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**The Complete Guide to Making Your Fortune  
in Real Estate Using Short Sales**



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## **The 5 Biggest Short Sale Secrets & How You Can Make Money Using Them**

By  
**Phil Pustejovsky**

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## MY STORY

Congratulations on taking action towards making big money with Short Sales by requesting “The 5 Biggest Short Sale Secrets and How You Can Profit From Them.” My name is Phil Pustejovsky with the Real Estate Leadership Institute and I teach students all across the country how to make their fortune with short sales.

Before I dig into the 5 biggest short sale secrets and how you can make money using them, it is important that you find out where I came from and why I am qualified to coach and mentor you on short sales.

My story begins right after college. I had earned an undergraduate degree in mechanical engineering from Vanderbilt University and managed to talk my way into a sales engineering role with the Trane Company. But after reading numerous books on entrepreneurship and investing, I made the impulsive and irresponsible decision to quit my job to pursue a career in real estate. Unlike many job-quitters, I actually enjoyed working with Trane and further, they were paying me quite well. The reason why I made such a radical decision was because I saw entrepreneurship as the highest probability of attaining financial freedom and I didn’t want to reach this level after 40 years of adding a small amount every two weeks to my 401K. Like most young people, I was impatient for success. In addition, since I had little to no responsibilities, my thought was, “What do I really have to lose? I can always lean on my engineering degree if I’m not cut out for running my own business.”

The real estate investing books I read described a very simple formula for creating instant cash with no experience, no cash, no credit and no real estate license. The Formula: Find real estate sellers willing to get rid of their property for 60% of the as-is value and then immediately “flip” the property to an investor who will pay 65%-70% of the as-is value. That would leave 5%-10% profit to the middle man (me). This became my business plan and I had the seemingly logical and reasonable thought, “How hard can it be to locate these deals when I have all day every day to look for them? If I only do one of these deals a month, at an average of \$5000 per deal, this will keep me afloat until I learn how to do the really big deals.” What a terrible business plan.

I ran into the 21<sup>st</sup> century. What I found was that locating a seller willing to get rid of their property at 60% of the value was very, very rare. As you may rightfully assume, very few people are inclined to practically give their property away for 60 cents on the dollar. Surprisingly, this wasn’t the massive flaw in my plan though. I full well knew that only a very small percentage of people would ever consider selling their property for 60% of the value. The main problem was that most sellers had a loan (or loans) on the property. In other words, lenders had beaten me to the punch! Lenders had grabbed the equity out of the property by lending the owner that money. Therefore, the small percentage of property owners who would be willing to practically give away their house had now borrowed that equity out. My business plan literally crumbled under the weight of the real world.

It had been a year and a half after quitting my job and my financial life was in shambles. I had earned below the poverty level in income, had been working 60+ hour weeks, barely feeding myself, and living in the basement of a vacant property, full of mold, with the utilities recently cut off due to lack of payment. My only source of income at the time was refereeing pee-wee football and delivering phone books. Very few people close to me had any idea that my financial situation had sunken so low. For a few weeks, I lived literally on a case of Bush's baked beans. (In case you are wondering, you can, in fact, live for long periods of time on just beans and water, I am a living testament). It was quite a humbling experience, to say the least. But much like Alexander the Great, since I had gone that far, I felt I *had* to keep going until I found an answer. Rather than give up, I pressed on in search of a solution.

Fortunately, there was a light at the end of the tunnel for me. Our country had become addicted to debt and I noticed that property owners were not only borrowing against the property, they were borrowing as much as possible, a full 100% of the value (either by purchasing the home with a "zero-down" loan or by refinancing to pull out any remaining equity). The ray of hope for me was that the owners most anxious to get rid of their property were also those who had no equity. The people willing to do just about *anything* to get out from underneath their property owed as much as the value of the property and the best part for me was that there was no one to help them! These people were begging me to help them, literally. I thought, "Surely there must be a way to help the owner who owes \$400,000 on a house with a value of \$400,000 sell his/her property?" I asked others in the real estate industry how to help these people and I was told to move on to greener pastures, there was "no money in those deals."

At the same time, I was reading the book, 'Made in America' by Sam Walton. Sam's 10<sup>th</sup> rule of business was to swim upstream. He said that if everyone was going in one direction, you should go in the exact opposite direction. It didn't take a rocket scientist to realize that the opposite direction for real estate was to work with sellers who had no equity. I did have a huge problem though. How on earth would I make any money from a deal whereby the seller owes \$400,000 on a property that will sell for \$400,000? How do you help the seller out from under their upside down property? In my quest for an answer, I ran into many people who urged me to stay away from no-equity deals. In fact, a very successful real estate person told me that I would never make a career focusing my efforts on these types of sellers. Boy was he wrong!

The solution came to me by accident. I was meeting with a homeowner that owed \$70,000 on a town home with a value of \$50,000. I politely began to leave the property with my head down, depressed that yet again I had stumbled upon what I came to call an "upside downer" and no way to help her. She stopped me as I was heading to the door and said, "the lender says they will do a short sale and accept \$40,000." She actually had the lender on the phone and handed me the phone. I confirmed with the person on the phone and sure enough, the lender would accept less than their full payoff. It was at that moment that a light bulb went off in my head and I realized that there was a way to help upside down homeowners and make money in the process...with a short sale!

The industry term to describe when a lender agrees to accept less than their full payoff is a “short sale.” Now that I knew a short sale existed, my next challenge was to figure out how to make money from them. During this research phase, my financial life was in utter shambles and I was so broke that I ended up stuck at a gas station with an empty gas tank, no money in my bank account, credit cards maxed out, no loose change in the glove box and most destructive, no income to replenish the shortage. Thankfully, I was introduced to a brilliant real estate mentor who picked me up when I was down (he literally gave me a \$100 bill to get gas and feed myself that day). Together, we pioneered how to make big money with short sales. Our first deal together earned \$56,678. Jackpot! Our next deal was \$43,231. Cha-ching! Our third deal together was in \$31,536. And on and on and on. Within a year of working with this mentor, my financial woes were distant memory. As you can see, I am a true rags to riches story.

Together, my mentor and I have dedicated the better part of a decade to perfecting short sales and to teaching others how to change their financial lives with them as well. One of most profound pieces of knowledge my mentor imparted on me was a quote by Albert Einstein, “If you keep doing what you are doing, you will keep getting what you are getting.” It had never occurred to me that the reason why I was broke was that the decisions I had made and the actions I had taken had led me there. He showed me that if I was to begin making big money, I had to begin thinking differently. Believe it or not, most people are not mentally prepared to put a big check in their bank account. As you see in the news, most lottery winners spend their winnings frivolously and it disappears astonishingly fast. Why? When you mix new money with old thinking, soon that new money disappears. Now that you are a part of Short Sale Gold, it is important for you to begin mentally preparing yourself for big checks. It is real, Short Sale Gold is real, this business is real and it makes real money. The only way for your financial success can be interrupted now is if you allow old thinking to get in the way.

Starting today, commit to yourself that you are going to begin thinking like a financially successful person. Financially successful people know why they do what they do. So write down you “burning why,” the compelling reason that will drive you to reach your financial goals. Financially successful people don’t give up when they reach a locked door. They kick it down. Financially successful people know that the same thinking they had before is what led them to where they are now so they are willing to be flexible and open their minds to new ideas. And most importantly, financially successful people know that if someone else can do it, they can do it as well. If I can go to nearly living out of my truck to financially successful, so can you. If I can do it, so can you.

## **THE SHORT SALE OPPORTUNITY**

There has simply never been a better time in the history of this country to be in short sales. A recent article from the Wall Street Journal reported that soon, 1 in 5 real estate closings in this country involve a short sale. That's 20% of all the real estate closings that occur in America!

Even more striking is that a record 10 million homeowners owe lenders more than their homes are worth right now. If you just help 1 of those 10,000,000 homeowners in the next few months, you can personally profit upwards of \$32,000 or more and save a homeowner from financial disaster. You can be a hero and get paid very, very well for doing it!

To make 10 Million feel a little closer to home, picture how many homes are in the subdivision you live in, or the street you reside on. One out of every five homeowners is upside down. That means many of your neighbors need your help. You don't have to look any further than your own backyard, literally, to be apart of this incredible opportunity.

After discovering the following 5 secrets, you will understand the incredible opportunity that short sales provide you, realize that you can do it (regardless of your background or experience level) and how learning short sales from the Real Estate Leadership Institute will be your fastest and easiest way to making your fortune with short sales.

## **SECRET # 1 – SHORT SALES REQUIRE NO CASH OR CREDIT**

This will come as very exciting news to enterprising and open-minded individuals like yourself...you can make money with short sales without cash or credit. As you already know from my personal story, I started off flat broke without any cash and further, my lack of financial resources prohibited me from borrowing any money. But as you also know, I was able to make \$30,000, \$40,000 and even \$50,000 profit checks doing short sales from the very beginning. How did I do it? Knowledge.

Knowledge made the difference for me and it can make the difference for you too. My mentor taught me how to do it. But most people do not have the right person teaching them, so they mistakenly use their own cash, their own credit or both, when doing short sales. If these same people knew how to avoid using cash and credit in short sale deals, don't you think they would keep their cash in their pocket and avoid signing up for a loan? Of course! What makes the difference is knowledge.

Just think of the benefits of keeping your cash in your pocket and avoiding signing up for a loan; you save thousand in points and fees, you avoid the hassles of being approved for a loan, you avoid the risks of tying up your credit and most importantly, you have your cash available when you need it. For some, (including myself when I first started out), the prospect of not using cash or credit is the *only* way you actually have a shot at making \$30,000 or more on a real estate transaction.

Another heart-breaking mistake we see many people make is that when they do put together a terrific short sale, they immediately try to “flip” the deal for a few thousand dollars because they think they need the cash or credit to make the big \$30,000 checks. That is a costly lesson to learn. When you have acquired our specific short sale knowledge, you can walk away with a check for \$41,539 without using any cash or credit as Sameena recently did in Illinois. This is an example of a real profit amount, from a real student that we have taught the specific knowledge of how to close short sales without the use of cash or credit in the deal.

You can learn the details of how Sameena closed this deal as well as how to close short sales without your own cash or credit by joining us on our Short Sales Step By Step™ Online Training Webinar that is scheduled for this Wednesday.

Go to: <http://www.shortsaleteaching.com/webinar.html> to learn more.

And, as a bonus, you can “chat live” with me, personally!

## **SECRET # 2 – NO EXPERIENCE NEEDED WITH SHORT SALES**

Short Sales do not require previous real estate experience. You may be asking yourself, "Phil, the previous secret clearly revealed that knowledge made the difference. How, then, can it be possible for someone to be successful in short sales without prior real estate experience?" That's a good question. The answer is that a system eliminates the need for past experience. In fact, a well designed system will produce consistent, predictable, profitable results, regardless of who operates that system.

Have you ever thought about how it's possible for a McDonalds to be profitable regardless of the background and experience level of the owner? Whether an entrepreneur, a former nurse, an engineer or a secretary runs it, how does a McDonalds produce consistent, profitable results? The answer is that McDonalds has a well designed, business system and when the owner follows that system, the restaurant consistently produces profits. McDonalds has tested and re-tested every facet of their system with the help of other McDonalds operators as well and together, they have mastered the fast-food business. Their system works and it works regardless of the experience level and background of the person who works it.

The same is true for our business. When you follow our time tested, step-by-step short sale system, you too can create the exact same results I personally create every month. From the very beginning, you can operate like an absolute short sale pro because you are following a system that has been tested and re-tested by students all across the country. Our system works and it works regardless of the experience level and background of the person who works it.

We have even seen where experience in a given field can actually hurt rather than help an individual. I have personally met hundreds of real estate agents who have closed their minds to doing short sales the way we teach. Instead, they continue to struggle financially and complain about the economy. They are unable to profit with short sales even though short sales are all around them. Sadly, many of these "experienced" real estate people will be forced out of business. Meanwhile, our students, some with absolutely NO experience, are earning huge profits after only a few short months. Judy from Colorado is one such student who just picked up her first short sale profit check of nearly \$39,976. Not bad for a person with no prior real estate experience!

What gives Judy the ability to profit so well while "experienced" real estate professionals all around her are struggling? You can learn the details joining us on our Short Sales Step By Step™ Online Training Webinar that is scheduled for this Wednesday.

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### **SECRET # 3 – SHORT SALES ARE EASY**

Our results have proven that short sales are easy. On the other hand, we have heard many ‘nay-sayers’ claim that short sales are difficult. The reason why some believe short sales are difficult is because they do not have access to the tools that our team uses everyday. Most people in the real estate industry are trying to get short sales completed the hard way and they simply don’t realize that tools have been developed to make this business easy.

To illustrate the importance of tools making life easier, try to imagine traveling 10 miles by foot in dress shoes. Your feet would ache, your legs would be tired, your back would probably be aching and you would rightfully decide that traveling 10 miles is difficult. Contrast this trip with driving a car 10 miles. It may take you 6 to 10 minutes, the temperature would be comfortable, you would be seated and relaxed and you would then conclude that traveling 10 miles is easy. What's the difference? The proper tools.

Most people simply are unaware that the greatest short sale tools this world has ever seen is available. After such a long period of time in the industry, we developed a series of tools exclusive to the Real Estate Leadership Institute that make short sales easy. The reason why no one else offers these tools is that it requires hundreds and hundreds of short sale deals to be conducted. Further, one must have a network of short sale specialists all across the country to test, add ideas and fine tune each tool. When you have years and years of closed short sales from a large number of short sale specialists all across the country contributing to the further enhancement of these tools, you create these world class tools that make short sales easy.

Our students have found these tools to be invaluable in the execution of short sale deals. Just ask Cristina, a full time dentist looking to supplement her income, who closed on her first short sale deal and made close to \$15,000. She attributed our exclusive short sale tools as the reason why she was able to close her deal with ease.

What makes short sales so easy for Cristina and the rest of our students? You can learn the details by joining us on our Short Sales Step By Step™ Online Training Webinar that is scheduled for this Wednesday.

Go to: <http://www.shortsaleteaching.com/webinar.html> to learn more.

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## **SECRET# 4 – SHORT SALES AVOID USUAL INVESTING HASSLES/RISKS**

Short Sales do not involve the normal risks and hassles that nearly every other investing technique contains. That's why short sales are absolutely incredible and in a league of their own.

Let's discuss the two most common real estate investing endeavors and the common risks and hassles associated with them. First, let's begin with owning a single family home and renting it out to a tenant. This is what most people perceive as real estate investing to be; owning a property and renting it to a tenant. One major risk you run with rental property occurs when a tenant stops paying the monthly rent to you. You risk having to pay the monthly mortgage payment. You also experience the hassles of fixing up the place to get another tenant in the property. Further, you risk having to pay an attorney to evict the tenant.

I know these risks and hassles all too well...I own single family homes and rent them. If you cash flow \$100/mo on a single family home, it only takes one month out of the year for the tenant to be late to lose all of your profit. Plus, you usually have to pay an attorney and pay to fix the place back up. When it's all said and done, your risk in owning a rental single family home is the responsibility of having to come up with thousands of dollars in a very short period of time. The hassles of course include fixing it back up, finding new tenants, screening them, hiring an attorney to evict, showing up at court and on and on and on. If you have multiple rental properties (as I do), then you have to be prepared to come out of pocket thousands upon thousands of dollars to cover empty mortgage payments, attorney fees and repair costs.

Another problem is the common issue of when a good tenant's lease expires. You are forced to find a new tenant. If you were making \$100/mo in cash flow, if it took a reasonable amount of time to re-rent the property after your previous tenant's lease expired (1 month), you would lose all of your profit for the whole year. Ouch! Finally, what happens if someone is injured on the property and you are sued? Yet another hassle and risk. As you can see, owning rental properties certainly has a tremendous amount of risks and hassles.

The second common way people invest in real estate is that they purchase a "fixer-upper" or "foreclosure", fix it up and then resell it. This is also an activity I, personally, participate in quite regularly. One common risk you run into when purchasing a fixer upper or foreclosure is that you usually get a loan and that loan has a payment due each month. If you have trouble selling the property, the loan payment is still due each month. If you have disputes with your contractor, problems with renovations, issues with paint colors, the loan payment is still due. If you overpaid for the property, the loan is still due. The risk is that you are on the hook for a loan that must be paid back regardless of the problems or issues that come up. For many people recently, they purchased property at what they thought was a good deal only to watch the market depreciate rapidly and now are stuck upside down in the property. The hassles

list can be endless when fixing up a foreclosure or dilapidated house. As you can see, buying a fixer-upper or foreclosure certainly has major risks and hassles.

Now let's look at why short sales are so incredible. Not only can you profit with short sales without using cash or credit, but you avoid the hassles of being a landlord or a property renovator. That's what TJ did. He earned close to \$26,768 on his first short sale and it was hassle free and avoided the risks of borrowing money or putting up with tenants! He used specific strategies that we teach in our Short Sales Step By Step Online Training Program to go from \$0 to \$26,000 easily.

Learn how TJ avoided the normal hassles and risks of real estate investing using the strategies we teach in by joining us on our Short Sales Step By Step™ Online Training Webinar that is scheduled for this Wednesday.

Go to: <http://www.shortsaleteaching.com/webinar.html> to learn more.

And, as a bonus, you can “chat live” with me, personally!

## **SECRET # 5 – YOU PROFIT MILLIONS IN DOWN MARKETS WITH SHORT SALES**

Our current real estate market is absolutely perfect for short sales. With nearly 10 Million people upside down in their properties, now is the time to make your move into short sales. America needs your help. They need out from underneath their over-leveraged homes and you are just the person to help them. Especially when you consider that helping these people also helps you become financially free! The average short sale earns \$30,000 and it doesn't require cash, credit, experience or hard work. It simply requires the right specialized knowledge.

But you must act fast. Every day you procrastinate and leave this tremendous opportunity for "another day", you forfeit a lifestyle of your dreams. You lose the chance to be free to do what you want, when you want. Short Sales help others and help you financially.

The fastest and easiest way to learn short sales is to get a personal coach and mentor. Throughout our lives, we have all had mentors and personal coaches. In school, we had teachers and coaches who helped us learn how to read and how to play sports. In our careers, we had a boss or associate who helped us learn the ropes of our job. With our family, we had parents or friends to help us with our relationships and with raising children. It's clear, we learn best by having a mentor and personal coach to guide us.

I am committed to training as many people as I possibly can to live the life of their dreams with short sales. As part of that commitment, I am making myself accessible to anyone who wants to be financial free with short sales. When you join our upcoming Short Sales Step By Step™ Online Training Webinar, you will also have the opportunity to chat with me personally. As you can tell, we are much different than anyone else in our industry because we make ourselves available for our students.

Joining us on our Short Sales Step By Step™ Online Training Webinar that is scheduled for this Wednesday.

Go to: <http://www.shortsaleteaching.com/webinar.html> to learn more.

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To Your Success.

Sincerely,

Phil Pustejovsky