EPISODE 100

[INTRODUCTION]

Edward Brown (EB):

Basically, it's someone owns a house and wants to buy another house but doesn't have enough time to go to the bank, or maybe their FICO score is two points lower or something silly like that, right? So we help them buy the next house, and then they have time to sell their current house, fix it up, etc, and can compete with all-cash buyers, etc. There are a lot of hard money lenders out there, but there aren't too many who are even licensed to do these owner-occupied consumer loans.

Tejas Gosai (TG):

Ladies and gentlemen, welcome to Real Estate Investor MBA. My name is Tejas Gosai, and I've had the honor of helping hundreds of investors achieve the American Dream by creating generational wealth through real estate. I've spent the past few years interviewing the most knowledgeable experts I could find in the business to cut your learning time and conquer the hardest subjects in the game. Check out rei.mba, which my team and I have packed with over 75 interviews and free access to our real estate roadmap, webinars and publications. If you're listening, I am rooting for you. And you're already on your way to financial freedom. Cheers and happy hunting!

[INTERVIEW]

TG:

All right, imagine that you live in a beautiful house, which you probably do. And you found another house that you want to move into in the markets not so you got to buy that house. Well, what do you do? Do you buy that house at the same time sell this house and deal with buying one and moving into the other and the inaccuracies of when it's going to close and delays and issues? There is a solution to it. And Edward Brown, my next guest is a specialist in that. It's called owner-occupied consumer bridge loans. He helps you buy that next house and be able to afford selling the other house in that median time. His lending company specializes in this and we share a bunch of ways that you can take advantage of this if you're in some of the markets that he's in. It's also a very interesting lending model to be able to provide. There's not so many people that do this and all which is one of the reasons I wanted to have him on the show.

For over the past 20 years, Edward Brown was CEO of a $40 million alternative lending based in Marin County. Today he assists Pacific Private Money with capital raising and investor presentations. Edward is also the host of two radio shows, The Best of Investing with Mark Hanf and Sports Econ 101, a national sports and business show. Edward earned his Bachelor of Science in Accounting and an M.S. in Taxation from Golden Gate University and has held licenses and certifications including Real Estate Salesperson, Insurance License, Series 7 Securities License, Tax Preparation License, and Certified Fund Specialist. Super smart dude, I love having people like this on the show that are in a specific niche know about it can actually share how they got their numbers, information, the regulations. I'm a law school graduate, I'm all about doing things in real estate safe and clean and beautifully. You want to have a garden that is properly regulated.

And I hope you do enjoy the interview, check out our website, rei.mba. I have a bunch of tools on there that will help you along your journey including a real estate roadmap that lays out podcast to help you go along the way. And I love you guys. iTunes, Spotify Stitcher, rei.mba. Enjoy the interview.

EB:
Tejas, just good to see you.

TG:
Oh, there you go. No, thanks for being here. We got a lot to get into. First, can you give me a quick intro on yourself and bring us up to speed.

EB:
Okay. And we're Brown I handled high handle Investor Relations at Pacific private money. My background is I've got a bachelor's degree in accounting and a master's degree in tax. Excuse me for many years, I had my own tax and financial consulting business and then got into the mortgage business in the early 90s. And then started my own company, with a business partner doing hard money loans. Hit 2008 when fortunately, we did some land deals. And then I hitched my wagon to

Pacific Private Money after Mark Hanf and I did a radio show. We had our own radio show starting in 2010. And we actually had never done any business together. We had just done the radio show for three years. And when he finally wanted to start a fund, he asked for my help, because I had had my securities license and you know, real estate license and all this stuff. So I had a lot of experience to bring to the table. And I've been with them ever since.

TG:

It's amazing. And that 2008 period must have been very interesting. Like it was for all of us.

EB:

It was. Yeah. There were some blessings that came out of it. But unfortunately, you know, it's like, you know, it says The buck stops here. I mean, unfortunately, I let my other business partner kind of make some decisions on some deals and I was a little hesitant on but you know, I can't I can't run away from my responsibility. So I've got to buck up and take it like a man and unfortunately I got caught up in that too.

TG:

Well here you have a lot of experience and you've been in all these different facets I have my real estate license too. I've manage a private equity fund took a long time to build. That's why I like to have people like you on the show. You know a lot about what's going on and then you have specific strategies that are helping people. I'm an all-multifamily guy, and that is my favorite asset in the world. And you have your specifics. Can you share, you know, what your niche is and how you've been helping people?

EB:

I'd say that we're nowadays it's more like the soft, hard money, instead of the hard, hard money, you know. Our special niche, I'll call it, it's because it's not the only thing we've done because we'll do multifamily, etc. But our specialty is the owner-occupied consumer bridge loan product. And, excuse me, and the reason that it's kind of specialized, I think there's only a handful of us in California licensed to do these owner-occupied consumer bridge loans. It sounds very specific, but basically, it's, you know, someone owns a house wants to buy another house doesn't have enough time to go to the bank, or maybe their FICO scores, two points lower something silly like that, right? So we help them buy the next house. And then they have time to sell their current house, fix it up, etc, and can compete with all-cash buyers etc.

There are a lot of hard money lenders out there, but there aren't too many who are even licensed to do these owner-occupied consumer loans. You know, you call a lot of them, and they'll say, oh, when you're gonna live in the house? Oh, no, I'm sorry, we can't make the loan. And people ask me, Well, you know, why? Why aren't there more of them? And I think the reason this is my own personal feeling is that it's a fairly expensive barrier entry. With the licensing continuing education, legal and software, I mean, it could cost upwards of $100,000.

So, you know, if you're a typical hard money lender, you're doing pretty well, but you know, making money etc. Why do you want to spend an extra 100,000 to get into a new space? Right? So we decided to do that. And it's been very interesting. Lately, because people have asked me, Yeah, but what about the real estate market today? And, you know, things are not as busy etcetera, and contracts falling through? Actually, we are busier than ever. And I think the reason is because we become even a bigger fish in a smaller pond. Because a lot of mortgage companies have downsized, right, there's, you know, there's been such little refinance market with the interest rates going up. It's there's a smaller pool of money out there. So we get a lot of referrals from banks, mortgage brokers, realtors, etc.

TG:
Yeah, I was gonna say realtors, back when I did residential real estate, that was always the biggest problem. So tell me, what is the regular? What makes the regulation so expensive or difficult?

EB:
Well, first of all, you have to be very accurate with your numbers. And that's where the software comes in. Because if you're off there can be a lot of penalties. o you have to, you have to fit within the Dodd Frank rules. And we have a few ex-bankers as underwriters, so that, you know, they know that they know the rules really well. And again, that's where the continuing age education comes in. And all the legal and then you know, you have to get the NMLS license and keep up to date on that. And it

changes all the time. I mean, I'm glad I'm not that I'm not that part of the business. You know, my my part is raising money for our we have different funds.

TG:

So yeah, tell me about that. Actually, before we move on, people are in a funny spot, and the economy is in a funny spot, and inflation and everything, you're saying this is a busier time, so people are selling their homes. And they're successful. You're seeing that in some specific pockets? Or,

EB:

Primarily we work in California, we are licensed outside, so so we will still do some loans outside of California, but California is still a fairly big market. And, and there's, there's still a lot of movement, you know, people either, you know, having to come back to work, and so they have to move or, you know, they're selling their second home and been wanting to buy No, I mean, there's always activity going on. And, and the interesting thing is the interest rates, I mean, we've had to raise our interest rates to our borrowers. And that converts to raising interest rates for our investors, which is a good thing. But the delta is not as big as it used to be. So the Fed raise their interest rates faster than we raised ours. And primarily, I think it's because it's a supply and demand situation where there's still so much money in California, people would look and they would back in the couple of years ago, let's say before COVID money was cheap in California. And so, you know, you maybe do a loan, let's say and I'll just pick up pick a state, Iowa, and maybe, you know, the interest rate was 12%. Well, we were only charging 7% Because there's just so much money chasing the deals, right? Well, it's kind have eased off a little bit. And so, we're having borrowers come to us where we're charging them closer to, you know, a little over 10%. And even though it sounds high, there's no prepayment penalty.

That's the other reason that I think a lot of lenders don't touch the owner-occupied space is because there's no you can't do a prepayment penalty on a consumer loan. And so, you know, they don't want to put the money out there and then get it back really quickly. (Right.) Because we charge points upfront. You know, it's, it makes it worthwhile to us, you know, if we're going to charge two to three points, let's say, compared to, you know, some of these lenders were charging, you know, 7% and a half a point, we don't want the money back that fast. Right?

TG:

Right. No, that's amazing. So, I mean, big deals them, they're not small deals that you're working on over there.

EB:

No, our average loan is about a million. Okay.

TG:

Yeah. So your your clients are successful, and then they get out of your loans, and they're happy, and they refer their friends over?

EB:

Yeah, exactly. Now, here's where the interesting thing before we started recording, I told you, we had a very unique product. So the main funding for our owner occupied consumer bridge loans is one of our funds called the Freedom Fund. Like I said, I've been in this business a really long time. And, you know, I've seen a lot of cycles, etc. And even when I asked other even competitors, I asked them, I said, Do you have any kind of product like this? And they say, No, we don't. And here's what it is. So we primarily sell off our owner-occupied consumer bridge loans, we have a few big institutions who buy our loans. So the object is we do a loan, put it on the conveyor belt with a bunch of other loans, sell them off, get the money back every roughly two to three weeks, and start that process all over again.

Because of that, you know, we have the typical Reg 506 D type fund, all funds, if I remember correctly, have to have a one-year lockup period, you know, in order for them to qualify for a fund, right? However, we don't charge any early withdrawal penalty. So the only thing we require is a 30-day notice, because you know, we don't we're not constantly keeping a bunch of cash in the bank at the time, right? Because we have to earn money on it. So can you imagine this is very similar to a money market account, but it will you can't write checks against it, you know, and it's not FDIC insured, but it's backed by the loans, which are constantly revolving. So the interesting thing is A. from a risk standpoint, we're in and out of these loans very, very quickly. Right? We're, we're just holding them for a couple of weeks. So that's not even really enough time for a borrower to default.

TG:

Yeah. And in most cases, there's not a buyback provision. So the institution say, you know, if you do these loans that fit within this box, we will buy them, right? So we have, you know, we have various contracts, even when the contracts run out, they still are interested in the loans. So the big benefit here is the fact that the minimum investment is 250,000. Okay, you have to be accredited investor, of course. So we pay 7% on 250, we pay 8% if you put 500,000 in, and we pay 9% if you put a million in, and if you put in like 5 million we will even go higher than 9%. We're just making a smaller profit, that's all.

So if you put in a half million, no, in fact, we just had a guy wire high and a half million dollars in today at 8%. And he's a real estate investor. So he looked at and said, you know where we're at, and this is exactly how you should be thinking. Where else can I park my money temporarily until I need it? You can find an FDIC-insured bank account, which I think FDIC is still up to 250. Yep. So after that, theoretically, right? It's not insured after that. And you have to tie it up for about a year in order to get around four and a half percent. Plus, all of our funds qualify for QBID. And for those who are not familiar with QBID

TJ: Yeah, what is that. There are listeners who are first-time listeners.

EB:

Okay, so a few years ago, a tax law was passed called QBID. Q-B-I-D. It stands for Qualified Business Income Deduction. Now not all people call it not all investors qualify. If your income is way too high, then what I'm going to tell you is irrelevant. So it's really for people and I believe the number is income of under 351,000. If I'm not mistaken or 315 Please check with your CPA I'm not giving any tax advice or I'm not giving you any legal advice. But what it means is that if we pay you, I'll make it really simple, if we pay you $10,000 You don't have to pay taxes on all 10,000. You only have to pay taxes on 8000. 20% of it is tax-free if you qualify. Whereas a bank CD, you have to pay taxes on the whole entire amount.

So, you know, obviously, you know, again, we're not FDIC insured. But if we're getting loans, if we're funding loans, and then selling them off, I mean, there's lots of liquidity all the time. So people put the request in, and I've seen actually redeem in a period of, iit only took three days. The person who wanted to redeem happened to hit it right at a time when a trade was going through. And if we've got the money, why do we want it sitting around even for a week, earning 0% in our bank account, versus someone who said, please cash me out, okay, here you go. I don't want to pay 8% anymore if I don't have to.

I gotta tell you a quick story. This is kind of fun. About four months ago, maybe five months ago, I had a guy call out of the blue. Never heard from this guy, you know, brand new guy. And he says, You know, I've been watching your company for two years. And I was like, how do you watch my company? You know, our company? And I guess he was on our newsletter list. Social media. Yeah, yeah, exactly. That's right. Yeah. So he says, I've been watching it for two years, and I’m now feeling comfortable enough. He says, I understand. If I invest a million dollars, I'll get 9%. And I said, that's correct. We have four different funds and this specific fund is what we're talking about. And I said, that's correct. He said, Well, I don't want to just put a million dollar check in the mail, you know, and I want to meet the people and I want to, you know, hand it to you. So can we meet at your office? Of course. So he says, you know, and I've had a few more questions for you. I said, fine. So he comes in, we sit down for about 30 minutes, he asked some really good questions. I answered them. And he says, Okay, well, you've answered the questions that I thought those were the answers. And I'm, I'm satisfied. Can I put in 3 million? And I said, and the thing is, I mean, we actually have enough volume to where I said, Yes,because if we don't have the volume, then I don't want to take his money, pay him interest or have it sitting at 0% til we can use it. But at the time, we can actually use it. Because we're growing substantially. So he puts in 3 million. About four days later, I get a phone call from him. And I'm thinking now he's got buyer's remorse or whatever, right? He says, you know, thinking more about this, he says, Can I add an extra million?He hadn't even gotten his first check yet. (That's amazing.) Now, yeah, well, so here's the thing, between all of our funds we did somewhere between 500 to 600 million.

TG:

I love it. I love it. I mean, you're painting the picture. And also sharing a bunch of tidbits on how, you know, people have to make money, people have issues they need to have solved let's consumer side one thing. So funds and investors and people that you're keeping happy on that side? How many funds what built one fund into another? Can you tell some of that?

EB:

Okay, so before our Freedom Fund, we had our Legacy Fund our first fund, and that was our, you know, typical hard money loan, where we did fix and flip. And then we started doing the owner-occupied consumer bridge loan, but we were portfolio lenders, so we were just keeping the loans. And after, it was really kind of interesting because the CEO decided to get a credit line at the bank, only for the purpose, were basically unleveraged. The only reason he got the credit line was there were going to be times when let's say he wanted to do a loan for $800,000. And if we only had $600,000 in the bank, he didn't want to say no. So he was like, tap the credit line for 200,000 Do the loan. And then, as money came in, he would just go ahead and pay down the loan down to zero. So he got a, you got a $2 million line of credit, took them a long time. But he got that from bank, and everything was fine. This is back in I think 2016, 2017. So everything's going fine. And then one day, the bank sends them a nice little letter saying, hey, it's been fun. You've been great client, you've been paying like clockwork, blah, blah, blah, but we're not going to have this program anymore. And so you're gonna need to close this out by December 31 of that year. It's like, okay, great. Now I'm gonna lose my credit line. And getting a credit line at the bank is really kind of hard. So, you know, he was shopping around and then he decided to call the attorneys who he had to set up his funds and he said, you know, is there any reason why I can't, like set up my own fund that will act as a credit line? And they said, No, you can do that. So he set up the freedom fund. And originally it was set up to basically replace the line of credit, right? He started getting contacts from various companies who wanted to buy our loans because our loans were very high quality. And at the time, it was well-known, we're portfolio lenders. But then there was so much demand for this, that he said, Well, why don't you just grow this fund, and it'll kind of act as two purposes, so to speak. And, so that's how that fund group and boy, it grew fast. I mean, I think that's up to like 45 million in our, in our freedom fund, and it's only three years old, four years old.

TG:

Yeah, that was gonna be my question. How long? So there's two funds, or three, or how many in total?

EB:

Okay, so So we had our Legacy Fund. And now we're not really raising too much money in that one, we're really pushing towards this Freedom Fund, because we have an outlet to be able to sell the loans. Then there's another fund where I'm actually one of the managers, it's called our Pacific Southwest note fund. And originally, it was designed to buy discounted, primarily seller carry-back notes in Texas, very, very specialized. We had a Texas partner who was part of our group for this fund, and he would do all the legwork, and then I would approve the loans, etc. Eventually, it was just getting a little expensive to solicit, a lot of potential sellers have notes. So we've backed off from that specific model. And we're still using that fun to buy just just discounted mortgages, and we've got a few contacts out there. And so we're expanding beyond Texas, and they're not just seller carry back, but the big benefit to that fund is a. it just pays a flat 8% Minimum investments 50,000. Again, you got to be accredited investor. But again, it doesn't have a lockup period. So you just give us 30 days notice when you want out. And I think the best part of that, because people say what's the risk? I mean, everything's got you know, at least a little bit of risk, some have a lot of risk, some have a little risk.The average LTV is about 44%, the average ITV investment to value, because we're buying these at a discount is just under 30 right around 30%. So we're actually you know, you got $100,000 value of a house, the loans 44,000 We're into it for 30 grand. Yeah, it's not risk-free, obviously but

TG:

Very mitigated.

EB:

Exactly. And, you know, so there's enough equity for these borrowers to continue to pay. Or, you know, once a while, if we do have to foreclose, we make a little bump, we just pay our clients just a flat 8%. And that's our smallest fund. It's only about 5 million dollar fund. And then we have another fund that just strictly does commercial construction, called Northstar. And then we just recently opened up a REIT called our Opportunity Fund, which will do primarily construction loans, but it'll be kind of a hybrid. But the main difference there is the fact that it's a REIT and (tax benefit). Yeah, if I'm not mistaken, we're a real estate investment trusts, if I'm not mistaken, that QBID is epic at the corporate level. So you could be Bill Gates and get benefit of the QBID, because it's under the corporate law. I believe that's the reason. And also it gives a 1099 instead of a K-1 and lot of people like that.

TG:

I'm a graduated law school, so a lot of stuff that you're saying I'm in love with because you went through so many lawyers to get to this point. And there's still first-time listeners and folks that I've been urging to get in real estate and some people are in the fundraising stage or syndicating or something. You've done a lot. How do you keep I mean, you have one big legal team you work with, you know, there's a lot of regulation in what you're doing and a lot of moving parts. Can you talk about that?

EB:

Yeah, so we have our primarily our legal team who set up our funds. We do have a couple of other legal firms that we deal with from you know, if it has nothing to do with the fund aspect, but it's more of, let's say foreclosing, or you know, other issues bbeing out of state, but I'd say like and that no offense. No offense. Attorneys are like Listerine. I hate him, but I used them twice today.

TG:

I love that. Different attorneys are terrible, and I don't practice so I don't have to (inaudible).

EB:

No, but I like the attorneys who are good business people. Because I've met attorneys who are deal killers, and although they're very good attorneys from knowing the law, you don't really want to hire those people because you never get any work done. You just end up paying them legal fees.

TG:

I've had to do so many weird things where it's a buyer and a seller. And then there's an extra three contracts for something that was on an anticipated or, you know, even in the walkthrough, like, we'll have to go outside of docks to try to make sure we remedy a situation and make it through closing. But on the money lawyers suck, please keep going.

EB:

Yeah, so the main firm we've been dealing with is Djerassi in Southern California, they are kind of like the pinnacle of attorneys when it comes to putting funds together. They're pretty large, very talented team.

TG:

That's great. The attorney is part of it, the SEC is part of it. So accredited investors, that's a very tough category of folks to represent, very educated.

EB:

You know, it's funny. Everyone thinks that, right? But I mean, the legal definition is a net worth exclusive of your home of at least a million dollars, or you make 200,000 a year if you're single 300,000 if you're married. So, you know, you get some rich, old widow, who's, you know, got a million and a half stock portfolio, and doesn't have any debt. And and she's considered accredited. Now, she may or may not be sophisticated, but she qualifies. So, you know, it's kind of a misnomer, I don't really like the way the rules work that way. Because, you know, technically she, you know, someone should be, let's say, and obviously, I mean, we're above board and all that, but other people can take advantage of her, versus someone who's got, you know, $800,000 of cash. And that's all he's got. And suddenly you say, I'm sorry, you don't qualify. You know, the guy's sophisticated, you know, so it's kind of silly. And also in the old days, you just used to have to check a box. Are you accredited? Yes or no. Now, they make you go through, you know, a little bit more in-depth.

TG:

Yeah, verify investor, we use that. Yeah, actually, I was saying the website we use verifyinvestor.com. for our fund, we started internally verifying because there were some folks that didn't want to go on the website and things like that.

EB:

I figured, with my background, you know, and it's not that complicated, but you know, I've got a tax degree. So if we ever get asked, you know, to, like, you will verify this, you know, financial statement. And, you know, my kind of background. I do make people do more than just, you know, send me an email that just says, oh, yeah, I'm accredited. I mean, we do go in-depth on that. So we'll either go the full gambit, or whatever.

TG:

You got to, and then that was the next thing. So tax, that's why accredited investors, and some of the high net worth or professionals are looking for some of those benefits. But yeah, you mentioned some of that before, tax stuff isn't going to change for a while your funds aren't going to change for a while, the market is changing. And let's talk about that for a second. So what do you see, you have so much experience crystal ball stuff? Right now rates are, you know, pretty high, they say they're gonna stay high for a while, not enough people, not enough employment being lost and things like that.

EB:

Yeah. Okay, so it seems like interest rates will stay fairly high. I don't know, if there may be blipping up just a little bit more. But I think eventually, they'll get inflation under somewhat control, which is kind of funny, because, you know, you hear these, oh, inflation 6% 8% Everyone's personally, I think it's closer to 25 to 30%. Now, not everything, but I'm gonna give you an example. I go to the grocery store, go to Safeway, and get, you know, in the, in the past, I would get a 12 pack of, you know, fizzy water type thing, right? And it would cost let's say, $3. Now, because of shrink-flation, right? It's not an eight, it's not a 10-pack. It's now an eight-pack, and it's costing the same $3. That's a 33% inflation. That's not uncommon. I mean, anybody's going grocery shopping sees it ain't 8%. So, so going for the future.

Again, this is just my own personal crystal ball. I think rates will stay, you know, somewhat high for a while. The I don't think we're going to have a real estate crash and the main reason is a few things. One, that you know, it's still supply demand. I mean, if we had, you know, half our population drop dead tomorrow, I would change my tune, but there's still a lot of people who are, you know, not in California, let's say but just in the country, you know, people are living longer, you know, whether you love illegal immigration or hate illegal immigration, 6 million new people need to live somewhere and then right eventually, you know, think they're not all, they're not all drug dealers, right? I mean, some of these people are really hard-working people, and they'll need a place to live, etc, etc. So, that's the other thing. You know, that's one of the things reasons I like the residential side is, everybody needs a place to live. And no matter how hard things get, I'm not gonna move my family into a tent. I may have to downsize. But you know, I'm not gonna live on the streets, right?

The regulations, you know, primarily in California, but the regulations make it so hard, and the cost of lumber, and the cost of employment, etc, etc, etc. There's not as much incentive for the builders, even though they say we want more building in a low-income housing and cetera, et cetera. They, make it cost-prohibitive. So as long as you have the population, you know, slowly grow, let's say, and it can't keep up with the demand. Plus the fact that real estate has come back substantially since 2008. And a lot of people did refinance their house over the last so many years when interest rates were low. I'm a good example. Okay. During COVID, I, before COVID, I had a 2.78% rate of a house, and it was going to come due in seven years or six years, something like that. Well, during COVID rates came down. And I took a took a chance on an internet type, you know, company to a refinance, I said, Hey, you know, what, I'll, I'll waste some paperwork time, you know, I don't know if it's real. And, you know, it's only gonna cost me 500 bucks, you know, if I get the loan, and, you know, I thought, I'll give it a shot. And, sure enough, I got my loan refinanced. I'm now at 1.99%, fixed for 15 years, and I don't do a 15 year, and it was, you know, a mini jumbo type thing. So, you're looking at someone like me, and unless I have to sell because, you know, I have to move across the country for a job or something like that, do you think I'm gonna get out of that? 1.99% rate? And that right, I mean, if I have to, if I have to go to a different house, unless I'm gonna pay cash for it, my new rates gonna be five and a half 6%. So A. I'm building up a lot of equity. And, you know, my house went up in value, like everybody else's house, right. So I don't see prices plummeting.

Now they are, you know, there was a time when they, they'd have to level off because they were they went up a little bit too high, too fast, which I really don't like, I like it to be slow and steady wins the race. So that's yeah, and the other part is the unemployment part. Where if you have too much unemployment, then you're gonna have a whole shift. Like right now, one of the benefits that's going on in our Southwest fund is the fact that now that a lot of these moratoriums are off, and because of inflation, etc, etc. You're gonna start seeing more foreclosures out there? You know, I guess I can, I don't know if I can say, really on the lower end, but maybe, you know, because our average loan in our Southwest fund is only about 50,000. Oh, wow. Yeah. And again, because everybody needs a place to live, the mortgage payments, you know, 500, 600 bucks. Yeah, these these borrowers, they don't want to lose their house because the rental cost of 1200 bucks, right. So that's why I get I don't really see a I don't see a real estate crash right now. But I do put a caveat that I have the right to change my mind. If things change, right? I mean, as of today, I don't I just don't see that happening.

TG: That's awesome. I needed to hear that. I appreciate your professional opinion. It's nice to have somebody as educated as you to say it eloquently. Well, last question. How do you stay motivated?

EB: You know, it's funny. I just talked to my kids about this. I love working. I really do. I'm actually one of those strange people. I love looking forward to Monday mornings. I say, 'I get to go to work for a whole week.'

TG: How old are your kids?

EB: In fact, my son, he was here because we celebrated his birthday. He's turned 31 and my daughter's 25 and a half. They're both smarter than I am. So that's good. I don't think I'll ever really retire. You know, it is one thing if I'm digging ditches you know as you get older you can't do that as much. But you know, I love sales. As long as my brain works, even though I've got an accounting background I'm more of a people person. I've got the knowledge, but I like sales.

TG: You can tell. It's great. You've got a smile on your face. I love it. Thank you so much for the time today.

EB: Absolutely.

TG: We went a little over.

EB: Okay, no problem. I actually have three radio shows. (Oh, wow.) Actually one of them is a national sports and business show.

TG: Tell me about it while were' here. What is it?

EB: Sports Econ 101. One of my cohosts is a well-known sports newscaster in the bay area. We've been friends for a long time. Another one is the son of a former baseball player from the Giants. We're just a bunch of guys sitting around the bar having drinks without the drinks talking sports and business. We'll try to get as much of the business aspect to sports in there. But then sometimes certain things happen you know, like Superbowl, so we talk about what happened at the Superbowl and that sort of thing. So there's that one. That's nationally syndicated so we have a couple thousands of listeners that are around the country. And then I've got the regular business show that I've got with Mark since 2010 called The Best of Investing that airs primarily in California. And then we started a show with a group who does this kind of loan with Fanny Mae and other ones. That's on a major station in Bay Area KFSO called Real Estate Mastermind Live.

TG: So, you get the marketing down, funds, you're all over. I love it. How does somebody get a hold of you specifically?

EB: At edward@pacificprivatemoney.com. That's probably the best way. And you know what's funny? I'm a very good salesman. I'm not a big marketing person. What I mean is, if you put 100 people in the room, I'll sell 99 of them. I'll eventually say that 100th person. But my talent does not lie in how did you get the 100th people in the room? (inaudible) I don't have that kind of expertise.

TG: I love it, I love it. Thank you for being on the show.

EB: Tejas, thank you very much for having me.

TG: It's Real Estate Investor MBA. Tejas Gosai. iTunes, Stitcher, Spotify. Check out our website rei.mba. Thanks a lot. Cheers.

[END OF INTERVIEW]

