The NHREIA Board received a variety of suggestions for the “Name our Newsletter Contest”. The group was hard pressed to pick a name when Ann said, “How about ‘The Real Deal’?”. Unanimously, the Board decided that this little play on words conveyed everything we wanted to about our newsletter and our organization.

The Board also unanimously decided to offer the prize for this contest to NHREIA member Shane Carter for his many creative suggestions. Congratulations Shane!

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Positive reviews were abundant for this educational eye opener. “Interesting, knowledgeable speaker”, “Nice work team – you are all high class!! I’m glad I’m part of the association!”; “Loved the information on Trusts”; “How entertaining and informative Lou brown is”. The only comment that wasn’t positive was “Have coffee/dessert/snack station for the afternoon break.”. You can look for that coffee and danish when we host “The Queen of Foreclosures”, Dwan Bent-Twyford in October.

Louis Brown covered a variety of topics, giving us all a new view of how to structure deals in a way that are always beneficial to us. He gave us a new view of Lease/Options, showing how he “sold” the same house several times. He introduced us to his “SYSTEM”. “Use one set of forms to buy and one set of forms to sell!” He was so excited about our group that he told us that we could extend the discount he offered at the seminar to everyone in our group wishing to purchase his “Whole Enchilada, Jr.” package. And, the best part of all - we are negotiating a date for Louis to return to New Hampshire to present his Millionaire Jumpstart Bootcamp. If you who purchased the Whole Enchilada, Jr don’t schedule your tickets to Arizona just yet, unless you are looking for a little vacation. Those of you wishing you would have taken the plunge and bought the package, feel free to call Bernadette at 603-863-6568.

In this issue:

Upcoming Speaker Schedule

A Message from President Bert Cox

Using Assumptive Language Patterns by Bill Twyford

Perception is Everything by Vice President Rick Arguien

Confessions of a Networking Madman by Chairman of the Board Richard Dale-Mesaros

Tax Tips by Treasurer Ann Bellamy

On the Financial Front by Secretary Melanie Maxham

Cross Promotion WIN-WIN by Administrator Bernadette Trafion
Having a firm grasp on language patterns will help you close more deals. In addition to using embedded commands, which are word groups that order you to do something, you must incorporate assumptive language patterns into your vocabulary. Assumptive language patterns assume the outcome of what you are asking.

When doing short sales you can ask the bank the same question, two different ways. Read both sentences and see which one you believe to be more assumptive:

Hi, my name is Bob and I was wondering, do you do short sales?

Hi, my name is Bob. I am working on a short sale for the property located at 123 Elm St. The loan number is #34777. Where do I need to fax my short sale package so that you can go ahead and get this deal approved?

We are assuming the bank is going to say yes to our short sale, instead of wondering if they short sale at all. Let’s look at another example of assumptive language patterns you can use when speaking to homeowners:

Are you ready to sign the contract so we can get going, or do you want to think about it for a few days?

After speaking with me this evening, obviously you are ready to get started. Sign the contract, so I can get you what you want in the time you need it, won’t that be great? (Continued on Page 4)
Dear Fellow Investors

Welcome to another edition of the newsletter for the association. We have a lot of great news to report. We have a new name for the Newsletter thanks to Ann Bellamy. We had a fantastic and successful event with Louis Brown. I want to thank everyone that attended as well as the board and Bernadette for the terrific job organizing and conducting the event.

This month I want to talk a little bit about foreclosures and pre-foreclosures. There’s a dramatic rise in foreclosures nationwide and in New Hampshire (According to some sources, up 52% from the same time last year). This situation presents tremendous opportunities for capable investors with the right tools to manage these opportunities.

The flip side is that National attention is being drawn on what’s been dubbed “Foreclosure Rescue Scams”. The National Consumer Law Center in Boston interviewed State Attorney Generals and recently published a report called “Dreams Foreclosed: The Rampant Theft of American Homes through equity Stripping Rescue Foreclosure Scams”. The report recommends anti-investor legislation because of three common foreclosure scams being employed around the country. The basic difference between scammers and legitimate investors is that the scammers play on the homeowners desire to stay in their home and make promises that they have no intention of keeping.

The have even named the scams. The first is called the “Bailout”. The rescuer agrees to buy and then to rent back the house to the seller, with an option to purchase at a future date. Although this sounds fine in theory, the terms are usually so onerous that it’s impossible for the seller to ever exercise their option to buy back their house (combine this with the fact that they’re not credit worthy and probably won’t be for several years) and you’re toying with predatory lending, usury, and misrepresentation. As Investors, and knowing what we do about credit, we can quickly see that most of the homeowner buy back plans are impossible. Although New Hampshire does not currently have usury laws, the legislature is currently looking at this issue because of the growth of the “cash for your car title” businesses in New Hampshire. Furthermore, people are generally in foreclosure for a reason: divorce, health or medical issue, loss of a job, income, or loved one. If the person hasn’t made a payment in the last 3-6 months, there’s no reason to think they’re going to be able to make a payment next month, especially when they’re behind on the rest of their bills, too.

Number two is called the “Bait and Switch” and involves getting sellers to sign documents including the deed but informing them that they’re signing loan or mortgage agreements. The scammer then turns around and evicts the seller a little while later. A variation on this theme is promising to pay the bank and failing to do so.

The final scam is called the “Phantom Help” and involves telling the homeowner that a forbearance plan, loan modification or reinstatement will be negotiated on their behalf. The scammer frequently collects money up front or during the process, and fails at the negotiation, or in some instances, makes no attempt to negotiate a settlement at all. The homeowner has then lost the opportunity to meet with competent help and any funds they might have had are depleted.

So what do all the scams have in common? They’re all premised on keeping the people in the house and playing on the homeowner’s vulnerability and desire to keep the house even knowing that such an outcome is in all probability, impossible. The difference between legitimate investors and scammers isn’t who gets the house because the ultimate outcome is the same. It’s the promises made and broken, the misrepresentation, taking advantage of a vulnerable person’s trust,
building and crashing of people’s hopes and dreams in a manipulative manner, purely to the buyers benefit that makes a scam. There’s even one Internet real estate guru that I have an issue with because he promotes advertising to the pre-foreclosure market that “we can help you stay in your house”. He readily admits that the possibility of such an outcome is at best one in five, and by my calculations, its more realistically one in a hundred. In my book, that’s misrepresentation and false advertising. Be your own judge! But if the scammers create a consumer outcry against investors, we’ll all be worse off.

I encourage you to be realistic in your transactions, to work for a true win-win solution, to solve the seller’s problems (not to pray on their hopes and dreams). A few bucks in their pocket to start over, down size their lifestyle, and start rebuilding their lives and credit for their next house, is a far better win-win than being evicted a month later after signing a deed under false pretenses.

Solve the people problems, and meet their needs. Meet their every want and you will buy every house and quickly go broke. Scam them and I hope you go to jail. Help them improve their situation, and you will have a long successful investing career.

The association is addressing these issues on two fronts. First, we are asking all our members (you) to help set and uphold a higher standard for real estate investors. Second, we are monitoring activity in the legislature and will become more active if the need arises. We have many exciting and educational events coming up and I hope to see there.

I wish you success and happy investing.

Sincerely,
Bert Cox
Bert@BertCox.com

Using Assumptive Language Patterns cont from page 2…

Homeowners in distress want to be told what to do. They want and need someone else to take over and make decisions for them. If you come across as weak or insincere, they will have no confidence in you. The more assertive you are, the better they feel about working with you.

Let’s look at another example assumptive language patterns:

Unless you feel motivated, you’ll never decide to work with me, which means you’ll never get out of your situation and that’s not what you want, is it? Imagine how great it will feel to sleep again without the stress of foreclosure looming over your head. Let’s do the right thing and sign these papers so we can get started, okay?

The bold words are embedded commands. Embedded commands are word groups that subconsciously order people to do something. Feel motivated, is a command. Work with me, is a command. Do the right thing, is a command. Sign these papers, is a command. When used in a sentence, these commands motivate others to do as you say. See if you can think of several commands on your own. Write them down, repeat them everyday, and begin using them. You’ll begin to notice that people will become easier to work with.

In order for you sound strong when using assumptive language and embedded commands you must do four things:

Pause before the embedded command
Speak louder on the embedded command
Down-swing on the embedded command
Pause after the embedded command

Practice the above example by pausing, speaking louder, down swinging, and pausing again on the commands. See how much stronger you sound? Great sales people assume everything. Every time you have the opportunity to speak with a bank or distressed homeowner, use strong language patterns. As you become more comfortable with these new language patterns, your sales will increase.

To improve your language skills, start by asking every question in a way that will produce a positive outcome.

Bill Twyford will be visiting our group in October of 2006.
As many of you are well aware, a few states have recently passed legislation which is having a detrimental effect on their local real estate investors. Well, I have good news… the NHREIA Board is actively investigating the real possibility of recruiting a lobbyist to look out for our best interest concerning current and future legislation within the State of NH.

However, I’m afraid having the help of a lobbyist alone is not going to be enough. You see, everyone loves to bring the bad guy to justice and guess who the bad guys are? That’s right, we are. Some see us as the unscrupulous investors that are just out to take advantage of people that are down on their luck. Remember…perception is EVERYTHING and if we ever hope to truly neutralize this, for lack of better words, anti-investor movement then we must change the public as well as political perception of real estate investors.

So how do we do that? It all starts with treating people with respect and trying to create true win-win solutions for the sellers. We must take the time to find out what the seller’s situation is and address their individual needs, not just go out and make a bunch of “low-ball” 60 cents on the dollar offers. Not only do we have to be problem solvers, we must also learn how to present our solutions in a way that the seller can actually recognize the value in dealing with us.

As investors, we can either build respect with the community or lose it and respect can only be earned if you treat others with respect. Remember…good ethics makes for good business and the simplest and best way to fight anti-investor legislation in NH is to conduct your day to day business by the “Code of Ethics” found in NHREIA’s By-Laws.

**ARTICLE XVII**

**Code of Ethics**

- I agree not to make promises I cannot keep.
- I agree to keep the promises that I do make.
- I agree to be fair, honest, and professional and maintain integrity in all of my business dealing.

“The most important persuasion tool you have in your entire arsenal is integrity.” -- Zig Ziglar

**YOUR AD COULD BE HERE!**

Contact Bernadette at 603-863-6568 or via e-mail at dette101@adelphia.net

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**A real estate prodigy shows how you can quit the 9-to-5 routine and become a millionaire – in just two years!**

A few years ago, Matthew Martinez was a lot like you - he worked hard to make as big a salary as he could. But it wasn't enough. He worked by the clock and yearned to be his own boss. With a small amount of savings, he acquired his first rental property. Two years later, he was making more from his rentals than he was working 9 to 5, so he quit his day job to manage his rental investments. Today, he enjoys a multimillion-dollar collection of income-producing properties - and he's ready to share his money-making strategies so you can begin your own journey to career and financial independence. Investing in rental properties is one of the most reliable ways to achieve financial independence, and tens of thousands of Americans are jumping into the market every year. In *2 Years to a Million in Real Estate*, Matthew Martinez explains his program for locating the best rental properties, managing tenants, and creating a plan for exiting your day job. Using his advice and strategies, you’ll be able to achieve millionaire financial independence within two years.

"Matthew A. Martinez is a tycoon in the making." -- CNN

**About the Author: Matthew A. Martinez** is the founder of the Boston Landlord and Investor Group, which is the largest landlord group in Massachusetts. He has been profiled in national publications such as *The Wall Street Journal* and was named by CNN as a “Tycoon in the Making.”

The book may be purchased at Amazon and Barnes & Noble
Are You Working Your Network?

Okay folks, let's get down to business. There are one or two key things we need to do as investors and a big one is establishing a strong network of people with whom we work on a daily basis. This group can be split into three parts:

- Your team of professionals
- People you buy from
- People you can sell to

When it comes to building up these three components, you should start doing it from day one and the quicker you can grow 'em, the quicker you will move your business forward. It seems like a lot of work for no reward at first, but once you get going you'll appreciate things like getting the help you need in an instant or being able to sell a contract with one to five phone calls.

Team of Professionals: This would be attorneys, realtors, appraisers, lenders, insurance agents, title companies, home inspectors, contractors, accountants etc. As you start out, make contact with these folks early on and begin to develop relationships even before you need them; this way, when you do need their advice or services, they're ready to move quick. Once you have them in your 'team', contact them on a regular basis, send business their way, ask their advice, ask for referrals for buyers and sellers, see how you can mutually benefit one another; you get the idea!

People you can buy from: This would comprise of the following: Other investors, realtors, banks or any other parties who regularly have inventory to move. Let them know what you're looking for and that you can move quickly with few contingencies. Keep up regular contacts with these guys, try to send them business or help them out in any way you can.

Confessions of a Networking Madman

By Richard Dale-Mesaros

NHREIA Chairman of the Board

People you can sell to: Looking at the buyer's files on my desk, I see: Other investors, land buyers, house buyers, rent-to-own buyers, commercial buyers, note buyers and out-of-state investors (turn to these guys when you get an out-of-state deal). Of course Realtors are another group of people who can help you move properties, whether they are buying for themselves or hooking you up with one of their buyers.

I cannot over-emphasize how important it is for you to grow these lists and simultaneously maintain them through constant contact and a mindset of "how can I help these guys out?". The more good you do for other people, the more frequently good things come your way and that's the way it is!

Richard Dale-Mesaros

Breakthrough Properties, www.re-nh.com

riskit@worldpath.net

NHREIA NETWORKING POWER BREAKFAST

Thursday, April 27, 2006 7:30 AM – 9:00 AM

AT THE BEDFORD VILLAGE INN

2 Olde Bedford Way
Bedford, NH 03110
1.800.852.1166

This Power Breakfast is designed to give our more seasoned investors the opportunity to get together to discuss current deals and make those necessary connections that are discussed in Richard’s article (newer investors need not worry, we have another upcoming event in mind just for you!)

Seating is very limited, please see Bernadette soon to reserve your spot and make your menu choices!

WHAT: Networking Breakfast
WHEN: April 27, 2006, 7:30 AM – 9:00 AM
WHERE: Bedford Village Inn, Bedford, NH
COST: $20.00 per person
Tax Tips
By Ann Bellamy
NHREIA Treasurer

Mileage. The standard mileage rate for the cost of operating your car changes to 44.5 cents a mile in 2005 for all business miles driven.

Lease with option to buy. If the rental agreement gives your tenant the right to buy your rental property, the payments you receive under the agreement are generally rental income. If your tenant exercises the right to buy the property, the payments you receive after the date of sale are considered part of the selling price. Check with your tax preparer if the option payment is not part of the rental agreement. This may not be taxable to you until the property is sold.

Residential rental property. In the first year that you claim depreciation for residential rental property, you can only claim depreciation for the number of months the property is in use, and you must use the mid-month convention.

Losses from Rental Real Estate Activities. If you or your spouse actively participated in a passive rental real estate activity, you can deduct up to $25,000 of loss from the activity from your non-passive income. If you qualify as a real estate professional, your losses are not considered passive and are not limited to $25,000.

Real Estate Professional. To qualify as a real estate professional, you must pass both of the following tests:

FIRST TEST: Are more than half of personal services in all businesses for the year performed in real property and rental real estate? (Time spent as an employee in real property activities counts only if the taxpayer is more than a 5 percent owner.)

SECOND TEST: Does taxpayer spend more than 750 hours in real property businesses and rentals in which he materially participates?

Sale of Residence. You may qualify to exclude from your income all or part of any gain from the sale of your main home. Your main home is the one in which you live most of the time.

Ownership and Use Tests To claim the exclusion, you must meet the ownership and use tests. This means that during the 5-year period ending on the date of the sale, you must have

♦ Owned the home for at least two years (the ownership test)
♦ Lived in the home as your main home for at least two years (the use test)

Gain You may qualify to exclude from your income all or part of any gain from the sale of your main home. Your main home is the one in which you live most of the time. If you have a gain from the sale of your main home, you may be able to exclude up to $250,000 of the gain from your income ($500,000 on a joint return in most cases).

♦ If you can exclude all of the gain, you do not need to report the sale on your tax return
♦ If you have gain that cannot be excluded, it is taxable. Report it on Schedule D (Form 1040)

Loss You cannot deduct a loss from the sale of your main home.

Ann Bellamy
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A line of credit tied to your checking also offers convenient access methods. Most institutions provide access by phone, ATM, online, through a teller visit or via a debit card tied to your checking account. Advancing cash from the credit line into your checking account takes only minutes, and paying off your balance from your checking or savings account is just as convenient. Like any revolving credit, you only owe for what you use.

Keep in mind that such lines of credit usually do not have competitive interest rates, regardless of your credit history. It is best not to use a bank revolving credit line for long term debt -- for that, use a credit card with a low interest rate. Look at your line of credit as a tool to cover short-term debt, emergency cash needs or as permanent overdraft protection.

Melanie Maxham  
American Home Mortgages  
*m.maxham@gmail.com*

Cross Promotion – WIN-WIN

By Bernadette Trafton, NHREIA Board Assistant

Cross promotion creates a WIN-WIN situation for everyone involved. For example: Evil Knievel needed a bike to complete his stunts, so he went to Harley Davidson, who willingly gave him the bike because they would get as much publicity as Evil Knievel when he completed the stunt.

The Low Cost of cross promotion campaigns is the main reason for using this technique. You also gain Control and Credibility. In a cross promotion partnership, you almost wipe out the high cost of advertising by distributing the costs, therefore you control the cost. Also, you can control how your message is delivered and to whom. You hand-pick the businesses you want to work with and target the customers you want to reach. When another business hands your flyer or business card out they are giving credibility to your business. In essence, they are saying you are an honorable person to do business with. You do the same when you hand out someone else’s business information.

Ask businesses you network with to hand out your flyers and you will hand out theirs. A builder could give his plumber’s business cards to his clients and the plumber could do the same.

When sending out flyers or promotional materials to potential clients, ask yourself who else could benefit your potential clients, then solicit these vendors to do a mailing with you. Everyone gets the publicity while the cost of the mailing is reduced. For example: You want to do a targeted mailing for potential home sellers and home buyers in Sullivan County, NH. You don’t have enough funds to pay to mail to 10,000 plus people. What businesses in Sullivan County would also benefit? Perhaps local furniture, cleaning and moving companies; for them to do a mailing to 10,000 people, even at bulk mail rates, a simple postcard would cost them $2200.00 (.22 x 10,000); a letter size envelope will cost them approximately $3300. However, if you solicit 10 local businesses to join the mailing, you could offer them a price of around $400.

Find businesses that are already serving YOUR market and create an alliance with them to reach that market. Display their brochures and they will display yours. Offer discounts to their customers and they will do the same for you. A great example of this are the benefits NHREIA members receive through National REIA. Office Depot, Home Depot and Staples - WIN – WIN!

Bernadette Trafton, Dette101@adelphia.net

On the Financial Front

By Melanie Maxham, NHREIA Secretary

Melanie is a Senior Loan Officer dedicated to providing comprehensive mortgage solutions to her community, national investors and previous customers with a high degree of trust, knowledge, respect and convenience.

Office Depot, Home Depot and Staples - WIN – WIN!
Members and Advertisers
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Take out an ad or give this to your favorite vendor.
Ads must be submitted via clean master copy or “camera ready”. E-mail your ads to dette101@adelphia.net (.jpeg or .gif format). Call Bernadette at 603-863-6568 for payment options.

NHREIA Advertising and Sponsor Options:

<table>
<thead>
<tr>
<th>Newsletter Advertising Alone:</th>
<th>Discounts Available</th>
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<tbody>
<tr>
<td>Business Card</td>
<td>$ 25.00 per insertion</td>
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<td>¼ page</td>
<td>$ 60.00 per insertion</td>
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<td>½ page</td>
<td>$100.00 per insertion</td>
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<tr>
<td>Full Page</td>
<td>$175.00 per insertion</td>
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Sponsoring Opportunities:

Standard Sponsor *- Flyer insertion in membership packet for the year $300.00

Premium Sponsor *– Flyer insertion in membership packet for the year
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Premium Plus Sponsor *– Flyer insertion in membership packet for the year and ¼ page ad in each issue of quarterly newsletter and vendor table to set up marketing material at monthly meetings $500.00

*Flyers must be mailed to Bernadette Trafton at PO Box 196, Sunapee, NH 03782 or hand delivered at a monthly meeting to be inserted in membership packages.

Sign me up!

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