

SPECIAL REPORT

Private Lending

What the Banks Don't
Want You to Know

Riley And Associates, LLC

SPECIAL REPORT

Are You Expecting Social Security To Provide Your Retirement?

Dear Friend,

If the answer is no, and I'm sure it is, please pay very special attention because the following information could make you thousands of dollars in the coming years simply by increasing the yield on the same money you're investing now.

I am a professional and qualified Real Estate Investor and I'd like to spend the next few minutes talking to you about a way you can control your investments and safely make them grow at three to five times your current rate. Yes, I know it sounds too good to be true, but it isn't. What I'm going to share with you is very common in real estate circles and has been going on right under your nose in every city in America.

Smart people have been utilizing this investment for years. In fact

There Have Been Entire Companies Built Around This Investment and Those Who Do It Properly Have Grown to Huge Proportions.

This is a very safe investment that produces high yields while at the same time provides security and liquidity.

Do you know what \$25,000 is worth in five years compounded at a 3% yield? It's worth \$29,040. But now let's take that same \$25,000 and invest it for the same five years at 12% simple interest instead of 3% compounded. Now it's grown to an amazing \$40,000! **That's a \$10,960.00 Difference - Simply by Upping the Yield from 3% to 12%**

That's An Extra \$2191.80/year

Take Control of Your IRA, Pension Plan, Savings or CD's

**Increase Your Yield
Earn 12% Instead of the Average 2-4% Interest**

Take a look at the following chart.....

5 Years

Amount	3% Compounded	12% Simple	Net Increase
\$10,000	\$11,616	\$16,000	\$4,384
\$25,000	\$29,040	\$40,000	\$10,960
\$50,000	\$58,081	\$80,000	\$21,919
\$100,000	\$116,162	\$160,000	\$43,838

These numbers are huge when you consider that in the above example the interest earned on the 12% investment could be invested to begin earning 12% too!!!!

If you expand it to a ten year term, your \$25,000 would be worth \$33,734. at 3% but if you change the yield to 12%, it grows to an incredible \$55,000. That's \$22,266.00 free dollars you will actually receive. Can you really afford not to control your own investments? Does it make sense for a bank to run your investments for you? They would like for you to believe it does.

Well, there is an alternative for you to consider. That alternative is.....

Private Mortgage Loans

You can loan money, secured by a first or second mortgage that will not only give you the safety you want but will also give you the high yield we've discussed.

Let me see if I can answer some of the questions you may have about making private loans.

Who Borrows At High Rates?

We do because we have learned that...

**It's Not the Cost of Money That Counts,
It's the Availability.**

I make it possible to acquire good deals in houses because the funds were available from private lenders that would not be available from banks. If a Real Estate Investor can get good at locating good deals on houses, many times the bank wants to loan on the purchase price not the value of the house, thus penalizing him for being an astute Real Estate Investor. Having the money available will make or break the deal and paying a higher interest rate is irrelevant compared to.....

**The Loss of Thousands of Dollars in Profit
Had the Money Not Been Available Quickly.**

What Kind of Loans Are Private Mortgage Loans?

Let's clarify what kind of loan a private mortgage loan is. It is a loan that you make to a Real Estate Investor and in turn your loan is secured by the actual property that the Real Estate Investor purchases. That gives you security. I'm not talking about high loan-to-value loans the banks and savings and loans make on homes. We deal with very low loan-to-value (LTV) loans. By that, I mean no higher than 50 or 70% of the value of the property securing the loan. Our typical LTV is 60% to 68%. That gives you additional security. This means if a house appraises for \$60,000, we could buy it for \$42,000. That's a 70% loan-to-value. It's obvious why this is a much safer approach than most lending institutions take. The banks make loans at an 80%, 90%, or even 95% loan-to-value ratio. Banks just don't have any cushion.

You, as a lender, won't lend more than 50% to 70% LTV regardless. You're making a safe loan. You should never make a loan without a 30-50% safety net. We don't violate that rule, so you come out a winner.

Do I need a lot of money?

No! I have made loans as small as \$5,000. The amount of the loan is determined by the borrower's needs.

Who handles all of the details?

We will. It's our job to get you the proper documentation and protect your interest. All of this costs you nothing. The borrower pays all costs. If you make a \$25,000 loan, you send a check for \$25,000 to the closing agent and you get a mortgage for \$25,000.

How do I get paid?

I will set up your account. Just set back and let your interest accrue until the house sells and we will send you a check for your principal and accrued interest. If you're retired and like a quarterly/monthly check, we can do that too at a 10% interest rate.

Is this a long-term investment?

It can be any term you want. You're the boss. Usually a private investor wants a five-year term, but some don't care if it stretches to ten or fifteen years. You can pick a term that suits your strategy for retirement. It's your money and it's your choice.

What if I want to liquidate?

If you want out, it will take from two weeks to a month. You really shouldn't make mortgage loans if you feel you will liquidate shortly, but the option is always available. And unlike a bank CD, there is no penalty for early withdrawal. Just call and we will handle all of the details.

Is my investment really as safe as it sounds?

Yes! We follow these common sense guidelines that we've talked about.

Your money will grow two, three, or even four times faster than your current investments and you maintain control.

Remember that making loans is a business and should be treated like a business. If you set up a simple system and let the professionals implement the system, your loan portfolio can be hassle free and produce staggering yields. Also remember, all costs are to be paid by the borrower.... not you!

Is this a mortgage pool?

No! You make the whole loan yourself. You get a lien against the property. You are the bank.

How do I use my IRA's or pension plan?

Making real estate loans is a widely accepted use for IRA's and Pension Plans. Think of it, now you cannot only loan out money that has been unavailable for you to use, but you can make it grow rapidly.... **Tax Deferred!**

Since Uncle Sam isn't taking a bite out of your profits until you draw out the money, more money is left in the account to compound and grow. The results are staggering...

In order for you to use retirement accounts for loans they must first be administered by a "Third Party Administrator" or TPA. This TPA is set up and approved to administer your loan activities. This means you will probably have to transfer your plan to one of these TPA's, unless of course, your present administrator is set up to do that.

When your TPA is located, simply send the transfer form to them and they'll do all of the work for you. Once you've done that.....

You're Now Ready to Make Loans!

When we've selected a property, you simply notify your TPA where to send the check for the gross amount of the loan and you're in business. There should be no cost to you except your plan administering costs. Some TPA's will even collect monthly payments for you and deposit them into your account. We have selected Equity Trust Company in Elyria, Ohio as our preferred TPA.

If you have any questions regarding your plan or its administration, contact your Plan Administrator. If you need help transferring your IRA just give me a call. I've located the best in the country and I have all their forms in stock, so you can get going immediately.

What are my options if Riley And Associates doesn't pay?

Actually, there are several options but first and foremost, let us make this plain and simple to you: **We do what we promise!**

To answer this question:

- 1) Call us and we will send your money back
- 2) We could ask to restructure the note. For example, let's say we are behind on payments to you. Now Riley And Associates can and would like to keep the house, but they can't come up with enough money to bring you current in one lump sum. You could let him continue to make regular payments and make an extra payment on his arrearage in addition, or you could simply add the arrearage to the principal balance and extend the term of the loan. This means you would be collecting interest on interest for the entire remainder of the loan. There is almost always ways to work it out if both sides are willing.

3) Have Riley And Associates deed you the house. This is an opportunity for you to get a house at a greatly discounted price. When this happens, you can create a tremendous profit center by reselling the house.

4) If left with no other choice, you should simply foreclose. Foreclosure isn't the evil, time consuming, costly legal process that most people think it is. It's as simple as sending your note to an attorney and saying 'do it'. All you have to do then is sit back and wait. Nine times out of ten, before foreclosure is complete, someone will be calling your attorney's office with a payoff letter, and your loan will get paid off. When this happens, you will collect all accrued interest, your principal balance, and all attorneys' fees, court costs, and all other expenses you have incurred in connection with your loan.

If you wind up with the house doesn't mean you have to keep it. It can be sold immediately at a fair sale price and still produce a profit over and above your already high yield on your loan.

Now, we're doing a lot of talk about default here and maybe more information than was necessary, but we just wanted to make sure you had all the facts and your questions are answered. In our years of business we have **never** been late on a payment to a private lender.

What kind of documents should I receive?

Your closing package should contain the following:

- 1) An original Promissory Note.
- 2) A copy of the mortgage. The original will be recorded and then sent to you.
- 3) Title Insurance
- 4) A fire insurance endorsement naming you as mortgagee. These documents provide you security.

In Summary

Well, we've covered a lot in the short time we've had together. I hope I've enlightened you on the awesome power of making private mortgage loans. If it appeals to you, you can get started right now. While most people are complaining about the low rates they are getting on their CD's and other low paying investments, you could be receiving a return of 12% all of the time.....

“Are you now ready to take action?”

So what's it going to be? Are you going to continue to let other people control your money so you only get a return that barely keeps up with inflation? Or are you going to take control and make sure that when you get ready to retire, you can do what you want without worrying about money, and if you are retired, squeeze every interest dollar out that you can.

Private lending is an incredible way to build wealth in a hurry that most people aren't aware exists. You're not one of those people who are uninformed anymore. If you have more questions give me a call. Perhaps we can get together for lunch or just chat on the phone.

Sincerely,

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