



**TRAINING PREQ2 WORKBOOK:  
PRIVATE MONEY DEEP DIVE**



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## Disclaimer

**I am not a CPA, attorney, insurance, contractor, lender, or financial advisor. The content in this document shall not be construed as tax, legal, insurance, construction, engineering, health & safety, electrical, financial advice, or other, and may be outdated or inaccurate; it is your responsibility to verify all information yourself. This is material for entertainment purposes ONLY.**





**NOTE:** On **ANY** of the date boxes below or **ANYWHERE** in this entire document where you are prompted to fill in a blank or take notes, you are able to do so by clicking in the grey area and typing as much as you like!

[illegible]



# PREQ 2.1. Your Private Money Deep Dive

The training you just completed was a shorter warm up to this second, and last, prerequisite in the course. In this training, we deep dive into private money. **I will answer 5 of the most frequently asked questions I get about Private Money Lenders:**

- ① Why do I need a private money lender (PML)?**
- ② Where do I find PMLs?**
- ③ Who are they & why would they lend to me?**
- ④ How do I structure the deal with them and how do I make them secure?**
- ⑤ When and how do I pay them off?**

**I will also teach you about the different PML personality types, during which I give my first preview of Gator Method!**

Even though this course is about being a Gator, it's important you understand the various PML types. Knowing this information will help you efficiently sort people while networking and help you quickly identify how you can help each other. Both skills will help your business dramatically.

After completing this training, you will be able to structure PML deals with confidence, which in turn increases your customers' confidence, and makes it easier to do deals with you. People like making money with the people who are easy to do business with.

**The less friction you create, the more money you make!**



# PREQ 2.2. Sterling Deal Breakdown Worksheet

## Part 1 - Cost Analysis



### Question

### Answer

### Notes Section

Property address:	<hr/> <hr/>	<hr/> <hr/>
Date Property Purchased:	<hr/>	<hr/>
Purchase Price =	<hr/>	<hr/>
How many months owned?	<hr/>	<hr/>
Value at Refinance:	<hr/>	<hr/>
Why is the sold price so specific?	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
How was the deal funded?	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Real estate agent =	<hr/>	<hr/>
Seller =	<hr/>	<hr/>
Closing Costs (includes title and lender insurance, paying the title company) =	<hr/>	<hr/>
Renovation/ Furniture for STR =	<hr/>	<hr/>
Amount Needed to get deal done =	<hr/>	This is where OPM (other people's money) comes in, and why you need PMLs to come \$0 out of pocket on deals.
Amount Raised =	<hr/>	<hr/>
Subtract Raised from Needed =	<hr/>	<hr/>
Payment Investor Made to Himself for Closing the Deal =	<hr/>	<hr/>
Amt. placed into acct. for contingencies	<hr/>	<hr/>

# PREQ 2.2. Continued



## Part 2 - How Were PML Funds Disbursed at Closing?

Question	Answer	Notes Section
Amount Raised From PML =	_____	_____
Seller receives	_____	_____
Agent receives	_____	_____
Title Company is Paid for Service	_____	_____
Amount remaining is wired to the investor's entity that purchased the property	_____	_____ _____ _____ _____
How much was dispersed to the Investor's short-term rental (STR) manager?	_____	_____ _____ _____ _____
In the training, how much was dispersed to the Investor/Buyer's personal LLC account?	_____	_____ _____ _____ _____
Amount remaining from PML's loan?	_____	_____
How much is Investor paying himself for closing the deal and acquiring another property for his STR portfolio?	_____	_____ _____ _____ _____ _____
How much is being placed into the property's contingency fund, for emergencies and unforeseen costs?	_____	_____ _____ _____ _____ _____



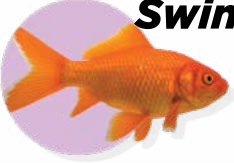





## PREQ 2.3. The Types of Lenders

This knowledge will make it simple for PMLs to do business with you, thus helping you raise more money. The subject people are most curious about is themselves. So if you can help them learn more about themselves and how they personally fit in the world of private capital, you got them hooked.

So use these personality profiles to quickly decipher which one they belong to. Describe the categories of lenders and ask the PML, “What category do you feel like you fit in?”

Showing someone where people typically put their money, the pros and cons, and potential returns is a strategy for raising private capital in and of itself. **Remember to make it about your customer and keep it simple to win the deal.**

<b>Lender</b> <b>Personality Type</b>	<b>What They Want</b>	<b>Their Loan Terms</b>	<b>How Fast Do They Move or How Do They Behave?</b>
 <b>Whale</b>	<ul style="list-style-type: none"> <li>• No Ownership</li> <li>• Usually ___ position</li> </ul>	<ul style="list-style-type: none"> <li>• ___ - ___% Simple interest</li> <li>• Rarely amortized</li> <li>• Long and short term</li> </ul>	<ul style="list-style-type: none"> <li>• _____</li> </ul>
 <b>Dolphin</b>	<ul style="list-style-type: none"> <li>• Never amortized</li> <li>• No Ownership</li> <li>• _____ relationships</li> </ul>	<ul style="list-style-type: none"> <li>• ___ - ___ % Simple Interest</li> <li>• Both long and short term</li> </ul>	<ul style="list-style-type: none"> <li>• Moves _____, likes to _____</li> <li>• Will brag to their friends</li> <li>• Want to be involved, but not do it themselves</li> </ul>
 <b>Swimmer</b>	<ul style="list-style-type: none"> <li>• _____ amortized</li> <li>• No ownership</li> <li>• They want to be taught, learn by doing</li> </ul>	<ul style="list-style-type: none"> <li>• ___ - ___ % Simple Interest</li> <li>• Always short term</li> </ul>	<ul style="list-style-type: none"> <li>• Hungry to learn</li> <li>• _____</li> <li>• _____</li> </ul>
 <b>Shark</b>	<ul style="list-style-type: none"> <li>• Wants ownership, equity, and control</li> <li>• They want it all all, including yours!</li> </ul>	<ul style="list-style-type: none"> <li>• ___ % interest (plus ownership/equity)</li> <li>• Short term</li> </ul>	<ul style="list-style-type: none"> <li>• HUNGRY</li> <li>• Acts like a _____ - already in real estate</li> </ul>
 <b>Gator</b>	<ul style="list-style-type: none"> <li>• Active business for them, so they want tons of transactions</li> </ul>	<ul style="list-style-type: none"> <li>• Term 1 hour or a week</li> <li>• Preferably less than a few weeks, definitely less than 3 months</li> <li>• Wants _____ of deals, not interest</li> </ul>	<ul style="list-style-type: none"> <li>• Like to be in and out of transactions, so they move quickly</li> <li>• Good for _____</li> </ul>
 <b>Camel</b>	<ul style="list-style-type: none"> <li>• Wants _____ + preferred return</li> <li>• _____ or large funds</li> <li>• Wants _____ returns over longer periods of time with depreciation</li> </ul>	<ul style="list-style-type: none"> <li>• Long term (5-12 years)</li> </ul>	<ul style="list-style-type: none"> <li>• Slow</li> <li>• Mostly silent</li> <li>• Doesn't want to _____</li> </ul>

Thinking of PMLs as different types of animals is an excellent memory information when you are networking.

Come back and review this information regularly until its memorize



# PREQ 2.4. PML Agreement Worksheet

You now know the basic types of lenders, what they want personally, and the terms they want financially. **But the structure will probably be different with every PML agreement as there's no such thing as a perfect industry - wide standard.**

The 3 biggest factors in deciding the PML structure are you, your PML, and your exit strategy for the property.

**Use this 2 page worksheet as your tool to craft the perfect structure for your unique PML agreements.**



## Category

## Your Agreement Details

**PML Full name**

**Lending Entity** *(If Applicable)*

**Address for Paperwork**

**Phone # for Paperwork**

**Email Address**

**Loan Amount**

**Term Length**

(How many days/weeks/months/years?)

**Percentage Amount**

(most PML agreements are simple interest)

**Any Other Requested Compensation?**

(Ex. Equity through ownership? Depreciation?)

**How Much Will PML be Paid and When?**

To calculate:

**Amount** times **Interest** divided by **Months**

Ex. \$30,000 at 10% interest for 12 months would be:

$\$30,000 \times .10 = \$3,000 / 12 =$

\$250 per month

**How Involved Does the PML Want to Be?**

Do they want to be involved in every little thing or do they just want to be left alone and collect their payment?



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## ***How Do You Plan to Pay PML Back?***

### **Common Strategies:**

- ①** From property cash flow
- ②** Refinance the property and pull equity out
- ③** Replace with another PML
- ④** Sell the house
- ⑤** Sell on owner finance to someone else
- ⑥** Sell the note (this option rarely used)

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### ***Other Notes About This PML Agreement:***

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# PREQ 2.5. Protecting Yourself From Scams

**The saying, “Knowledge is power” is true.**

It's impossible to protect yourself from all risk, but educating yourself is your 1st line of defense against getting scammed.

We have gathered important takeaways from the course prerequisites (for borrowers and lenders) and put them here for your convenience.

**Review them often and use them to help protect you and your investments.**



- 1 For PMLs** - Never wire money to someone's bank account, personal or business.
- 2 For Borrowers** - No legitimate PML will ever ask you to wire money directly to them. So you should never be sending money to a PML.
- 3 Money ALWAYS ALWAYS ALWAYS goes through title company or closing attorney** (depending on your state).
- 4 Always get a receipt.**
- 5 Be wary of a “great deal.”** If someone says they're selling a car valued at \$10,000 for \$5,000, your 1st question should be, “**What's wrong with it?**” Chances are it doesn't run or will break down the day you buy it.
- 6 Make sure the investment is protected with a promissory note that summarizes the terms and conditions of the agreement.**
- 7 Make sure the investment is secured by a recorded mortgage against the property,** so that there's a tangible asset that can't be sold without getting a payoff letter signed by the PML.
- 8 Make sure the PML is insured** by being added as a beneficiary or loss payee on the builder's risk insurance policy, lender policy, or any other applicable policy, such as a landlord policy.
- 9 READ BEFORE YOUR SIGN ANYTHING. Make sure your documents do not state that you are giving someone else permission to take your money without your knowledge.** (In the training specifically, a scam artist was given permission to take an investors money and roll it over into another transaction without the investor's permission.)
- 10 In the event of a scam, don't forget to file a claim through your title policy in the event that your loss is covered under that policy.**
- 11 Did we mention that money always goes through a title company?**

## **PREQ 2.6. Gator Mindset & Inspiration**

**Print this page & keep it nearby to help inspire you on your Gator Method journey.**

“When people at meetups or REIAs are telling you who they are and what they do, they’re really only thinking one thing, **“What can YOU do for me?”**”

And this thought process is completely appropriate, because this why you and everyone else is at this networking event.

**Filtering out and figuring out what to do with the people in your network ASAP is a powerful skill and will help speed up your success.**



***There’s 3 things you should always be looking for:***

- ① Deals**
- ② Money for the deals**
- ③ People to help you with those deals**

***The 2 questions to ask when you’re networking:***

- ① Why aren’t we doing business together?**
- ② What do we have to do to make money together?**

Stop over thinking everything.

**Other people are successful, because they are dumber than you.**

**They’re called “con artists,”** because they’re pros at using their **“con”fidence** to scam you.

There’s more than enough PMLs out there. Operate in abundance in order to receive abundance. Abundance mentality is everything!

**Sometimes things get hard, really, really hard.**

**Don’t be scared. Don’t back down from doing the hard work.**

**You’ll either be rewarded with money or growth in the end.**

**Either way you win.**



## ***PREQ 2 Workbook Conclusion***

### ***Nice work finishing Training PREQ2: Private Money Deep Dive***

**We covered a lot in this training, so feel free to take extra time to review any learning objectives needed.**

As a Gator, you are now also a real estate investor. Sometimes, you will be playing the role of the lender, and other times you will be in the shoes of the borrower. It is important for your success that you understand and know how to apply both these roles to grow your business.

And, in case you haven't realized it yet, your new hobby is learning about real estate investing, or REI. REI is a fascinating world with enough opportunity for a lifetime. **There's so much opportunity here for anyone here willing to put in the work and think creatively. Remember to embrace the challenges and fight for your success.**

***You are now ready to begin your Core Gator Method Trainings!***



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