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Flip2Freedom Podcast Beating the Competition with Tax Delinquent Land and Property Deals

Hosted by: Sean Terry

Special Guest: Jack Bosch

Sean Terry: Welcome to the Flip2Freedom Podcast. I'm your host, Sean Terry. Hello again, this is Sean Terry from the Flip2Freedom Podcast and we are on Episode number 118 and I have got something awesome for you today.

You have been looking for a niche to mail in real estate where you can get massive discount deals with absolutely no competition, then you have got to listen to this episode right now. I got a phenomenal gentleman on the line and he is going to share about something that's incredible that will get into.

If you're joining us for the very first time, I like to welcome you and let you know that this podcast is about wholesaling or flipping houses and what wholesaling is that we market for motivated sellers. They could be an absentee owner that has a tenant that trashed the property and they want to get rid of it. It could be an inherited property, or probate property, a tax delinquent property, it could be a fire damage property.

Whatever the case may be, we find the motivated seller. Someone that doesn't want to sell traditionally through listing the property through a realtor. What we do is we'll target them, send them a mailing, they'll call us, we'll get the property under contract. We won't buy it, we won't qualify for a loan for it, we literally sign a contract with a purchase price of 50,000 and a closing date of 30 to 45 days down the road.

During that time frame what we do is because we've got it set such a deep discount, let's say the property is worth 100 grand, we get it for 50, we can now market the property. We have equitable interest in it. We market the property to a buyer.

It could be looking for more like a cash buyer or someone that's going to fix and flip the property or someone is going to buy and hold the property. It could be a hedge fund that's going to buy



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cash, whatever the case may be and they can use hard money, financing, private money or cash to purchase unless we market it out for 60,000.

Now, we get a contract from a buyer for 60 grand. We have a contract with the seller for 50 grand. We bring them to a closing agent, a title company, an escrow company, an attorney depending what state you're in and we instruct them to do an assignment where we either, A, sell the contract, or B, we can instruct them to do a double escrow or what's called a simultaneous close.

They'll handle all the paperwork, they'll handle all the funds and they will facilitate the transaction and you ... What will happen is the buyer will wire in the funds, 60,000 of which 10,000 goes to you and 50,000 goes to the seller. The sellers are excited because they get to sell quickly. They didn't have to pay real estate commissions or closing cost so they didn't have to fix up the property. They don't have to wait 90 to 120 days on market for to sell.

They could sell it quickly and get in and out of the property. You're excited because you just made \$10,000 because you facilitated the transaction. The buyer is happy because he has instant \$40,000 of equity.

The cool thing is if you can do this over and over and over and over and over again, you can make an absolute fortune. I was dead broke. My daughter was just born, I was 33 years old and life suck back in 2003 and I was living month to month and I was always stressed about money, then I found this concept and I literally dove in.

Everyone said it was crazy, everyone said it couldn't work and I just did it anyways. I went out and made \$134,000 in my first year and had recently built up my business from them to now toward doing millions and millions of dollars in deals in Phoenix, Arizona and across the country and it's phenomenal. It's completely changed my life.

The gentleman we're going to have on the call is going to talk about a specific niche. A niche where these sellers are completely motivated. They're motivated because they have a tax delinquent. They're delinquent. They haven't paid their taxes.

He's going to talk about how to find these people, where to get the list, what mail piece he uses, how to negotiate and talk to them and then how to sell these properties quickly. It's great. He goes through in specific detail on what to look for in the list, where to get the list, how to find



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these tax delinquent deals. Exactly what mail piece works, which ones he has tested that work best and then how to negotiate and get these things on the contracts.

It's phenomenal. It's a great, great episode. He also talks about other different ways. There's actually five different ways you can generate revenue from tax delinquent properties. We talked about two specific ways and he's got three other ways and we didn't even get in to because we're so interested about the first two ways there.

Definitely listen to this. You will learn something that you can go out and after you're done listening to this call, you'll go out and be able to find that list, use a mail piece and be able to generate revenue with this. It's a phenomenal way, not only to build cash flow, but also to generate quick revenue as well.

I'm excited to have Jack on here. If you want more for me, go to Flip, the number two, Freedom.com, flip2freedom.com and you'll see a video of me on the front page. On there, you'll see a place where you can download my book. I've had people tell me that they spent well over \$1000 for the same book that they get for free.

It's a detailed information explains in detail exactly what wholesaling is. It explains the entire process and how you can profit from it, but I do not talk about tax delinquent properties, so definitely listen to this episode because it will be powerful for you as a niche that you can target which is great.

I'm going to shut up here, let's get in to the call with the one, the only Jack Bosch about tax delinquent properties. See you on the other side.

All right, guys, I am here with the man of the hour, Jack Bosch and I had a privilege of meeting him. Actually it was a conference here locally for Infusionsoft and we had a chance to meet there, sat down, had a coffee and has ...

We're able to build the relationship and actually found the smoking deal about four or five months ago or so and we had a chance to do a deal together which was great. He was telling me where he got this deal and it literally blew my mind of the different ways he find these amazing deep discount properties.

Also too, we're part of the mastermind group Collective Genius and he did a presentation there explaining how he finds deep discount land, buys at a pennies on the dollar and turns around



resells it with seller financing and collects all these notes and stuff ... He literally blew everybody away. It was an awesome, awesome presentation.

I tracked him down. He travels all across the country which is great. He goes back to Germany, that's where his accent from, but he happens to live here in Arizona, in my market here. We've had coffee several times and I know he's doing a bunch of stuff here and he's got a killer live event coming up in January that we're going to be talking about. Jack are you there?

Jack Bosch: I'm here Sean.

Sean Terry: How is it going man?

Jack Bosch: I'm doing great. It's exciting to be here. Actually, thanks for the kind words about me there.

Sean Terry: Interestingly enough for people listening, Jack has been around the industry for such a long time and he has such a giving heart and he teaches different unique ways to find deep discount properties.

As you know, listening to this, all my listeners are about finding deep discount properties, looking for different ways whether it be inheritance or whether it be probate or whether it be absentee owners that have a property that's been trashed or 65 and older that want to liquidate their properties through Google AdWords.

They're always searching to find those deep discount deals and we're going to be talking about a unique niche that you have mastered and how that has ... It gives you the ability to find these deals.

For people listening right now, how did you ... First off, how did you get in the real estate in your quick back story so everyone knows who you are?

Jack Bosch: All right, I'll be happy to share. I'm going to quick. I'm not going to bore everyone with my personal story. As you could tell from my accent, I'm not from here. I am originally from Germany. Came over from Germany into the United States in 1997.

Did what basically everyone does which is I got a job and I traveled a lot of my job and I kind of like didn't like my job, but the job got me my work permit, so I was legally in the country who allowed me to stay here. Allowed me to work through that job, to ultimately get what's called a



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green card, basically the permit and residency. It allowed me and so on so that I could stay in this country forever.

Five years into that job, I really realize that I had no intention of doing that job thing forever. I was working my behind off, I was working 70, 80 hours a week, I was traveling all the time and I didn't enjoy it.

I basically looked for something else to do and I have no clue what to do and looked at all kinds of different businesses and at the end what happens is I came across real estate. Real estate, I had not the first clue about real estate either, so I was like, "Real estate sounds good, it fulfills all the criteria that I have for a successful business. You can make a bunch of money, you can make passive income, you can do this remotely and if you do it right, you can do it from anywhere in the world." I was like, "Okay, it sounds good."

What I wanted to do is I wanted to do is I wanted to live that life that I envisioned I'm living. I wanted to go back to Germany, live ... Not live there, I'm an American citizen now. Since the beginning of 2014, I'm an American citizen, but I wanted to be able to go to see my family, my brother and my parents, my cousins, my friends over there whenever I wanted to.

I wanted to go travel the U.S., I want to go see the world. With two weeks' vacation and 80 hours of work job, you can't really do that. I found real estate and within real estate, I found initially land and using actually a way that I don't think a whole lot of people are using and I know not all people are using and that is by going after people that actually haven't paid their property taxes, but without attending the tax deed or tax lien option.

My techniques are really not going through the auction. I started out attending tax lien options, attending tax deed options and so on, but soon enough, I realize that this is the hard way within that niche and I found a different way that has been very, very good to me and since then I've redone ... When I say we, I mean my wife and me. We've done over 3000 real estate deals since the end of 2002.

Sean Terry: Wow, that's amazing. That's awesome. For these guys listening right now, they are in search of that deep discount deal. You talked about tax delinquent properties. For someone that doesn't know what is a tax-delinquent property and then what is the process of it going to auction. Explain that process if you could.



Jack Bosch: Yeah, I can dive in to that for a few seconds. Very simply spoken, in the United States, in Canada and actually in other parts of the world too, but I would like to focus on the United States and Canada. Every single piece of real estate, whether it's a piece of land, whether it's a house, whether it's a commercial property, industrial property, you name it, every condo for that matter, every piece of real estate has property taxes on it that have to be paid on an annual basis.

Every year, you have to pay your property tax. Very simple, we all do it and if you have a mortgage, you're paying up, paying it usually automatically as part of your escrow fee. You pay monthly to a bank and then they pay the property taxes for you with part of the money that you paid them.

We're all paying these property taxes every year, but the thing is if we don't ... If somebody doesn't pay the property taxes, what ultimately happens is, in very simple words, the government takes that property away from that person again.

Very simply, it's shocking actually. When I first learned about that, I was shocked because this is like the Wild Wild West, you don't pay for three, four years and your government just takes your million-dollar home away, takes your \$100,000 house away, takes your \$300,000 piece of land away, takes your \$30,000 land away, whatever it is.

Literally, they take it away and they do that in one of two ways. The first way is if somebody doesn't pay the property taxes, some counties or some states have the rule that they say, "You know what? We're not going to take the property away right away. Instead, what we want to do is we want our money, so we're going to put a lien on that property, plenty amount of property taxes that the owner hasn't paid.

Just like they're slapping on a lien and then they basically say ... Then they go put up an auction and sell that lien at the auction to the highest bidder. In that case basically, the property doesn't have to come up for auction, but a lien against the property is being auctioned up at the auction.

Investors go there and then they can buy those liens. The bidding either often goes such that instead of the dollar amount going up, it actually works such that their bidding goes on the interest rate and the interest rate goes down. States like that are for example Arizona and states like that are Florida where there's a tax lien going on and Illinois and so on.



Why would somebody buy such a lien at the auction? Very simply because there's a promise of a very high interest rate. In Illinois, the interest rate is up to 36%. In Arizona, this interest rate is 16%. In Florida, its interest rate is 18%. It certainly beats the bank and the beautiful part about that is that if the owner then still doesn't pay those property taxes for a few more years, at some point of time in the future, which is state by state is difference.

Some states allow that to happen after two years already. Some, you have to wait five years, but at some point of time in the future, the investor that bought that tax lien can actually go and foreclose on that property and then own a property free and clear. That's really interesting.

At the very minimum, you make 16%, 18% or 36% and at the maximum, you get the property for just two or three years' worth of property taxes. It's really attractive for the investor because the worst case, he gets a very, very nice interest rate.

Sean Terry: We're in the business of generating ... When we're wholesaling properties, we generate revenue and I always tell people that there's a cash flow. That's money that comes in to your life and then flows out to your life through either marketing or bills or whatever the case maybe, but if you have cash stick, cash stick is where you have cash flow, but anything left over is cash stick and you got to find a place to invest it.

What a great place to invest it into tax liens where now you're getting a 16%, 18%, 12% interest rate that's essentially guaranteed by the government or you get the piece of property back free and clear. That's one ... That's a great way right there.

Jack Bosch: That's just one of the basic ways.

Sean Terry: I was just highlighting that's a cool way of ... Instead of getting ... If you're going to put your money in a mutual fund for example and it's going to be very difficult to beat the market, but 8% to 12% or not even that, 4% to 5% or 6%. That's a cool way to generate revenue.

Jack Bosch: Always, you got to be ... There's a method to that and you got to make sure you invest into the right kind of properties and so on and so forth, so that you're not stuck with investing your money in something that's basically garbage. As long as you follow some base rules, I 100% agree with you there's some great way to park money and make really good interest on it.

The second way though, it works such that the counties basically say, the states say, "We're not going to mess with these leans, we're just basically want our money." They're going to wait



perhaps three, four, five years and it depends on which state. Texas does it already up to two years. California, they have to wait five years and they do nothing.

The county does nothing in those five years or two to five years, but after that time period is over and that time period is called the redemption period, after the time period is over, the county goes and actually puts up the property for auction and sells the actual real estate in auction with a minimum bid usually being just the outstanding back taxes.

Easily, you might have 100,000 old house that has spent thousands of dollars in back taxes over three years, when it comes for auction and the minimum bet is \$10,000. You come there as a bidder, you tend it, you bet it up, you win the auction and then you own that property.

If nobody shows up, you bet it up, you buy it for \$10,000. The reality though is that at these auctions, there's a lot of people showing up. At least in bigger cities. What I found out is that while these are tremendous ways to make money, one of the key moments that I had almost in my life is when I was sitting one evening at home on a weekend and I was thinking about ... What I couldn't get off in my mind is who, in their right mind, would let these properties go for back taxes.

While even though that is the question that I, over time, just stopped asking because it's like, "Why ask why? It's just buy the property from them. They get off their hands."

The main question that came in to my mind was why do we have to wait five years. If we look at California for example. In California, if somebody decides that they don't want their property anymore, somebody decides to stop paying property taxes right now, as the time that we do this podcast right now. Right now, it's going to take a full five to six years into the future.

We're doing this right now in 2014. They're going to stop paying property taxes in 2015 and this property is not going to come up for auction or a tax deed auction until the year 2020 or 2021. Think about that for a moment.

Then what happens in 2020 and 2021, the property has accrued five years' worth of back taxes, five more years' worth of additional fees and penalties that the county slaps on top of it and then it comes up on auction and a whole bunch of people attend these auctions and what happens when you have a lot of people attending an auction, the prices goes up.

Basically, what we have figured out is that the question that we have answered is why should we wait until these properties come up for auction in five, six years from now and whatever is



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coming up for auction right now was delinquent already five years ago in many states. Why should we go to attend these auctions, bet these properties up through 80%, 90% of market value?

Instead, these people that haven't paid their property taxes with each ... From the very moment they stop paying their property taxes, have they basically raised their hands and says like, "Hey, I don't want this property anymore. I'm going to stop paying property taxes. Whoever wants it can have it." Isn't all we need to do is ... Isn't all we need to do to contact these people and buy them for them directly?

When I understood that, I stopped going through the tax auctions and instead I started contacting the owners directly and that's when the floodgates opened. It's not getting a deal here and a deal there and making these money on them, I started getting properties for 10 cents on a dollar and flipping them for 50 cents on a dollar making great money and basically within ...

From that moment on, within 10 months, I was able to quit my job. I paid off almost all of my personal debt. I paid off our car, made up all the kind of consumer that I had. I had one year's worth of living expenses sitting a sideline and within eight months after that, within 18 months of figuring this out, I was officially a millionaire.

Sean Terry: What a great story. I can feel people on the other end. They just got goose bumps. They're just like amazing. One of my first questions is let's say theoretically the property has a ... There's a loan on the property and it's not impounded where the lender pays the taxes. Let's say theoretically these are \$100,000 loan and that property goes to auction, then what happens?

Jack Bosch: In that case, if that property goes through auction, if it goes to the auction and whoever buys it at that auction, in this case, buys it free and clear and the mortgage is wiped out.

Sean Terry: Let's say they buy the lien for 12% and then three years past, four years past or whatever length of time in the state you're in and then boom they're going to foreclose on that property, they would foreclose on that property and then the loan essentially would be dismissed or what?

Jack Bosch: One of two things happens in that case. By law, when somebody has a tax lien and forecloses on it, every party that has a lean in that property has an interesting in their property needs to be notified.

Typically, the foreclosure process depending on where it is, if it's done through the county, if it's through a judicial foreclosure, again every state has different rules about that. Then their live



seminar that you talked about will talk through all these different techniques as well as a couple of more techniques that I haven't even mentioned right now.

In that case, every interest, every entity of person that has an interest in the property needs to be notified. In that case, the bank is going to get a letter and saying like, "Hey, this guy here, Sean Terry, he just bought this tax lien and he's foreclosing on his tax lien." If you want to maintain your lien, you have the chance to actually pay the back taxes off right now. Otherwise, if the foreclosure goes through, your lien is wiped out.

The same thing happens with the bank. The bank is going to get a notification and the bank is going to look at the deal and if it's worth it for the bank, the bank is going to pay it off. Auction number one, what happens is that you filed for foreclosure and they have to pay the attorneys too if you hire an attorney to do that for you and they pay the back taxes and you now get your money back plus all that interest that has accrued since you bought that lien.

If you bought that lien three years ago, you got three years' worth of interest at 12%, 16%, 18%, 24%, 36%, so you get a lot of money back. If nobody redeems that lien, if nobody reacts, you're going through the foreclosure, you now own that property with no mortgages on them anymore.

Sean Terry: That's pretty killer. Let's get in to the nitty-gritty and talk about what you did within those 18 months to generate the floodgates of money. The ideas to go direct to the seller and you do direct mail to them right? Is that correct?

Jack Bosch: Absolutely, direct mail to them.

Sean Terry: Let's talk about, first off, where would someone find a list?

Jack Bosch: The lists are available from the county. The county has the list. This is a little different than some of the other methods where you go to a list broker. The list brokers do not have the records for this technique but that doesn't mean they're harder to get. As a matter of fact, they're easier to get in many cases and more than anything once you got a list, you might have literally 30,000 or 40,000 records on that list that you can mail to and get a tremendous amount of deals from that and the list might cost you \$200 to \$300.

It's really expensive to get a list and you get it from the county, usually from the tax collector's office or from the assessor's office or in some cases a combination of both.



Sean Terry: They can go down to the county assessor's office and be able to hack up 100 bucks or whatever the number is and get a list. Now, let's say they have this list and I'm sure it's on probably a disk right? They get a disk of a list.

Jack Bosch: I just requested one this morning and it's going to be shipped to me hopefully before the holidays on a CD.

Sean Terry: They can request this in any states. If I'm in Arizona, I could request for Nevada or request for California and they could send it to you.

Jack Bosch: Absolutely. I'm doing this all over the country. I'm still doing this out of Taiwan and the United States.

Sean Terry: Now, they request the list and let's say there is 30,000 on that list, how do they sort and sift through the ones that are ... They're not going to mail 30,000 because I'm sure there's commercial properties in all these other different land and houses. How do they sort those down?

Jack Bosch: First of all, you figure out what is it that you want to go after. What happened in our case initially, we didn't really know what we should go after because, again, we were kind of brand new and what happened in our case is the first 400 letters we send out, we got ... Get this, we got 80 phone calls.

Sean Terry: On 400 mailing?

Jack Bosch: On 400 mailings, we got 80 phone calls. Our phone was ringing off the hook because, number one, these people are not ... These properties are not on the MLS. Number two, these people are ... Nobody knows that they actually owe these property taxes and yet these people want to get rid of their properties. They're just too lazy to do something about it but they get the letter and they can do a phone call.

They called us and a large majority of them were actually land parcels. There is land, what we're going to do with land? Here's the thing, we looked at one of the pieces of land and it was a nice little lot and it was a small deal, but nevertheless, it was my very first deal in that area.

It was a small land deal, a lot between two houses, probably worth about 10 grand or so. The owner just didn't want it anymore and they offered \$400 on that land. \$400, that's the full purchase price, no mortgage on it, free and clear property and the guy accepted it.



We bought it for \$400, less closing cost, perhaps \$700 and we sold it through the neighbor across the street for \$4000 the next day. That was a small deal. It was only four grand, only about \$3500 or \$3300 of profit, but what does it do to a beginning investor?

Sean Terry: Huge.

Jack Bosch: It's huge particularly because I didn't have to put up my life savings on the line. I didn't have to take on a new mortgage. I didn't have to learn about buildings. I didn't have to learn about rehabs. I didn't have to learn about cost of repairs or anything like that, and all of a sudden, I started falling in love with land because land, as the way I call it now, the simplification of real estate.

You don't have to know how much it cost to repair kitchen, to rehab a roof, to repair a roof, to rehab a living room, to get rid of termites, all that stuff, because as I now say, there's no tenants, there's no toilets, there's no termites on that.

The next deal I got was \$500 for 40 acres in a rural area and I flipped that thing online on eBay for \$9500 of profit. I flipped this thing for \$10,000, made \$9500 in property. That is margins that rival a lot of the wholesale margins and the property isn't ... It was a wholesale for that manner. I bought it for \$500. It was worth 20, I sold it for 10. A classic wholesale deal and so on and so forth.

Going back to your question. The thing is what kind of property are you focusing on is the first thing that you need to select, because you can get that list, part of the list that tells you what it is, is it a house, is it commercial, is it residential, is it land. You filter out what you don't want to deal with and you sort it and you just eliminated a bunch of things.

Then you also focus on land ... If you focus on land, our sweet spot is pieces of land that worth under \$100,000. We are not competing. We're not trying to become land developers. We're not dealing with a million dollar piece of land in downtown Atlanta, downtown Miami, downtown New York.

We're dealing with a piece of the properties that are in the outskirts of bigger cities, big acreage in the rural area and also the occasional infill property, a buildable lot in the suburbs. Most of those are worth way less than \$100,000, in many cases, less than \$50,000.

You basically look at value. You already have a list of people that want to get rid of their properties. You just now need to focus on the ones that you want most which is up to you. I



coincidentally stumbled on that land and I fell in love with land and for the next 10 years, that's all I did was land.

I didn't even look at houses because honestly I didn't have a clue about houses. You remember, I have a beginning real estate investor. Honestly, the first time I heard the word deed, I thought it had to do with church because in church they talk about good deeds and bad deeds.

The thing is with land that's never been built on, that's in the outskirts of town, you don't even have to be worried about environmental issues because there's never anything ... There's never anything on it. Environmental issues are usually only issues on properties that are industrial areas, industrial zone, next to car washes and gas stations and those kind of things.

Sean Terry: Or old farmland or something like that.

Jack Bosch: ... There's nothing there.

Sean Terry: Yeah, there's nothing there. Or old farmland or something. Having those properties out in the middle of nowhere and people don't want them, they tend to give them away, but there's a whole group of buyers out there that are looking to hold on to the properties for long term and they'll just forget about it and they will it to their kids.

It's funny, my wife's grandfather had a chance to buy one acre ... There was like 500 acres available, but each acre on Scottsdale Mountain back in the day for \$100 a piece. These land guys came out and they are selling all these acreage in all Scottsdale Mountain right on the Camelback Mountain in that whole area for \$100 a piece and he chose to pass on it.

If you would have bought that today, those parcels today for an acre are going upwards to 800 to a million dollars of parcel. If you would have bought 10 acres or two acres, you're talking generational wealth.

Jack Bosch: Absolutely. That's exactly the point. A lot of these properties that we focus on are not in the middle of nowhere. Large acreage can be in the middle of nowhere. There's a huge market for people wanting 20, 40, 80 acre parcels that they can go out with the family and build a cabin and have fun out there and put one of those tiny homes out there, the latest craze right now and so on.

A lot of the land is actually just a mile or one to five miles outside of where the cities right now. If that is outside of a city that's growing, that's exactly ... That kind of thing, when they sold



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these Camelback Mountain lots, Scottsdale Mountain lots back in the days, the City of Phoenix was probably five miles away from that mountain and they are 10 miles away from that mountain.

Now, that mountain is prime real estate in Arizona and I know there's ... Depending on what they are, they go for a minimum of \$800,000, sold for a million and a half, just the lot, just the land. The same thing is true when ...

That's where a lot of the buyers come in. They buy these lots out in the outskirts of town and then hold on to them and they enjoy them while they are for the weekend. For their RV and their store stuff on it and so on, but once the city comes closer, all of a sudden they turn into hundreds of thousands of dollars of profits and millions of profits for them or for their kids.

Sean Terry: In this list, there must be some sort of land use code or a designation that they can sort by, they can target single family houses, they can target land, they can target commercial, they can target multi-unit properties and they can sort that to determine what they want to target.

Now, let's talk about the mail piece. Is it a letter like a yellow letter that you send? Is it a handwritten letter? Is it just a generic letter? Is it a postcard? The four and a half by six postcard that you send or what?

Jack Bosch: We use a letter and we use a letter that is a little different than most other real estate investors use. Most real estate investors go to a very, very personalized route with a handwritten address and a yellow letter and those kind of things.

We, early on, went a different route. We went the route and that's worked very well for us and we tested it against other routes and it works really good. Then as we go the hyper official route, our letter looks like it literally comes from either an investment company or from an attorney.

We're going in to the degree that we're using special envelopes that feel a little different. They're either cotton or linen envelopes that costs just a little bit more but not really that much if you send out enough volume or if you buy on bulk. Nowadays, they'll go to officedepot.com and go find a few rims of them and they are really cheap.

My goal is when people get their mailbox, they look through the mail, I want my envelope to feel different than the other envelopes and therefore it goes right away into the box where they



at least going to check it out. At least got to open it to see what's in it. That's all we can ask for. They open it and see what's in it and that has worked very well.

In the letter, we basically very simply say, "Hey you owe property taxes and a few other things and so on," but we're asking them to call us. They call us, we talk to them and now comes the best part about dealing with land.

By the way, we do this differently. Nowadays, we have fine tuned our system such that we're going to go in two different directions. If we know, if we take a list from the county, we separate out the land parcels, we send them that one letter and that one letter gets anywhere from 8% to 20% response rate.

If we go after a house, we separate out the houses, we do a different strategy on the houses because it has shown that the people with a land, they don't even know what to do with that land. A piece of land, just in their mind just takes property taxes out of their pocket. They really don't have a clue what to do it.

They're responding to that letter like crazy. The house people, they are perhaps living in that house and haven't paid the property taxes. Perhaps it's a rental house or so. They're driving still some income on it.

The house world, we actually do have to go down and send them multiple letter sequence. We send them a letter, then a postcard, then another letter to get them to call. Now, we're doing both nowadays. We buy and we're flipping land and we're flipping houses.

You have to develop. We have adjusted to the market needs, but in the land world, we don't even send them a repeat letter. We just send them one letter and we're getting flooded with deals just from that.

Sean Terry: That's awesome. We got the list, we got the letter and what is the type of person you're ... What's the negotiation tactic? They call from you. Let's talk about land first and then we'll get in the houses, but land, what's the evaluation process? You're gathering, giving me the parcel number, giving me the back taxes, what's your situation, what is the process of actually talking to them?

Jack Bosch: When calling them, we have a questionnaire, basically a script, call script that every person that takes the phone calls, answer, goes down word by word. That thing, there's a bunch of questions on it like ask for the property location, ask some questions about utilities, about if



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there's water, septic, sewer, the road, a paved road, etc., etc., and a bunch of additional things on there.

Then at the end it asked how much they want for the property and then they basically close their call with a scripted person and then the beautiful thing about the land part is ... I'm glad you asked to go for the land first because land is really the simplification of real estate.

Even in that regard, the competition on the land area is so low, almost non-existent. It means that when you sent this letter and they call you, you are their only chance for buying this property in the moment because nobody else is sending them a letter.

They don't know that it's very simply just have to put that property on Craigslist and they could sell it tomorrow. They don't know that they could very simply put that property on a whole bunch of already existing websites that get a million visitors every month that exclusively deal with land.

They don't care even more. They just want to get rid of their property. The negotiation is almost non-existent. You basically ask what they want for it and often they just say, "I don't know, just make me an offer." Then you'd go and analyze the property and the analyzing off the property is very similar to houses. You're basically looking for comps.

You're looking for either listed comps or sold comps. If you only find listed comps, you got to take into consideration that they're a little bit higher than what they're probably going to sell for, so you got to adjust a little bit downwards, choose a very simple formula we use for that and then you find comps for that everywhere out there. Trulia, Zillow, realtor.com, all these places have lots of properties available listed there.

You find out what the property's worth and then you offer. We have a little software in our system that you just basically plug in what the properties worth, it tells you what to offer. The key is we don't offer more than 25% of market value ever. We offer between 5 and 25 cents on a dollar.

These people don't want their properties anymore. There's no reason to pay for more and the beautiful part about that is, again, that if you offer 10 cents on a dollar, what happens if your valuation estimate was a little bit off? It doesn't matter, because you have 90% market ... You got a 90% margin of error here.



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If you think the property is worth 40 grand and you offered \$4000 for it, does it matter if it really was only worth 30?

Sean Terry: No, it doesn't matter because you can still sell it for \$9,000, \$10,000, \$12,000 all day long.

Jack Bosch: Exactly. You'll sell it for \$12,000, \$15,000, make a quick 10 grand and sell \$8,000 to \$12,000 on it and you move on to the next deal. That's the thing. Because they don't get letters from other people, we don't have to rush making these offers. That's probably the number one difference between the houses and the land.

When we get a house phone call, we go to the script, we go put it on a stack or we entered into an online system that we have now, and then we look our land offers once a week. If somebody calls, if we do our land offers Fridays, somebody calls Saturdays, call center picks up the phone, submits the offer, submits the information, nobody is going to even look at that deal until the next Friday and then offer are being made on Friday.

What it allows you to do is allows you to actually build your business around your schedule instead of having your schedule demand, having the deals demand, what your schedule is. That's really, really nice part.

In the housing world, you got to jump a little more. If somebody calls and it's a smoking deal, you got to make sure you get back to their guy the same day, you got to make an offer by the next day, but even here, we have realized that we have a deal in the works right now where the seller called us 10 days ago.

We went out to the seller or actually the guy that does it for us went out, two days afterwards, we had all the details together, he went and called them, they haven't gotten another phone call from anyone else. They send them the document, they played phone tag for another day or two and almost four days into it, they still haven't gotten an offer from anywhere else.

Then they got the offer, they accepted the offer but they didn't sign it. They wanted to come down here last weekend. They came down last weekend and they finally signed documents today. It took over a week to get the thing signed up and in that week, not a single other house buyer came on the market and take that property away from us.

Sean Terry: Which is pretty rare, because you have ... Whether it be Google AdWords or whether it be absentee owners, whether it be inheritance, probate, divorce, a pre-foreclosure, they have a stack of letters from 10 other people that they can go through.



When they're ready to make a decision, "I want to sell my house," they're going to call three, four, or five people and now you're going to be competing. Where in your world now, there's very few people that target that niche and then you're the only one speaking to them which that means you can get way better deals.

Jack Bosch: Exactly. You can get better deals and you don't have to rush around like crazy making a deal happen.

Sean Terry: That's what you say, you get the properties into contract. Let's talk first land when it talks about selling and then we'll talk about the housing. The houses, everybody knows, it's fairly easy, you can put the house on Craigslist, you can talk to other wholesalers work with them on some sort of split and they can market the property. You can put bandit signs out to find buyers in that way.

With land, it's a little bit different though. How do you market and find buyers for a land?

Jack Bosch: It's actually not that much different, that's just that it's different websites. Craigslist works just as well. You can put your property on Craigslist, but then there's websites out there. You might want to check them out like landflip.com, landwatch.com, they get millions of visitors on their website and all they do is allow people to put their properties on there.

You have to pay a little fee for month to put your property on their website, but it's well worth it. We even advertise ... We have a big buyer's list. We have our own website, it's sunnyland.com. I'd be happy to share that with the world like the opposite of rainy land, sunnyland.com.

On our website, we also get 30,000 visitors every month on our website looking for land we're selling lots and lots of properties. Just yesterday over ... Just over the weekend, we sold two pieces of land right now and nobody was in the office because they can just check out online and buy these properties, secure them and then we just ...

When we come back on Monday in the office, we just generate the paperwork and send it them and we even allowed people to pay for their land with credit cards. That's kind of a little bit different.

Sean Terry: One thing I thought and guys for listening, we'll have these links in the show notes for you so don't worry about scrambling, where you're driving or you're at the gym right now listening to



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working out, trying to remember the links, but I will have them in the show notes for you at flip2freedom.com.

That is interesting. If you go to sunnyland.com, you'll see that Jack, what he does is he markets for these land deals, gets them for 10 to 25 cents on a dollar, he then puts them on his site and turns around and resells them at a higher profit, at a higher number and people can pay with their credit cards and he just runs in to his merchant account and then he gets paid that way, which is absolutely brilliant.

Do you sell them on installment sale as well or strictly just through...

Jack Bosch: That's the other part. Much more than ... It matters much more on how you sell them, then where you sell them. Here's the thing. Building up a buyer's list is not hard. I'm sure you have podcasts, you teach people how to do that and so on and redo the same thing.

We have a buyer's list of almost 30,000 people but it took a little bit to build this up but there's many ways to do that. The key is to selling these properties and probably the key reason why the original owner was not able to sell it at a good price is that banks don't lend on land. That's a key distinction between houses and land.

Banks do not give you money for a land purchase, at least not for a land purchase that you want to hold on to for several years and just for appreciation. Therefore, number one, that means that almost all pieces of land that you're going to buy are free and clear because the original owners, they also could not get any bank lending.

Also what it means is that when you selling these properties ... It means that they were not willing to offer any kind of sell up financing for their piece of land that had a very small, a fairly small buyer pool.

They could discounted the property, sold it in half price and so on, they will have sold it, but the fact is, back then, back in the days, they just said, "I want \$30,000 for my property and I don't want to dime less and I don't want to do seller financing." Nobody bought that property. They hold for it for another 10 years and after 10 years they're like, "Man, nobody wants this property. I'm just got to get rid of it. I'm just going to stop paying property tax."

I show up, now they're frustrated enough. They're willing to let that property go for \$4,000, I buy it and I turn around and now I sell it with all the possibilities to seller financing that the buyer wants. I might mark this property up to the full \$30,000 in value that it's worth and I



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might say, "Hey give me \$2000 down or \$3000 down on this deal, a 10% down and pay me \$500 a month or \$4000 a month for the next 12 years."

People do that because it's the same concept of selling cars. Car dealerships wouldn't be able to survive if they would have to sell every car for cash. They're all selling now their cars with seller financing. We're doing the same thing. We're allowing people to buy their properties for ridiculously low down payment.

Sometimes, we do a promotion where we allow them to do a down payment of \$20. \$20 down payment and monthly payments of \$100, \$200, \$300, depending on the price of the property. Sometimes all the way up to \$800 because what we're looking for is not the down payment. What we're looking for is the cash flow.

When you buy a property that's worth \$30,000 and you pay \$3000 for it and somebody gives you even just \$2000 in down payment and pays \$400 a month, how many months does it take until you have all your money back? Now it takes three to four months when you get your money back, right?

Sean Terry: Right, exactly.

Jack Bosch: After three or four months you got it all back and now every single dollar that you get for the next 12 years is free cash flow profit in your pocket without any tenants, without any toilets, without any termites. We built this thing up to a very substantial, almost six digit month income from just land payment.

Sean Terry: That is awesome. Every single month. Do you find that people default?

Jack Bosch: Sure. Sometimes they default.

Sean Terry: You take the property back, you can foreclose on it and then you can re-market the property for a down payment and then all those payments you collected now become cash in the bank and then you can resell the same thing probably the higher price because now there's appreciation.

Jack Bosch: Exactly right. Financially speaking. It's not our business model to go and try to have people foreclose. We want to actually truly have people be successful and perhaps people be happy with our property and pay it off and live happily ever after on their piece of land.



Foreclosures do happen and defaults do happen, but financially speaking, they're actually the best thing that could happen. If somebody paid three years already, \$300 a month, that's \$3600 a year. Let's say that's \$10,000 over the course of three years that they've already paid and then they stop paying.

Even if it's a judicial foreclosure that we have to do it, that might cost us \$1000 to foreclose on them, even though in many cases, you can foreclose for 50 bucks or \$100 if you use the right kind of paperwork, then you get to keep the full 10 grand and now you get to sell the property again for potentially even more money than you sold it in the first place.

Yes, it's financially speaking the best thing that could happen. Luckily though for the people, not more than 5% to 10% of people are usually default.

Sean Terry: This is a great business model, not only to flip properties and generate revenue off reselling them, but as you're generating this revenue to be able to purchase the properties and then resell them for cash flow. You could sell them quickly to generate \$5000, \$10,000, \$15,000 in profit or you can sell them on terms as well. Now you get to \$200, \$300, or \$400, \$500 a month cash flow coming in. Do you charge interest or is this strictly just principal payments?

Jack Bosch: No, you charge interest. That's another beautiful thing in the land world again that ... By the way, you can do the same thing with the houses. One of my students actually, last week, the deal on a contract, a piece of land with a mobile home on it worth about \$20,000. He's getting it for \$2000. That's everything included, back taxes, anything included in that \$2000.

The seller only makes I think \$1000 on it and there was \$1000 on back taxes and he's flipping this thing for \$20,000 with probably like somewhere between \$500 and \$1500 in down payments and \$400 a month for about 10 years.

This works on mobile homes, this works on houses, this works on everything out there. The key to answer to your question though is yes, absolutely we charge interest. Because the banks don't lend interest, because there's really only a private market for these land seller financing loans, you can actually charge a much higher interest rate the banks charge. I don't know what banks charge right now in the housing area, probably like, say ...

Sean Terry: 4%?

Jack Bosch: 4% to 6% or so. In land, you can easily charge 12%.



Sean Terry: Now, you bought a property for \$3000, it's worth \$30,000, you sell it for \$25,000 on terms and you're charging 12% interest on the differential of their down payment. Let's say they put five grand down, \$20,000, which is basically fabricated the money. It's like you've already got your down payment, you already got your money back but now you have \$20,000 of a note you're carrying back on the property where people are paying interest on it. It's just amazing. It's a phenomenal concept of leveraging tax delinquent properties.

Jack Bosch: Yes, that's exactly right what you said and it all came out just listening to the market. At the very beginning you said it earlier. It's like we need a cash. We started this with \$3500 to our name, that's it. Everything we owned was owned on installment payments. Our couch, our bed, our beds frame, our refrigerator. Everything was made to be made. We're in debt up to our years. We have \$3500 on the bank and that's when we started with that.

I was not looking for cash flow in that moment. I was looking for plain old cash. That's why the first property made us \$3600 or \$3400. The second one made us \$9500 and so on and so forth, but after a while, some people said like, "Hey Jack, I love this property for 25 grand, but would you offer seller financing?"

I said, "Well, why not? How much are you willing to put down?" Once they told me they're willing to put down more money than what I have paid for the property, that was like, "Sure." I get all my money back, I get to do another deal with that same money and I'm now getting cash flow for the next 10 years, \$350 a month.

I'll do this all day long and that's when we started selling properties with seller financing. I really fell in love with it because when you get the bunch of deals with seller financing and you get \$10,000, \$20,000 a month in cash flow coming in, you can go on vacation for three months and when you come home, you probably have more money in the bank account than when you left.

Sean Terry: That's awesome. That's a great deal. That's so cool. The difference is that you can buy all these houses, but typically you have a house, you have ... Either you'll buy it free and clear and so you're buying \$40,000, \$50,000, \$60,000, \$70,000, \$80,000 \$90,000 house or \$120,000 depending what state you're in and then you have to ...

To get cash flow of that property, you have to then ... You have to either buy it cash, so you'll eliminated to buy one property or so, then you have to turn around find a tenant to put in that property so you got to either put money into it to get it cleaned up, to be able to rent it and



then now you have to collect rents maybe 700, 800, 500 whatever the numbers is, \$1000 a month to collect rent off this.

Then you had to for maintenance, you have other things you got to pay on the property. Yeah, owning rental real estate, but having a piece of land that you can buy for \$3000 and sell it for \$30,000 on terms is amazing. It's amazing concept. That is killer.

I know you have ... We only talked about two strategies. I know you have three other strategies and you will be doing an event that will get in to this and obviously we could be on here all day long talking about how cool is this ... Tell us about this event you have coming up in January.

Jack Bosch: Thank you. Yes, you are right. I have an event coming up on January 23rd to the 25th in Orlando Florida and this event is my Jack Bosch Live, my tax delinquent real estate investing event where I share all five of the techniques that we have. That's correct, we only covered two right now, really two and a half or so and I have two to three more techniques that I absolutely ... They are fun to do and they're all based on the same philosophy but they take you to a completely different directions.

One for example is a technique where you buy properties just before the auction, just before a tax deed auction and you do nothing. You let the government sell it for you and you still receive a huge check afterwards. It's kind of like half the effort, double the fun because you just buy it. Completely put up your feet on the desk and wait until the auction is over and then you collect a big check.

Another one is secret ways to get the best deals at the auctions and so on and so forth. Basically, it's all designed to show you the different ways, five different ways to make money with tax delinquent properties. That's the subject of the event. There's no outside speakers, it's just me speaking and my team. My team I mean the people work for me, work with me in my office.

It's three days of morning to late, all day long, content, content, content, content just like we did right now and obviously much, much more detail. Yes.

Sean Terry: At the event, you'll not only explain these five steps in detail or these five formulas in detail, but you'll also go into depth on the list where to get it, how to sort the list to determine the designations of land versus single family house versus commercial and how to target in that.



I'm sure you also share your mail piece on who to send it, to what different list. You said you had an answering system, maybe the system behind that, the software you use to determine your offer prices and then your software use to manage your database of all your buyers and sellers and how that works.

Then students have the ability to, if they get a land deal in a certain area to be able to work with you, to market the property on your site, you're sending land site.

Jack Bosch: Absolutely. Yes. The answer is yes to everything you just said. We literally go to every single techniques, step by step through and show you exactly the mail piece. They show you the software, tell you exactly how to filter it down the list, tell you exactly how to close on the property. Three different ways, ways that you actually can close and without even using a title company.

Ways that you can close them halfway using a title company. It goes into the nitty-gritty of exactly how to do this. People walk out of the seminar usually saying it's the best seminar they've ever been to in their lives because it's no hype and just your events, it's no hype, it's just ...

Sean Terry: Raw content, right.

Jack Bosch: Just content, content, content, so exactly every single thing. Plus, we're doing extensive Q&A and so on. Yes, the people who do have a deal, they absolutely ... Actually, that's something reserved only for my students, for my customers, for my students is that when they have a deal, they can actually put their deal free of charge on my website on sunnyland.com and advertise it there alongside my properties.

We're getting people on a weekly basis. We get students of mine calling back in and saying, "Hey, can you take that property down? I just sold it from your website." They're making tens of thousands of dollars just by putting it on our website. We help them market it through our website but making our website available.

It goes from A to Z. We're there for the entire week, in mornings to evenings and we're going into step by step walking down to every single step off this transaction. How do you get the list, what list exactly do you get, what do you make sure is in that list, what exact fields are in that list.



You make sure that when you go to the county, you don't just say, "Hey I want a list." No, you go and say, "I want this list and these fields needs to be in there," and then they'd give it to you and you have absolutely everything you need to move forward to the next step.

It's really step by step ... The German way, always done, very systematic. Yeah, it's a great event.

Sean Terry: It is in January 23rd through the 25th, Orlando Florida. If someone wants to find out more, they can go to jackbosch.com/live. We'll have this link in the show notes, but if you go to jackbosch.com/live, you can go there, you can see all the details, you can see more about Jack, his story, you can see ... Don't you have limited seating on this or how many ...]

Jack Bosch: Yes. As a matter of fact, we have only ... We have a fairly small room. We only have the space for I think 90 people, 95 might be able to squeeze in and currently we have already over 70 seats sold. There's only about 20 to 25 left.

Yes, that's limited seating. That's not a gimmick. This is actually just ... We're not one of this big huge hotels that have multiple rooms. That's the only room they have and that's it.

Sean Terry: If you want to make your 2015 great, I've learned a ton of information. Jack shared me with information over coffee and when we're talking and stuff, but it is truly phenomenal. He's the real deal. I give him my 100% check of credibility endorsement. He's a great guy. He has a great family, beautiful daughter and he's going to go there and pour his heart out for three days.

That's a jackboschlive.com, B-O-S-C-H live.com. Like I said, the link will be in the show notes at flip, the number two, freedom.com, just look for the post with Jack. Jack, you did absolutely amazing. I love that you are not afraid to share everything that you know which is great so people that can listen to this can go, "Wow, I never thought about that. That is something interesting." They might start digging in and seeing if they can find a list, a mail piece and take those steps to adding that to their business model.

Jack is there any last words you like to share with these guys?

Jack Bosch: I wanted to thank you for having me first of all and to thank you Sean for having me on the show here. I love it and I love what you do here. Everyone out there, if you have not on deals yet, Sean is the man and his stuff is great.



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As a matter of fact, one of the deals that came through tax delinquent properties, we've flipped just a few months ago, we flipped a deal together basically was a house. Basically, I got the house under contract and I just met Sean at that event.

It was like, "Hey Sean, I got this house, you want to flip it?" He goes, "I was about to head out of town and so on and ..." He's like, "Yeah, sure." He had it flipped in a day. That's how good he is in these things and we're just looking at perhaps flipping another thing together, a property together right now. We just talked about just before we got on the line here. He is the man.

If you have already experience in real estate, perhaps I will share it with you and help you just add one more piece to your tool belt. If you're not yet started in real estate and you don't know exactly what to do ... What I love about my way of real estate investing is that its' a low cost, low risk real estate investing.

I put \$400 on the line on my very first deal. I figured, if the worst case happens, I lost \$400. I made \$4000 of it, but still I figured this is something I can handle at that point in my life. Now, I have rental houses. I have commercial property. I have all these different things, but with time, my self-confidence and my confidence as an investor has grown dramatically.

Everyone needs to start where their confidence level is. If you're beginning as an investor, perhaps this is something for you. Go check it out. Sean mentioned the link. Again, if I may mention it one more time, jackbosch.com/live. Go check it out, put a couple of things on there so you can walk around and learn more. If that's something for you, great. If not, you're in good hands with Sean here.

Sean Terry: Jack, you've been a pleasure to speak to and I am sure people are enlightened from listening to this. They can leave and use this concept for this hour that they spent to go out and generate revenue. What a cool thing ...

Wouldn't it be a great thing to not only be able to target this niche, to be able to find deals, houses, land to be able to turn down, flip some, make some immediate cash and then turn around and then find some land deals in whatever the market they're in and be able to build the cash flow where you're selling these properties on seller financing.

You got sellers now or buyers now sending you checks every single month and to be able to build, not only cash flow, but immediate cash. It's a great thing. It's something you can do around your job and I have experienced it because we flipped ...



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The reason why it sold so fast is because he got such a smoking deal on it. Deals sell very quickly if you get a very smoking deal and that's what he did on that particular property. Go to jackbosch.com/live. Learn more about Jack and the event, January 23rd through the 25th in Orlando, Florida. I think he has like 20 or so seats left.

If you're serious and want to make your 2015 rock with a new method of finding deals, I would definitely say to go there, get signed up and attend because it will be worth your trip and it will be worth your time and money spent.

Jack, again, thank you so much. You did a phenomenal job and we will talk over coffee and maybe after thanksgiving. For everyone listening right now, have a phenomenal thanksgiving. If this is listening to after thanksgiving, then have a Merry Christmas coming up. We'll talk. Jack, a pleasure. Take care.

Jack Bosch: You too. Thank you.

Sean Terry: See you.