

Free Money..... No, Really! It's True!

by Reggie Brooks

Our Government makes hundreds of different programs available to distribute billions of dollars to us in the form of grants, low interest loans, and subsidies. The money is then appropriated by politicians who are smart enough to know that the best way to keep their jobs is by funneling Government money into the communities they serve. That's where we can step up and *reclaim* our money.

It's Our Money Anyway

I say *reclaim* because it's our money in the first place. The Government takes the money from us in the form of taxes, then gives it back to us in the form of grants, low interest loans, and subsidies. Here's the kicker... *The Government only gives the money back to the people who learn how to get it.* You have to learn how to ask for it! If you can follow instructions on an application, the chances are pretty good that you can get a grant for *something*.

Free Money For Almost Anything

Do you have an idea for a business? Want to invent something? Need help with living expenses? Want to change your career? Want to buy or fix up real estate? There is Government, Corporate or Foundation money that can help.

How about \$30,000 to tag Grizzly Bears. Not that daring? How about \$96,000 to study fish. Or \$43,000 to become a French Chef. Or over \$148,000 to rehab an apartment building. Sound too good to be true? Well, it's not. There are far greater stories.

Uncle Sam Can Be Your Very Generous Partner!

You have to see the bigger picture. To us real estate investors, Uncle Sam is our best friend and a great financial supporter. If you're a beginning investor, Uncle Sam's going to help you by guaranteeing that you get a decent loan to buy your first house or apartment building. There are many first time homebuyer programs that were created for that purpose. If you're having trouble coming up with enough money for a down payment, he makes it possible for you to buy with a 3% down payment (FHA), or a 0% down payment (VA). Then he makes the IRS give us a lot of tax breaks because we now own property. He even helps people in areas where people have trouble paying their rent under the Section 8 Subsidy Program. Our partner, the American Government encourages us to keep America strong by using these programs. When you learn how to use these programs, the financial rewards can be substantial.

Let The Government Help You To Make Money

Of the many different types of financial assistance available to us, I especially like the *Rental Rehab Loan Program*. Here how it worked for me. Several years ago, I purchased a four unit building that had my friends wondering if I had lost my mind. The units were one bedroom, one bathroom each, and were inhabited by four elderly ladies who had been living there from 21 to 24 years. The problem was that their rent had never been raised! The total income from that building was around \$460 per month! **FOR THE ENTIRE BUILDING!!** No, I'm not crazy. I did my homework and I found a Government program called the *Rental Rehab Loan Program*. The program required that I borrow at least \$5000 to be used for upgrades in the building. The benefit to me was that I received the money at a very low interest rate, and (much more importantly) the tenants would qualify to go on the Section 8 Government Subsidy Program!

A Great Win-Win-Win Deal

All four of my elderly tenants were *existing* on a very meager social security income. They lived in the fear that whoever buys the building will want to raise the rent. They knew that the market rent was around \$625 per month, and they knew that they could not afford it. They all thought that they'd end up homeless on the streets. They had no idea that these wonderful *Government* programs existed. I borrowed as close to \$5000 as I could (I wanted to maximize my cash flow), and started the work on the property. When it was all over, I ended up with a really nice building with 4 wonderful senior citizens as tenants. I increased the income from the building from \$460 per month to around \$2600 per month thanks to my partner, Uncle Sam.

Everyone Was A Winner

Everyone won in this deal. The Government won because they were able to get the money out into the community where it could do some good. The tenants won because they were able to stay in the homes they've been in for over 20 years. They actually ended up paying less toward their rent because of the Section 8 Subsidy. I obviously won because I was able to take a non-performing piece of property and turn it into a success. Thank you, Uncle Sam!

Do I Need To Have Good Credit?

That depends on which of the many programs you're applying for. There are some programs that are project based. In other words, if your project fits a certain category, the project itself can qualify for the money. It could be the real estate, the area, the tenants, or the business that qualifies, not you personally. If it's a program that requires you to personally qualify, then your credit can become a factor. But understand this. There are programs that are designed for people with bad credit. There are even programs that require you to be turned down by a bank before you can qualify for the money!

So, How Do I Go About Getting This Free Money?

I'm going to give you a thumbnail sketch of how to go about getting this *free Money*. My obvious limitation is that I don't have a full day to teach you in great detail. My hope is that what I share with you in these pages begins your great adventure in getting this money. As you begin your wonderful journey, please understand that there is a degree of work that is necessary. You may find that many phone calls and follow up are required to nail down that particular grant you've been pursuing. Make the phone calls. Do your follow up work.

You may find that the program is no longer in existence. Don't despair. There may be 2 or 3 other programs under different names that have replaced the cancelled program. So don't quit. There are so many different Government programs. Thousands of ways to qualify under different application processes. There are thousands of different corporation grant funds, foundation grant programs and non-profit organizational grant programs. If you can't qualify for 1 program, there might be 5, 10, 25, or 50 other programs that you can qualify for.

Use The Resources That Are At Your Fingertips

The first thing to do will be to make contact with the organizations that provide the money. One of the best sources to find these organization is your public library. Ask the librarian to help you locate Corporate and Foundation Grant Sources. There are literally thousands of corporations and foundations that give away money every year. Why? Because our system makes it very attractive for corporations who earn a lot of money to give it away and write it off rather than keep it and be taxed on it. And when you factor in the great PR they get for giving money away, it's a pretty good win-win deal.

Your Project Should Be Within The Grant Giver's Guidelines

Once you've made your initial contact with a potential funding source, ask them to send you all the information they have on their grant criteria. It will more than likely come to you in the form of applications and guidelines. These guidelines will usually lay out what it takes to get funding from them. Your project must fit their funding criteria. If it doesn't, go and find another source for funding.

Requesting Your Grant

When you're ready to request your grant you'll need to do so using two documents. One is a Grant Proposal, and the other is the Letter of Appeal. The difference between the two documents is that the Letter of Appeal is a summary of the Grant Proposal. If you're requesting a grant of \$2,500 or less, you can usually accomplish that by using the Letter of Appeal only. If you're looking for more, you'll have to use the Grant Proposal *and* the Letter of Appeal.

When you find the right funding source for your project, this is when you write your proposal and your appeal letters. Submit your proposal to as many funding sources as you can find. There are not many restrictions on the number of grants that you can receive. Why not get five grants instead of one? Why not ten grants instead of five. Get the picture?

Remember, You Are Entitled To This Money!

As I mentioned before, these are your tax dollars at work. Do not feel guilty! It's your money in the first place! Uncle Sam is a very generous partner who wants to keep America strong. He does this by making funds available to be used for specific purposes. Some of those "purposes" that Uncle Sam allocates billions of dollars for are in the area of real estate, small businesses, and education. I challenge you to learn about the programs that are available for you and take advantage of them. They are there for you to use, but only if you're willing to learn how to use them. Have a grand – Grant Adventure!