

**Ep #90: Building Relationships and Building Wealth  
with Jeff Watson**



**Full Episode Transcript**

**With Your Hosts**

**Dr. David Phelps and Evan Harris**

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## Ep #90: Building Relationships and Building Wealth with Jeff Watson

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Speaker : You are listening to the *Dentist Freedom Blueprint* podcast, with David Phelps and Evan Harris. Navigating you through the uncharted waters of a turbulent economy with straight-forward advice to, transform your practice into a self-sufficient cash machine, compound your net worth assets, and multiply, multiply, multiply your passive cash flow streams.

David: Good day everyone. This is Dr. David Phelps with the Freedom Founders Mastermind community and the Dentist Freedom Blueprint podcast. Back to you today with a great interview with call with someone who's become a super good friend of mine over the years. We've met at different conferences. I've enjoyed having him come to Freedom Founders and on cruises and anything where there's like-minded entrepreneurs and particularly working in real estate.

The reason why I think this is going to be a very applicable interview today is because my guest is also very much an entrepreneur, very much in business, in his own business, his own professional practice, which makes him a lot like the rest of

[Dentist Freedom Blueprint](#) with Dr. David Phelps and Evan Harris

## Ep #90: Building Relationships and Building Wealth with Jeff Watson

us. Also, figured out many years ago that wealth was not built through trading time for dollars, that was a starting point, to get to where you want to go, to get to freedom in life. You had to be building on a different platform outside of that active income and real estate was his choice. I'd like to dig into that today.

Without further hesitation let me bring on my guest, Mr. Jeff Watson. Jeff how're you doing today?

Jeff: David, I'm doing far better than I deserve, and it's a privilege to be chatting with you.

David: I'm going to let people know a little bit more about you and your practice. We'll dig into your last 20 years as you've become very proficient in the real estate arena.

You were telling me before we started recording today that you just had a plethora of all kinds of situations, call them opportunities, with different angles and perspectives and potential solutions, creative, whatever, cross your desk today. That's not atypical of your day is it?

Jeff: It's my normal day. It really is. It's something I hope many of the other people that are listening to this can identify with. In one minute I'm dealing with a technical, strategic issue on how I'm going to manage a case. I'm literally just sitting there and I just pause I thought, "Oh, Lord, give me wisdom. Help me to figure this one out." And then 40 minutes later I'm doing something

[Dentist Freedom Blueprint](#) with Dr. David Phelps and Evan Harris

## **Ep #90: Building Relationships and Building Wealth with Jeff Watson**

else and in the midst of driving to a court hearing I get a phone call from an investing cohort who says, "Man, I got a really good deal. You want in on this one. It's 120 day loan, here's the structure of the deal." I hang up the phone from that and the next thing I know I've got a call with another attorney negotiating the terms of a settlement on a case. The next thing I know I'm trying to arrange answers to a self-directed IRA question. All the time I'm driving to the court house to go argue a complicated medical legal case. That's my day.

David: That kind of activity really keeps you on your toes. With what you've got going on and the fact that you are an attorney and you go to argue cases, you negotiate, you're an advocate. All that keeps your mind very nimble, very adaptable. I know that's what makes you good at what you do. I think really good attorneys, that's built into you because you've got to be able to move from this thing to that thing very quickly and come with ideas on the spot. You don't always have time to go back and think about it, you've got to move. I think that's the problem for a lot of us who, my side, I've got the academic intellectualism, but maybe I haven't been trained to go as fast as you do. There's some good and bad to both. Pros and cons. Taking action far outweighs inaction by over analysis.

We're getting fast and furious into this. I want to let people know how active you are. I've got to let people know a little more about you. Jeff Watson is an attorney who's had an active trial and hearing practice for over 25 years. As a contingency trial lawyer he has a very unique perspective on real estate investing, wealth building, and asset protection. He's also been a real estate investor himself since 1994, so over 20 years,

## **Ep #90: Building Relationships and Building Wealth with Jeff Watson**

both in residential and commercial properties. He currently also represents established real estate investors in commercial and residential matters when the transactions involved self-retirement accounts. Which makes you, again, very unique.

As a frequent and popular guest speaker and a teacher on stages and webinars throughout the country Jeff has really become recognized as a true thought leader. He's an innovator in the field of real estate investing, wealth building, and using those self-retirement account transactions which we know has so much ability to build that wealth.

Jeff's also a general council to the National Real Estate Investors Association and general counsel and a co-founder of Realeflow LLC which made the INC. 500 list in 2011. Currently advises 4 different national organizations with a combined membership of over 100,000 investors.

More recently, in the last 6 years from 2010 to the present Jeff's led a lobbying effort in Washington D.C. on behalf of real estate investors which has brought about several changes in both government regulation and policy on distressed property purchases and resales. Anybody who's really been involved in real estate investing in the last 6 years they don't realize the amount of over-regulation that has taken place. It's not just in real estate and healthcare, it's everywhere we look today. But Jeff you've been on the forefront, we're going to talk a little bit about that towards the end of our segment today.

## **Ep #90: Building Relationships and Building Wealth with Jeff Watson**

Never-the-less to say you are very involved on capitol hill, bringing changes in the tax code, helping reinstate the Mortgage Debt Forgiveness Act, you've met is FHFA regarding this position of defaulted notes and mortgages in a bulk format, and this year you met with the Consumer Financial Protection Bureau also known, very fondly, as Dodd-Frank, regarding land installment contracts, currently working to secure the passage of House Resolution Bill 5301 the Seller Finance Enhancement Act, we'll talk about why that has impact on all of us.

In Ohio you've met with the Ohio Division of Real Estate regarding the legality of wholesale which is something that's starting to sweep the country and you're on the forefront of that, helping investors who've used that format in the business of real estate how to stay legal because that's becoming a bigger problem there. You're working to secure the passage of Ohio Senate Bill 134 seeking to amend the Ohio Civil Rights Act, in relation to the landlord/tenant relationship. You think that may be as important to anybody who owns investment real estate? Absolutely.

You're also the author and co-author of 6 digital books. You author an email newsletter twice a week and you maintain a blog on investing, business and entrepreneurship which are read by thousands of people. I know I am one of those readers. You and your wife, Laurie, and your wonderful family, you guys reside in a small town on the shores of Lake Erie, NE Ohio.

If you want to follow Jeff you can follow him at [www.watsoninvested.com](http://www.watsoninvested.com). If you want to contact Jeff his email

**[Dentist Freedom Blueprint](#) with Dr. David Phelps and Evan Harris**

## **Ep #90: Building Relationships and Building Wealth with Jeff Watson**

address is [jswlawoffice@suite224.net](mailto:jswlawoffice@suite224.net). You want to speak to Jeff, you have a consult or anything that might pertain to your situation phone number is (440) 599-2827 to request a consultation form.

Jeff I just want to know, what do I have to do to just get your cell phone number, I mean what does that take?

Jeff: David, David, David. You have my cell number.

David: I know, but I'm not going to [crosstalk]

Jeff: If you ever got mad at me that would be a way you could repay the favor.

David: I would never do that to you, my friend. I value your time. Even though I have your cell number you know I don't just call you in the blue because ...

Jeff: You're one of those guys that I love because you'll shoot me a quick text going, "When do you have time to talk?"

David: Right.

## Ep #90: Building Relationships and Building Wealth with Jeff Watson

Jeff: Literally, that's what it's become is texting to schedule the phone conversations. Sometimes the phone conversations are just to plan for the next chance to get together and work on something, you know?

David: Sure.

Jeff: I don't know if this sounds good or not, David, but after listening to you tell people about me I got incredibly tired feeling.

David: You've got a lot of energy, you do a lot of good things, you travel a lot, you speak a lot, you're busy in your practice. You are definitely a guy that keeps a lot on his plate in so many different ways. I have so much respect for you and your family and what you do. We've gotten to know you and Laurie over the years so much more and I love being around people like you because you make me better. You help hold me and other people accountable. We all do that for each other and I think it's important that we do that. We keep our standards high and we don't let too many things take priority. It's easy to do, it's easy to get off balance in life. Yet, we all come back and start asking, "What's this all about?"

Anyways, we could philosophize for an hour here, but what I want to do is, let's go back to 1994, what first got you interested in real estate in the first place? What was your first entrée to, "I need to be an investor." and why?

## Ep #90: Building Relationships and Building Wealth with Jeff Watson

Jeff: I'm going to take you back 10 years before that.

David: Okay.

Jeff: I'm going to take you back to 1984. It could have been 1983. I'm in my first or second year of college. I had an idea that God was leading me in the path of becoming a lawyer. But I had this moment of absolute clarity that I will retain for the rest of my life. Living in a rural farm house, modest everything, here in NE Ohio and my favorite uncle was visiting, one of my mom's older brothers. He was on a terror.

This is a guy who I looked up to immensely because he'd made his first couple million in residential real estate in California. This was a guy that never got past the eighth grade, this is a guy who had a little bit of a speech impediment, this is a guy that if you looked at him you would have just thought that he was just some Joe Average, blue collar, air conditioning/refrigeration guy. That's what he was. But he was a brilliant investor at the same time. He was back in the states. By then he'd gotten a job in Saudi Arabia running a major refrigeration plant for Ramco. He's back in the United States and is on the war path. He had had to write a check to the IRS for \$37,000 for the previous year's taxes and he was going to get it all back. He's on a mission and he's talking about how he going to do it.

He's explaining that he's worked with this prestigious law firm and this good accounting firm and this is the strategy. He's

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## **Ep #90: Building Relationships and Building Wealth with Jeff Watson**

talking about how they can use income averaging and all these other things. I began to understand the big picture of what he was doing. It all came into focus when my step dad said, "\$37,000, that's how much I made last year." I had that moment of, "Who am I going to listen to? Which one of these two hard-working, blue collar guys am I going to listen to? The guy that makes 37,000 a year or the guy that's going to get his 37 grand back from the IRS?"

These are guys that both work with their hands. Both skilled trades. But what made them different is one guy was doing real estate. One guy was betting big on himself and his skills. The other guy was swapping hours for dollars. And I knew then. So ten years later I could finally pull the trigger. My wife and I bought our first property and we went from being apartment dwellers to landlords with the signing on documents. Okay?

I've got to tell your listeners, David, at that point in time, David, I had no clue about what I was doing. I had no clue. We were expecting our first child. I was involved in a very high profile first degree murder trial in another town. The real estate agent, God bless that man by the name of Jim Corrigan, God bless him, guy was a firefighter and a real estate agent. He took us by the hand and he walked us through this transaction. We went from being in a little modest apartment to now here we own this duplex house. We went to the closing and they handed us a check.

I realized- I saw the magic. Because I knew, but I didn't know. Okay? Then the next big crystal clear- there's two more

**[Dentist Freedom Blueprint](#) with Dr. David Phelps and Evan Harris**

## **Ep #90: Building Relationships and Building Wealth with Jeff Watson**

moments I want to tell you that shaped and defined it for me. That was a couple years later I'm sitting down in front of this tax professional and I still use him to this day. He's like, "So, I understand you're a lawyer in Cleveland." And I go, "Yeah." He says, "I understand that you passed the bar and there was a tax question on the bar." And I go, "Yeah." He's quiet and he starts looking at the last two years tax returns that I'd done now that I was a property owner and a landlord and so on. Real estate investor. He looks through there a little bit more and he looks back at me and says, "There was a tax question on the bar exam too wasn't there?" And I go, "Yeah." And he says, "And you answered all the real estate questions on the bar exam too, right? And you passed right?" And I go, "Yeah." Then he looked at me and says, "And you did this on this tax return?" And laughed.

David: Wow.

Jeff: He looked at me, he laughed, he says, "You don't know anything." And my response was, "Teach me." That was the beginning. That would have been 20 years ago. Because I bought the property in '94 so this would have been '96. And he laughed at me and said, "I'm going to go back and amend these last 2 years of returns. I'm going to get you a bunch of money you didn't know how to get."

David, I've got to tell you, with that kind of tax council, okay? And John Groom is cut from the same mold. Okay? So everybody that's ever been to your events and knows John now knows the type of guy I'm talking about, okay? A guy that just

**[Dentist Freedom Blueprint](#) with Dr. David Phelps and Evan Harris**

## **Ep #90: Building Relationships and Building Wealth with Jeff Watson**

eats, sleeps, and breaths the tax code. My guy here in my local town has memorized sections of the tax code and can quote it. Rules, regulations, publications he knows it. He has saved me hundreds of thousands of dollars.

So tax advice is really important. I've learned so much by osmosis and by application and by education, all of these processes that I go through. David, like you, I go to seminars and I educate myself and I learn. Because you've got to learn it. So, that's been a huge thing for me.

Then the last huge moment of my life was in the late '90's I was working 60-80 hours a week at a law firm. I was generating about a half a million a year in attorney's fee income. I was getting paid a modest fraction of that. The managing partner knew I had a week's vacation coming and I was going to take it. He looked at me and he said, "I want you to really take a week's vacation. I don't want you to go work on any of your houses or anything else. You just need to take the time off. Because," he says, "man, I can tell you're burnt." I looked at him and I said, "I have no choice. I have to turn this one building around. I'm going to be spending my week working on a building I just bought. I've got no choice because there's no retirement plan here at this firm."

David: Right.

Jeff: Looking back at it, David, I should be madder than all get out. I'm pouring that kind of money into the coffers of that firm. I'm

**[Dentist Freedom Blueprint](#) with Dr. David Phelps and Evan Harris**

## **Ep #90: Building Relationships and Building Wealth with Jeff Watson**

getting paid the little bit that I'm getting paid. You want to talk about the motivation that I had, because the next week on that vacation... Here I am, your guests are going to laugh, you're going to laugh at me, but they have got to picture this, I'm on an extension ladder- inside a tall building I'm on an extension ladder about 12 feet off the ground, because it's really high ceilings in the building I was working on, and I'm swinging an 8-pound sledge hammer overhead smashing out cast iron drain pipes, sewer pipes. Smashing them out. I must have been 20 minutes smashing out this 4-way that you could just hit a certain way.

But the determination that I had that I will bust this thing out, I will make this happen, I don't care how hot it is, I don't care how hard it hurts, I'm going to make this thing succeed. If you don't have that drive you're not going to take your practice where it needs to go, you're not going to make the changes that you need to make to be nimble where you've got to go, and you're not going to be thinking about your plan B, what are you going to do for retirement dollars? Because my whole attitude about real estate is, "I don't need the income right now. I need the tax relief it gives me right now and I need that as my retirement in the future."

So I was always a buy and hold kind of guy. Okay? And I did a lot of buy, fix, and rent. Okay? Now looking back at it, some of the financing I put on it was definitely not the smartest. I did some really dumb things there financing wise. But my strategy was buy, fix, rent. Because I'm in this game because I need the tax deductions now and I want the retirement income in the future.

**[Dentist Freedom Blueprint](#) with Dr. David Phelps and Evan Harris**

## Ep #90: Building Relationships and Building Wealth with Jeff Watson

David: The fact is, Jeff, you got started. And that's the biggest thing some of these people don't do. They don't get started somewhere, somehow. It's never a perfect half-way to get to goal. There are always setbacks or things we learn. We either go to seminars- we take seminars by the lessons we learn.

Jeff: I'm going to tell you right now I would rather go to the seminar than take it.

David: I totally agree, but we've all done that.

So, Jeff, I was the same way. I started buying real estate early on and, just like you did, I was very active at it. I did everything. I don't remember being up on an extension ladder with an 8 pound sledge hammer, I wasn't quite that aggressive. But I definitely did a lot of the labor. So, I was doing the same thing.

Now, today, because of your unique positioning ... that's something I try and show our doctors is we all have a unique positioning, we all have a place in the game of wealth building. Today, Jeff, I don't think you're after work going and whacking down walls or doing the rehab, you use your positioning, because you're connected, you work off of relationships. You just mentioned earlier on this call today; you have a lot of idea flows that comes across your desk or on the phone because people know of what you do. That's more strategic, that's the smart way for you to build wealth today.

## Ep #90: Building Relationships and Building Wealth with Jeff Watson

Wouldn't you say for most busy professionals, busy business owners, rather than trying to do it the way you and I started, which is a great way to start when you have more time than money, but when you're busy in a business or practice isn't the connection to other people, the right people, and of course there's a lot that we could say about that on another call, due diligence, and vetting out people, but that's really the way to go, is it not?

Jeff: Oh, by far. David, just to give you some perspective, I forgot to tell you earlier, that I also spent time today talking with two contractors about two different projects. Face-to-face with them at job sites, but I got to tell you, I didn't touch a tool. It's all about people and relationships for me now. I didn't touch a single tool. I looked the one guy right in the eyes and I said, "I trust you. If you think it needs done, take care of it." Because I've got a track record with the guy.

Now the other guy is brand new and I'm watching him like a hawk. But the one guy that I vetted, the one guy that I've tested, the one guy that's performed, that does what he says he's going to do, and it's done before he says it'll be done and it's done right, that guy I looked him in the eye and said, "I trust you. Just get it done."

David: A lot of what you do for yourself, your own wealth building, and for clients, either inside or outside of self-directed IRA's, is you crave participation, right? [crosstalk]

## Ep #90: Building Relationships and Building Wealth with Jeff Watson

Jeff: Oh yeah. It's about how the relationships come together and work together. Yeah, participation for sure.

David: So you find people that have different goals or different amounts of money. Some people need more cash flow today, maybe that's outside of an IRA account. Other people would be investing for the future, as you talked about. They have enough taxable income today so why create more taxable income, why not push that down the road, either to a self-directed IRA or build equity through real estate, deferred compounding of equities, however you do it. But you take people that have different goals, and the structures they have, the amount of money they have, and then partner up, I'm using that word loosely because we don't really like partnerships, but there's some kind of joint venture participation that you help put together. And everybody gets a piece of the pie; everybody contributes what they do best.

Somebody's brought a deal to you, you're not out there banging on doors yourself, and putting out bandit signs, but you've got people that bring you deal because they know you know how to structure things and solve problems. So you get your participation and/or fees, probably somewhat both, through what you do, right?

Jeff: Exactly. I do it this way ... I want to make sure it's clear. I draw a really clear line in the sand. You're bringing me in to a deal. Either I'm going to give you my input as a cohort and participant and I'm going to carry a partial of the load that everybody

[Dentist Freedom Blueprint](#) with Dr. David Phelps and Evan Harris

## Ep #90: Building Relationships and Building Wealth with Jeff Watson

agrees I'm going to carry, and the profit we make on the deal is my compensation, or you're going to bring me into a deal as an advisor/lawyer, and then you're going to pay me a fee. But I don't take money both ways. [crosstalk] that's just not clean.

So we're clear about that, but I'd rather, because of the way I do things, I'd rather get into a deal as a participant and make the money tax free with a self-directed account. If I can't do it that way then I wasn't to make the money in the context of a long-term capital gain. If I can't do it that way you really haven't gotten me excited. You know?

Because I'm looking at it going, "So, you want me to pay taxes, huh?"

David: Exactly. So the big dilemma for people that are well educated and professional practice like you are and maybe the people listening today is that they have the capability of earning, trading time for dollars, to a relatively high scale. A lot of dollars can flow through their hands, but you and I both know, and you preach this often, it's not how much money you make it's how much money you keep. You mentioned that one of the big detriments to keeping money are taxes.

Jeff: David, you've even taken that and turned it just a little bit better which is it's not how much you make, but it's how much do you keep and redeploy to grow your wealth.

## Ep #90: Building Relationships and Building Wealth with Jeff Watson

David: Right. So let's talk about that. I know you talk a lot about, every dollar that we have that's available that we don't use for paying taxes, overhead, or lifestyle, that means discretionary money, how do you think in terms of that? Every dollar needs to be doing what every day for you, Jeff?

Jeff: It needs to be working or it needs to be available to be deployed. Okay? The thing you've got to look at here- we're going to really get into my philosophy here if we're not careful. I don't know if you want to go there or not, David. Because I have a slightly different philosophy than some people.

David: Give us at least the short version, if you can.

Jeff: Sure. I would rather deploy my money once and let it work for two, three years, four years at a lower interest rate, say 8%-12%, than to deploy my money short-term and make 9%-14% on my money, but then have it come back in 6 months or less.

David: Jeff, I totally agree with you. We know there are so many people out there, they're so focused on yield in shorter term deals, potentially higher risk often times. Tell people why you and I both believe it's better to take a little bit lower and have that money working longer term. Because what's the problem with money that's turning quickly?

Jeff: The money that's turning quickly is number 1) you may not have the right deal for it to get the money back out again.

## **Ep #90: Building Relationships and Building Wealth with Jeff Watson**

Number 2) every time you make an investment you run the risk of missing something in your due diligence, you run the risk of the deal going wrong. The more deals you have the higher the risk, okay? The more miles you drive a car the more likely it is you're going to get in a wreck. It's that principle. So, I try to find where I do fewer deals on the longer horizon with better people.

David: Beautiful. What about your time involved in shorter term deals? How do you look at that?

Jeff: David, great question because there's the same amount of mental engagement and the same time of a mental engagement if I'm putting together a \$2,000 deal, a \$20,000 deal, or a \$200,000 deal. Don't get me wrong, I don't look down my nose at a \$2,000 deal when I'm taking my 2 grand and wrapping somebody else's 25 grand and we're going to go out and make a chunk of money. I embrace those. This is the one that I've got to be careful about.

Our dear friend, Quincy, always cautions me. He says, "Jeff, whenever you talk about some of your wrap deals you've got to make sure that you tell people- remind them to go check the usury laws in their own state." Quincy, I respect and I love you for it brother. You're right.

David, I don't want to brag, but you and I both know when you wrap the right way your rate of return on the wrap portion can be triple digits. But the overall deal is still maybe 3 points and 15%. The borrower is getting the money at 3 points and 12% or

## **Ep #90: Building Relationships and Building Wealth with Jeff Watson**

15% and they need the money and they're going to make money with it and everything is good. It's a good deal, good collateral and so on. The other borrower, the other cohort in the deal, they're making what they're making on the deal and they're making way above what stocks, bond, annuities, and mutual funds are going to give them.

David: I'm grateful that you brought that up because I preach the same thing. There are times when, as you said, when you want to work smaller amounts of money, small buckets of money, in your self-directed accounts. You might want to work that harder and that's okay.

Jeff: Now that you mention that, David, I'm going to just tell you, I'm actually going to be speaking at a couple of RIA's later this year. One in Maryland, and one in Kansas City. The whole focus is on taking small dollar accounts, a \$10,000 give or take, and growing it. Putting the thing on an aggressive steroid and weight-lifting program to bulk it up.

David: There you go.

Jeff: There's deals that you can structure to do that. But I'm going to tell you right now you won't be able to do those deals if you haven't cultivated the relationships with other people to find out what do they need and how can you help them meet that need.

## **Ep #90: Building Relationships and Building Wealth with Jeff Watson**

David: Beautifully said. That's so important. So many people miss that. How much money do we know is sitting on the sidelines in cash retirement accounts today because people put it there thinking they're going to do all these deals and yet they've never developed relationships and can't connect to deal force so it sits there idle.

Jeff: Well, between their inability to establish the relationships and their inability to get over fear I would tell you that 40% of the billions of dollars sitting in self-directed accounts is idle. It's sad to me. I get people to come up to me and they go, "I got 10, I got 20, I got 50, I got 100 thousand dollars and I can't find a deal." I just look at them and I go, "You need to expand your horizons."

David: That's it. Exactly. It takes some work, some discipline, it takes some sacrifice to learn how to orchestrate the deployment of your investment dollars. You can either default to traditional Wall Street and just play that market, gamble in Vegas, or you can take more control, do it the right way, the way we want to do it. But either way there's a price to pay if you don't get involved. I think we've certainly determined in our biased way of looking at things, but I think it's the right way, more control through real estate is the way to go, and you just have to make the decision. Are you going to be that person that's going to get more involved, create those relationships, or are you not? Sit on the sidelines, or defaults or, traditional methods.

Listen, we've got a couple minutes left. I definitely want to touch on what's going on on Capital Hill, D.C. this year. Tell us a little

## **Ep #90: Building Relationships and Building Wealth with Jeff Watson**

about the Seller Finance Coalition, a little bit more about H.R. 5301, and how that impacts every investor out there today.

Jeff: Thank you, David, sure. Okay, so on Tuesday, September 20th I'll be back in Washington D.C. engaged in meetings and briefings with members of Congress on asking them to cosponsor and support H.R. 5301 which is the Seller Finance Enhancement Act. The idea behind this is to amend both existing Safe Act and Dodd-Frank legislation to take the limited number of deals you're allowed to do in a one year period of time, you're allowed to do three deals in a one year period of time, and change it up to 24 seller finance deals in a one year period of time.

Somebody's going to say, "Well, Jeff, that really doesn't sound like it's all that important to me." You don't get it. Seller finance is number one. It's an incredibly important tool that sophisticated, established real estate investors know, like, use, and understand.

Number 2) Seller financing is a major answer to the credit crunch that the blue collar families in America are feeling right now. Okay? Even the liberal policy makers now admit that thanks to Dodd-Frank banks don't want to do loans of 70, 80, 100,000 dollars on down. They lose money doing it. So the guy that wants to buy the \$10,000 mobile home or the late couple that wants to buy the \$45,000 home in a Midwest, working class neighborhood, they can't go to the bank and get it. But an owner that's willing to take the risk with their own capitol can make it available for them.

**[Dentist Freedom Blueprint](#) with Dr. David Phelps and Evan Harris**

## **Ep #90: Building Relationships and Building Wealth with Jeff Watson**

What we're trying to do is just raise the number of deals you can do. There's a lot of pros and cons about this, but what it really is trying to do is instead of saying, "Listen we want to go back to pre-Safe Act where there was no limit." You're not going to succeed in doing that because they're going to pull out some of the articles from the Atlanta Journal Constitution, the Wall Street Journal, and other things talking about the unscrupulous few - you know, landlords, resellers, the snidely resellers of the world - that buy junk houses and sell them on terms and claim, "Well I sold it to you even though I am your landlord." They try and claim the middle from both ends.

They'll hit you with those articles so you've got to come back and say, "Listen, we're not trying to go at unlimited. We simply want to make sure that we have to prove that they're affordable." Because I always want to make sure that my seller finance buyers can afford because I want to get paid. I'm the guy making sure the payment comes in every week, or every month. I'm not the guy that originated the loan, got all the documents, submitted it into a porthole and knowing that my loan is going to be sold into some secured [inaudible] that Deutsche Bank or whoever is going to have a hand on. No, I'm not doing that. I just worry about my commission. No, I'm worried about my checks month after month after month after month getting paid off of selling my house or selling my asset.

What we're trying to do is change the climate to where capitalism is the solution not the problem. Free enterprise in a moral, conscious driven manner with ethics is the right way to go. We're not talking about Crony Capitalism, and we're not

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talking about the Robber Baron cheat them and forget about it. We're talking about the down the road, pillar of the community, the respectable guy that's built a portfolio now wants to pass it on this way, now wants to move and transition from dealing with fixing the roofs and fixing the porches and fixing the tenants' toilets, turnover, all that stuff. Instead, turns it over to let the buyer now have the pride of ownership, now have the tax deductions, now have the ability to grow wealth through the appreciation that goes with owning real estate.

David, think about that for just a minute. I'm know I'm bunny trailing here, buddy. Think about this. Think about how the Safe Act and Dodd-Frank have taken some of the hardest working people in America and put them in a position as we go into what I think is going to be higher inflation, put them in a position where they can't own an asset that will protect them against the ravages of inflation.

David: Jeff, you're so right. What Jeff is doing with his lobbying efforts is pushing back against this massive overreach. Every time there's a crisis in this country government steps in to try and be the savior and, of course, the pendulum swings 180 degrees the other way. That's exactly what happened. Yeah, do we have wide open of markets and sub-prime loans? Absolutely, that was crazy. But they've gone so far the other way, as Jeff's saying, totally taken a whole sector of our population out of the ability to own a home, if that's what they want to do. As you said, Jeff, we're going to see heavy inflation. And those who get left behind because they can't buy into some inflation hedge asset like real estate or even own their own home, they get left behind.

## Ep #90: Building Relationships and Building Wealth with Jeff Watson

You said, also, which is very true, that capitalism, true free markets, are false problems, but government is just intruding in so many different sectors today. If it weren't for people like you, Jeff, that step up, that not only understand this, but you can advocate in the right way. We're stuck. You're so close to getting this over the finish line. What can we do to help support your efforts? I mean, you don't need us all to show up in D.C. but [crosstalk]

Jeff: What I would love for everyone that's listening to do, there's just a couple of simple things that I'd love for them to do. One of them is to resolve that you're engaged. Just don't say, "Well, this is nice. Great job, David. Great job, Jeff. Go get them. Let me know when you win." No. Don't do that to us. Do this instead, do a little bit of research. Go to congress.gov and look up H.R. 5301. Because I don't want you to take my word for it, I want you to listen to it, and I want you to look at it.

It's a really short one page read. You'll see real quickly that the author, the sponsor of this legislation, is Congressman Roger Williams out of Texas. Conservative, staunch, good businessman. Co-sponsor is Henry Cuellar out of Texas. Good man. Another couple of cosponsors that are really interesting are Alan Grayson, Democrat firebrand out of Florida. Bobby Rush, former Black Panther out of Chicago is another co-sponsor because he sees what Dodd-Frank and Safe Act have done to the people in his district. That they can't buy houses that are so cheap now in Chicago. That are cheaper than they've ever been. These people can't go buy them, because they can't get the loans for 60, 80,000 dollars to go buy stuff

[Dentist Freedom Blueprint](#) with Dr. David Phelps and Evan Harris

## **Ep #90: Building Relationships and Building Wealth with Jeff Watson**

that used to be selling for 3, 400,000.

How do I know those prices? I'm lending to buyers who are buying in those ranges. So I know. I've got borrowers that are buying in Bobby Rush's district at prices that Bobby's clients and constituents should be buying at, but they can't get bank loans to do it.

The second thing I want people to do is this, go to the [sellerfinancecoalition.org](http://sellerfinancecoalition.org). Go to the website. You'll learn a lot more about it. Then I want you, when you get to the website, right there over on the right hand side of the picture of Capital Hill click on the "join us" button. Fill out the membership form and come in at somewhere between a grassroots member at a mere \$100 a year and a founding member at \$1,000 a year. Come on in there, get on board, and do it. Okay? This will make a difference.

You just want to do it. You want to get in there because then once you become a member you're going to start getting quarterly news letters telling you what's going on. You become a participating member you get the quarterly news letter and a monthly legislative update call that tells you more about what's going on. If you're a founding member, somebody like me, and I've deliberately told them, "Don't list me there." for a couple of reasons, but then you can have the opportunity if you want to fly in to D.C. and have them schedule meetings for you to go knock on doors, meet with legislative aids, and members of Congress, and Senate staffers, God bless you. You can do that. You can get an idea what happens in that town.

**[Dentist Freedom Blueprint](#) with Dr. David Phelps and Evan Harris**

## Ep #90: Building Relationships and Building Wealth with Jeff Watson

David: And you get Jeff's cell phone number, I think, when you are a founding member. I'm not sure.

Jeff: David, there you go again.

David: [crosstalk] if we can get some people on board. Thank you so much for sharing a little bit about your life and your progression from high education, working hard, trading hours for dollars, to what you've figured out and the work you do and I think really sharing some of the keys to your success in investing in real estate which we brought out today which is building those relationships with the right people. Then, finally, for the advocacy work that you do on behalf of all of us, Americans period, not just real estate investors, but Americans by pushing back to allow small business entrepreneurs to carry on and do the good work that the vast majority of them do. As you said, it's the few out liars that cause the push back in legislation that really curtails capitalism which is what this country was built on.

I can't thank you enough for sharing your time today. Jeff Watson, [watsoninvested.com](http://watsoninvested.com). I would definitely follow Jeff and please if you feel the desire to get involved and support Jeff's network [advancedcoalition.org](http://advancedcoalition.org) is the place to go. Please jump on board and help his efforts. I've done it. Hope many of you will also do the same thing.

Jeff, thank you, again so much for your time today.

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Jeff: David, it's been my privilege, my pleasure, thank you so much. Look forward to getting back to the next one of the Freedom Founders. The one just a few weeks ago, I've still got the notes right here on my desk. I love it. I take away far more than I give there, David.

David: We love having you come any time you can be there you're always a welcome guest. Show up whenever you can. We'll keep you on the schedule. All right?

Jeff: All right, man. Thank you so much.

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