

Creative  
Financing –  
winning in real  
estate with little  
to no money

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Jennifer Allums / Tim Kerr

# AGENDA

Introduction

What is seller financing?

How can I find these properties?

Analyzing deals

Summary

# INTRODUCTION

Jennifer Allums – Grew up in a small poor town in Upstate NY

28 Single Mother of 3

In Real Estate for 7 years–

3 years residential, 4 years investment

Portfolio of over 2.8 mil of rentals-

Has flipped over 30 homes in 2 years

Long term rentals, flips, barbershop owner, turo fleet, vending machines, run construction crew



# INTRODUCTION

Timothy Kerr – Grew up in Amman, Jordan

43 – Father of 4 grown kids

Student in Pace Morby's SubTo and Gator mentorships.

My company and partners provide funding for investors who require quick access to capital for short periods of time: such as EMD and double closings.



# What is seller Financing?

Seller financing is a real estate transaction where the seller helps finance the purchase of their property with the buyer, sometimes financing the sale entirely.

- Also known as owner financing.

Why is this helpful?

- Bad credit – OKAY!
- No money? OKAY
- Tight deal? - OKAY!
- Too many loans? -OKAY!



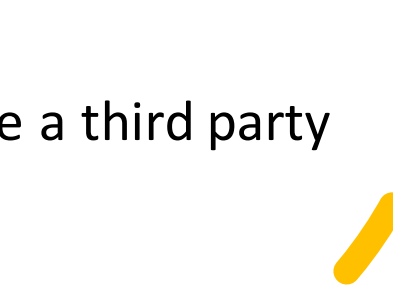


Different popular types:

Subject 2  
Straight owner financing  
Hybrid



# Subject 2

- Original owner holds mortgage in their name.
  - New owner puts deed in their name/business name.
  - Any arrears payments must be paid to catch mortgage up
  - New owner holds all responsibility for property and also gets the tax benefits
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- Ways to protect yourself:
  - Put the property into a trust
  - Create a POA for the property and loan
  - Use online portal to make payments or use a third party payment system
  - Performance deed
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# Owner Financing



Owner acts as the bank- payments are made to them



Any interest and terms can be made as long as all parties agree



Can occur with buyers name on deed before loan is paid off or after



Have an attorney draft all documents and have them recorded



Make payments through a third party loan servicer







# Owner Financing- Sub2 Hybrid

Loan balance is assumed

Payments of equity are made to the seller

# How do I find these deals?

- Wholesalers!
- Talk to sellers – don't be afraid to ask
- Other investors
- Sales pages and occasionally MLS
- Cold calling? When you set an appt bring it up as an alternative to get them more \$\$\$
- Free SubTo Facebook Page: Creative Real Estate with Pace Morby

# Sub2 deal- 309 Hawthorne Drive, Raeford



## Acquistion

Purchase price 134K  
Arrears 12K  
Wholesale fee 6K  
Attorney fees 1.5K

## Repairs

Repairs 5K and 2 horrible weeks  
Included:  
Painting all walls, doors and trim.  
New door knobs.  
Carpet cleaning.  
Replace kitchen flooring.  
Used appliances.  
Cabinet handles.  
New faucets, and Toilets.  
Hvac repair.  
Repair garage door.  
Repair fence.  
Paint exterior doors and trim.  
Repair front porch.

## Rented

Payment 738.48  
Rental rate 1300.00  
Cash Flow: 561.52- Capex

Home has appraised for 210K  
last year (2 years holding)

## Sub2 – 2544 Beuer Drive, Fayetteville NC

### Acquistion

Loan 158K  
Wholesaler 6K  
Attorney 1.5K

### Repairs

Paint- 3K  
Flooring 4K  
Appliances 2K  
Lights/fixtures 1K  
Roof repair 1K

### Sale

Sold for 216K  
158K to loan  
2.5K in holding costs  
1.1K loan for repairs  
2K attorney costs  
11K Repairs  
6K Buyers agent  
2K staging, photos, exp costs  
(7.5K cost to buy)

**MADE ...\$25,900 WITH A 2 WK REHAB**



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# How do I convince a seller?

Find their pain point... offer a solution for their poor condition home due to divorce, bad tenants, lack of upkeep, death.

Help them fix their credit and avoid foreclosure

Give them more money than an average wholesale deal

How to  
reach us

## Jennifer Allums

Agent/Investor/Project Manager  
Alotta Properties

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Direct: (910) 977-3900

Email: [jennifer.m.allums@gmail.com](mailto:jennifer.m.allums@gmail.com)



## Timothy Kerr

Owner

**Pines Real Estate Ventures**



TEL | 910.322.8763 EMAIL | [pinesrev@gmail.com](mailto:pinesrev@gmail.com)