

WESTERN MASSACHUSETTS

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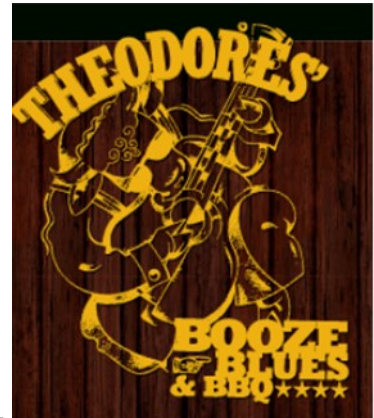
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How the Western Massachusetts Real Estate Investors came together.

Article on the starting members of the Western Mass REIA and the importance of always networking and asking questions.

You typically don't ever come face to face with the people you meet online through a chatroom or forum, but that's exactly how our group started. Bob Couture and Alec Bewsee had exchanged messages on Biggerpockets.com, the premier site for real estate investors, and discussed a potential meetup since they were both from the Western Mass area. Them two, along with Justin Simmons, Tristan Chicklowski, Matt Scott and Bill Womeldorf (also involved on Biggerpockets) met up for coffee one morning at the local Dunkin Donuts. "We felt there was a need for a local group of like-minded people interested in real estate investing" says Alec. "I had been looking for a local group for the past couple of years during college. After having no luck seeking out what I wanted, I decided to reach out and start our own." Our first meeting consisted of cramming twenty or so people into one of Justin's rehab property's basement. We were actually delighted with how the turnout was for our first meeting. In a matter of six months, our group has grown to over 100 members, and keeps growing every week. Theodore's in Springfield has been kind enough to be our venue host the past few meetings, and we hope to continue there for the new season. Our group charges no fees and welcomes all types of real estate investors/professionals looking to learn a bit more about REI and to network with others. Networking and education is the main focus of our group. We won't try to pitch anything to you that you don't want to buy. Instead, we want to be there to help when you have questions, and maybe even assist in your first deal! A huge thank you to all of our members that have become part of this group. We hope to continue growing this wonderful community and spread the knowledge that all of us can use one way or another - never stop learning. Our first official season will be kicking off on September 15th!!!



FEATURED CRAZY DEAL



Three Feet from Gold

Ethan Ave was a direct mail sourced deal by S&C Homebuyers that took 5 months of mailing, a month of negotiating, three months of friendly follow up, and a brutal winter storm to bring everything to a head.

“My favorite part of this deal is that we were able to offer it to our friend and now official real estate investor Matt Scott. Matt had been doing a lot of work with us - analysis, open houses, pictures, bird dogging etc... so it was only right to let him cherry pick a house if the numbers worked out for the both of us.”

- Bob Couture

The moral of the story for Ethan Ave is not to give up, stay consistent and persistent. Wholesaling can take a long time to get the machine up and running, but you must continue to feed that machine. Keep feeding that machine every day with new leads and never forget to follow up with new leads. Most of all, don't give up as you too may be three feet from gold.

Legal Quick Tip

In half of the states in the U.S it is required for a landlord to provide a carbon monoxide detector in the apartment. In MA it is required that they be within 10 feet of every sleeping room. According to the regulations you also need to have a detector on each finished level of the home. The detectors do not need to be hard-wired. A plug-in or battery operated detector meets all the requirements.

As there are many new investors to the WMREIA, we wanted to share a wholesale deal as it had some crazy elements, but more importantly was a story of persistence and consistency. A lot of the guru's want to tell you that wholesaling is easy. Do a little networking, hang some bandit signs, and mail out a few letters, and you could be making \$20k per month. Although that is achievable, it doesn't happen overnight, and often new investors quit just before they achieve any real success, or as the saying goes: 'Three feet from gold'.

“Ethan Ave, Westfield was our first wholesale deal of the year and came about from direct mail.” Says Bob. The timeline was:

- Started mailing owner in June 2014
- Owner replied in November after 4th letter
- Couldn't reach agreement on price
- Periodic follow up via phone, text and email
- February 2015 owner called to sell.
- Closed in March on her timeline

This deal took 5 months of mailing, a month of negotiating, three months of friendly follow up, and a brutal winter storm to bring everything to a head.

New Changes for Mortgage Loan Agreements

While mortgage lenders and lawyers scramble around to be ready for the new changes, home buyers should feel a better peace of mind when you are getting a loan. The new loan documents are meant to add more clarity and ease to the borrowing process which could mean faster closings.

The first new form is the Loan Estimate, delivered to the borrower within 3 days of the application and projecting the monthly costs, the closing costs and the cash the borrower will need to bring to the closing. This form is intended to replace the TIL form and the Good Faith Estimate. The second and final new form is the Closing Disclosure, which is delivered 3 business days before the scheduled closing.

While consumers will likely benefit from the new rules, mortgage professionals will face big changes when approving loans.



This form will replace the HUD-1 form. These forms will be emphasizing clarity by spelling out everything the home buyer will need to know about the payments on the loan.

These forms come largely as a response to the subprime mortgage meltdown. For the real estate investors these changes will likely expedite the closing process and simplify the experience.

Autumn

Calendar of Events

We are returning from the summer and back to the monthly networking meetups featuring special panels

September 15th: Season Kick Off!!

Join us for our first panel on the topic of "How I took action and closed my first deal"

October 20th: Networking Event

Monthly meeting to continue the friendly networking!



MEMBER SPOTLIGHT

My name is Missy Williams and if one word describes me best it's momtrepreneur. I am a 37 year old full time single mom of two beautiful girls and a full time real estate investor. Multi-tasker, problem solver, blankly finder extraordinaire. My five year old thinks that looking at houses is purely a photobombing opportunity and my 11 week old has done her first open house. The name of my company is Foundation Investors Inc. In a nut shell we buy, renovate and sell property in Western MA and Northern CT.

In my mid 20's I read Rich Dad Poor Dad and simply thought to myself.... "I can do this." While working as a Pharmaceutical Rep in Boston I purchased 2 condos and a multi-family. I fixed them up and sold them 5 years later. I gained a small amount of experience into flipping houses and also being a landlord, but it all really came together for me in 2013 when I set a goal for myself to invest in real estate full time.

In 2013 I was introduced to a group call Fortune Builders. It's not for everyone, but it was for me. With coaching from Fortune Builders and the advise from the seasoned investors in this group I have successfully flipped 8 houses. My first deal was on Sumner Ave. The call came off a bandit sign. I picked it up for \$40k, sunk \$30k in for repairs and sold it for \$115k. In August of 2014, I achieved my goal. I left my full time Pharmaceutical Rep job to invest in real estate full time. Best decision I could have ever made.



Everyone has a "why" in life that drives them. Mine is my girls. Real estate investing affords me the time to make it to my daughter's Fairy Princess camp finale. Our time means the world to her and me. I am also grateful for the opportunity to help people out of situations where they are stuck with a property and can't sell it in the traditional sense. I take each house and design it with a new owner in mind. It's truly an amazing feeling to receive a testimonial from a buyer telling you "their dreams have come true". Mine have too. :)

Local Market News Article

Foreclosure Activity in Massachusetts – Experts Back Peddle in May

Even with the decrease in foreclosure deeds seen in January 2015 and February 2015, with the sharp increase the last three months, they are up 18.1% overall for the year so far. Banks have been taking more properties back, and the rate is accelerating. This can also help explain the decrease in auction announcements. Since these figures include auctions that get canceled or rescheduled, if more auctions are taking place, as evidenced by more foreclosure deeds being filed, this would eliminate the rescheduled auctions. This could be one reason to help explain that fact.

With petitions still chugging along there is no reason to think that foreclosures will subside anytime soon. We should continue to expect more and more houses to go back to the bank and for that inventory to rise. In fact, the last three months have seen big increases in properties being taken back by the banks and this is right when you would expect that some of the early increases in petitions over a year ago to really start getting cleared up. While banks

unlikely to flood the market, they will at some point be bringing part of this building inventory to the market, which will affect both prices and the supply and demand curve.

If you are thinking about selling a house this year, you should consider getting it to market ASAP before these other properties start coming to the market. If a large number of these start to come onto the market, prices



could dip and the days on market for properties could increase. If this happens, you may get hit with the tough situation of selling for less than expected while also taking much longer to sell than you had anticipated.

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