# 637

# things you have to be able to do to get your first deal done

The complete list. Every phase, in the order you hit it.
Nothing left out to make it look easier than it is.

# Why we wrote this down

We sat down and tried to list every single thing a person has to know, do, decide, survive or pay for between “I think I want to invest in real estate” and money landing in their account after a sale.

Not the highlights. Not a ten-step framework. Every one. We stopped because we ran out of room, not because we ran out of items.

We did it for a specific reason. When somebody fails at their first deal, the story they tell afterwards is vague — *it was harder than I thought*, *the numbers didn't work*, *I couldn't find a good contractor*. That isn't useful. Nobody fails at real estate in general. They fail at one specific item, on a Tuesday, for about nine hundred dollars, and everything downstream of it goes sideways.

So here is the list, in the order you hit it.

# How to use it

**Read it once end to end.** It takes about fifteen minutes and it is the cheapest fifteen minutes in this business. Most of what goes wrong on a first deal goes wrong because somebody didn't know an item existed — not because they judged it badly.

**Then mark it up.** Tick what you already have covered. Circle what you'd have to learn. Star the ones where getting it wrong costs real money — there are more of those than you'd expect, and they are not evenly distributed. Phase 2 and Phase 7 hold most of them.

**Don't be discouraged by the number.** Nobody does all 637 alone, and nobody should try. Experienced investors don't know every item on this list either — they have people and systems covering the ones they don't. That is the actual difference between a first deal that works and one that doesn't.

> **“Nobody fails at real estate in general.
> They fail at item 372.”**

PHASE 1

# Before You Start

*59 items*

### Understanding what this actually is

1 Doesn't actually know what real estate investing is
2 Can't distinguish flipping from wholesaling, BRRRR, rentals, land, syndication
3 Doesn't know it's available to someone like them — assumes it's for rich people
4 Learned it from HGTV — believes it's cosmetic, fast and glamorous
5 Doesn't know what step one is
6 Doesn't know the vocabulary — ARV, comps, points, draws, scope, LTV, LTC
7 Doesn't know hard money lending exists at all
8 Doesn't know what private money is
9 Doesn't know a lender from a broker
10 Doesn't know what a joint venture is
11 Doesn't know what a wholesaler or an assignment is
12 Doesn't know there are multiple exit strategies
13 Doesn't know how much money is actually required
14 Doesn't know how long a first deal actually takes
15 Doesn't know the failure rate
16 Doesn't know whether a licence is required or whether it's legal without one
17 Drowning in conflicting free advice
18 Can't tell current advice from advice that expired three markets ago
19 Can't tell a legitimate educator from a scam
20 Has consumed hours of content and taken zero action
21 Doesn't know anyone who has done it
22 Has nobody to ask a beginner question without feeling foolish

### Confidence

23 Doesn't have the confidence to begin at all
24 Overestimates the complexity
25 Impostor feeling — who am I to do this
26 Doesn't believe it's real — too good to be true
27 Was burned by a previous program
28 Believes their own situation disqualifies them
29 Has never made a five-figure decision alone
30 Afraid of looking stupid in front of agents, contractors and lenders
31 Doesn't know how to talk to professionals without revealing inexperience
32 Expects to be taken advantage of because they're new
33 Believes they missed the window
34 Believes rates or prices make right now the wrong time
35 Doesn't know how to judge whether it's a good time at all

### The people around them

36 Family tells them they're stupid
37 Family tells them they're going to lose money
38 Family calls it a scam or a Ponzi scheme
39 Has to convince a spouse who never asked for this
40 Has to disclose to a spouse how much is genuinely at risk
41 Has to sell it internally while unable to answer the technical questions
42 Friends discourage them
43 Nobody in their circle can validate the decision
44 The social cost of failing publicly in front of people who warned them
45 Guilt about spending household money on themselves
46 The money at risk is earmarked for kids' college or retirement
47 Spouse has a different risk tolerance entirely

### Fear

48 Fear of losing the money
49 Fear of going bankrupt if everything goes wrong
50 Fear of everything breaking at once
51 Fear of being scammed
52 Fear of never finding a deal and having wasted the money
53 Fear of rejection when calling strangers
54 Fear of failing in front of family
55 Fear of the technical unknown
56 Fear of legal trouble or being sued
57 Fear of owning a house they can't sell and can't carry
58 No margin for error — dependents, one income, nothing to fall back on
59 Has to risk money with no guarantee it comes back

PHASE 2

# The Money

*144 items*

### Simply not having it

60 They have to find a way to get the money — everything else is downstream
61 Doesn't have 20%+ down — $30,000-$80,000 out of pocket on normal hard money
62 Needs a significant amount, not a little
63 Rehab is reimbursed in arrears — somebody fronts labour and materials for weeks
64 Lenders demand cash reserves — not just what you put in but what you have

65 Monthly interest during rehab on top of their own mortgage or rent

66 Money exists but is illiquid — 401k, home equity, stock, business account

67 Closing costs, appraisal, inspections, insurance, entity setup — unbudgeted

68 Earnest money at risk before anything is certain

69 Doesn't know how much to hold back in reserve

70 Doesn't know what happens if they run out mid-rehab

### Banking is closed to them

71 Chase and Wells Fargo will not lend on a property that needs repairs

72 There are no first-time-buyer programs for investors

73 Everyone wants money AND experience — can't get experience without a first deal

74 Has to find somebody willing to take a personal risk on them

75 Doesn't understand personal guarantees or recourse

### Disqualifiers — credit

76 Bad credit — nobody will fund them

77 FICO below whatever the lender's floor is

78 Open collections

79 Charge-offs

80 Active judgments

81 Tax liens

82 Bankruptcy — active or recent

83 Foreclosure history

84 Short sale or deed-in-lieu history

85 Recent late payments

86 Thin file — not bad credit, just no credit history at all

87 High utilization

88 Too many recent inquiries

89 Debt-to-income ratio too high — often from student loans

90 Doesn't know what's actually on their report

91 Doesn't know how to read a credit report

92 Doesn't know how to dispute an error

93 Doesn't know how long a repair takes to show up

### Disqualifiers — cash

94 No cash down

95 No reserves

96 No liquid assets at all

97 Assets exist but can't be verified in time

98 Can't produce bank statements that show seasoning

99 Money is a gift and they don't know a gift letter is required

100 Can't produce proof of funds

### Disqualifiers — experience

101 No experience — the most common single disqualifier

102 No completed deals to show

103 No rehab track record at the size required

104 Has done one small deal which counts for nothing

105 Can't document the experience they do have

106 Experience is in a different asset class and doesn't transfer

### Disqualifiers — income and identity

107 Self-employed and can't document income

108 1099 or gig income

109 Recently changed jobs

110 Between jobs or recently laid off

111 W-2 income too low for a lender's comfort

112 Income is fine but the ratios aren't

113 Immigrant with limited U.S. credit history

114 ITIN rather than SSN

115 Young with no financial history of any kind

116 Doesn't own a home, so no equity and no mortgage history

117 Renting, which reads as instability to some lenders

118 No other property to cross-collateralize

### Disqualifiers — structure

119 No entity, and doesn't know one is required

120 No business bank account or business history

121 No partner and no co-signer

122 No relationships in the industry — every approach is cold

123 No referral, and referral is how most of this actually works

### Disqualifiers — how they compound

124 They usually have three or four of these at once, not one

125 They get told no without ever being told which one was the reason

126 Doesn't know which disqualifier is the actual blocker

127 Doesn't know which are fixable and which aren't

128 Doesn't know how long any of them take to fix

129 Spends months fixing the wrong thing

130 Doesn't know a credit partner solves some of these and not others

131 Doesn't know whether to fix the problem or find a lender who doesn't care

132 Concludes after two or three no's that they are simply not eligible

### Finding a lender

133 Hard money lenders are effectively invisible — no storefronts, no billboards

134 Doesn't know where to begin looking

135 Can't tell a direct lender from a broker from a marketplace
136 Can't tell a real lender from a scam or an advance-fee fraud
137 Doesn't know how to vet a lender
138 Doesn't know which lenders operate in their state
139 Doesn't know most lenders won't touch a first-timer
140 Assumes rejection by one lender means rejection by all
141 Doesn't know serious investors carry two or three lending relationships
142 Doesn't know how to build a lender relationship before they need one
143 Doesn't know what a lender actually wants to see
144 Doesn't know how to package and present a deal to a lender
145 Doesn't know what documents to have ready
146 Doesn't know how long approval takes, so can't plan a contract around it
147 Doesn't know how to get pre-approved before finding a property

### The lender box

148 Doesn't know lenders have a box at all
149 Doesn't know the boxes differ wildly between lenders
150 Maximum and minimum loan amounts vary
151 Minimum ARV thresholds exist
152 State coverage differs
153 Property-type limits — single family, 2-4 unit, no commercial
154 Acreage limits
155 Occupancy rules — most require the property to be vacant
156 Experience requirements vary by lender
157 Credit minimums and specific disqualifiers vary
158 Rehab budget caps
159 Whether rehab is rolled in or brought to the table
160 Whether closing costs are rolled in
161 Draw processes differ enormously
162 Term lengths differ
163 Some accrue interest, some demand monthly payments
164 Prepayment penalties vary
165 Extension terms and what they cost
166 Whether a second lien or gap funding is permitted
167 Whether adding square footage is allowed
168 Whether a credit partner is permitted
169 Entity and personal guarantee requirements
170 Reserve requirements
171 Doesn't know how to match a specific deal to the right lender's box
172 Doesn't know a deal rejected by one lender may fit another perfectly
173 Shops the rate instead of shopping the box
174 Doesn't know points, origination, or the true cost of money
175 Doesn't know LTV, LTC, ARV lending, DSCR or bridge loans

### Credit partners

176 Doesn't know a credit partner is a thing
177 Doesn't know how to find one
178 Doesn't know what to offer them
179 Doesn't know how to structure the agreement
180 Doesn't know how to split profits fairly
181 Doesn't know how to protect the partner or themselves
182 Doesn't know what a credit partner is actually exposed to
183 Doesn't know how to ask someone they know without damaging the relationship
184 Doesn't know a credit partner has to qualify too

### Gap financing

185 Doesn't know what gap financing is
186 Doesn't know it exists
187 Has to find somebody actually willing to put up gap money
188 Doesn't know where gap funders congregate
189 Doesn't know what gap money costs
190 Doesn't know how gap sits behind a first-position lien
191 Doesn't know whether their primary lender permits it
192 Doesn't know how to document the arrangement
193 Doesn't know what happens to the gap funder if the deal goes bad

### Other routes to capital

194 Doesn't know how to use a HELOC
195 Doesn't know a 401k loan is possible
196 Doesn't know about self-directed IRAs
197 Doesn't know about business credit or 0% cards
198 Doesn't know about love money from family
199 Doesn't know how to ask family for money
200 Doesn't know how to structure a note with a private lender
201 Doesn't know securities law limits on raising money
202 Doesn't know how to structure a profit-share deal
203 Doesn't know what a JV agreement looks like

PHASE 3

## Finding a Teacher

*11 items*

### A mentor

204 They need to find somebody with experience who will teach them

205 Doesn't know how to find a mentor

206 Doesn't know what to offer one in return

207 Doesn't know local REIA groups exist

208 Doesn't know who at a meetup is trustworthy — everyone is selling something

209 Doesn't know how to build a network from zero

210 Has no peer group at the same stage

211 Can't evaluate the quality of advice they receive

212 Successful local investors are competitors, not teachers

### The team

213 Doesn't know how to assemble a team — agent, lender, contractor, title, CPA

214 Doesn't know which professionals are investor-friendly versus retail-only

PHASE 4

## Market and Criteria

*30 items*

### Choosing a market

215 Doesn't know which market to work in

216 Their own market is too expensive for the maths to work

217 Their own market is too rural — no comps, no contractors, no buyers

218 Won't invest outside where they live

219 Doesn't know how to research a market remotely

### Neighbourhoods

220 Doesn't know which neighbourhoods actually resell

221 Doesn't know which neighbourhoods to stay out of

222 Doesn't know how to pull or read crime reports

223 Doesn't know school district quality or how much it moves resale

224 Doesn't know how to determine a flood zone

225 Doesn't know what flood zone designations mean — A, AE, X — or which kill a deal

226 Doesn't know an elevation certificate exists or when one is needed

227 Doesn't know rental density, commercial proximity, railroad or busy-street effects

### Market data

228 Doesn't know days on market, absorption rate, or median price

229 Doesn't know year-over-year trend or how to read it

230 Doesn't know seasonality

231 Doesn't know new-construction competition

### Property constraints

232 Doesn't know HOA implications

233 Doesn't know age-restricted community restrictions

234 Doesn't know well water and septic implications for lending and resale

235 Doesn't know acreage limits lenders impose

### The buy box

236 Doesn't know what an ideal house looks like for what they're trying to accomplish

237 Doesn't know which configurations resell — 2/1 vs 3/2 vs 4/2

238 Doesn't know the square-footage sweet spot

239 Doesn't know what the competition is offering — what finished houses look like

240 Has no written buy box

241 Doesn't know the right price band

242 Fixated on the wrong asset class entirely

### Risk

243 Can't evaluate market risk or what a downturn does mid-project

244 Doesn't know environmental issues — underground tanks, contamination

PHASE 5

## Finding Properties

*33 items*

### The core problem

245 The deals that produce a year's salary are not on the MLS

246 The MLS trap — agent finds a listed property, huge cash to close, or $25k becomes $100k

247 Competing against cash buyers and full-time professionals

248 Doesn't know how to prospect for deals at all

### Building lists

249 Doesn't know how to build a target list

250 Doesn't know list stacking

251 Doesn't know absentee-owner lists

252 Doesn't know tired-landlord lists

253 Doesn't know code-violation lists

254 Doesn't know tax-delinquent lists

255 Doesn't know pre-foreclosure and notice-of-default records

256 Doesn't know probate and divorce records

257 Doesn't know how to pull county records at all

### Marketing

258 Doesn't know what skip tracing is

259 Doesn't know how to run direct mail

260 Doesn't know cold texting or ringless voicemail rules
261 Doesn't know bandit sign legality
262 Doesn't know pay-per-lead or PPC options
263 Doesn't know driving for dollars, or won't do it
264 Won't spend a marketing budget, or doesn't know one is required
265 Doesn't know how many leads produce one deal
266 Doesn't know when a lead is dead
267 Doesn't track response rates, so can't improve
268 Gives up before the marketing matures

### Other sources

269 Wholesalers send junk
270 Doesn't know how to build relationships with wholesalers
271 Doesn't know how to get pocket listings from agents
272 Doesn't know the auction process
273 Doesn't know auction risk — no inspection, cash required, occupied properties
274 Doesn't know the REO or bank-owned process
275 Doesn't know the short sale process or its timelines

### Expectations

276 Expects the first deal they find to be the one
277 Entirely agent-dependent, which limits them to listed inventory

PHASE 6

## The Seller Conversation

*53 items*

### Getting themselves to do it

278 Has to put themselves out there publicly, repeatedly, as an amateur
279 Has to talk to people they don't know
280 Has to knock on doors
281 Has to make cold phone calls
282 Has no sales experience whatsoever — completely foreign territory

### Rejection

283 Doesn't know how to deal with rejection
284 Will be told no by hundreds of people
285 Will be told to get off the phone
286 Will be told to shut up
287 Will have doors slammed in their face
288 Will be hung up on repeatedly
289 Will be accused of being a scammer or a vulture
290 Will be personally insulted
291 Takes every no personally
292 Doesn't know the rejection ratio is normal, so reads it as proof it doesn't work
293 Doesn't know how many no's precede a yes
294 Has no routine for recovering and making the next call
295 Has nobody to debrief with after a brutal call
296 Loses a little confidence with each one until there's none left
297 Quits after the first rejection

### What to say

298 Doesn't know what to say to open
299 Doesn't know what to say when they're not interested
300 Doesn't know what to say when they ARE interested — freezes when it's working
301 Doesn't know the questions to ask
302 Doesn't know how to build rapport quickly
303 Doesn't know how to uncover real motivation
304 Doesn't know how to qualify a lead in conversation
305 Doesn't know when to stop talking
306 Doesn't know how to set an appointment
307 Doesn't know how to run an in-person appointment
308 Doesn't know how to walk a house with the seller standing there
309 Has to discuss the worst thing happening in a stranger's life
310 Can't answer "how did you get my number?"
311 Can't tell motivated from merely curious

### Legal and structural

312 Doesn't know who legally must sign
313 Doesn't know how probate, divorce or liens change the deal
314 Doesn't know how to handle two owners who disagree
315 Doesn't know how to work with heirs
316 Doesn't know how a foreclosure timeline constrains the deal
317 Doesn't know TCPA or Do-Not-Call exposure

### Follow-up

318 Has no system for following up over weeks or months
319 Has no CRM and loses track of conversations
320 Doesn't know how many touches a deal takes

### Negotiating

321 Doesn't know how to negotiate with a seller
322 Doesn't know how to negotiate with a buyer at the other end
323 Doesn't know how to handle "what's your offer" asked too early
324 Doesn't know how to anchor a price
325 Doesn't know how to present a low offer without insulting the seller

326 Doesn't know how to renegotiate when appraisal or inspection comes back worse
327 Doesn't know how to handle competing offers
328 Doesn't know creative terms — seller financing, subject-to — or when they apply
329 Doesn't know when to walk away
330 Doesn't know how to walk away and come back later

PHASE 7

## Valuing It

*66 items*

### Is this even a good deal

331 Doesn't know whether they're buying a good deal
332 Has no benchmark for what good is
333 Can't compare one deal against another
334 Doesn't know what margin justifies the risk
335 Doesn't know when to say yes
336 Believes the deal is better than it is

### ARV and comps

337 Doesn't know what ARV means
338 Doesn't know how to pull comps
339 Doesn't know which comps are genuinely comparable
340 Doesn't know radius and time-window rules
341 Doesn't know sold versus active versus pending
342 Doesn't know how to adjust for beds, baths, square footage, age, condition, lot
343 Doesn't know how to adjust for basement, garage or pool
344 Doesn't know what to do when there are no comps
345 Doesn't know how to value a unique or oddball property
346 Trusts Zillow and other automated valuations
347 Doesn't know price-per-square-foot ceilings in that neighbourhood
348 Overestimates ARV
349 Doesn't know what finish level the neighbourhood rewards — where granite is wasted
350 Doesn't know what buyers in that market actually expect

### The appraisal

351 Doesn't know how to order an appraisal
352 Doesn't know who orders it, or that they usually can't choose the appraiser
353 Doesn't know what it costs or who pays
354 Doesn't know how long it takes, so can't plan a contract around it
355 Doesn't know how to read an appraisal
356 Doesn't know appraisal terminology or the adjustment grid
357 Doesn't know an as-is appraisal from a subject-to-repairs ARV appraisal
358 Doesn't know a desk review or BPO from a full appraisal
359 Doesn't know how to spot a bad or lazy appraisal
360 Doesn't know how to challenge or dispute one
361 Doesn't know how to supply comps to an appraiser before they go out
362 Doesn't know what an appraiser will and won't accept
363 Doesn't know what happens to the deal when it comes in low

### Repair costs

364 Doesn't know how to estimate repair costs
365 Can't estimate from photos
366 Can't estimate standing in the house
367 Doesn't know unit costs for anything
368 Doesn't know labour versus material split
369 Doesn't know regional cost differences
370 Doesn't know how to write a scope of work
371 Doesn't know how to walk a property and build a punch list
372 Underestimates the rehab — the most common single valuation error
373 Doesn't know which repairs are worth doing and which aren't
374 Doesn't know design — colours, finishes, layout — and has no interior design resource
375 A $12,000 kitchen or a $30,000 kitchen — no basis to choose

### Hidden defects

376 Doesn't know how to assess roof age or remaining life
377 Doesn't know HVAC age or replacement cost
378 Doesn't know problem electrical panels — Federal Pacific, Zinsco
379 Doesn't know polybutylene or galvanized plumbing
380 Doesn't know foundation warning signs
381 Doesn't know a sewer scope exists
382 Doesn't know radon, lead paint (pre-1978), or asbestos
383 Doesn't know knob-and-tube wiring
384 Doesn't know meth-history testing
385 Doesn't know mould remediation cost
386 Doesn't know unpermitted additions and what they cost to legalize
387 Doesn't know structural versus cosmetic
388 Doesn't know what triggers a code upgrade requirement
389 Doesn't know egress and safety requirements
390 Doesn't know adding square footage changes the project and often the financing

### Planning

391 Doesn't know how to build a realistic timeline
392 Doesn't know to carry a contingency, or how much

### The numbers

393 Doesn't know how to calculate the maximum they can pay
394 Doesn't know how to calculate real profit after all costs
395 Doesn't know what holding costs are or how fast they accumulate
396 Doesn't know how to stress-test a deal against a lower ARV

PHASE 8

## The Offer and the Deadlines

*23 items*

### The contract

397 Doesn't know how to write a purchase contract
398 Doesn't know how to make offers efficiently at volume
399 Doesn't know it takes many offers to get one accepted
400 Doesn't know which contingencies to include

### Earnest money

401 Leaves earnest money exposed — no financing contingency
402 Doesn't know how to not lose their earnest money
403 Doesn't know when earnest money goes hard
404 Doesn't know who holds it or how to get it released

### Deadlines

405 Doesn't know how contract deadlines actually work
406 Doesn't know how the inspection period works — length, what it permits, how to use it
407 Doesn't know how the appraisal timeline works or where it falls against deadlines
408 Doesn't know what happens when a deadline is missed
409 Doesn't know how to request an extension
410 Doesn't know about auto-extensions, so runs out of time

### Walking away

411 Doesn't know how to terminate a contract cleanly
412 Doesn't know how to walk away from a bad deal
413 Can't walk away emotionally after months of work — sunk cost keeps them in

### Legal

414 Doesn't know state-specific seller disclosure requirements
415 Doesn't know assignment clauses or how to keep that exit open
416 Doesn't know what a double close is
417 Doesn't know title-company states from attorney states
418 Doesn't know how to set up or use an entity

### Speed

419 Too slow to compete with a cash offer

PHASE 9

## Due Diligence and Title

*26 items*

### Inspections

420 Doesn't know which inspections are needed
421 Doesn't know how to find inspectors
422 Doesn't know what a termite inspection is or who performs one
423 Doesn't know how to manage or brief an inspector
424 Doesn't know how to read an inspection report or what's serious
425 Doesn't know how to turn findings into a renegotiation
426 Doesn't know municipal pre-sale inspection requirements in some cities

### Title

427 Doesn't know how to read a title report or preliminary title commitment
428 Doesn't know Schedule A from Schedule B
429 Doesn't know what an exception is or which ones matter
430 Doesn't know how to clear a title exception
431 Doesn't know clouded title, heirship, or missing-signature problems
432 Doesn't know a second lien can be recorded against the property
433 Doesn't know code-violation liens attach to the property
434 Doesn't know survey, easements, encroachments or setbacks

### Escrow and the closing people

435 Doesn't know what an escrow agent does
436 Doesn't know what a closing officer does
437 Doesn't know what a title officer does
438 Doesn't know the difference between the three, or who to call for what
439 Doesn't know how to work with them or what to ask for
440 Doesn't know what escrow instructions are
441 Doesn't know what's held in escrow and why
442 Doesn't know who to escalate to when a closing stalls

### Property admin

443 Doesn't know how to find open permits from a prior owner
444 Doesn't know how to transfer utilities, or that they must be on for inspections
445 Doesn't know winterization

PHASE 10

# Funding and Insurance

*28 items*

### The loan

446 Doesn't understand the loan process

447 Doesn't know pre-qualification from approval from a funding commitment

448 Doesn't know what documents underwriting will demand

449 Doesn't know how long each step takes

450 Doesn't know how to read loan documents

451 Doesn't understand points versus rate, or the real cost of money

452 Doesn't understand the draw process

453 Doesn't understand loan maturity or forbearance payments

454 Doesn't know per-diem interest or what a delayed closing costs

455 Surprised by doc, legal, title and appraisal fees at closing

456 Doesn't know wire fraud exists or how to verify wire instructions

457 Doesn't know the closing disclosure from the settlement statement

458 Doesn't know what happens if closing is delayed past the contract date

### Insurance

459 Doesn't understand hazard insurance

460 Doesn't know a vacant dwelling policy is a separate product

461 Doesn't know a standard homeowner's policy won't cover a vacant rehab

462 Doesn't know how to source a vacant dwelling policy or who writes them

463 Doesn't know what a vacant policy costs

464 Doesn't know builder's risk insurance exists

465 Doesn't understand flood insurance or when it's mandatory

466 Doesn't know what flood coverage costs, or that it can kill a deal's margin

467 Doesn't understand title insurance

468 Doesn't know lender's title from owner's title

469 Doesn't know general liability or workers-comp exposure

470 Doesn't understand these are all separate things or the differences between them

471 Doesn't know the coverage amounts a lender will require

472 Doesn't know the lender must be named as loss payee

473 Doesn't know what happens if there's a claim mid-rehab

PHASE 11

# The Contractor

*54 items*

### Finding one

474 Doesn't know a contractor

475 Doesn't trust any of them

476 Doesn't know where to look

477 Can't verify a licence is real or current

478 Can't verify insurance or bonding

479 Can't check references meaningfully

480 Doesn't know how to interview one

481 Contractor can't produce qualification documents and the deal stalls

482 Contractor isn't tech-savvy and won't engage with any process

483 Good contractors are booked and won't take a small first-timer job

### Contracting

484 Can't tell a complete bid from a lowball

485 Doesn't know how to put together a contractor bid — line items, allowances, exclusions

486 Doesn't know how to compare two bids structured differently

487 Doesn't know how to write a contractor agreement

488 Doesn't know what draw schedule protects them

489 Doesn't know retainage

490 Doesn't know how to bonus a contractor for finishing early

491 Doesn't know how to penalize a contractor for running late

492 Doesn't know liquidated damages clauses

493 Doesn't know what a lien release is

494 Doesn't know about subcontractor releases

495 Doesn't know how to verify materials were paid for — can get a lien on a paid house

496 Doesn't know mechanic's lien timelines

497 Doesn't know notice of commencement requirements

498 Doesn't know who is responsible for pulling permits

499 Doesn't know warranty terms or how to enforce them

500 Doesn't know how to price a change order or spot padding

501 Doesn't know how to negotiate the bid down without losing the contractor

### The difficult conversations

502 Doesn't know how to tell a contractor the work isn't good enough
503 Doesn't know how to tell him to redo it
504 Doesn't know how to withhold payment
505 Doesn't know how to hold the line when he pushes back
506 Doesn't know how to do any of it without him walking off the job
507 Afraid of the confrontation itself
508 Isn't a builder and the contractor knows it — no standing to argue quality
509 Doesn't know what "done right" looks like well enough to make the case
510 Has no documentation to back the claim
511 Doesn't know which contract terms actually let them withhold
512 Doesn't know what to do when he threatens a lien
513 Doesn't know what to do when he abandons the job after a dispute
514 Doesn't know how to document a dispute so it survives a lawsuit

### Control

515 No leverage — a one-time customer is the lowest-priority job on any board
516 The contractor has no working capital, so the job stops between draws
517 Doesn't know how to manage a contractor day to day
518 Doesn't know how to sequence trades
519 Doesn't know how to run a site meeting
520 Doesn't know to document everything with photos
521 Doesn't know material lead times
522 Doesn't know the tradeoffs of owner-supplied materials
523 Doesn't know how to fire a contractor
524 Doesn't know how to find a replacement mid-job
525 Doesn't know how to hand off a half-finished job
526 Doesn't know what to do when the job goes off the rails entirely
527 Doesn't know how to do a final walkthrough and punch list

PHASE 12

## The Rehab

*17 items*

### Execution

528 Permits, inspections and architectural drawings they didn't anticipate
529 Doesn't know what to fix and what to skip
530 Doesn't know what to do when the scope changes and the job needs more
531 Can't evaluate whether a change order is legitimate
532 Can't judge whether work was done right or merely done
533 Doesn't know how to spot corner-cutting

### Schedule

534 Doesn't know how long is too long
535 Rehab falls behind and nobody flags it early
536 Material and supply delays
537 Weather delays

### Site problems

538 Theft, vandalism or squatters at a vacant property
539 Neighbour or HOA complaints
540 Dumpster placement and permits
541 Failed inspections requiring rework

### Time

542 Has a full-time job — contractors, inspectors, city offices all work 9-5
543 Doesn't visit often enough, so problems surface late
544 Doesn't know when a project should be abandoned rather than finished

PHASE 13

## The Exit

*34 items*

### The listing agent

545 Doesn't know how to hire a listing agent
546 Can't evaluate whether an agent is any good
547 Gets locked into a listing agreement they can't exit
548 Doesn't know easy-exit listings exist
549 Doesn't know how to negotiate commission
550 Doesn't know how to follow up to make sure anything is happening
551 Can't judge whether the photos are right — takes the agent's word for it
552 Can't judge whether the marketing is being done at all
553 Doesn't know what good listing copy looks like

### Pricing and feedback

554 Doesn't know how to stage a property
555 Doesn't know whether to do a pre-listing inspection
556 Doesn't know how to time the listing to the season
557 Doesn't know how to price for a bidding war versus a steady sale
558 Doesn't know how to read showing feedback
559 Can't tell whether the problem is price, condition, or marketing
560 Doesn't know how to do price reductions — when, how much, how often

561 Can't balance interest cost against holding out for a higher price
562 Doesn't know what a single day of holding actually costs
563 Prices too high trying to recover what they overspent
564 Waits too long to reprice
565 Doesn't know when to cut losses and take the offer on the table

### The buyer

566 Doesn't know how to handle a lowball offer
567 Can't evaluate the quality of a buyer's financing
568 Doesn't know FHA and VA repair requirements that can kill a sale
569 Doesn't know what to do when the buyer's appraisal comes in low
570 Doesn't know seller concessions or when to offer them
571 Doesn't know what to do when a buyer walks and the clock keeps running

### The cascade

572 Carrying costs accumulate faster than they realize
573 The loan matures before the house sells
574 Can't afford the forbearance payments
575 Loses money on the deal
576 Has to give the property back
577 Doesn't know wholesaling or assignment is an available exit
578 Doesn't know refinancing and keeping it is an option, or how to qualify

PHASE 14

## Resale and Getting Paid

*18 items*

### The buyer's inspection

579 The buyer's inspection turns up problems after work is supposedly finished
580 Doesn't know how to get the contractor back — he's been paid and moved on
581 Doesn't know how to renegotiate repair credits with the buyer
582 Doesn't know whether to fix or credit

### Closing

583 Doesn't understand the resale closing process
584 Doesn't know how or when they actually get paid, or how the money reaches them
585 Doesn't know how to read a settlement statement
586 Doesn't know how the loan payoff is calculated or what's deducted
587 Doesn't know payoff request timing
588 Doesn't know prorations or transfer taxes

### Tax

589 Doesn't know what a 1099-S is
590 Doesn't know flip income is ordinary income, not capital gains
591 Doesn't know self-employment tax applies
592 Doesn't know quarterly estimated taxes
593 Doesn't know how to bookkeep a project or what's deductible

### The next deal

594 Doesn't know how to calculate their actual return
595 Has no plan for the proceeds or how to start the next one
596 Doesn't know how to run two projects at once

PHASE 15

## The Landlord Fallback

*24 items*

### Becoming a landlord

597 Doesn't know how to be a landlord

### Refinancing

598 Doesn't know how to refinance out of a short-term loan
599 Doesn't know what a DSCR loan is
600 Doesn't know seasoning requirements
601 Doesn't know whether the property will appraise for a refinance

### The numbers

602 Doesn't know how to set the rent
603 Doesn't know how to calculate whether it cash-flows

### Tenants

604 Doesn't know how to market a rental
605 Doesn't know how to screen tenants
606 Doesn't know fair housing law or how easily it's violated
607 Doesn't know what a lease should contain
608 Doesn't know how to collect deposits
609 Doesn't know state rules on holding deposits, interest, or return deadlines
610 Doesn't know how to do a move-in inspection or document condition
611 Doesn't know how to handle tenants day to day
612 Doesn't know how to handle late rent
613 Doesn't know the eviction process, timeline or cost

### Operations

614 Doesn't know their maintenance and habitability obligations
615 Doesn't know how to handle a 2am emergency call

616 Doesn't know landlord insurance differs from hazard insurance

617 Doesn't know what property management costs or how to hire one

618 Doesn't know local rent control or licensing requirements

619 Doesn't know how to keep books on a rental or what changes at tax time

620 Doesn't know when renting genuinely beats selling

PHASE 16

## Underneath All of It

*11 items*

### Time

621 They have a job — every counterparty works business hours and so do they

622 They have dependents — evenings and weekends are already spoken for

623 They must grind 10, 20, 30, 40 hours before seeing any result at all

624 The feedback loop is brutally long — months between effort and outcome

### Follow-through

625 No accountability — nobody notices or cares if they quit

626 They never know what the next step is

627 Analysis paralysis — too many decisions, no sequence

628 Isolation — nobody to check a judgment call with

629 Every mistake on this list costs real money, and they find out later

630 No way to tell whether a setback is normal or fatal

631 Momentum dies during any waiting period, and there are many

# So what do you do with a list like this?

The honest answer is that no single thing solves 637 problems.

A course solves maybe two hundred of them, badly, and only the ones that are pure information. A mentor solves more, but only if you find a good one — which is itself an item on this list. Money solves the money section and nothing else; plenty of people with $80,000 in the bank still lose it on repair estimates. And time solves it eventually, if you can afford to lose the first two deals learning. Most people can't.

What we do at The Investor's Edge is narrower than “we teach you.” **We do the deal with you.** Not a loan and a handshake — we're in it from the first search through the exit and into the next one: find and qualify, secure, scope and price the work, manage the build, sell or refinance.

# The six gates

Traditional financing puts six requirements in front of you: **credit**, **money down**, **monthly payments during the rehab**, **cash reserves**, **investing experience**, and **rehab experience at the size you're attempting**. Most first-timers clear none of them. We have routes that address all six.

Every deal is still underwritten independently by the senior lender, and no capital is guaranteed on any deal. But “I have bad credit and no cash” is not, by itself, the end of the conversation.

# What we won't tell you

We won't tell you approval is guaranteed — the senior lender decides, not us. We won't quote you a rate in a PDF; you get a written quote for your specific deal, and that's the only number worth relying on. And if you comfortably clear all six gates on your own, you should do the deal yourself. On a single project it wins, and it isn't close.

Most people don't clear all six. That isn't a character flaw and it isn't unusual — it's the overwhelming majority of everyone who ever tries this.

> **The 637 items don't go away.**
> **Somebody just has to be standing next to you for them.**

**Want to know which of the six gates is actually blocking you — and which ones are fixable?** That's a twenty-minute conversation, and you'll get a straight answer either way.

**Apply Now** www.theinvestorsedge.com