Beat the Bank and Earn 8-10% Interest Secured by First Mortgages!

Private Lending Groups
Hard Money...Simplified!

Are You Receiving 8-10% Interest on your Investments?

If your answer to the above questions is no, you will want to pay very special attention.
The following information could significantly increase the yield on the same money you are currently investing while reducing your risk.

We are veterans of the mortgage industry. In the next few minutes you learn how you can safely earn three to five times your current rate of return. Does this sound too good to be true?

What we going to share with you is very common in investment 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 slow and steady year after year.

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

Do you know what $25,000 is worth in five years compounded at a 4% yield? It is worth $30,416. But now let's take that same $25,000 and invest it for the same five years at 12% interest instead of 4%. Now it's grown to an amazing $44,058.

That is a $13,642 difference or a 260% increase simply by upping the yield from 4% to 12% and remember. . .

5 Years

Principal Amount	**4%**	**12%**	**Net increase**
$10,000	$12,166	$17,623	$5,457
$25,000	$30,416	$44,058	$13,642
$50,000	$60,832	$88,117	$27,285
$100,000	$121,665	$176,234	$54,569

10 Years

Principal Amount	4%	12%	Net Increase
$10,000	$14,802	$31,058	$16,256
$25,000	$37,006	$77,646	$40,640
$50,000	$74,012	$155,292	$81,280
$100,000	$148,024	$310,584	$162,560

20 Years

Principal Amount	4%	12%	Net Increase
$10,000	$21,911	$96,462	$74,551
$25,000	$54,778	$241,157	$186,379
$50,000	$109,556	$482,314	$372,758
$100,000	$219,112	$964,629	$745,517

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

Increase Your Yield,,,, Earn12% instead of the 2-4% interest you are earning today.

If you expand it to a ten-year term your $25,000 would be worth $37,000 at 4% but if you change the yield to just 12% it grows to an unbelievable $77,600. That's $40,600 free dollars you will actually receive simply by increasing your yield.

Can you really afford not to control your own interests?

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 mortgage or trust deed that will not only give you the safety you want but will also give you the high yield strategy we've shared with you!

Let's discuss the pros and cons of lending on real estate.

First, let's clarify what kind of loans we suggest you invest in. We are not talking about high loan to value loans the banks and savings and loans make with 5-20 percent down payments.

What we're dealing with here are low loan to value loans. By that, we mean no higher that 60 or 65% of the value of the property securing the loan. This means if a house appraises for $130,000 you wouldn't make a loan for higher than $84,500. That's a 65% 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. They just don't have any cushion in case of default. On the other hand, when you are dealing with a 65% maximum LTV there is so much equity above your loan amount that if you ever had to foreclose; the property could be sold not only for enough to cover your investment but quite often at a profit. So in other words,

If You are Real Estate Oriented, This is Just Another Avenue of Income For You

And if You Are not Real Estate Oriented . . .

There are Always Scores of Investors, Who Would Love to Have the Property For 60% to 65% of the Value, if you take the property Back.

The reality when the loan at 65% or less loan to value ratio, default is not common.

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

Is this a mortgage pool?

No! You make the whole loan yourself. You get a lien against the property. You are the bank. You are in total control. You are the lender of record.

Do I need a lot of money?

No! We have made loans starting at $25,000. The amount of the loan is determined by the borrower's needs and the properties value.

Who handles all of the details?

Well, we believe that unless you are highly skilled in real estate matters, you should use a good lawyer and mortgage broker. They will not only find the borrowers for you, but it's their job to get you proper documentation and protect your interest. All of this costs you nothing***. The borrower pays all costs*** (Which is even better than No-Load Mutual Funds). If you make a $25,000 loan, you send a check for $25,000 to the closing agent and you get a note, mortgage or Deed of Trust for $25,000.

Do I have to collect payments?

Absolutely Not! We will set up your account with an accountant or bookkeeper, if you decide who will collect each payment when due and deposit it into your account. This can and should be a hassle free investment. You may be surprised to know that your bank will even collect the payments for you if you wish.

Is this a long-term investment?

Maybe! It can be any term you want. You're the boss. Usually a private investor wants a five year term or less, but some don't care if it stretches to ten or fifteen years. You can pick a term that suits your strategy for retirement. Some investors make interest only loans with a short-term balloon, some will amortize for ten or fifteen years and balloon in five and some people prefer the longer term. It's your money and it's your choice. Of course, the broker is going to come to you with a term that helps meet the borrower's goals. If that works for you, it's a go.

What if I want to liquidate?

Mortgage and Trust Deeds are sold and purchased like stocks. If you want out, it will take from two weeks to a month so sell your note. Since your interest rate will be 8-12%, it will take very little, if any time to sell you mortgage and note. You really shouldn't make mortgage loans if you need to liquidate in less then nine months. There are always new options with various terms available. Just call us to discuss you needs and financial goals. We will handle all of the details.

Who borrows at high rates?

All kinds of folks! Some have good credit others have poor credit. Most are real estate investors who have learned that. . .

It's not the cost of money that counts, but the timely availability of money.

In a lot of cases, the borrower would qualify, but they already own more properties than banks allow or they just don't want to deal with the banks slow bureaucratic process. They would rather pay the high rates in exchange for the ease of getting the money quickly enough to take advantage of a great real estate deal that needs to close within a couple weeks.

This also holds true for commercial investors, we have made it possible many times for real estate investors to acquire good deals on properties because the funds were available from private lenders that would not be available from banks. An investor may be skilled at locating good deals but banks must make loans based on the purchase price not the value of the house. That means the astute investors are penalized for not being able to take advantage of the low purchase price. Having the money available will make or break the deal. Paying a higher interest rate for a short term is irrelevant compared to. . .

The loss of thousands of dollars in profit, if the money weren't available.

Remember, you as a lender won't lend more than 60 to 65% LTV regardless. You're making a safe loan with out regard to the purchase price. You should never make a loan without a 35-40% safety net. If you don't violate that rule, you will always come out a winner.

What are my options if my borrower doesn't pay?

Actually, there are several options in the event of default by your borrower. Foreclosure is only one of them and usually the last on the list.

The first thing you could do if your borrower's problem is temporary is to restructure the note. The borrower could 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 a way to work it out if both sides are willing.

Incidentally, when this happens, some of our lenders will charge a reinstatement fee as well as the back payments. Remember, it is up to you whether to even let your borrower reinstate or not. Once they are in default you have the right to call the loan due or allow reinstatement. It's your choice.

You don't have to take the payments unless you want to. Therefore you are well within your rights to pick up an extra one, two or three hundred dollars to allow reinstatement, especially if you elect to add it on the loan and doesn't force the borrower to pay it in cash which, of course is also your option. As this point you are in total control.

Of course, you could only allow a reinstatement if the borrower has solved his problem and can continue to make payments.

If that's not the case . . . you have other options.

You can offer to buy the house from your borrower in lieu of foreclosure. This is an opportunity for you to get a house at a greatly discounted price and avoid foreclosure at the same time. Your borrower has the option of either taking some money now and selling the house or being foreclosed out and getting nothing. When this happens, you have created a tremendous profit center by reselling the house. Some investors make private loans in hopes that this will happen and some would rather not get involved with the real estate at all.

Whichever you are . . . you win.

Like we said earlier when you can sell a house at 60-65% of its value there are scores of investors who would take it off of your hands. In fact, there are businesses built around tracking down these kinds of deals.

If you have an uncooperative borrower and you can't restructure or sell then you are left with either selling your note or foreclosing.

Yes, there are investors who are willing to buy your note, even if it's in default. In fact…

That's the way they want it!

They can either force payment on debt or get the house. However, if you sell a note in default, you will usually have to discount it so this isn't our recommended option.

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 paperwork 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.

You see, when you're into a property at 65% or less, there are always lenders who will refinance, relatives who will bail them out, or scores of buyers who will buy them out.

In the event that none of this happens, you will get the house in which case you will have the options we discussed earlier.

What if my borrower files for bankruptcy?

You have a lien against the house. You cannot be wiped out by bankruptcy.

If your borrower files Chapter 7, you should be able to continue with the foreclosure process. It will be slowed down, but it won't be stopped. You have a secured debt and a right to seize the asset if the borrower does not pay.

If Chapter 13 for reorganization is filed, your borrower will be ordered to continue with his monthly payments and probably additional payment on his arrearage. In the event that one payment is missed, you can then proceed with the foreclosure process.

Bankruptcy will slow the procedure, but not keep you from collecting your debt.

What kind of documents should I receive?

Your closing package should contain the following:

- An original note
- A copy of the mortgage or trust deed. The original will be recorded and then sent to you.
- A fire insurance endorsement naming you as mortgage.
- An assignment of rents allowing you to collect rents in case of default. This document gives you the right to start collecting rents immediately upon default.
- A title insurance policy for the amount of your loan insuring you against any title defects.
- A recent market analysis or appraisal of the property

Are there other avenues of income from loans?

Yes… We've talked about reinstatement fees and making money with the property if you get it back, now let's discuss some other goodies that occur when the loans are repaid as agreed, which is most of the time.

Another nice income comes from prepayment penalties. This is a penalty that is incurred when a loan is paid off early. Finance companies and small lending institutions commonly use it as another profit center. This penalty can be a percentage of the unpaid balance or several months' interest on the unpaid balance. For example, the note could be worded that there is a three month minimum or any time it's paid off before it's due, you would receive three months interest in addition to the regular interest. This can amount to a lot of money for a lender because

These loans are almost always paid off before they expire

If you are receiving a prepayment penalty on a $40,000 loan at 10% interest, we are talking about an extra $1,000 over and above what you're owed.

Can the mortgage broker run off with your money?

The broker should never be in possession of your money. Make your check out directly to the title company or closing agent for the gross amount of the loan. The title company will then cut a check all checks including the broker. Remember, you aren't paying the broker, the borrower is. You should have no expenses.

Your payments should be collected by your bank or servicing company. In short, if your broker never has your money they can't run off with it.

Is my investment really as safe as it sounds?

Yes! As long as you've followed the guidelines that we've talked about and apply common sense. No, mortgages aren't as hands off as mutual funds or stocks or other kinds of non-participation investments, but in return for a little effort on your part, your money will grow two, three or even four times faster than your current investments and in addition, you maintain control.

If you follow some simple guidelines when making loans your risk will be minimal at best. Briefly, these guidelines are:

1. Make only low LTV loans…no exceptions!
2. Get title insurance for the amount of your loan
3. Have professionals close the loan
4. Make sure fire insurance is maintained on the property at all times.
5. Take action in case of default immediately!

Remember, making loans is a business and should be treated like a business. If you set up a simple system and let the professionals implement that 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!

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

Making real estate loans is an approved and 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. You'll be receiving interest on interest on interest and

It's all legal and approved by the IRS!

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 ready to make loans!

When you've selected a loan, 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. Even your set up for collecting the monthly payments from your borrower could be collected at closing from the loan proceeds if you instruct your broker or closing agent to do so.

Some TPA's will even collect the monthly payments for you and deposit them into your account.

There are some restrictions when dealing with IRA's such as self dealing, but you're TPA will furnish you with all of the facts upon request.

If you have any questions regarding your plan or its administration, contact your plan administrator. If you need help transferring your IRA just give us a call. We located the best in the country, so you can start earning serious returns quickly.

Well, we've covered a lot in the short time we've had together. We hope we have enlightened you on the awesome power of earning high interest on mortgage backed notes. If this opportunity appeals to you, call us today.

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 bare minimum return of 8-12% all of the time…

Not just when you get a hot stock tip,,,

So what's it going to be? Are you going to continue to let other people control your money so you can get a return that does not keep 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.

Private mortgage lending is a credible way to build compounding wealth in a steady, safe and secured manner which most people are not aware exists. You are no longer one of those uninformed people. If you have more questions give us a call. Perhaps we can get together for lunch or just chat on the phone.

Sincerely,

Daniel W Arguello
President
Private Lending Groups
150 N Michigan Ave. # 2740
Chicago IL 60601
www.PrivateLendingGroups.com
Phone 312-938-0492   email: dan@plgus.com

Daniel Arguello