, you need to make sure that the **JV Agreement** you're using states that if the End Buyer cancels, ALL the earnest money goes back to you. So no matter what state you're in, use Pace's **JV Agreement.**

Step 3:

What is the outcome of the deal for the Gator?

If the **wholesaler** used the wrong **contract**, they can go back to the seller & get right contract signed (but this will almost never happen).

Or get the seller to sign an **addendum.**

But if the **contract** is wrong and can't get **addendum** signed, then check the state law.

1. **If the state allows for the EMD to be released, you're good to go.**
2. **But if the state does do mutual release, then it's a stop. Do not pass Go. Do not fund that EMD!**

4.3. Where to Find the Money Making Gator Opportunities

You can “advertise” on Facebook. **Go into FB groups and let wholesalers know that you are available to Joint Venture.**

Be mindful of oversaturated groups like ***Creative Financing with Pace Morby*** though. Great group, but there’s going to be a lot of Gators swimming in there.

Go where there’s less competition, like your local wholesaler groups.

See next page for a script builder you can use to write your post for these groups.

Transaction Coordinators

Answer these questions based on what you learned in the video:

1 What is a transaction coordinator and what do they do?

ANSWER: A Transaction Coordinator, or TC, or Transaction Manager is someone who oversees a real estate transaction from contract to close (aka purchase agreement to closing).

2 How can being a transaction coordinator help you as the Gator get more Gator Method deals?

ANSWER: As a transaction coordinator, deals will be brought to you to help transact, and you can offer to help if there are Gator Lending opportunities in the deal for you. TCs see a variety of deals, and as a result, a variety of Gator opportunities.

4.5. Test Your Gator Brain: *You're a Principal in the Deal*

One of the main reasons why you do a joint venture agreement in Gator Method, is because your JV agreement makes you a principal in the deal.

Being a principal allows you to call the title company to obtain information, EMD receipts, and cancel transactions.

In the 4.0 training video, two different situations were discussed that demonstrate the importance of being a principal in a deal.

Based on what you learned, answer the questions below.

1. What happens if someone ghosts on the deal? Is there any stipulation in the contracts that details what happens in the reasonable absence of a participant?

This is why the Gator is a JV on the deal. So the Gator can act as a principal.

2. If there's no word from the Wholesaler and inspection is coming due, you are in danger of losing the Earnest Money Deposit. What do you call title & say?

I haven't heard from my partner. Cancel the contract & send my earnest money back.

Fill in the Blanks:

As the Gator giving EMD to title company, make sure you get the receipt of earnest money deposit that proves that the End Buyer deposited their funds.

Choose One:

Should your End Buyer's EMD be less, greater than, or equal to the EMD you deposit with title?

A. Less **B.** Greater Than **C.** Equal to

Answer: **B**

True or False?

If you don't get a receipt from the title company for the End Buyer's EMD and your inspection period is almost over, you should call the title company & tell them to cancel the contract & refund your earnest.

Answer: **TRUE**

If you don't get a receipt from the title company for the End Buyer's EMD and your inspection period is almost over, you should call the title company & tell them to cancel the contract & refund your earnest.