

How To Create Passive Income For Life From Property Investment

Without stressing about tenants or trash



By Boyd McClean

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OVERVIEW



Do you think you can simply save your way to a happy retirement?

Perhaps you're thinking:

- "I'm busy busy busy!"
- "I'd like to invest and receive above-average returns"
- "I have money in CDs savings accounts and IRAs – but it earns so little"
- "I should be building more passive income to feather the nest"
- "I've considered real estate investments – but it will just make me busier"
- "There are so many investment strategies – it's hard to know which one's best"
- "Perhaps I can just keep saving and hope that it's enough"

If you've been thinking any of these things, this short book will help you find the way forward with a property investment strategy you probably haven't considered...

Create the lifetime passive income you're looking for...



In this book, I will show you how to take your idle dollars earning very little and get well above-average returns – using a hidden ‘golden nugget’ that most real estate investors are not making use of.

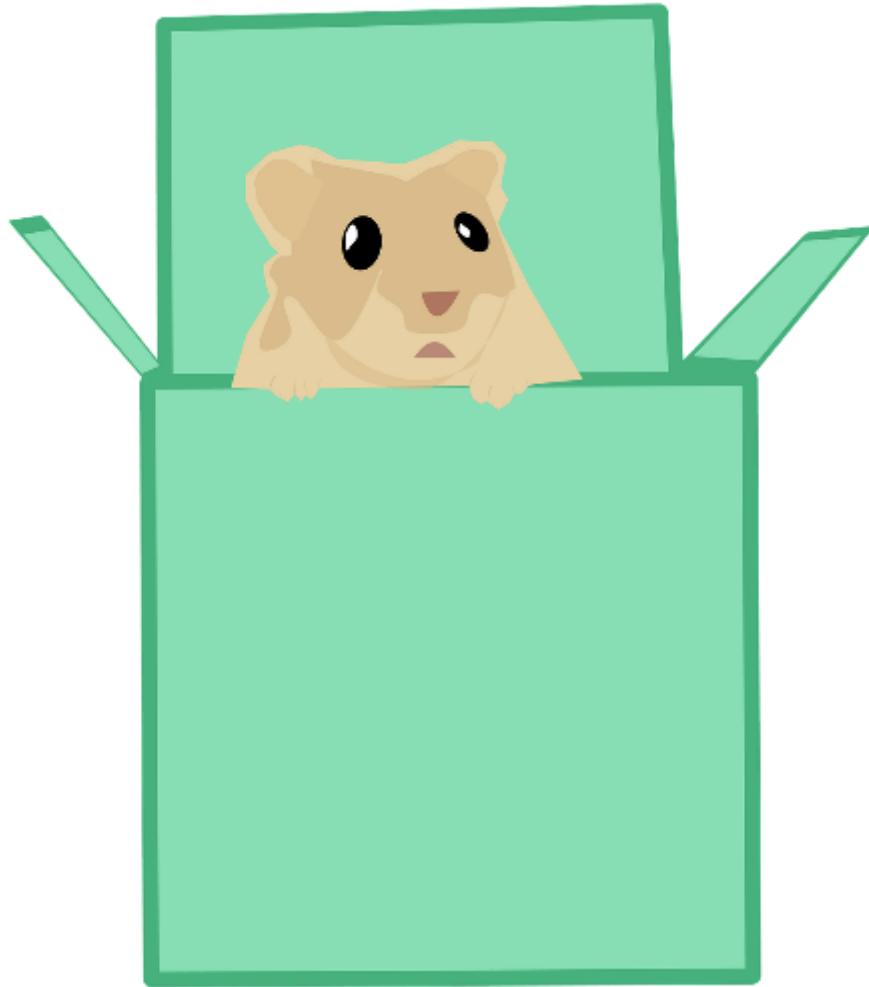
This under-utilized resource has the potential to help you achieve ALL of your financial goals, even if you don't have the time or energy to research the industry inside out.

It allows you to enjoy all the benefits of property investment without having to get involved with tenants, toilets, trash and turnover!

In the next few pages, I break down for you some of the myths that abound about investment and how you can overcome the natural fears that you have of taking action.

Read on to find out how you can start reaching your financial and life goals without the stress...

IS FEAR HOLDING YOU BACK?



Trade your fear and stress for security...

The mindset of ten years ago about working harder to fund retirement is no longer viable. Many people have seen that this just leads to early burnout with a lower quality of life style – and lack of health to enjoy the ‘golden years’ of retirement.

Industry and government regulations are constantly shifting, making it more difficult for people to survive and be prosperous. And there are very real fears about having enough to fund an adequate retirement.

It’s shocking to hear so many professionals facing the same fears without any plan to navigate through the troubled waters.

Every week I hear the following concerns from professionals and business owners:

- I'll have to work for the next 30 years to be financially independent and have enough money to live on in retirement - knowing that Social Security will be inadequate or will not exist at all;
- The federal debt will keep growing and entitlements keep rising- so as I earn more the government is going to take more;
- Government regulation may [put me out of business](#)
- I'll have to stay in a job I'm not happy with because of the fear of being out of a job if I make a career move;
- I have no control over my retirement program and disapprove of some of the vehicles being used to invest my 401(k) or IRA money;
- [Taxation](#) is increasing every year and taking more of my disposable income;
- I may have to work until 70+ with no comfortable retirement program in sight;
- My small practice is being run out of business by big corporations (especially in the case of doctors).

I know what it's like for these fears to weigh heavy on the shoulders of business owners and professionals. I've been there.

But I also found a way out.

How?

By trading my fear and stress for security.

And I'll show you how to do this yourself...by increasing your net worth through the use of passive income to create personal and financial freedom.

OVERCOMING THE BIG INVESTMENT MYTHS

“I’ll have to sacrifice my lifestyle”



Did you know that it’s possible for you to retire early without shrinking or sacrificing your lifestyle?

Many people talk themselves out of investing in property because they think that they will have to stop doing the things they love doing.

That may be the case if your strategy is wrong.

However, what I show you in this book is a way to:

- Reduce your stress, anxiety, and fear in your day-to-day life;
- Enjoy your family life and health right now;
- Have the peace of mind of knowing that you have a real-life plan in place;
- Retire when you’re ready;
- Take complete control of your finances - not leave them in others’ hands;
- Create more freedom in your life

This is all possible but it takes a plan and it takes action – not more procrastination. **That’s the thief of time and it’s probably stolen too much of yours already.**

You must learn to be more financially independent: the magic silver bullet doesn’t exist so forget that. It’s about how to leverage your time, assets, and resources.

Are you doing that right now, chained to a desk and making 1% on your savings? If so, neither your lifestyle nor your retirement plans are very satisfactory...

First sit down and make a plan. This needs to be realistic and include all the people who are involved in your life - your spouse, children, etc.

Share with your family what your goals are going to be and how you’re going to accomplish them.

But before you do that, understand this: ***with what I’m about to share with you, it will be possible to multiply the value of your efforts and accelerate your personal wealth creation by a factor of 10 - while also working less.***

It just takes a little shift into an entrepreneurial mode of thinking... and overcoming another couple of myths...

“I have to own property – which creates more work”



Most people believe that the only way to earn income through purchasing real estate is by owning the physical asset. This, of course, comes with all the challenges that finding and looking after renters brings...

Investing in real estate requires dealing with tenants, evictions, and contractors, right? It's almost like having a second job.

That's what you've been led to believe. Perhaps you've even experienced the joys of rental property and management yourself: laying carpet, tiling bathrooms, repairing plumbing, and all the other chores that go along with real estate ownership.

With entrepreneurial thinking, wealth creation doesn't depend on owning property outright and *making life more stressful and harder work*.

You CAN create passive income as well as freedom of lifestyle through real estate - without having to get involved in the day-to-day challenges of *owning* real estate.

You CAN create more dollars for the time you spend working on your wealth plan AND create the generational wealth that will be your legacy.

“I am saving for my retirement”

Another common myth is that you can save your way to retirement rather than invest: work hard, pay taxes, save and handover what's left to the stock market – right?

Wrong! But it is a mistake that most people make because, as children, we were taught this.

The rule of 72

The rule of 72 comes into play here:

Simply divide the rate of return you would like to get on your invested money into 72 and the answer will be how many years it will take you to double your money.

Many of you have money savings accounts and CDs where you're only making 1%.

If you take 1% and divide into 72, you see that it will take 72 years to double your money!

It's possible in today's environment to get a conservative return of 8-12% without taking too much risk.

Earn 12% and you will double your money in six years!

Isn't that a whole lot better than 72 years?

REAL ESTATE vs. OTHER ASSETS



Many commissioned-based financial advisors do not encourage investment in soft real estate assets.

But consider Wall Street for a second. It has not been a good fiduciary of investors' money and many believe that is poised for another major correction. Bonds are in the tank; annuities are the prima donna of the insurance companies but don't provide the benefits that most Americans need today (and they also have very high load charges).

If you invest in the stock market, what collateral do you have standing behind your investment? Nothing. Where are the following companies now: Eastern Air Lines? Pan American Airlines? Woolworths? Enron? Indy Mac Bank? That's just a few where investors have lost out significantly.

Conversely, since the financial downturn of 2006-2009, housing and real estate in general has been on the upswing.

Many markets have recovered completely and virtually everywhere across the country rents are very strong and on the rise.

Why? Because financial banking crisis federal loan and underwriting requirements remain very stringent; preventing many who desire to be homeowners from owning property.

The result is a much higher percentage of renters than ever before. Supply and demand has made income-producing properties very lucrative.

Recently, an article in [Bloomberg](#) indicated that there are now more renters than there are homeowners. Affordable housing is hard to come by, especially in large metropolitan areas like New York, San Francisco, Chicago, and Washington DC.

By taking advantage of this market and optimizing your investment structures to decrease the effective taxation and maximize compounding, you start to create ***sustainable lifetime passive income streams***.

Ask yourself:

How you can live tax-free off one Roth IRA account?

How you can build passive income stream secured by real estate indexed to inflation without ever meeting a tenant or calling a contractor?

How you can have more than one IRA account?

How you can have money available for your children's education when it's time for them to go to college - and not have to go into debt?

This is all possible with what I'm about to share with you...

THE GOLDEN NUGGET OF REAL ESTATE INVESTMENT



There is one aspect of real estate that should be regarded as the 'golden nugget'. It really is a hidden secret that very few people are utilizing... and it can create passive income for the rest of your life.

It is investing in discounted promissory notes or mortgage notes.

What is a mortgage note?

A mortgage note is a promissory note secured by a mortgage. It is a written promise to repay a specific amount of money plus interest at a specified rate and length of time to fulfill the obligation.

In non-judicial states, a mortgage is referred to as a 'Deed of Trust'.

These apply to varying types of mortgages:

- Defaulted, non-performing & distressed
- Note, mortgage, lien and loan
- First and second position mortgages

Common types of mortgages

1. A first mortgage (sometimes referred to as a 'senior lien') is backed or collateralized by the house one is buying and has first priority over other real estate liens - based on it being recorded at the county courthouse before any other real estate lien.
2. A second mortgage (referred to as a 'junior lien') gets its name from being recorded behind the first mortgage. It is also secured by the real property.
3. A first or second mortgage can be created either by an institution such as a bank or a private individual such as owner financing, sometimes referred as 'OWC' ('owner will carry').

REAL ESTATE VS. MORTGAGE NOTE INVESTMENT



If you invest in real estate, in most cases you will pay market price unless it is in distress. Most of the time, you will not get a discount on the price.

- ***With notes, there is an immediate discount because of the time value of money.***

A dollar today is worth more than a dollar five years from now.

A well-known note teacher called Eddie Seed asks the following: *how many groceries could you have bought at Walmart five years ago for \$100?* Answer: many more than you could buy today because of the depreciated dollar.

- ***Whether you have one note or ten, you are also going to spend less time taking care of your investment than if you had several houses or an apartment building.***

With income property ownership, you have maintenance, taxes, insurance, tenant turnover and other challenges.

You effectively become the bank AND the customer service line: if there is a plugged toilet, who gets called?

- ***With notes you are generating passive income or mail box money. Investing in notes allows you to own notes in geographical areas where you wouldn't ordinarily want to own actual property.***

I would never dream of owning real estate 3,000 miles from home. Yet I would not hesitate in buying a note that far away.

By owning the note, you are in control and it gives you the right to modify the mortgage, foreclose, sell all or a portion of the note, or use it as collateral for another investment.

- ***Notes are lucrative in themselves but the yield is so much more if you purchase it with funds from an IRA, 401K or other tax deferred program.***

I have a Roth SDIRA where all profits accumulate tax-free. You can also fund your child's or grandchildren's education by using a form of an IRA to provide tax-free funds for this purpose.

There are several types of IRAs you can choose from: you can have a checkbook IRA using an LLC or an Irrevocable Trust. It is best to seek professional counsel to determine which one is best for you.

12 OPTIONS WITH MORTGAGE NOTES

Another benefit of investing in mortgage notes is the range of options available with managing your investment:

1. **Hold for investment**
2. **Hold in a tax-free IRA**
3. **Sell for cash**
4. **Exchange for real estate**
5. **Use as a down payment for real estate**

6. Use as security for a loan
7. Use to pre-pay a debt
8. Use to make a gift
9. Use to reduce taxable income
10. Use to divide assets in a business or domestic settlement
11. Sell entirely or partially
12. Sell a note balloon balance partially or entirely

What's more, this business can be done from anywhere in the world as long as you have a phone, laptop, and internet connection.

If you were a landlord managing your own property how could you achieve that kind of freedom?

Final words

With mortgage note investing you not only make the passive income stream that can transform your life and your future retirement; you get the flexibility to live the lifestyle that you want too.

You gain control of your financial future and it's you who determines in what and where you invest - not a corporate board or the head of a mutual fund. Not the case if you invest in stocks or mutual funds.

The information you've learned can help you leverage what you have for greater income and freedom. You have seen how debt can be good - and with mortgage notes, you can manage this debt while building your estate.

Now you have this 'golden nugget' it takes action on your part to start making what you're really worth and to create the lifestyle you want...

START CREATING PASSIVE INCOME FOR LIFE...

"Notes are the easiest way of generating passive income in real estate without all the responsibilities of ownership." Carl S. Fairfax, VA

Looking for expertise to put together a mortgage note investment program that will meet your passive income needs now and in the future?

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