

Private Lending The Key to Freedom and Real Profit in Real Estate Investing

By Alan Cowgill

Most people don't realize it, but obtaining money for real estate deals has nothing to do with saving money for a down payment, going to a bank, filling out an application, and waiting to be approved. In fact, if you're going about things this way, as I did for many years, you're wasting time and losing money.

For me, discovering how to use private lenders in my real estate business has been truly life altering. The amount of money I make and the kind of work I do each day is incredible to me. And not only is it possible, it's really very simple. If I can do it, anyone can.

For seventeen years I languished in a full-time corporate position. I wasn't happy and I was barely making ends meet. I was thousands of dollars in debt and it was only getting worse. It wasn't the life I wanted. I felt that my life was just ticking away. When I sat down and really faced things, I knew in the end I could actually retire poor. Something had to be done.

Real estate investing came to me in the form of an infomercial at 2 a.m. on a Tuesday. The course piqued my interest, but the cost was \$159. Money was so tight, I didn't have \$159, but I did have a credit card and the company offered a 30-day money back guarantee. I held that credit card in my hand and considered the future I wanted. Then I picked up the phone and ordered the course. It was the first step toward a brand new life and eventual wealth beyond what I could have imagined.

But that was only the beginning. After a few years I took a second step that propelled my business and my life to a whole new level. In 2001, when I quit my corporate job and took the plunge full-time into the world of real estate, I was immediately faced with a very big problem. It turns out that this problem was the best thing that could have happened to me. You see, without full-time employment, traditional lenders weren't exactly eager to loan me funds. And without consistently available money to fuel my real estate transactions, I had no business at all. I tried everything:

- Banks
- Line of credit
- Hard money lenders
- Partners
- Credit cards

If only I had known that all of these methods, even if they had been eager to give me a loan, were complete wastes of my time!

Finally, about five years ago I learned a lesson I'll never forget. I came across a foreclosure on a \$150,000 property that was going for only \$70,000. I'd hit the jackpot! It was almost too good to be true. Of course I jumped at the chance to get in on this incredible deal. But I didn't have the available funds. It's every real estate dealer's nightmare. I scrambled to the bank, to my partner. I tried to extend lines of credit. But all of this took time, and time is exactly what you don't have with a lucrative short sale like this.

As you can guess, I didn't get the sale. By the time I had secured funds, the property was sold to someone who had the cash ready and could close within days. In this one deal I lost a potential \$60,000.

I swore then and there that this would never happen to me again. And it never did, because then I discovered private lending.

A whole new world opened to me and my investing has never been the same. Private lenders literally provide you with your own private bank to fund your real estate deals. Imagine: limitless funds that are constantly and immediately available. Today, I have more available capital than I do property in which to invest it. It's simply a store of money waiting for me to make use of it. And anyone can have this— that's what's so amazing. It's like a dream come true for any serious investor.

It sounds a little overwhelming, doesn't it? Let's slow down. I'll explain the specifics of private lending, and you'll see for yourself how this incredible system works.

Who are private lenders?

First of all, private lenders are everyday people. Some are retired, some work, some have substantial investment capital, and others have only a little. They may want to make the most of the savings they've spent their lives building, or perhaps they suddenly came into money through an inheritance or property sale. Regardless of their background, all private lenders are looking for a safe, high-yield opportunity for their funds. I give my lenders a guaranteed 10-15% return on their investment. There's nothing like it anywhere. The incredible thing is that most people don't know about this opportunity. They let their hard-earned money sit in CD's or IRA's. Some even risk the volatile stock market. The win-win reality of private lending is unparalleled. Really, you get immediate, limitless funds to invest in real estate opportunities at a moment's notice.

Your lenders get an incredible 15% simple interest on their money. They are secured by both a mortgage and hazard insurance on the home. The safety of their investment is guaranteed because the total investment is never more than 70% of the appraised value of the property. Your lender can't lose. If for some reason you would fail to repay the loan, they have the value of the property to reclaim their funds. Not a bad deal for your lenders.

Alan Cowgill is a speaker, author and real estate entrepreneur. Alan has bought or sold

over 175 investment properties. His step-by-step system “Private Lending Made Easy” teaches others to find private lenders.