

BAD CREDIT, NO CASH -- END OF THE WORLD? NO WAY!

By Bill J. Gatten

Can you buy real estate and get wealthy despite having 'No,' 'Marginal' or even 'Bad,' Credit? How about compounding the problem by having no cash either?

The answer is a resounding "Yes": but only if you have lots of other stuff: drive, determination, sincerity, maturity some modicum of sales ability and a burning desire to achieve. If you are missing any of these qualities, your chances of success are minimized proportionately with each missing element.

Without disrespect to those who have sacrificed, scrimped, and saved to maintain perfect credit, I'd like to say that I couldn't express the degree of respect I have for them and their achievement (and no small degree of jealousy). However, I have never been blessed with a lot of money and perfect credit at the same time. Throughout the many phases of my financial development, I have had both...just not simultaneously. Nevertheless, even without an abundance of cash and/or credit, I have managed to acquire a few million dollars worth real estate, and absolutely none of it has been acquired with, or because of, credit (or cash). And now that both attributes are greatly improved, I still prefer to acquire property without a cent out of pocket and without a mortgage loan and with any monthly payments (they're FREE that way).

For anyone who has damaged his or her credit, reestablishing it is necessary, to be sure. However, don't forget that one's not "using" their credit (the American Stoic approach) is far worse than one's not having any...and many of them tend to do alright without it.

In my own case, I filed a business BK in 1989, and gave away and spent everything I had ever owned in my life (everything) in order to pay off my creditors. It took a while, but I did it, and I didn't suffer much in the process. However, within a month of having gone through the BK ordeal, I acquired a beautiful \$520,000 home without a penny out of pocket and without the tiniest need for credit. I even gave the seller, a Mr. Gil Burrell of Granada Hills, California; now of S.D. Ca. (for the benefit of J.T. Reed if he's checking) a full credit report (it was 4 feet long and horrible). I also gave Mr. Burrell all the data re. my bankruptcy. He didn't care...I got the property solely based upon my sales ability, my demeanor, a plausible explanation for the BK and bad credit; and because of the sincerity that I portrayed and my offer to provide my plan for correcting the problems. Credit was NOT an issue.

Since that time we have continued to do reasonably well in acquiring a modest amount of other real estate by the same means...and wholly without credit, and with very little if any cash (usually none).

Without ANY apparent "credit worthiness," I have managed to acquire credit cards (secured and unsecured), and to finance several automobiles. Over the years, I have felt little pain because of the absence of credit; and as a matter of fact, I'm sure my credit restrictions following the BK allowed me to avoid some temptations and maybe some mistakes I might have had to endure otherwise..

The point? One should do everything in his or her power to get their credit back in order: but in the meantime, never let its absence negatively interfere with, or affect, your investment pursuits. You don't need cash OR credit to be a successful real estate investor...assuming you know how, and assuming you have a good source for information, education and encouragement.

Following--in the order of their overall importance--are the 12 tools you need in the No Down, No New Loan, real estate investing business.

1. Dissatisfaction with the status quo
2. An honest need for increased abundance
3. A burning desire to achieve

4. Tenacity: the ability to stick-to-it, no matter what
5. Resiliency: the ability to shrug off a failure and move on with undiminished zeal
6. Selling skills: Acquired and/or natural sales ability (the ability to listen and think at the same time, while not talking until its necessary)
7. A professional and business-like demeanor
8. A good business background or sense (...or a partner with same)
9. A solid understanding of Real Estate and Real Estate Finance
10. Good Credit (or not)
11. Plenty of available cash (or not)

Without at least the first five in the above list, you are destined for failure in the business.

With #1 through #5, along with any one of #6 through #12, your chances of success are almost assured.

With all of #1 through #9, you're success is unavoidable.

With all of #1 through #10, abundant wealth is already yours and you need only reach out for it. You are truly on top of the world.

With all twelve...you OWN the world and everything in it.

Bill Gatten

