Ep #129: Investing in Real Estate Notes on Main Street with Dave Van Horn

Full Episode Transcript

With Your Host

David Phelps

Dave Van Horn: There's a lot of advantages and disadvantages to notes, and one of the biggest ones is scalability and the fact that, if I can buy something at a discount with a high yield that has collateral, collateral, that's a big difference. If I invest in the stock market or something, do I really have collateral?

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David Phelps: Good afternoon, everyone. This is Dr. David Phelps of the Freedom Founders Mastermind Community and Dentist Freedom Blueprint podcast.

Back to you today with what's gonna be an interesting interview and discussion with a gentleman who's become, really, a good friend and a colleague in the space. Someone who's a mentor to me and to many people, comes down to our Dallas Freedom Founders quarterly meetings quite often, and is one of the people that we consider one of our trusted advisers, not only from his knowledge base, but also has some really interesting fund platforms that make it relatively easy for busy professional practice owners, business owners, to get involved in investing in the real estate space.

So, without further ado, let me introduce our guest today, Mr. Dave Van Horn. Dave, how are you, sir?

Dave Van Horn: How you doing, David?

David Phelps: Good to have you on. It's always good to catch up with you. You've been such a trailblazer in my opinion in the arena that we're going to talk about today, but let me give people a little bit about your background, because I think that also leads very well into your ability to discuss not just a particular area that you and your partners deal in at PPR Note Company, but your background gives credence to your whole financial background that you come up from. That's why I love to talk to you, because you've got the ability to talk on so many different subjects. That's what makes you relevant, so let me tell people a little bit about, Dave.

You've served as president and CEO of PPR Note Company, which is a holding company that manages several funds that buy, sell, and hold residential mortgages, that residential mortgages being, we call it paper, secured paper. When people buy a home, they go to the bank to get the mortgage when they're not paying all cash, and so your funds are buying that paper. We'll talk about that. That's what mortgages are. You do this nationwide. Dave, your expertise is derived from over 30 years of residential and commercial real estate experience as a licensed realtor, real estate investor, and fundraiser. As the latter, being a fundraiser, you've raised over $100 million. That's just a small amount, isn't it? $100 million from notes and commercial real estate. You're pretty good at that. You're one of the people-

Dave Van Horn: It sounds like a lot, David. It's really not that much money.

David Phelps: Well, not the way you guys roll today, it's not. But for most of us laypeople, if we could a hundredth of that, we'd feel pretty good.

Dave, you've also owned a considerable amount of residential investment properties as well as various commercial holdings, so that's again where I like a balance. You've been both, and you still are, in the equity, the ownership of real estate, but also this note or paper side, which is what your fund deals in today. In addition to your investments and role as CEO, Dave's biggest passion is teaching others how to build and preserve wealth. Dave is the co-founder and board member of Strategic Investor Alliance, a purposeful planning and networking group for accredited investors. Dave's also a national speaker and weekly investment blogger. You can catch with really good articles on biggerpockets.com. By the way, Dave, I always love your articles. We all get so much information coming at us, right? The internet is just full of stuff. You can be on forums and email feeds and blogs, but yours is one, when I see your stuff come out, I always click that because you've always got, I think, some really great perspective on what's going on in the market place, from your background and experience, you provide some really great content. I'd recommend people follow Dave on biggerpockets.com and just plug his name in there and just pick up some of those articles. Really, really good stuff.

All right, Dave, let's talk a little bit about you were telling me earlier that you and your partners, Bob Paulus and John Sweeney, which really is a unique partnership, I had the opportunity a couple years ago to come up and visit you guys, look behind the scenes, tour the office, and really see the culture that the three of you have developed. You all bring a strategic, complementary aspect, which is the key for partnerships, right? You got to have people that can do different things, but you complement each other. I really found that there. I love to get behind the scenes of people that I'm going to invest with. Really, that's the only way I invest today, Dave, is I do it through other people, or in funds like you guys. You guys really have built a great culture. I want you give us just a little bit of background on how you guys came together back in 2007. What was going on in the marketplace in 2007? Just refresh everybody, and how you didn't trip into it, but it's through association, relationships that you had with other people that you sense that there was this opportunity in this mortgage business.

Dave Van Horn: You mean how did I meet my partners?

David Phelps: Well, yeah. How did you guys come together? How did you have the focus come in to play to say, "Let's go into this paper arena," and particularly, which we need to define for people, you buy, still do primarily, defaulted paper, correct? Primarily?

Dave Van Horn: Yes, yes.

David Phelps: Or are you shifting gears?

Dave Van Horn: No, no, we're primarily, we're basically fund managers that buy distressed mortgages from banks. We buy one to four family residential nationwide, and it's first and second liens primarily.

No, we got into the business completely by accident. That's probably not what people want to hear. We came from the real estate world, me and my partners. My partner, Bob, I actually met I'm Michigan. He picked me up at the airport. I was raising capital and he was, too, for mobile home parks and storage centers in Michigan and Indiana. He had picked me up at the airport. Then we found out we lived near each other. We were both working for a company in New Jersey that was doing that. My partner, John, I actually ran a real estate investment networking group that I started probably, oh gosh, early 2000's. It started out with a dozen people downtown. Then it grew and grew and grew. It actually grew into five states, six cities, from Baltimore to New York. We had 8,000 people in our database, so the group really grew. What happened was I used to interview speakers. One of the speakers that came to our group to speak was a gentleman out of New York who was raising capital for distressed mortgages.

In the beginning, of course, I didn't do anything. It all sounded sexy to me. Oh, this distressed mortgage space. Probably three years went by, David. I'm actually embarrassed to say that that much time went by before I took action, but my partner had invested some money with that guy's firm, and he was making a good return. We were like, "How's he doing that?" When the real estate market was getting ready to crash, I was a realtor. Like you said, I was doing investor real estate, mostly, selling about 75 houses a year to Re/Max. I was doing property management, and I owned a title company. My partner John was my lender. He was a lender. We both got together. We were at lunch one day. We're like, "This market's going to crash. We know this thing's coming down." What we did was we reached out to the guy that came and spoke to our group and said, "Hey, if you teach us how to collect on these delinquent assets, we'll buy assets from you." Then the rest is history.

We put together some of our own money at first, made sure the model worked. Then I knew I had experience raising capital for commercial real estate. We also were doing commercial office condos up in the Lehigh Valley. We were building for new construction, so we had raised capital for commercial real estate and also had raised money, obviously, for one off residential deals. I had been doing that for years with IRA money and all that good stuff. This seemed like, "Oh, wow, we know how to raise money. Let's raise money for notes." Right? Obviously, that was my strength, raising capital. I guess that's what John saw in me as being his partner. He was more on the operational side. Even to this day, he oversees our acquisitions and licensing and things like that.

David Phelps: Dave, there's always a distressed mortgage market in any cycle. Right now, I think you'd agree we're kind of getting up high in the cycle again, like we were back in maybe 2005, '06, '07. No telling when we might see a change or a switch, but we're getting high in market. Real estate values have gone up since the downturn back in '08, '09, and '10. '11, '12, maybe down there was the valley. Things have gone back up in most markets. I think a misconception to a lot of people would be you were good at buying distressed paper back when there was a lot of distress. Doesn't seem like there's so much distress right now, so give our listeners a little bit of an idea how that pipeline still stays relatively full for you guys.

Dave Van Horn: Yeah, wow, there's a lot involved in what you just said. For us, we were kind of fortunate. We started in the note space in an up market because there's time lag between when distressed assets happen and when they hit the marketplace. A lot of the product we buy is several years delinquent. It could be three to five years delinquent. There's a little bit of lead time to that. To give you an example, we started actually 10 years ago, David, this October. We started in 2007, and it was still an up market in the note space at that time. We were moving along and we were buying very high priced assets. They were expensive. What happens is your exits are different. Your strategies are different. Your model is different in an up market.

Then when the market crashed, the big risk for us was that our portfolio's value dropped. There's something to ... Here's a good analogy. I'm trying to think of analogy in real estate for that. It would be like I owned a $100,000 house that I rent for $1.000 a month, and my mortgage is 700 or whatever, 650, 700. If the property fell to 80,000, you'd be like, "Oh, my gosh. The property fell to 80,000. It's not worth 100." But if I'm renting it for $1,000, and my mortgage is 650 or 700, I really don't care. I only care if I have to liquidate that house.

David Phelps: Yes. Yes.

Dave Van Horn: It's the same analogy with my portfolio of assets. People go, "Well, didn't you guys want to jump out a window when that happened?"

We were like, "Yeah, our portfolio dropped in value, but we weren't in liquidation mode. We were working our assets and holding our assets." For us, it really had very little impact on us other than the value of the properties behind our assets had dropped in value. It didn't necessarily dictate our exits. It didn't dictate the outcome of our assets. That's a concept for people to get their mind around.

The other side is, like right now, we consider we're in some type of up market in most locations throughout the country. Some areas haven't come back yet, but some areas are going crazy, too. What we're seeing is people go, "Well, assets are more expensive right now."

I go, "Yep, and I can look at my whole portfolio, and it just went through the roof because real estate values ..." We're in direct correlation to real estate values, so when real estate values go up, the value of the notes go up. Also, pay history goes up, the value of my notes go up. There's different things that dictate the increase in the value of the assets we hold, so today we tend to hold more assets than we sell. In a down market, we'll sell more assets sometimes.

There's also a lot going on. There's always delinquent assets, David, because of death, divorce, job loss, and medical. You would have to, for example, expect divorce to go away. Well, right now, I don't think that's happening.

David Phelps: No.

Dave Van Horn: It seems like it's a pretty popular option for half the people out there. That's not going anywhere, but the big one for us is typically jobs, or economic growth, or interest rates could have an impact as well because if interest rates continue to go up dramatically, it'll impact people's ability to buy a house or something. Or the values won't go up. They'll stay the same or drop.

People say that to me. They go, "What if real estate values fall?"

We're like, "There'll be more delinquent assets, we'll have more product to buy right?"

David Phelps: Right. Right.

Dave Van Horn: So it's like which side of this equation do you want me to talk about. It's really that we're making money in any market in different ways is what's really happening. That's tough one because people can't, some people can't get their mind around the fact that, "Oh, you can do that.".

David Phelps: Right.

Dave Van Horn: It's just like people struggle with, "Oh, you can make a high return with low risk?" Yeah, look at the guy that bought a million dollars' worth of nickels. Nickels can't drop in value, but it cost more than a nickel to make a nickel. That's a concept for people, right? What do you mean? That really exists? Yes. It does, if you look hard enough. It's the same way with us, right?

There's a time for money equation as well. By that I mean this: In a down market it takes us longer to exit a deal. There are a little bit different options. In a down market, we don't deed in lieu, for example. In an up market, we're more willing to do deed in lieu. You can see how the options change, but in an up market, we're in and out of a deal quicker, and there's less discounting. A lot of times I give people an example of that. I say, "If we bought a $40,000 second mortgage in down market, maybe we paid five grand for that." If we were having a conversation with a borrower, we could say, "Give us 20,000. We'll make the 40 go away." In an up market we might have paid 20 or 25 grand for that asset. Obviously, we're not discounting very much. We might discount 40 down to 38, and go, "Well, no, there's plenty of equity back in that asset. There's no reason for us to discount, because we could pursue foreclosure and get all our capital back, right?

David Phelps: Yeah.

Dave Van Horn: So there's variations in that. I'm just giving that as an extreme example. Not that we're that hardballish. We're not, but you get a feel for how it's different. Yes, there can be higher price points. You're just not discounting as much or that type of thing. If I took a property back today in an up market and couldn't sell it tomorrow, next month it's worth even more, because it's an up market. Right?

David Phelps: Exactly.

Dave Van Horn: Let's put it in perspective, guys. Everybody gets freaked out, but they're really not thinking it all the way through, or they're just now experienced in the space. That's really what it is.

David Phelps: Yeah, exactly, Dave. I want to make sure all of our listeners are clear on when we talk about, again, distressed mortgage paper that you're buying, these are people that have defaulted. The banks, the big banks, or even today you told me that you got a direct line to HUD and Fannie Mae. But where you get the paper, you're buying in big tranches because your fund, you guys raise a lot of capital. You can go in, you have the relationships and the track record, so these big institutions will deal with you, because that's a big concern for them. They're not going to deal onesie-twosies with the general public. They only deal with larger funds that have a track record in the compliance and the regulation and infrastructure in place. You guys are buying this defaulted, distressed paper at some amount of discount relative to, again as you said, up market or down market, you're still buying at a discount, and it give you a lot of margin with the ability to do what we call the workout.

Your team, your company, you've got people that are specialists at reaching out to these homeowners that are distressed. They have defaulted. They've not been making payments for one, two, three, four or some years. Now you reach out to them and say, "Hey, there's a new sheriff in town. We own your mortgage, and even though Bank of America or Chase haven't been reaching out to you or doing anything, you still owe the debt, so let's see what we can work out." Now you go down these different models of helping people. As you said, you can discount some for them. Lots of ways to do it, but what you essentially do is you take defaulted paper and turn it into re-performing paper, or take the asset and do something with that.

There's a lot of margin there, and knowing how to buy and what the pricing structure is, is one of the keys to that. The second key is, as I said earlier, it's having access to the portfolios that you can take down. That's why it's really a benefit to know people like you and PPR Note Company for investors that want to be more passive but still have secured assets behind their investments.

That leads me up to my next question for you. Why do you think that the note business, if you will, Dave, is a good one for busy professional practice owners or business owners that like the idea of real estate as investment collateral, but gosh, number one, aren't going to be able to go out and find this paper or certainly not going to go out and want to work defaulted paper, as sexy as that sounds, right?

Dave Van Horn: David, I don't often do that.

David Phelps: I know you don't. You're doing all the fun stuff, but again, the opportunity there for really nice returns on capital, why do you ... Because again, you've done both and you do both. You own equity properties, and you obviously have your own portfolio besides PPR's. Why the note? The paper secured real estate, paper business or investment, if you will, for busy people. Why do you like that?

Dave Van Horn: Wow. That's a loaded question, but it's a good question and it's a common one we get. Maybe part of it's because I'm an older real estate investor, and I'd say worn out, or whatever you want. No, I still ... David, I personally still own 18 places. It's not like I don't have my hand in it at all. The company, there's times when we own 100 to 200 properties throughout the country, which is a different management strategy as well, but there's a lot of advantages and disadvantages to notes, and one of the biggest ones is scalability and the fact that if I can buy something at a discount, with a high yield that has collateral, collateral, that's a big difference, right? If I invest in the stock market or something, do I really have collateral? The fact that I can get in at a discount and get a high yield and have a collateral that's backed by real estate ... If you notice, I said one to four family residential. I start looking at Maslow's hierarchy of needs, and then I start to get excited about this investment vehicle. That's just me, and I'm coming from a real estate background.

But the other reason is banks figured this out a long time ago. There's just as ... Real estate is a finance driven business. It probably wasn't until I was 40 years old until I figured out, "Hey, this is a finance-driven business." It's not a rehab driven business. I was in construction, right? But it's really a finance-driven business. What I figured out was that there's just as much money to be made in the finance as there is in the actual real estate. To me, it was more scalable. In some ways it has its own headaches, but they're different headaches. I think there was less headaches and more manageable headaches for me. I'm not saying it's for everybody.

Now, on the note side, yes, I'm in notes. I'm in ... Think about it. I own a note company. I own notes themselves, and I'm in note funds. If you ask me what's the difference and which one's better, the honest to God's truthful answer is I don't know because you don't know what you're going to make until you exit your deal. Right? I could be in the note and think I'm in the greatest note in the world. The monthly payment's great. I don't know until I exit that deal what I actually made on that deal. I don't know 'til that fund pays me my last payment before redemption. What did I make in the fund? I don't know what my note company's worth until the day I sell the note company, right or whatever. I think people lose sight of that as well, but for me they all have advantages and disadvantages. Probably, when people say I want to get into the note business, one of my first questions to them is, "Really? What time commitment do you have? What is your experience level and education level? What type of risk tolerance do you have?" All these are important questions to me to figure out what's best for this potential investor.

One of the things, like with your audience, Dave, with the Freedom Founders group, for example, they're smart folks. They're educated folks. They're smart people. A lot of them have their own businesses. They own some real estate, but when you get into the note space, really, how much time do you have to learn a whole new industry. We're in the collections side of the world, really. Do you really want to learn collections? Do you really want to learn servicing? Do you really want to learn all these different things? I don't know that you have to. But for a typical accredited investor especially, sometimes the note business carries a little bit of risk to it, whether it's fair debt collection and that type of stuff. Do you really need ... You could be sued on a note, right?

David Phelps: Right.

Dave Van Horn: Well, if you're in a note fund, for example, you really can't be sued. You're not going to take the hit. You're also diversified amongst pools of assets. Whereas if you lost an asset, you're spreading your risk around. Really, the only thing you can lose is the capital you have invested, which I know, nobody wants to lose anything ever, but it's like buying stock in a non-publicly traded company. Now you're investing in the management team, the experience level, the track record, that type of thing.

The other thing is they have experience in doing what they're doing, and you don't have to learn a whole new industry, right? It's true mailbox money, if that can work out for you, so I think there's a lot of advantages. Like my mom, she loves the note business. She doesn't know why. She'll sometimes wonder is, "How can this be. Nobody else I know does this."

No, I think what's happening today with the internet and things like crowdfunding, for example, where the little guy can now invest in Wall Street products that were at one time not open to them, you're starting to see some shrinkage in the marketplace today where in an up market it's a supply and demand equation, just like it's a time for money equation.

Supply and demand, the supply starts to shrink in an up market as real estate values go up. What happens is the larger hedge funds that are closer to the top end up keeping the assets or buying the assets and few assets trickle down to the public, but what's interesting today with new products like crowdfunding, for example, you're seeing the little guy be able to have access to investments they normally didn't have. It's cutting out all the middlemen between here and Wall Street, which is an interesting thing that's going on in the world today with things like crowdfunding. Whether that's prosper.com or Patch of Land or RealtyShares, you're seeing a whole new world coming about, and it's changing the way business is done. It's going to upset, I think, the banking industry, the financial services arena. I think we're in a unique position because we're different. Right? We're small. We're nimble. We're able to capitalize on some of this stuff where we're connecting Main Street to Wall Street and cutting out the middle man. One of the advantages of us is we have no fees. Look at the fees that people pay to be in some of the products that they're in. I don't know if I answered your question. I just talked a lot, David.

David Phelps: No. You did. No, no. No. I tend to throw those wide-open ringers to see what you say ...

Dave Van Horn: I just keep going and don't know how to get back to where I was.

David Phelps: No, I'll bring you back if I need to know. That was good. That was good. I definitely agree with you, Dave. When we talk about the note business, that is someone who acquires in the marketplace, or in my case, you remember, I know you've done to some extent, I'll take properties I've owned and it's time to move it out of my portfolio. I'll do onesie-twosies. I'll generate my own notes because I've got the asset. I'll put the borrower together. I'll generate. I do have a portfolio of my own notes. I would say once they're generated, or once you acquire them with a track record, and have them serviced by a third party, doesn't take, typically, a whole lot of management, especially again in an up market, right? Now if you have the stress in the economy, that can change things and you may have to become a collector or that kind of thing in some respect, but it still is a business, and it requires, as you said, to spend some time, get involved, learn a lot of things about it. If you got a lot of time on your hands and really love this stuff, hey, you know what? Go for it.

But I do also like to put my money into funds, because, as you said, you can put your money with a company, a management team that has a track record, knows what they're doing. But here's the question, and you mentioned crowd funding as well, so I guess I got a couple of questions. Here I go again, right? A double ringer. See if you can catch both of these. In an up market, when you talk about supply and demand, in an up market, Dave, like we have right now, we both know there is a ton of money that's sitting out there chasing yield, both in the stock market and real estate side, hard assets and paper assets on Wall Street. There's a ton of money looking for yield today. I think to a great extent, that's why both markets are up where they are.

The problem I see is there's always promoters who see that. They understand that, "Hey, wow, there's people ... I can go and be a front end promoter for a crowdfunding type of deal. There's always people that'll throw money at it because we can give them better yields than they can get at the bank." How does somebody vet the crowdfunder or a fund management team to figure out, gosh, are these new kids on the block, or what's their track record, or are they getting so much capital thrown at them that they feel the burden of having to invest that money so now maybe they're pressing the margins a little bit too high and buying assets too high in this retail space. They might be good people, but gosh they got the pressure to make this money perform. How does somebody trying to figure this out, how do you deal with that? How do you discern, where do I go?

Dave Van Horn: You're talking about a different issue, which is capital deployment. One of the questions we ask ourselves is do we want to even go the crowdfunding route, or do we just want to continue the path that we raise capital at today. So it's a function of ... But you can turn it on and off. Do people get greedy and do people do crazy things? Do people raise more money than they need? Now they got to find a home for it, and then they go invest in something they should not have? Yeah. That can happen. I'm not going to say that that never happens. It does, but some of the things that's unique to us it seems like the more known we are the more capital we tend to have, it's almost like assets find us. The opposite happens as well. It's not always who you know. It's who knows you sometimes. Sometimes, that works to your advantage. But no, I can see what you're describing. Can that happen? Oh, yeah. Absolutely. Could that happen to a BlackRock, for example? They have so much capital. Do they got to go find another business model to try to deploy all the money that they're ... Because they're making their money in what? Fees, for raising all the money.

David Phelps: Sure.

Dave Van Horn: For us, sure we have the right to pay people back, so we could just send their money back, right? We don't have to keep taking people's capital. The other side is we can lower our rates and we can raise less capital with a lower rate and replace higher priced capital as why we're waiting for the next purchase or something, so there's definitely regulators that can be used to manage some of that capital raise. Even on the crowdfunding side, they can turn that on and off. A typical crowdfunding offering could be 20 million or 50 million. Nobody says you have to keep doing that. You can hurry up and raise 20 million and shut it off, and then not start it up again. There are ways to regulate some of that, but that doesn't take into consideration a bad actor who's raising the money and wants to go do something else with it or something.

David Phelps: Yeah, all right. All right. Good, good. That was good. Help me out, one last question then. How could the individual investor who likes the idea of a fund or crowdfunding, what level of background check and how would they go about doing it to see are these people reliable? Where do you start, Dave? What do you do to investigate?

Dave Van Horn: That's a great analogy. One of the things that we've done is you mentioned that I'm on the board of this Strategic Investor Alliance, not that I'm trying to give that a shameless plug or anything. But one of the things it does is it acts like a Yelp for investments and advisors. We bring experts to our group, and we bring in investment vehicles, so it's not just notes. We have other investment vehicles, just like your group does. What happens is the group can actually share resources to vet people, to go investigate people, to go out and see people. It would be like your group of docs. Not every doctor has to jump on a plane and fly to PPR if they know Dr. Archelli lives down the street from me and he comes to my office, right?

David Phelps: Exactly.

Dave Van Horn: That's the power of your group, right? Or other ... Neal Bolishen, he's right down the road. He comes to our investor meetings. He can drive to my office any day. He can have lunch with me, right? He doesn't even have to jump on a plane, right? That's the power of these groups. Just like our investment group, just like your group, David, is it acts like a Yelp for investment vehicles and advice. If somebody's having a bad time with a particular fund that's in our group, believe me, word will travel, right? Bill Fairman and Wendy Sweet are in our group, for example. If somebody invests with them and had a bad experience, not that that would happen, but word would travel in the group and I think that's one way to do it. That's the beauty of these groups. You can share resources, right? Because it takes time to go vet stuff. I think that's one of the advantages of Freedom Founders is you can go to Freedom Founders. You can spend a weekend once a quarter or whatever, and you can go look at all these options that you have for you there. Then you can ask other people, how's it working out for you? How long have you know these guys? How long have they been coming to Freedom ... All that, all those types of questions. That's priceless. You know how much time that saves people?

David Phelps: A ton.

Dave Van Horn: A ton of time. It's all about relationships, right? I think that's one way. There was one of the ... I can't think of the doc's name. He came to your ... He's a cancer radiologist from the Atlanta area. What's his name? Dr. ...

David Phelps: Yeah, yeah. I know who you're talking about, and I'm sorry, it's not ...

Dave Van Horn: I can't think of his name. I'm going blank, but he did this experiment. In fact, he wrote an article on Bigger Pockets about it. He did an experiment about these crowdfunding things. He invested in 35 different, or 30 different crowdfunding sites. He gave a report on how each of them fared. He gave his top five or ten. What a great way to have a trusted source of somebody that already did it. That's what the beauty of sites like Bigger Pockets are. It acts like a Yelp again. Hey, did anybody ever buy a note from this guy or did anybody ever invest in this guy's fund? Then you get feedback from other people from around the country that have and what their experience was. I think that's powerful third party validation type thing.

David Phelps: Yeah, I totally agree. Good tips. Good tips.

Dave Van Horn: I'll think of his name in a minute.

David Phelps: I know. I know exactly who you're talking about, but I can't quite have it either.

Dave Van Horn: I’ll remember ...

David Phelps: Good, well that was good, Dave. Dave, people can get in touch with you at your primary website, which is PPRnoteco.com. Talked about our blog on Bigger Pockets, so can go to Bigger Pockets and just type in Dave Van Horn. That's V-A-N H-O-R-N. You've got a direct connection listed here also through Bigger Pockets.

You want explain how that works as far as a direct connection, Dave? What does that mean?

Dave Van Horn: That means you can message me anytime on Bigger Pockets and ask a question and we would answer it. If you had question on notes or a question on note funds, you could literally go right to Bigger Pockets. You have to be a member, so they would make you register, but you could ask anything you want anytime. Actually, me and my team actually answer questions regularly, literally daily. We answer people's questions. The cool part about it is sometimes there's threads on there that people have already asked what you were thinking and it's already asked and you can go there and read about it or learn about it or see an answer already. Or you can just ask the question and we'll get back to you. It's another way for people to engage with me without necessarily, I don't want to say bother me, but ... Because I can answer questions on my timeline, right, which is the beauty of that site, right?

David Phelps: Exactly.

Dave Van Horn: It's not like I'm answering questions at two in the morning or something.

David Phelps: Exactly.

Dave Van Horn: You get that, David.

David Phelps: Yeah, good stuff, good stuff. Dave Van Horn, thank you so much. It's always great to catch up with you. You've been, as I said earlier, a great friend, a mentor, somebody who I have utmost respect for, your knowledge and your track record in the overall industry. It's always a pleasure to have you on and let you give some of your very valuable insights to our group to Freedom Founders and to the larger group that are listening on the podcast, so thank so much, Dave.

Dave Van Horn: My pleasure, David. Thank you.

David Phelps: Talk to you soon.

Dave Van Horn: Talk to you, Dave.

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