

# Why Bankruptcies?

## Answer #1: Niche Marketing = Less Competition and Greater Profits

As an investor, perhaps you have already figured out how easy it is to be unfocused in the real estate investment business. It used to be that way for my business partner, Mark Klee, and I until we discovered the bankruptcy niche. There really are incredible profits available to you by doing business in this niche market. It remains a niche that most investors do not understand and therefore are afraid to tackle. However, we can show you how to do it with success!

## Answer #2: Current Market Conditions Are Ideal

Market conditions are perfect for working with bankruptcy leads right now. Let's look at what is going on in the real estate market:

### 1. Real Estate Investing Overview

In many areas of the country, investors are finding greater competition for fewer TRULY PROFITABLE deals. Everyone wants to be a real estate investor! The reason why is no big surprise. More Americans have become millionaires from real estate than any other form of investing! Also, realize that if you are *not* in a niche market, you are fighting these other investors for the **same** FSBOs, MLS listings, foreclosures, and wholesale offers from the **same** or similar resources! Focus on something different and reap the rewards.

### 2. Homeowners Over Their Heads in Debt

Over that past few years liberal lending standards have led many consumers to borrow more than they could afford. At one point, there were over 150 different types of mortgages. Some lenders gave home loans to people, who under more conservative past standards would never qualify for a home loan. These home buyers have enjoyed \$0-down mortgages, no-doc loans, ARMs with unrealistically low "teaser" rates on the front end, 106% LTV loans to allow for NO-CASH closings, and even 40-year mortgages! When interest rates go up even slightly above some of the "teaser" rates, we have a situation where many owners have no equity in their homes and cannot afford to pay the higher mortgage. Many of these homeowners find it easier to simply walk away from their mortgages than to deal with their poor financial choices.

### 3. Many Homeowners Prefer Bankruptcy to Foreclosure

Studies show that a loan's risk of default is tied directly to the size of the down payment: the lower the down payment, the greater the likelihood of default. Even when down payments are made, low interest rates have encouraged an incredible growth of home equity loans and cash-out refinancing, allowing homeowners to take almost all the equity in their homes in the form of cash. **More and more homeowners are at risk of defaulting and having their home foreclosed on. These homeowners are looking for solutions to be able to stay in their homes longer. One such solution is bankruptcy. The market is growing.**

### 4. Other Contributors to Bankruptcy Market Growth

Adding more fuel to the fire, the Census Bureau recently released statistics showing that the average household spends almost 33% of their income on housing costs. As recently as the year 2000, that figure was a more reasonable 20%! Pile on the data about rising consumer debt burden. Then look at what happens when there is a financial difficulty like the loss of a job, unexpected medical expenses, significant car or home repair, divorce, or any of a zillion other emergencies and it is easy to see how almost ANY disruption in financial circumstances can seriously impact a homeowner's ability to make mortgage payments. In addition, as interest rates fluctuate and troubles within the mortgage industry continue to unfold, homeowners with ARMs have found themselves no longer able to afford their home and no longer able to afford to refinance. This is potentially the market segment that is at the highest risk. As well, when the real estate market flattens or dips in a given area, homeowners with interest-only mortgages will also find themselves upside-down in their homes. These situations leave homeowners with bankruptcy and/or foreclosure as their only real alternatives.

## Answer #3: Investing in bankruptcy properties can be made simple, regardless of what the world would have you believe!

Wait! Do not run! Do not be afraid! When you cut through all the legal mumbo-jumbo, the details are pretty darn simple. No, you don't have to be an attorney to invest in bankruptcies. You just have to understand some basic terms and processes. If it were rocket science, we would not have made the all the money we

have made! And we're happy to share our hard-earned lessons so you can have a short-cut to the profits!

**Answer #4: Why NOT Bankruptcies?**

We cannot come up with an answer to this one! So how can you and your business benefit by these circumstances? Would you like to be able to contact these **motivated sellers** on the front end of their troubles... **BEFORE ANYONE ELSE KNOWS ABOUT THEM?** Would you like to enjoy the benefits of contacting homeowners 2 to 4 months before they show up on a foreclosure list? Sure you would! Who wouldn't? That is the business model we recommend. Marketing to the *right homeowners in bankruptcy offers you this valuable opportunity.*

**Regardless of where you live, where you invest, or how long you've been investing,  
bankruptcies offer big profits with little or no competition!  
If you are looking for a new niche and are willing to learn some simple step-by-step details,  
then look into bankruptcies!  
You may just find the goldmine you've been looking for!**

*Caryn McKinney and Mark Klee originally partnered in 2002 to create the Post-Bankruptcy Report. At the request of their subscribers and others, they have now developed a high-quality training system. Their simplified and detailed course includes direct access to them, as mentors for everything you need to know as a real estate investor wanting to purchase homes in the bankruptcy niche market. Now you can enjoy the incredible profits as Mark and Caryn reveal their secrets!*