



**KANSAS CITY INVESTMENT GROUP**

*A Non-Profit and Educational  
Real Estate Investors Association*

VOLUME XXXI, NUMBER 6

JUNE 2009

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- How to Benefit from the Bad Market

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### **June Event**

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Refreshments will be provided by: KCIG and Big Bob's Flooring Outlet

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### **Contact Us**

info line (816) 292-2822  
fax (913) 385-7084

[www.kcig.org](http://www.kcig.org)

[info@kcig.org](mailto:info@kcig.org)

### **President's Message**

Dear KCIG Members:

I would like to thank Scott Clifton for speaking at the May general meeting and thank all of you that were able to make that meeting.

Thursday, June 18 2009 6:30 pm KCIG will be having their annual BBQ (this will be in place of our general meeting). This is one of the best opportunities as a group we have all year to network; get to know your fellow members and what they do in real estate. Maybe you might be lucky enough to find a solution to a problem you have been having in real estate! We will start serving at 6:30 PM so come hungry and bring lots of cards.

I would also like to remind you that KCIG will be having it's first Webinar June 23rd 8:00 – 9:30 pm; the webinar will hosted by Caryn McKinney and Mark Klee they will be discussing "How to benefit from the BAD market!" In the webinar they will be discussing how to get consistent, reliable and predictable leads on underpriced real estate!

To register for the webinar go to

<https://www1.gotomeeting.com/register/260570648>

See you at the BBQ!

Sincerely,

Cindy Seely  
President

**Kansas City Investment Group, Inc.**  
**P.O. Box 411482**  
**Kansas City, MO 64141-1482**

## **KCIG Business Meeting**

**Date:** Thursday, June 18

**Time:** 6:30 PM Doors open for networking  
7:00 PM Dinner served

**Location:** Shawnee Town,  
11600 Johnson Dr., Shawnee, KS

*Refreshments will be provided by: KCIG  
and Big Bob's Flooring Outlet*

### **2009 OFFICERS & BOARD OF DIRECTORS**

Cindy Seely	President	(816) 728-1384
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**KCIG info line (816) 292-2822**

**Fax (913) 385-7084**

**[www.kcig.org](http://www.kcig.org)**

**[info@kcig.org](mailto:info@kcig.org)**

### **YOUR INPUT IS VITAL TO OUR NEWSLETTER**

Items submitted for publication must include the writer's name and address. The address will not be published. Information may be edited for brevity and clarity and must be received by the fifth day of the month of publication. Articles should be emailed, preferably in plain text format, to [info@kcig.org](mailto:info@kcig.org)

### **MEMBERSHIP DUES: \$50 Single**

Newsletter Subscription: \$20 per Calendar Year

Temporary single membership for one month \$15

**ADVERTISING** - You can post a note at the back of the meeting room telling of something you want to buy or have to sell - but, the classified ads reach ALL members.

Classified ad (4 lines)	\$30	for 6 months
Business Cards	\$60	for 6 months
¼ Page	\$120	for 6 months
½ Page	\$50	for 1 month
Full Page	\$100	for 1 month

### **PROCEDURES for SUBMITTING ADVERTISING**

The deadline for receiving ads is the fifth day of the month of publication. All ads must be prepaid and payment included with the ad. Please do not place ads by telephone. Send ads and direct inquires to: Dennis Vater c/o KCIG, P.O. Box 411482, KC, MO 64141 or email to [info@kcig.org](mailto:info@kcig.org) . Go to [www.kcig.org](http://www.kcig.org) for detailed instructions for ads.

**DISCLOSURE:** This newsletter is designed to provide helpful information in regard to the subject matter covered. Opinions expressed are the sole responsibility of the contributing writer. If legal advice or other expert assistance is required, the services of a competent professional person should be sought. Advertising space is provided as a service to members. Publication of advertising in the newsletter does not imply endorsement by KCIG.

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**Special Offer for KCIG Members**

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**KCIG Members**

List your Properties For Rent or For Sale  
on the new KCIG Web Site

**[www.kcig.org](http://www.kcig.org)**

*Free of charge to members*

## Notice to KCIG Members

In the near future, the KCIG newsletter will be available to members through web site download by default.

Hard copy newsletters will be mailed only by special request.

## LOOKING AHEAD

July 2 – KCIG Board of Directors will meet at the KCIG business office in Overland Park, KS.

July 16- KCIG business meeting at Shawnee Town, Shawnee, KS.

Watch your e-mails for an announcement of a free webinar on June 23 to be hosted by KCIG.

### "HOW to BENEFIT from the BAD MARKET!"

Tuesday, June 23rd  
8:00 – 9:30 pm CENTRAL

Hosted by:  
Caryn McKinney and Mark Klee

[www.PostBankruptcyReport.com](http://www.PostBankruptcyReport.com)

We will discuss a consistent, reliable, and predictable source of leads on underpriced real estate properties that few investors know about. Make plans to join us.

To register for the webinar go to:  
<https://www1.gotomeeting.com/register/260570648>

## KCIG Annual Picnic

**Thursday, June 18th**

Please join us for our Annual KCIG Picnic! The perfect place to meet old friends and make new ones. This is a great networking opportunity.

This event is free to all current members, spouses and kids.

If you bring a guest, the cost is \$5.

All food and drinks will be provided. Enjoy BBQ hamburgers, hotdogs, brats and more.

Dessert will be provided by Big Bob's Flooring Outlet.  
[www.bigbobsoutlet.com](http://www.bigbobsoutlet.com)

It will be held at our usual meeting place, Shawnee Town, 11600 Johnson Dr., Shawnee, KS 66203, in the Town Hall building.

Doors open at 6:30 pm  
Food served at 7:00 pm



## **CRAIGSLIST POSTING TIP - USE ALL THE TITLE SPACES ALLOWED!**

I've been posting my rental property listings to our local Craigslist "area" site almost from the day our area was listed on the site. Two of the features that are VERY Good that are rarely used correctly are the length of the space allowed for both the ad titles...the space for the price and number of bedrooms are obvious; however, the Posting Title and Location spaces are quite large/long. Rarely do I see these entire spaces used when posting listings...whether it is because we are used to saving space with costly print ads or lack of imagination or knowledge of the property, these spaces, when used properly, can provide information that the reader can use when searching the site.

*Example:* \$1595 / 4br - Move-in July 1 \* Teen/InLaw Suite \* 1-Car Garage

\* Pet OK - (Lake Monticello \* 20 Min to UVa/Pantops)

This is a LARGE home with a full basement and the 4th bedroom is a suite unto itself that is desirable for elderly parents or a teenager who wants privacy. While many applicants may not know where Lake Monticello actually is - the chances are they will be coming in with either UVA or the new hospital at Pantops....having the travel time to those 2 large employer locations is also a good item for "first source" information

*Example:* \$1895 / 4br - Move-in Aug 1 \* Open Kitchen Fm Rm w/FP \* 1-Car Garage \* Pet OK - (Forest Lakes \* Walk to Club House/Pool) This is a LARGE home in a VERY desirable area with military families....there are loads of amenities including lakes, Club House, Pool, Tennis, Swim team, Soccer fields - great for families which I can't say. The house has an open eat-in kitchen family room w/FP and the 1-car garage will certainly be used for storage and not a car. Using the ENTIRE space allowed for these titles is a challenge; however, once I got the hang of it, I could be creative with abbreviations and still impart information for the ad reader!

## **FUTURE RESIDENT PRIORITY LIST**

I think most landlords miss out on the opportunity to leverage the contacts you make with rental prospects. Yes, I may notify an applicant that the property has been rented to another qualified applicant who had applied prior to them. HOWEVER, I also let them know the following:

"Mr Prospective Resident, we would be glad to hold on to your application and place you on our "Future Resident Priority List" for the next property that becomes available and notify you so that you can be one of the first to apply if you are interested. Not only that Mr. Prospective Resident, should you no longer be looking for a rental at that time, we still can offer even those on our Future Resident Priority List our reward that we give to any resident who refers a qualified resident to us. Would you therefore like us to include you on our Future Resident Priority List?"

## **SEND MAINTENANCE REMINDERS TO YOUR RESIDENTS**

Send a note or postcard to your residents reminding them of their responsibility to change the filters on the central air systems (if present in their property), not only to reduce their own expenses but so that the system will not break down, because if it does, they (the residents) will be held accountable for damages and system replacement (Send reminders as often as you deem necessary, monthly or quarterly).

I would also encourage rental owners to have any central air systems serviced at least once every two years.

## **END RENTAL RELATIONSHIPS ON A POSITIVE NOTE**

Over the last six months, I've been able to collect several hundred dollars from an ex-resident that I had evicted. Today I collected again on a past-due amount. The ex-resident is a contractor who fell on hard times when the housing market dropped. He does good work, so I give him work at my rentals and a portion of what he charges me always comes off the top toward his debt.

A good win-win arrangement is possible because, even though I evicted him, the landlord-tenant relationship between us always was a positive one during the time he rented and even when he had to move, the relationship ended on good speaking terms. There was no animosity created at the end. Neither of us took the situation personally.

It pays to end a relationship on a positive note, even if you have to evict someone. Because you never know if the other person may be of help to you in the future. If the relationship ends on a our note, the other person will be very unlikely and probably unwilling to be of help to you in the future. I've had many ex-residents offer assistance to me after the fact and even continue to refer "good" residents to me.

These tips are shared on MrLandlord.com website and in the Mr. Landlord newsletter from website contributors, Jeffrey Taylor (founder) and real estate authors featured on the site. To receive a free sample of the Mr. Landlord newsletter, call 1-800-950-2250 or visit their informative website at MrLandlord.com, and learn how you can receive a free landlording book.

## **Investors' Best Kept Secret: How to Benefit from the Bad Market ... No Experience Required!**

### Why Bankruptcies?

There are hundreds of thousands of real estate investors in this country. And the numbers continue to swell, largely because it's a proven fact that investing in real estate has created more millionaires than any other form of investing! Geez, knowing that little fact ... who wouldn't want to be a real estate investor?

Of course, there's always "the other side of the coin." Truth is, 85% of those who call themselves a real estate investor never buy their first house!

These facts quickly lead us to the obvious question ... Why? We think it's simple ... most investors never get past the first hurdle ... finding a predictable, consistent and reliable source of leads to motivated sellers who are desperate to sell their homes!

As investors, we can't afford to pay "owner-occupant" prices. We have to find motivated sellers who are willing to sell their homes for significantly less than the retail value. There must be enough of a "cushion" so we have room for cash flow on a rental or lease option property, retail profit on a fixer-upper, or wholesale profit on a quick-turn deal.

These challenges were exactly what we were facing every day of our investing business. We were pursuing every avenue we could think of to find good deals on a consistent basis. Many ways worked, but they were never consistent. Therefore, they weren't creating the kind of income that we could rely on. And that was problematic because we really like consistent income. You?

Then we literally stumbled into a wholesale deal that gave us a "net" profit of \$55,000 ... yes, I said wholesale deal! And yes, I said \$55,000 profit! I was in the house twice and my business partner was only in the house one time. How cool is that?

Potentially more exciting than the \$55,000 of cold, hard cash in our bank accounts was that we believed there were many more homeowners just like the one we had freed from foreclosure! I bet you would have examined the heck out of that deal to figure how to find more like it, too. Right? Well, that's exactly what we did and we found an untapped market niche of highly motivated sellers that all the other investors were intentionally avoiding!! Needless to say, we were "dancing in the streets" excited!

The niche we found was the "troubled bankruptcy" market. The homeowner (Jessica) that we "saved" from her foreclosure nightmare had been in bankruptcy just prior to us "stumbling" into her living room. Jessica couldn't meet all the responsibilities that the bankruptcy court imposed, so she was unceremoniously "kicked out" of bankruptcy. And when that happened, the bank came running after her house again ... foreclosure was looming large and in her state of Georgia, the process only took 35 days. Needless to say, she was more than a little thankful that we came to the rescue!

As we learned more about Jessica's situation and the details surrounding a typical bankruptcy, we started to define this "troubled bankruptcy" market. Let us be perfectly clear ... we do not advocate marketing to people who have just filed bankruptcy, whether it's a Chapter 7 or a Chapter 13 (the two types of personal bankruptcies). Why? First of all, because not everyone in bankruptcy is a homeowner so you would just be throwing away thousands of dollars with your marketing campaign. Secondly, if someone in bankruptcy is meeting all the requirements imposed on them by the bankruptcy court, they are totally NOT motivated to sell because they are enjoying the protection of the court. In short, as long as they meet the bankruptcy court requirements, all other legal actions against them stop! Most importantly from our perspective, their bank can't foreclose on their home so there is zero motivation for them to sell ... at least not at an "investor" price.

HOWEVER, what we do advocate is marketing to: (1) homeowners, (2) in bankruptcy, (3) who are unable to fulfill their responsibilities to the bankruptcy court. This is our target market ... for the simple reason that at least 95% of the time, these homeowners will soon get kicked out of bankruptcy. And when that happens, their mortgage company will move quickly toward foreclosure. Again, this is the ideal time for us, as investors, to insert ourselves into the lives of these homeowners and offer our assistance as buyers.

Are you starting to see why these homeowners are highly motivated to sell? They've been through it all ... they were unable to make their payments, then perhaps they were facing foreclosure, then they filed bankruptcy to stop the foreclosure, and now they're losing their bankruptcy protection. So they realize that foreclosure is coming again. Clearly, YES, they are extremely motivated to sell so they can get this emotional and stressful time in their lives behind them!

Caryn McKinney and Mark Klee originally partnered in 2002 to create [www.PostBankruptcyReport.com](http://www.PostBankruptcyReport.com). Now they are a national voice on investing in bankruptcies. At the request of their subscribers and students, they have developed quality training materials and seminars to educate investors about this incredible investment opportunity. Their simplified and detailed information includes everything you need to know as a real estate investor wanting to purchase homes in the bankruptcy niche market, including training you how to access and prescreen the hottest leads coming out of bankruptcy! Now you can enjoy the same amazing profits as Mark and Caryn reveal their secrets.