



*Private
Mortgages
and RRSP's*



Using Your RRSP's to Invest with

A lot of people invest in paper assets (e.g. mutual funds, stocks, and bonds) with their personal RRSP accounts, but they seldom know that real estate is also an investment vehicle available for their RRSP money. Although the process of using RRSP for real estate is more complicated, it's worth exploring this option to open more doors for your investments.



In order to invest in real estate using your RRSP account, you first need to put your RRSP money in a self-directed fund that allows you to decide where you can invest with your money. To do that, you need to sell off and move your RRSP fund from your current financial product to a money market fund within your financial institution. The money

market fund is like a cash account, but within the RRSP portfolio. From the money market fund, you'll then move your RRSP funds to a trust company that will allow you to redirect your funds to your own preferred investment vehicle, whatever that may be.

Once your money is in self-directed account, you can then become a private lender, which lets you lend to investors looking for cash. For example, if an investor approaches you with an offer of a second mortgage to invest in his

property and you're interested in it, you and the investor will negotiate the ROI and final payment for you at the end of the agreement term, and you'll then put your RRSP fund into the second mortgage. This would now become a great investment for you as a lender because your money will be earning a rate that you're happy with and is secured against a real physical property.

If you currently have an RRSP that is underperforming and are interested in getting safe secure consistent returns please contact us and we can let you know the available opportunities that we currently have.

Private Mortgages

In the Book we talked about private mortgages and how they are a great way to raise money to purchase real estate with. But many people do not know that private mortgages are also good Investments. If you are somebody that has readily available cash sitting in the bank doing absolutely nothing with and getting your half a percent a year return you might want to consider investing your money into private mortgages. A private mortgage is in an investment that is secured by a mortgage on the title of the property you are investing in. It allows you to get a nice safe consistent return over an extended period of time. Investing your money into private mortgages basically allows you to play the function of a bank. And we all know Banks make lots of money with the investments they do. So why not be the bank?

Typical private mortgages range in term between 1 to 5 years and in some cases even longer. Interest rates on private mortgages span the full spectrum anywhere from 4% to 12% per year and sometimes even higher. The major determining factors are the length of term for the mortgage and whether or not the mortgage is a first mortgage, second mortgage, or even third mortgage. The typical interest rate on First Mortgages is around 3% to 5%, for second mortgages anywhere from 4% to 8% comma and for third mortgages anywhere from 6% to 12%,. These are some of the typical rates that we offer our investors who choose to invest private money with us on various real estate projects. If you have readily available cash and are interested in getting safe secure consistent returns like this please

contact us and we can let you know the available opportunities that we currently have.

Many people do not realize that there is also another way to invest with mortgages and make a greater return than just the interest rate on the mortgage. This method or technique involves purchasing mortgages at a discount. Many people do not realize that mortgages can be bought and sold just like any other asset. Once a mortgage is placed on a property it is then an asset that can be manipulated. Just like a piece of property that is bought and sold on the open market, mortgages are dealt with the same way. As such you can find occurrences where you can purchase a mortgage at a discount. You may not think this is possible but just think about our previous discussion about discounted properties and you will quickly realize that you can actually achieve significant discounts when purchasing a mortgage. Many real estate transactions involve the seller holding a second mortgage on the property that they have sold, this makes it easier for them to sell the property. However they do not realize some of their return for a few years after the property is sold when the mortgage term expires and the mortgage is paid out. If that person is in desperate need of cash for whatever reason they might consider selling that mortgage at a discount in order to generate a quick sale. A mortgage with a listed interest rate of 6% can give you anywhere from 6% return, if you purchase it at face value, up to 12% or even higher return depending on how much of a discount you purchase the mortgage for.

In the Book we show specific examples of this and how we achieved high returns.